

Management Audit
Of the
Office of Emergency Services

Prepared for the
Board of Supervisors
Of the City and County of San Francisco

By the
San Francisco Budget Analyst

May 15, 2006

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 15, 2006

Honorable Aaron Peskin, President
and Members of the Board of Supervisors
City and County of San Francisco
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear President Peskin and Members of the Board of Supervisors:

The Budget Analyst is pleased to present the Management Audit of the Office of Emergency Services. On September 13, 2005, the Board of Supervisors adopted Motion M05-119 amending the Budget Analyst's schedule of Audits. As directed by the Board of Supervisors in the Motion, the Budget Analyst conducted a management audit of the San Francisco Office of Emergency Services. The Budget Analyst conducted this audit pursuant to the Board of Supervisors power of inquiry as defined in Charter Section 16.114.

The purpose of this management audit was to evaluate the efficiency, economy, and effectiveness of the Office of Emergency Services' programs, activities and functions. In doing so, the Budget Analyst also assessed compliance with applicable State and Federal laws, local ordinances and City policies and procedures. The Budget Analyst specifically reviewed the Office of Emergency Services' activities related to legislative authority, communication and coordination, strategic planning, grants and budget, financial management, emergency plans, pre-disaster mitigation, emergency response, training, exercises, equipment, and management, organization and staffing between 2001 and 2006. Given the nature of the Office of Emergency Services and the Office's coordinating responsibilities, the Budget Analyst also reviewed the Office of Emergency Services' coordination efforts with other City departments, local and State jurisdictions, private stakeholders, and non-governmental organizations.

Initially, the Budget Analyst wants to comment that on May 11, 2006, we received letters provided by the Executive Director of the Office of Emergency Services from the following 30 organizations which were highly complimentary of the Executive Director of the Office of Emergency Services and her staff:

- Governor's Office of Emergency Services
- California Office of Homeland Security
- Seismic Safety Commission
- Department of Parking and Traffic
- San Francisco Public Utilities Commission
- Department of Building Inspection
- Marin County Sheriff
- Mayor's Office of Neighborhood Services
- San Francisco Medical Examiner
- Port of San Francisco
- Eve O'Toole – Washington, D.C., Lobbyist for SF
- The Volunteer Center
- University of California San Francisco
- San Francisco Animal Care and Control
- American Red Cross
- US Department of Homeland Security
- SFReady.org
- San Francisco Interfaith Council
- Building Owners and Managers Association of San Francisco
- Mayor's Office on Disability
- Association of Bay Area Governments
- San Francisco Housing Authority
- San Francisco Department of Public Health
- San Francisco Office of the Sheriff
- Safety Awareness For Everyone
- Fisherman's Wharf Merchants Association
- Hotel Council of San Francisco
- Walgreens
- City of Oakland, Homeland Security Program
- URS Corporation

As examples of the letter contents, Deputy Chief Greg Suhr of the San Francisco Public Utilities Commission writes to the Executive Director of Emergency Services "Please stay the course and don't be discouraged by anything the Budget Analyst's Report may have to say. You are taking San Francisco's OES in the right direction and we (those of us that live/work and keep our families here in San Francisco) appreciate it." Daniel

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Homsey, Director of the Mayor's Office of Neighborhood Services states that he would "like to take this opportunity to acknowledge the exceptional work that the OES team has contributed to the Neighborhood Disaster Planning Project (NDPP) over the last 7 months." Matthew R. Bettenhausen, Director of the California Governor's Office of Homeland Security, stated that "it has been both a personal and professional pleasure to work with . . . Director, Annemarie Conroy." Finally, Patricia Breslin, Executive Director of the Hotel Council of San Francisco, states that the Hotel Council would like to thank the Director of Emergency Services "for your efforts this past year to inform and involve us in your plans to make San Francisco emergency ready."

After thoroughly reviewing all of these letters of praise for the Executive Director of the Office of Emergency Services and her staff, the Budget Analyst would simply comment that nothing contained in these 30 letters changes any of the significant deficiencies and related facts disclosed by the Budget Analyst in this management audit.

The Budget Analyst conducted this management audit from November 10, 2005 through May 7, 2006 in accordance with Government Auditing Standards, 2003 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. The Budget Analyst provided draft reports to the Executive Director and Deputy Director of the Office of Emergency Services, which was then provided to the Mayor's Office by the Office of Emergency Services. The Budget Analyst held an exit conference with the Executive Director and Deputy Director of Emergency Services, along with several key staff members, and the Mayor's Director of Public Policy, to discuss the report prior to issuance of the final report to the Board of Supervisors.

The Budget Analyst must disclose that the Office of Emergency Services created an external impairment limiting the ability of the Budget Analyst to carry out this audit as defined by Section 3.19 of the U.S. General Accountability Office, Government Auditing Standards. Specifically, the Budget Analyst was not permitted to observe a critical policy meeting, a homeland security policy seminar with Department heads and elected leaders, Office of Emergency Services staff meetings, and was not allowed to speak with representatives from the URS Corporation, the company contracted to develop a Regional Plan, until after the Budget Analyst's final meeting (Exit Conference) with the Office of Emergency Services.

On May 10, 2006, five days before the public issuance of this management audit on the Office of Emergency Services, the Mayor issued Executive Directive 06-01. This Directive identifies 19 action items for the Office of Emergency Services and City departments to focus their efforts in order to ensure that emergency preparedness receives the highest priority in this administration. Although 17 of the 19, or 89.5 percent of these action items flow directly from the Budget Analyst's findings and recommendations contained in this management audit report, there is no reference in this Directive to the Budget Analyst's management audit report. While the Executive Directive does not

publicly cite the Budget Analyst's report, a Mayor's Office official noted that the action items in the Directive are a direct result of the Budget Analyst report's findings and recommendations. The Mayor's Directive calls for these 19 action items to be effective immediately.

Key Issues Facing the Office of Emergency Services and Report Findings

The Office of Emergency Services is the City department charged with coordinating emergency response and preparedness. In doing so, the Office of Emergency Services directs training and exercise efforts, initiates special programs intended to enhance the City's preparedness, and manages applicable Federal and State grants. Since FY 2001-2002, the Office of Emergency Services has managed \$82,797,851 in total grant funds. As a result of the influx in grant funding, the Office of Emergency Services has increased its staff size by 19 positions or approximately 317 percent, from six staff members in FY 2001-2002 to 25 staff members in FY 2005-2006. In addition, the Office of Emergency Services has significantly increased its level of activity regarding emergency preparedness in the City.

Under the current administration, the Office of Emergency Services has increased the level of emergency planning and activity substantially compared to previous administrations. Moreover, many of the programs that the Office of Emergency Services has initiated are highly promising, and in some instances are models for other jurisdictions.

However, other areas within the Office of Emergency Services need to be significantly improved. This management audit of the Office of Emergency Services includes 13 findings and 72 recommendations. A list of the management audit recommendations is shown in the Attachment to this transmittal letter. Each of these 72 recommendations includes a designated priority (1, 2 or 3) for implementation.

Implementation of the Budget Analyst's recommendations would result in one-time Federal and State grant funds of up to \$60,847,317. These one-time revenues reflect \$59,047,317 of Federal and State emergency grant funds that the City may otherwise have to forfeit. Further, grant revenues could provide offsets of up to \$1,800,000 of General Fund overtime expenses incurred by the City. In addition, implementation of the Budget Analyst's recommendations would result in potentially future General Fund revenues of \$390,031 from interest earnings, while annual costs of \$190,242 for rent and \$169,092 for salaries would be avoided.

Implementation of the Budget Analyst's recommendations would also result in estimated one-time costs of \$1,470,000 and annual ongoing costs of \$25,057. Most, if not all of the one-time costs could be paid with Federal Urban Area Security Initiative or other grant

funds managed by the Office of Emergency Services and the annual ongoing costs could be paid with Emergency Response 911 Fees. In fact, \$1,000,000 of the one-time costs is for upgrading and expanding the Emergency Operations Center. Since such costs were previously included in the Office of Emergency Services request for release of reserved funds, this \$1,000,000 would not represent a new project cost.

The following sections summarize our management audit findings:

Section 1: Legislative Authority

The City's Charter and Administrative Code contain numerous provisions that specifically address the City's emergency requirements, including assigning the Mayor, with the concurrence of the Board of Supervisors, the leading role and responsibility to take necessary actions to respond to an emergency. While the Mayor is directly responsible for the City's emergency services, Section 7.3 of the Administrative Code establishes the Disaster Council, which is chaired by the Mayor with the Director of the Office of Emergency Services as the Executive Secretary, as the oversight body for emergency services in the City. In accordance with Section 7.4 of the City's Administrative Code, the Disaster Council is responsible for developing an emergency plan that effectively mobilizes all public and private resources in the community and forwarding implementing legislation to the Board of Supervisors.

However, the Disaster Council is not adequately performing in this capacity. For example, since 2004 the Disaster Council has grown by nine new members, and although appointment to the Disaster Council is at the discretion of the Mayor, there is little representation on the Disaster Council outside of City and County of San Francisco officials. Without significant representation on the Disaster Council of private organizations that are knowledgeable about emergency planning, it will be difficult, if not impossible, for the Disaster Council, and therefore the City to insure that all private emergency resources are adequately included and coordinated during an emergency. Moreover, although three nonprofit organizations are members of the San Francisco Disaster Council, none of these organizations are currently attending Disaster Council meetings because they do not receive information or notification regarding when and where the Disaster Council meetings are held.

Furthermore, since 2001, the Disaster Council has not forwarded any ordinances, resolutions, rules or regulations to the Board of Supervisors for adoption. This applies to emergency plans, mutual-aid plans or agreements. As a result, although City department staff may individually review draft plans, no policy body reviews the City's emergency plans for timely completion, consistency, adoption and implementation by the City.

In addition, the Disaster Council has only approved one plan, the City's base emergency operations plan, despite the development of 17 emergency plans within the past two

years. Furthermore, the Office of Emergency Services has established various committees to determine grant funding allocations for emergency services and therefore the City's priorities for emergency activities, rather than raising such issues with the Disaster Council. The current composition, activities and roles played by the Disaster Council raises the question regarding the future appropriate role and responsibility for the Disaster Council and whether the Disaster Council needs to be modified to perform to its fullest intended oversight capacity.

Section 2: Communication and Coordination

The fundamental responsibility of the Office of Emergency Services is the coordination of the City's emergency preparedness efforts. Despite this, effective coordination and communication within the Office of Emergency Services, with other City departments, and with non-City organizations does not consistently occur. For example, on multiple occasions, Office of Emergency Services staff provided conflicting information to City department representatives regarding planned training, emergency planning, and the Office of Emergency Services' committee structure.

In fact, despite repeated requests, the Office of Emergency Services did not provide a comprehensive chart of the Office of Emergency Services committee structure to the Budget Analyst until after the final meeting (Exit Conference) between the Office of Emergency Services and the Budget Analyst staff, just prior to the issuance of this report. Further, this chart was inconsistent with the information provided during the audit and during the Exit Conference. Also, the Budget Analyst was not permitted by the Office of Emergency Services staff to attend the Office of Emergency Services internal staff meetings during the audit and was therefore unable to determine the value of the information shared at staff meetings.

Several City department staff reported that Office of Emergency Services meeting announcements are inconsistently accompanied by an agenda and minutes are taken only sporadically. As a result, City department representatives often do not know which meetings are most important to attend and if they miss a meeting, they are unable to review what occurred. Despite repeated requests from City departments, the Office of Emergency Services has also not produced an exercise schedule for the next six months or beyond, which identifies the objectives and requirements in advance. According to a senior Police official, this results in the Police Department sending both too many staff and staff with inappropriate specialties to such exercises.

In addition, the Office of Emergency Services often does not communicate effectively with other City departments and other public agencies regarding its emergency planning activities. For example, when the Office of Emergency Services installed its replacement public alarm notification system sirens, the Office of Emergency Services did not coordinate these efforts with the Department of Building Inspection to identify those

buildings with higher seismic construction ratings for locating the sirens. As a result, some sirens are located on seismically vulnerable buildings.

Furthermore, the Office of Emergency Services has not systematically included key City departments and other local agencies in exercise scenarios that focus specifically on their facilities, negating the ability of City departments to coordinate their emergency preparedness efforts with these other entities. For example, the Office of Emergency Services did not notify Municipal Railway (Muni) or Bay Area Rapid Transit (BART) staff that the February of 2006 Tabletop Exercise would be addressing a Chemical Agent Release in a BART/Muni station, so that the Muni and BART staff could specifically participate. Similarly, the Office of Emergency Services did not specifically notify Public Utilities Commission (PUC) staff that the January of 2006 Tabletop Exercise focused on a power outage in downtown San Francisco. As a result, representatives from the Muni, BART and the PUC did not attend these respective Tabletop Exercises, significantly reducing the value of the exercise for Muni/BART and PUC officials as well as the learning opportunities for all emergency staff attending these exercises.

The Office of Emergency Services did not maintain a master contact list that contained telephone, fax and email contact information for the City employees who perform emergency management activities and related functions for their departments, again until after the final meeting with the Budget Analyst Office (Exit Conference). Instead, each Office of Emergency Services staff person maintained a separate list of City employees with whom they work. As a result, there were many contact lists, each of which contained information about different, albeit often overlapping sets of employees. In addition, the Office of Emergency Services did not maintain a comprehensive contact list for Federal and State agencies, regional partners, private firms, and non-profit organizations.

The Office of Emergency Services changed its name and letterhead to the Office of Emergency Services and Homeland Security in mid-2004. There was no legislation introduced or memorandum informing the Board of Supervisors or the public of this name change. Although not required by law, public notification of a change to the official name or title of a City department is a logical practice, particularly for an Office whose fundamental responsibility is coordination and communication. And finally, the current Office of Emergency Services administration has not built on the positive management practices and effective communication tools established by the previous administration, such as work plans and exercise evaluations.

Ineffective internal communication, inconsistent advance notice of meetings, a lack of follow-up from meetings, and a changing committee and working group structure at the Office of Emergency Services has resulted in City department representatives often being frustrated and confused. By failing to provide basic management tools and activities, such as creation and maintenance of a master contact list, sending out agendas, and keeping stakeholders informed of changes to the organization, the Office of Emergency Services

has poorly managed its fundamental responsibility of facilitating effective communication and collaboration of emergency services in the City.

Section 3: Strategic Planning

Strategic planning, including setting goals, objectives, and performance measures, is an essential responsibility of an organization's senior management, which helps to direct programmatic efforts appropriately, accomplish results, ensure accountability, and properly manage financial resources. The Office of Emergency Services has produced a plan based on Federal goals that the Federal government has accepted as a strategic plan for receipt of the Urban Area Security Initiative grant. However, the Office of Emergency Services has yet to conduct a robust strategic planning effort consistent with generally accepted strategic planning guidance. As such, the Office of Emergency Services has not identified goals for emergency services independent of grant goals, has not identified goals for the Office itself, has not fully identified and prioritized the City's risks and needed response capabilities, and has not sought out input from policy-makers or stakeholders on the long-term goals and objectives of the City's emergency services.

By using the Federal target capabilities alone as the strategic direction of the Office, the Office of Emergency Services has exposed itself to critical future potential problems. First, there is no guarantee that local projects and needs will continue to align with the Federal capabilities as the capabilities change over time. Second, as the Office of Emergency Services completes projects, there is an assumption that the Office has moved closer to meeting the goal, which may or may not be correct. Third, the Federal target capabilities can be limiting, as none of the capabilities address organizational capacity, such as staffing or operational sustainability.

In January of 2004, the Disaster Council adopted the Emergency Management Accreditation Program standards to help guide the Office of Emergency Services in its efforts. These national, voluntary standards provide direction for local jurisdictions on strategic planning and performance. The Disaster Council specifically cited strategic planning and performance measures as reasons for adopting the standards. While it has been more than two years since the adoption of the standards, the Office of Emergency Services has yet to take initial efforts toward accreditation, such as conducting a self-assessment based on the standards.

Performance measures for emergency services provide an indication of the effectiveness of emergency preparedness efforts, demonstrate a level of overall preparedness, and act as a tool for policy-makers and the public to hold City departments accountable for the City's emergency services. However, the Office of Emergency Services' performance measures are not only inappropriate but are also out-dated. For example, one performance measure captures the number of committee meetings held for a committee that no longer exists. The lack of appropriate performance measures makes it difficult to demonstrate

whether the City is more prepared now to address an emergency than in previous years, and makes it difficult for the Office of Emergency Services to demonstrate that its efforts have achieved the intended outcome.

Moreover, the Office of Emergency Services' lack of formal reporting to the Board of Supervisors has limited the accountability associated with emergency preparedness activities in the City. Without strategic plans, preparedness goals, or performance measures, it is difficult for policy-makers and the public to hold the Office of Emergency Services and other City departments accountable. Formal reporting on emergency preparedness activities and expenditures both to the Board of Supervisors via public hearings, and to the Mayor via the SFStat program, is an additional method of ensuring accountability.

In addition, because the Office of Emergency Services has only recently conducted a risk and capabilities assessment, it is not clear how the Office of Emergency Services has prioritized its efforts to date, and whether the Office of Emergency Services has prioritized its activities based on the risks the City faces. For example, while the Office of Emergency Services has increased the number of preparedness activities, the Office of Emergency Services did not begin preparation of an earthquake plan until January of 2006. Similarly, less than one percent (0.2 percent) of City employees, trained through Office of Emergency Services-led training courses, have received earthquake-related training.

Section 4: Grants and Budget

Office of Emergency Services officials have stated that the Federal government has ranked the San Francisco Bay Area as one of the most likely urban areas for terrorist attack. This ranking contributed to the Federal government's FY 2003 – 2005 Urban Area Security Initiative grant allocation to San Francisco. By allocating these grant funds to the San Francisco urban area, the Federal government also provided an indication of how much money the area needed to spend to adequately increase the level of preparedness. To date, the Office of Emergency Services has received \$82,672,634 in Federal and State homeland security and emergency preparedness grants since 2001. However, as of February 1, 2006, the Office of Emergency Services and other City departments had not expended \$59,047,317, or 71 percent of these funds.

Including encumbered funds, \$44,650,018, or 54 percent, of the total grant funds were still unexpended as of February 1, 2006. However, the Office of Emergency Services and other City departments may or may not expend the encumbered funds in the near future. For example, as of February 1, 2006, several items totaling over \$100,000 from the FY 2003-2004 Urban Area Security Initiative Grant Part 2 remained encumbered, but unexpended, for more than a year. In addition, other encumbered funds are never expended. For example, as discussed in Section 13: Management, Organization, and

Staffing, many grant funded positions within the City, which required funds to be appropriated in the annual budget for salary and benefits, have not been filled. In FY 2005-2006, approximately \$2,116,400 of unexpended grant funds were appropriated for staff positions which were still vacant as of January 13, 2006.

This low rate of expenditure could cause the City to lose the ability to use these grant funds, as all of these Federal and State grants will expire by December 31, 2006. Moreover, the State has announced that it may redistribute unexpended funds in September of 2006 from jurisdictions that have not fully expended or encumbered the grant funds.

Other jurisdictions in California have a similar expenditure and encumbrance pattern as does the San Francisco Office of Emergency Services. For example, both Los Angeles County and the City of Los Angeles have expended less than 30 percent of their respective Urban Area Security Initiative grant allocations, and have encumbered an additional amount. However, Los Angeles County has taken measures to encourage County departments to increase expenditures. Specifically, like the State, Los Angeles County provides a deadline warning to all departments that received grant funding. If the departments do not move to encumber and expend remaining grant funds before the County deadline, the County can reallocate the funds to another identified priority area. The City of Los Angeles is in the process of implementing a similar policy that will require all City departments receiving homeland security grant funding to make monthly presentations to the Mayor's Office on how the department is spending its allocated funds and on the status of project implementation. However, San Francisco's Office of Emergency Services has not created deadlines, similar to Los Angeles County, for City departments to expend the funds and has not closely monitored identified alternate projects to fund with unused allocations.

Based on data provided by the Controller's Office, the majority of the City's homeland security grant funding expenditures have gone toward personnel costs, including direct salaries as well as fringe benefits, overtime, premium pay, and health insurance costs.¹ Specifically, 51 percent of all grant expenditures have been for personnel costs. In addition, expenditures for contracted and other professional services represents the second greatest, 19 percent, of total grant expenditures. Conversely, training represents 1 percent of total grant expenditures.²

The Office of Emergency Services has allocated grant funds to a limited number of City

¹ Data provided by the Controller's Office represents \$22,535,448 of grant funding expenditures.

² The Budget Analyst combined similar categories of expenditures within the Controller's data to facilitate data analysis. Because the Controller's Office does not consider purchases under \$5,000 as equipment, the City may have purchased emergency equipment categorized as "Materials and Supplies."

departments. While it is appropriate for those departments, such as the Police and Fire Departments, that are likely to have the largest role in emergency response to receive a greater allocation of the grant funds, many other City departments and other non-governmental organizations also play a significant role in emergency preparedness and recovery, or are particularly vulnerable to the impacts of an emergency. For example, although the Recreation and Park Department and the Public Utilities Commission have important roles in emergency response, preparedness, and recovery, these two City departments have received comparatively little grant funding.

The expiration of these grants, together with the lack of sustainability planning, could have a significant impact on the Office of Emergency Services. Currently, grant funds comprise 97 percent of the Office of Emergency Services' total budget, and the Office's General Fund budget has declined since FY 2002-2003. Despite this high-reliance on grant funding and warnings from the Federal government that the City's grant funding will end in the near future, the Office of Emergency Services has not planned for sustained future operations.

Section 5: Financial Management

Because the majority of Federal and State homeland security grant funds received by Office of Emergency Services are reimbursement grants, the City's General Fund must advance money for expenditures, and then the Office of Emergency Services must claim or request reimbursement from the Federal and State governments for such expenditures. Data on reimbursements which the City has received to date show that reimbursement to the City's General Fund has lagged General Fund expenditures by an average of 151 days, or approximately five months. The Office of Emergency Services requested reimbursement from the Federal and State governments in the amount of \$3,624,526 approximately 120 days after the date such expenditures were advanced by the City's General Fund. Such delays can also be much longer. For example, the Office of Emergency Services did not request reimbursement from the Federal and State governments in the amount of \$99,966 until over one year (400 days) after the date of the City's expenditure.

In addition to the City expenditures for which the General Fund has already received reimbursement, the Office of Emergency Services has yet to claim a significant amount of General Fund expenditures for reimbursement. In fact, as of February 1, 2006, the Office of Emergency Services had not requested reimbursement from the Federal and State governments in an amount of \$7,658,466 of General Fund expenditures. Moreover, the General Fund had yet to receive an additional \$2,092,318 of claimed expenditures, leaving a total of \$9,750,784 that the City's General Fund had expended without obtaining reimbursement from the Federal and State governments.

Due to the delays in claiming reimbursements, the City's General Fund has lost to date

approximately \$189,788 in earned interest, and continues to lose approximately \$1,068 per day on the funds currently awaiting reimbursement, which amounts to \$32,502 per month or \$390,031 per year. Not submitting reimbursement claims in a timely manner for General Fund expenditures constitutes poor financial management by the Office of Emergency Services.

In addition, the limited level of financial guidance provided by the Office of Emergency Services has created confusion and funding problems for City departments. For example, based on discussions with the Office of Emergency Services in late 2004, the Port intended to use homeland security grant funds to cover some, if not all, of a projected \$980,849 shortfall on the Port's Pier 35 construction project. Under the impression that project costs would receive reimbursement, the Port put forward a supplemental appropriation of \$980,849 from the Port's unappropriated fund balance (File 04-1583) and began work on the Pier 35 project. However, after the Port expended the Pier 35 construction project funds in 2005, the Office of Emergency Services notified Port officials that the Pier 35 project was ineligible to receive the homeland security grant funds for these costs. Office of Emergency Services officials then advised the Port in early 2006 that the Office had identified a different project from which the Port could use the homeland security grant funds. Subsequently, the Office of Emergency Services moved funds from the Fire Department's Emergency Structural Collapse Team training program to the Port. During this process, the Port requested guidance beyond the Federal grant document that the Office of Emergency Services provided, and expressed confusion over exactly what costs were and were not eligible. Port officials acknowledge that they should have done more to ensure the proposed expenditures were appropriate and allowable under the grant, and that communication between the Port and the Office of Emergency Services is generally good. Nevertheless, as the manager of the grant, the Office of Emergency Services should actively engage City departments and monitor department activities to ensure that expenditures are appropriate before the City expends the funds.

In addition, the lack of consistent guidance from the Office of Emergency Services calls into question whether the City is seeking and obtaining reimbursement from the Federal and State government for all eligible expenditures. For example, the City is eligible to use more than \$1.8 million to receive reimbursement for all overtime costs related to the protection of critical infrastructure in the City during times of Code Yellow or Orange. However, the Office of Emergency Services has not provided clear guidance on this matter. For example, a senior Police official noted that while the Police Department has incurred such overtime expenses, there has not been any specific direction given by the Office of Emergency Services that these General Fund expenditures could be reimbursed.

Insufficient communication of financial policies and procedures on the part of the Office of Emergency Services has caused financial management concerns within the City. The Office of Emergency Services officials state that City departments are responsible for

ensuring expenditures are appropriate before moving forward with purchases. However, as the grants manager for the City's emergency services, the Office of Emergency Services has not taken the responsibility to oversee this grant activity. Specifically, while the Office of Emergency Services has provided the grant documents produced by the grantor, the Office of Emergency Services has not developed and provided additional written information to help guide City departments. While the Budget Analyst did not find indications of financial fraud or abuse, insufficient financial policies and procedures distributed to City departments, coupled with a lack of a formalized and documented management of the grants by the Office of Emergency Services, has created a situation in which fraud or abuse could occur.

During the FY 2005-2006 budget deliberations, the Budget and Finance Committee of the Board of Supervisors placed a total of \$11,168,000 of the \$14,339,586 FY 2005-2006 Urban Area Security Initiative grant on reserve. The Committee decided to place these funds on reserve because the Office of Emergency Services did not provide sufficient details on how the Office planned to expend the funds, with the Budget and Finance Committee to release the reserve once the Office of Emergency Services had provided details.

After nine months of not pursuing the release of the reserve funds, the Office of Emergency Services requested the release of reserve funds on March 10, 2006. Through the process of conducting this management audit, the Budget Analyst found that the Office of Emergency Services knowingly provided false information as part of its request for release of funds reserved by the Board of Supervisors in March of 2006. Specifically, the Office of Emergency Services requested \$225,000 for exercise costs surrounding the April 2006 earthquake centennial commemoration, which was the budgeted estimate as of December of 2005. However, by the time the Office of Emergency Services submitted this request to the Budget Analyst in March of 2006, the Office of Emergency Services had revised the exercise to a level estimated at \$70,000. Nevertheless, the Office of Emergency Services requested \$225,000 for this exercise. Based on this finding, the Budget Analyst has no confidence that other estimated costs, submitted by the Office of Emergency Services, were correct at the time of the request for the release of the reserved funds.

Section 6: Emergency Plans

Since 2001, the Office of Emergency Services has expanded and updated the City's basic emergency operations plans. The Office of Emergency Services has both rewritten *Emergency Operations Plan 1*, which contains a high-level overview of the emergency management system, and has created *Emergency Operations Plan 2*, which contains detailed checklists, contact information, and reference data required to operate the City's emergency response command center. In addition, the Office of Emergency Services, in cooperation with other City departments, has written 11 new functional plans and four

new hazard-specific plans, a total of 15 new functional and hazard-specific plans.

While these plans provide valuable information to the City, some are inconsistent and do not provide adequate San Francisco-specific information. For example, the City's basic emergency operations plans assign the same department different emergency response responsibilities and some annexes contain no San Francisco-specific information. For example, three functional plans, *Animal Care and Control*, *Debris Management*, and *Mass Casualty*, do not identify geographic areas or populations most likely to be affected. Similarly, two of the hazard-specific plans, the *Energy Storage Annex* and the *Terrorism Annex* do not identify the geographic areas most likely to be affected. In addition, some hazard-specific plans are out-of-date. For example, the *Energy Storage* plan has not been updated since 1995, or over ten years ago.

Consistent and location-specific emergency plans are critical to emergency response. The Office of the President's Report *Federal Response to Hurricane Katrina: Lessons Learned* states that unclear roles and responsibilities and Federal responder's failure to understand local context contributed to poor decision-making.

In January of 2004, the Mayor directed City departments to submit an emergency plan to the Office of Emergency Services by March 2004. However, 11 City departments have still not written a City Department Emergency Plan and 14 City departments did not update their plan by the Mayor's deadline. In addition, some plans do not adequately describe how the City department will maintain continuity of operations during an emergency. For example, 55% of City Department Emergency Plans do not contain a plan for safeguarding the City's vital records and databases, an action recommended by the California Office of Emergency Services. Ten City Department Emergency Plans lack a plan for recalling staff back to work in case of an emergency, and some plans depend on out-of-date or incorrect contact information. Even when City Department Emergency Plans contain a recall plan, that plan is sometimes inadequate. When the Budget Analyst attempted to contact 30 City staff from six City departments using contact information contained in the departments' City Department Emergency Plans, 53 percent of the 30 City employees that the Budget Analyst attempted to contact could not be reached due to incorrect contact information.

Functional, hazard specific, and City Department Emergency Plans are poorly organized. For example, although *Emergency Operations Plan 1* identifies civil disturbances as a potential hazard, there is no record of a plan for civil disturbances nor is there a plan on file at the Office of Emergency Services. The Office of Emergency Services states that the civil disturbance plan is part of the Police Department's special events manual, which is located at the Police Department. Confusion regarding what emergency plans the City has and their location is exacerbated by the fact that the Office of Emergency Services did not maintain a current list of emergency plans. The Office did not provide a list of emergency plans until the Exit Conference for this audit, held between the Office of

Emergency Services and the Budget Analyst on April 28, 2006 and May 2, 2006. Additionally, the Budget Analyst was unable to reconcile the Office of Emergency Services' list of City Department Emergency Plans with its own observation of plans on file at the Office of Emergency Services in February of 2006. For example, the Budget Analyst observed a plan from the Moscone Center, but the Office of Emergency Services' list did not include this plan. Also, the Office of Emergency Services' list included a plan from the Department of Elections and from the Superior Court, neither of which was present at the Office of Emergency Services during the Budget Analyst's February of 2006 review. Given that emergency plans are used as a reference during emergency response, a simple easy to understand system, for organizing plans, is critical. If emergency responders do not know what plans the City has and where they are located, they will not have the information necessary to plan and conduct the City's response to emergencies.

While the Office of Emergency Services is not directly responsible for writing some emergency plans and City departments are responsible for writing their department's City Department Emergency Plan, as the coordinating body for emergency planning, the Office of Emergency Services should be responsible for ensuring the plans are up-to-date, contain the necessary information, and meet a certain quality standard. The Office of Emergency Services has not reviewed City department Emergency Plans to ensure they were updated by the Mayor's deadline or required any City department to re-write its plan.

The community emergency planning process in Board of Supervisors District Five is a grassroots process initiated by the residents of District Five and overseen by the Office of Emergency Services. The purpose of this process is to encourage District Five residents to take responsibility for their own emergency preparedness. This effort has produced a background document that provides general emergency response information, tells residents how to write a community disaster plan, and includes some limited district-specific information. However, the Office of Emergency Services, in cooperation with the District Five residents, needs to modify the Community Disaster Plan Supervisorial District Five Plan to make certain the plan contains district-specific information, such as how a particular hazard will affect the District, as well as actions residents have taken and should take to respond to an emergency.

Section 7: Pre-Disaster Mitigation

According to *Emergency Operations Plan 1*, mitigation is any activity that will reduce or eliminate long-term risk to human life and property from hazards before the disaster occurs. The Office of Emergency Services, the Department of Building Inspection, the Department of Public Works, the Planning Department, and the City Administrator's Office conduct mitigation activities. However, the City does not have a comprehensive, City-wide mitigation plan based on a strategic approach to emergency management. As a

result, City departments lack a shared vision of the City's mitigation goals and do not have a roadmap for implementing mitigation strategies. Consequently, City departments identify and implement their own projects, coordinating only sporadically and on a project-by-project basis. In some cases, City departments do not cooperate at all. For example, currently, the City has two mitigation plans, the *Community Safety Element*, which is maintained by the Planning Department, and the *Multi-Jurisdictional Hazard Mitigation Plan* which was written by the Association of Bay Area Governments with assistance from the Office of Emergency Services.

The Office of Emergency Services participated in the production of the *Multi-Jurisdictional Hazard Mitigation Plan*, which was developed by the Association of Bay Area Governments. While this plan identifies the hazards that pose a risk to San Francisco, it does not estimate, for the City of San Francisco, the probability hazards will occur, does not identify the people, property, and environmental elements at risk, and does not determine potential detrimental impacts. Without a comprehensive mitigation strategy containing such information, it is unclear how the City should prioritize hazard mitigation projects. In addition, the *Multi-Jurisdictional Hazard Mitigation Plan* identifies limited mitigation strategies and does not describe how mitigation strategies should be implemented. Although the *Multi-Jurisdictional Hazard Mitigation Plan* contains an *Infrastructure Mitigation Strategy List* that describes 325 strategies which the City should implement, the list addresses only infrastructure mitigation strategies and does not fully assign responsibility or completion dates for the listed strategies.

Section 8: Emergency Response

Federal, State, and Office of Emergency Services' emergency planning documents describe response protocols such as requesting mutual aid, using communications equipment, and implementing the National Incident Management System, the Federally-mandated standard protocol for emergency response. However, despite repeated exposure to protocols through training and exercises, emergency responders inconsistently implement these protocols during exercises. Furthermore, during the April 2005 Earthquake Full-Scale Exercise, mutual aid requests did not follow the normal process as defined by the City's emergency response operational documents. Also, at the March 2005 Disaster Forum tabletop exercise, some of the City's emergency responders did not know which channel of the 800 MHZ radio system they should use to communicate. Most significantly, in three of the five full-scale and field exercises held since 2004, some responders did not implement the National Incident Management System.

According to the Office of the President's Report *Federal Response to Hurricane Katrina: Lessons Learned*, failure to utilize the National Incident Management System contributed to the Federal government's flawed response. While City departments are responsible for improving identified weaknesses, the Office of Emergency Services is ultimately responsible for the City's disaster preparedness and should hold departments

accountable for improvement.

The Emergency Operations Center, the City's headquarters for emergency response, needs to be modernized and expanded. In order to accommodate this expansion, the Office of Emergency Services plans to move its staff out of the Office's current City-owned facility at 1011 Turk Street, where it is co-located with its parent department, the Emergency Communications Department, to a new facility at 25 Van Ness Avenue. However, there are many reasons to keep the Office of Emergency Services at 1011 Turk Street. First, moving the Office of Emergency Services away from the Emergency Communications Department would negate one of the primary reasons the former Mayor transferred the Office of Emergency Services out of the Mayor's Office and into the Emergency Communications Department. Second, as the exercise and lunch room are underutilized and there is a laundry room, 1011 Turk Street may be re-configured to accommodate both a modernized and expanded Emergency Operations Center and Office of Emergency Services staff. Third, locating the Office of Emergency Services at 25 Van Ness will cost the General Fund \$190,242 per year in rent. The Office of Emergency Services currently pays no rent at the 1011 Turk Street facility. Fourth, it is probable that the Office of Emergency Services staff will decrease significantly once grant funding declines in the imminent future. With a smaller staff, the space at 1011 Turk Street is likely sufficient to accommodate both the Office of Emergency Services staff and an expanded and modernized Emergency Operations Center.

City departments will direct their response out of their respective Department Emergency Operations Centers. While some Centers have advanced equipment and capabilities, such as the Fire Department's Operations Center, other Department Operations Centers are located in seismically vulnerable buildings. For example, the City's Auxiliary Communications and the Medical Examiner/Coroner Emergency Operations Centers are located in buildings that are seismically insecure. In addition, the Police Department does not have a fixed Department Operations Center; the two sites considered for the Center – the Hall of Justice and Building 606 in the Hunter's Point Naval Shipyard – are both unsuitable. Until such a time that a suitable location is identified, the Police Department is forced to use a temporary site or can activate a Mobile Command Van.

Although the Office of Emergency Services' public outreach campaign urges citizens to be prepared for 72 hours without government or outside assistance, Department Emergency Operations Centers lack supplies required to meet emergency responders' basic needs for food and shelter for 72 hours. While Department Operations Centers do not have sufficient space for on-site supply caches, the City needs a system for the care and feeding of emergency personnel during the first 72 hours of an emergency.

Section 9: Pre-Disaster Recovery Planning

Emergency Operations Plan 1, defines the three phases of recovery activities. Phase I, the

initial response, occurs between days one and seven. Phase II, mid-term recovery, occurs between days seven and 30. Phase III, long-term reconstruction, occurs from day 30 until completion.

While the Office of Emergency Services has planned for short-term recovery, its plans for mid-term recovery and long-term reconstruction are insufficient. The Office of Emergency Services senior management states that the *Regional Emergency Coordination Plan*, being produced under contract for \$2,200,000 by the URS Corporation, will plan for Phase II mid-term recovery. However, this plan will only address regional solutions to regional issues and will not address Phase II mid-term recovery in San Francisco or discuss how San Francisco should conduct the activities required to participate in regional solutions. The City does not have a plan for Phase III long-term reconstruction.

The Office of Emergency Services has not performed some of the pre-disaster recovery activities required by City policy. One, the Office of Emergency Services has not, as required by the Mayor's June 9, 2004 *Directive For Emergency Preparedness*, developed plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for recovery of critical infrastructure and services. Two, the Office of Emergency Services has not, as required by *Emergency Operations Plan 1*, produced a Recovery Annex that contains "detailed procedures, forms and checklists for use in specifying recovery phase operations." Three, an inter-departmental group has not been convened to develop a Recovery Plan, to guide long-term recovery, to manage reconstruction activities, and to provide coordination among recovery activities, as required by the *Community Safety Element*, an addendum to the City's *General Plan*. The *Community Safety Element* does not assign responsibility for convening the inter-departmental group.

Section 10: Office of Emergency Services Training

Since the infusion of Federal grants and the accompanying increase in staff beginning in 2001, the Office of Emergency Services has taken greater responsibility for emergency response training. The Office of Emergency Services now coordinates City-wide training programs, such as Disaster Service Worker training, and department-specific training, such as Emergency Structural Collapse Rescue Team training for Fire Fighters.

In January of 2006, the Office of Emergency Services Public Safety Division documented all Office of Emergency Services organized training in 2004 and 2005. However, when the Budget Analyst requested training documentation, the Office of Emergency Services submitted multiple documents, some of which had not been integrated into the main document.

Due to grant requirements, the majority of training in 2004 and 2005 focused on

terrorism scenarios and public safety personnel. Of the 8,310 persons who received training from 2004 to May 2006, 81.3 percent received terrorism response training, 18.3 percent received general response training, 0.1 percent received bioterrorism response training, and 0.2 percent received earthquake response training. Also, 93.9 percent of trainees were from public safety departments, while 6.2 percent of the trainees were from other jurisdictions and other City departments. Training for elected officials was very limited. Since 2001, the Office of Emergency Services has organized only one training session for the Mayor and members of the Board of Supervisors, which just occurred last month.

Emergency responders often fail to show improved capabilities following training. For example, despite the fact that the Office of Emergency Services trained 60 persons on the Incident Command System, an emergency response protocol, little improvement in this area was demonstrated in subsequent exercises. Although it is the responsibility of City departments to internalize and apply information presented in training, as the coordinating body for emergency management, the Office of Emergency Services must hold City departments accountable for improvement following training.

Section 11: Office of Emergency Services Exercises

In contrast to training, which focuses on instructor-driven learning, exercises are activities which require participants to actually perform disaster response skills. The Office of Emergency Services organizes three types of exercises: (a) tabletop exercises, which are discussion-based, (b) functional exercises, which require responders to practice an operational function, and (c) full-scale or field exercises which simulate a response in the field. Since FY 2001-2002, the Office of Emergency Services has designed and directed 13 tabletop, seven functional exercises, and six full-scale or field exercises.

Exercise expenditures are not properly documented, limiting accountability and transparency. For example, according to data provided by the Office of Emergency Services, it cost \$373,682 in 2003 to conduct six exercises, \$0 in 2004 to conduct six exercises, and \$11,746 in 2005 to conduct five exercises. Given that the Office of Emergency Services is working to expend 2003 grant funds before the grant term expires, it is likely that exercises conducted in 2004 and 2005 were charged to the 2003 grant. While this practice makes sense from a grants management perspective, it is not transparent.

The Office of Emergency Services does not create sufficient opportunities for elected officials to practice emergency response. The Office of Emergency Services has not designed exercises that require the Mayor and the Board of Supervisors to perform their disaster response role. In addition, the Office of Emergency Services has not invited members of the Board of Supervisors to participate in exercises. Furthermore, elected officials and other City department Directors who are part of the Policy Group were

unable to attend the April 19, 2006 earthquake exercise because they were attending an emergency preparedness training organized by the Executive Director of the Office of Emergency Services. Had the training occurred prior to the Earthquake functional exercise, the exercise could have been an opportunity for elected officials to practice the skills they learned at the training.

Both the Administrative Code and *Emergency Operations Plan 1* assign the Mayor, the President of the Board of Supervisors, and other members of the Board of Supervisors policy-making responsibilities in time of disaster. Given the critical nature of these roles and responsibilities, the Office of Emergency Services needs to develop exercise objectives that allow the members of the Board of Supervisors to practice their emergency function.

Emergency responders practice functional skills, during functional and field exercises. In exercises organized by the Office of Emergency Services, emergency responders have practiced functional skills while meeting objectives, such as operating the Emergency Operations Center, and while responding to a scenario, such as a terrorist attack. Furthermore, they have practiced functional skills without preliminary workshops to verify that emergency responders know how to utilize technology and that the technology is functional. As a result, City Departments are often unable to fully test their ability to perform a given function. For example, in the April 2006 exercises, emergency responders had to use E-team, while also opening and operating an Emergency Operations Center. Due to technical difficulties, the Fire Department was unable to log-on to E-team, the City's electronic emergency messaging system, limiting the Department's capacity to test responders' ability to use the system.

Federal guidelines require that all exercises be evaluated and that exercise evaluations be distributed in a timely manner. For example, grant guidelines require that exercise evaluations be submitted to the appropriate entity within 30-60 days after an exercise takes place. The Office of Emergency Services distributed exercise evaluations for all exercises conducted in 2004 and 2005 in January of 2006, a delay of up to 15 months. Federal guidelines also require that an improvement plan, a document that identifies how weaknesses identified in exercises will be corrected, be prepared and distributed following each exercise. The Office of Emergency Services produced a single improvement plan for all exercises conducted in 2004 and 2005. This plan was produced in January of 2006, a delay of up to 15 months.

The Office of Emergency Services does not evaluate or prepare improvement plans following tabletop exercises conducted at monthly Disaster Forums. Office of Emergency Services senior managers state they do not evaluate these exercises because Disaster Forums are meant to be a safe, non-judgmental environment and that Federal guidelines do not require these exercises to be evaluated. Even if Federal guidelines do not require these exercises be evaluated, there is value in identifying, documenting and distributing

identified problems, lessons learned, and best practices following all exercises, including informal exercises. Because the Office of Emergency Services does not produce or distribute written exercise evaluations after Disaster Forum tabletops, City departments do not have a shared understanding of identified problems or lessons learned and staff absent from the exercise do not know what happened, what information was disseminated, and what lessons were learned.

Office of Emergency Services senior management state there is no need to prepare an improvement plan to correct problems identified in Disaster Forum tabletop exercises because problems are dealt with on-the-spot. However, during the March of 2006 Disaster Forum, a Municipal Railway official stated that, despite repeated requests to the Office of Emergency Services, for that Office to provide 800 MHz radios, the Municipal Railway still does not have 800 MHz radios, the City's primary interoperability communications tool. Given that the 800 MHz radio system has been in place since 2000 and the Municipal Railway states it has requested radios from the Office of Emergency Services on multiple occasions, it is clear that some problems continue unresolved for long periods of time.

Although improvement plans are an important first step in instituting change, unless there is a system for measuring whether or not improvement has occurred and for making City departments accountable for improvement, there is no assurance that the activities made the City safer. While City departments are responsible for improving response performance, as the coordinating body for emergency management, it is incumbent upon the Office of Emergency Services to hold City departments responsible for improving their performance during exercises.

Section 12: Emergency Management Equipment

Acquiring equipment necessary for emergency preparedness and response has been a significant component of the homeland security grants. As such, the Office of Emergency Services has facilitated the purchase of valuable equipment for several City departments. According to grant applications, Office of Emergency Services planned to purchase over \$20 million of equipment; however, based on data from the Controller, the City has purchased approximately \$2 million, or only ten percent of such equipment as of February 1, 2006.

The existence of fragmentary equipment lists casts serious doubt as to whether the Office of Emergency Services or other City departments know exactly what equipment the City has purchased for emergency response, what equipment City departments have on hand, and whether this equipment is operational. Currently, the Office of Emergency Services is leading an effort, spearheaded by its "logistics officer" to create a consolidated equipment inventory for the City. This inventory would include items purchased via homeland security funds, as well as equipment the City could use during emergency

response and recovery purchased via other funds, including the General Fund.

The *Regional Emergency Coordination Plan*, currently being produced under contract with URS, will include a regional equipment inventory. This effort could produce invaluable information that is currently not available. However, this inventory will not address the current lack of a comprehensive and consolidated equipment inventory in the City. Specifically, URS is not actively identifying what equipment is available in the region. Instead, URS has created a template for the various regional jurisdictions to input information on large equipment, such as aircraft, or capabilities, such as Disaster Medical Teams. In addition, the inventory will not function as a real-time tracking system for the availability of assets during a response.

The City has acquired many necessary and valuable emergency equipment items. However, to ensure that these expenditures go toward necessary and needed equipment, the Office of Emergency Services should update and revise its equipment priority list to reflect equipment purchases to date and equipment needs for future expenditures. Although most purchases appear consistent with the equipment priority lists, some purchases are not. For example, the number of pick-up trucks purchased exceeds the number identified in the emergency equipment priority list. The Office of Emergency Services has not revised its equipment priority list since 2004.

In addition to not being able to identify existing equipment resources, the Office of Emergency Services has not developed a plan for the sustainability of the City's equipment purchases. As purchased equipment reaches the end of its useful life, the City will have little of the information it needs to decide what equipment to replace or maintain with the General Fund. While some City departments may currently intend to absorb maintenance costs into their General Fund budgets, the City should be aware of what future costs to expect related to these current purchases.

Section 13: Management, Organization and Staffing

In FY 2002-2003, the Office of Emergency Services total budget, including General Fund and grant monies was \$1,825,761. In the following year, FY 2003-2004, the Office of Emergency Services received \$31,400,404 in Federal and State grant funds, bringing the Office's total budget to \$32,249,396, an increase of 1,667 percent. The sudden increase in Federal funding has resulted in structural staffing issues that need to be addressed in the near-term. The number of Office of Emergency Services staff has increased by 19 positions or 317 percent from 6.0 full-time positions in FY 2002-2003 to 25 full-time positions in FY 2005-2006. Currently, each of these 25 positions is paid an average annual salary of \$95,522. In addition, the Office of Emergency Services has an unacceptable manager to staff ratio. Specifically, 40 percent of the Office's staff are managers, which is a manager to staff ratio of 1:1.5.

This top-heavy management structure is especially evident in the Grants Division, which is composed of only managers, including one Manager V, paid an annual salary of \$127,110, and three Manager IIIs, paid annual salaries ranging from \$92,053 to \$109,793. With no junior staff, the Manager IIIs often perform entry-level tasks such as making journal entries, checking invoices and processing grant documents. As a result, these Managers are not evaluating the effectiveness of homeland security grant programs, identifying alternative approaches, or providing statistical, fiscal or operational reports to City departments to provide early warnings to identify potential problems, as required by their job descriptions.

Moreover, 81 percent of the Office of Emergency Services staff positions are funded by grants that will expire December 31, 2006. In order to pay current staff salaries in the absence of grant funding, the Office of Emergency Services would need \$2,821,368 annually from the City's General Fund, which is \$2,185,795 or approximately 344 percent more than the Office of Emergency Services total General Fund budget of \$635,573 in FY 2005-2006. In the absence of grant funding, it is unlikely that the Office of Emergency Services can sustain a staff that is 317 percent larger than the level sustained prior to grant funding, without dramatic increases in the City's General Fund support. Despite this, the Office of Emergency Services has not provided a plan to the Budget Analyst for sustaining its staff size or for maintaining critical operations with fewer staff.

Further, 63 full-time equivalent positions are in the City's FY 2005-2006 overall budget that are funded with Urban Area Security Initiative grants. However, 31 percent of these positions are vacant. By not filling these positions, the City may have given up the opportunity to effectively expend these Federal grant funds.

The Office of Emergency Services does not use common management tools such as staffing plans to project staffing needs and project priorities. Instead, the Office of Emergency Services managers state that they look at the projects they would like to complete, decide if they have enough staff, and if not, hire accordingly. As several staff only work part-time, this practice has created a situation where projects can be left incomplete or require staff who are unfamiliar with the project to take over the responsibility for the work.

On July 1, 2003, the previous Mayor transferred the Office of Emergency Services from the Mayor's Office to the Emergency Communications Department. However, the job description for the Executive Director of the Office of Emergency Services does not mention the Emergency Communications Department. In addition, both the acting Executive Director of the Emergency Communications Department and the Executive Director of the Office of Emergency Services confirmed that there is no direct management reporting relationship between the Office of Emergency Services and the Emergency Communications Department. This has resulted in Office of Emergency

Services management being unfamiliar with the Office of Emergency Services performance measures that are included in the Emergency Communications Department's annual budget.

However, the City is moving to resolve this concern as evidenced by the recent noticing for the vacant Executive Director of the Emergency Communications Department. This notice states that the Emergency Communications Department is comprised of four divisions, including the Office of Emergency Services and Homeland Security, and that the Executive Director of the Emergency Communications Department "provides leadership for efficient and comprehensive delivery of the 9-1-1 communications and emergency operations system". This notice also states that residency in the City of San Francisco is highly desirable since the Emergency Communications Department Director needs to be available on a 24-hour basis in the event of a major emergency.

If the City intends the Executive Director of the Emergency Communications Department to manage the Office of Emergency Services, the actual pay for the two Directors may need to be revised. The Emergency Communications Department Director position (0963 Department Head III), which is a higher-level City employee classification, is currently paid a maximum annual salary of \$152,490. However, the Office of Emergency Services Executive Director (0942 Manager VII) is currently paid an annual salary of \$169,092,³ as she was hired at a higher pay rate. Therefore, the higher level Emergency Communications Department Director position would be paid \$16,602 or 9.8 percent less than the subordinate Office of Emergency Services Executive Director.

According to the Director of the Human Resources Department, the 0963 Department Head III position (the Emergency Communications Department Director) is technically a higher classified and paid position than the 0942 Manager VII position (Office of Emergency Services Director). Therefore, the City has the flexibility to pay an even higher salary to the Emergency Communications Department Director than the Office of Emergency Services Executive Director. If the City were to pay a five percent annual salary differential to a new Emergency Communications Department Director, as compared to the Office of Emergency Services Director's existing annual salary, it would cost the City a minimum additional \$25,057 annually.⁴

The Mayor should further alleviate salary and management concerns by eliminating the Office of Emergency Services Executive Director position when significant reductions in

³ \$165,776 at the higher C Range plus \$3,316 for a two percent Pay for Performance award.

⁴ \$177,547 is five percent more than the current Office of Emergency Services Director's annual salary less \$152,490 which is the current top step in the A Range for the Emergency Communications Department Director's salary. The Emergency Communications Department Director's salary is paid from the City's Emergency Response Fees imposed and collected from telephone subscribers.

funding, staffing and activities occur, or with the current incumbent's end of tenure.

With the Office of Emergency Services Executive Director position eliminated, the Emergency Communications Department Director should be designated to assume responsibility for all emergency services in the City. Both the Emergency Communications Department and the Office of Emergency Services each have their own Deputy Director positions. Therefore, the Office of Emergency Services Deputy Director position should serve at the discretion of the Emergency Communications Department Director to aid in the day-to-day management of emergency services.

Section 7.7 of the City's Administrative Code mandates that the Mayor, as chair of the Disaster Council and Commander of Emergency Services, employ a Executive Director of Emergency Services who has "expert qualifications for the work of emergency preparedness and relief." The City's job description for the Executive Director of the Office of Emergency Services specifies that the candidate have "extensive experience in Emergency Management and/or Disaster Relief operations and planning." The current Executive Director of the Office of Emergency Services worked as a business and corporate attorney, a member of the Board of Supervisors – appointed as Vice Chair of the Board's Public Safety Committee – a City Police Commissioner, a Fire Commissioner, an attorney representing the San Francisco 49ers on their stadium project and the Director of the Treasure Island Development Authority. The Mayor stated that the Executive Director of the Office of Emergency Services is an exempt position, and that he specifically wanted a manager who could put a skilled team of staff together. Moreover, the Mayor believes the Executive Director's background and experience qualifies her for this position.

To further her education and qualifications, the Office of Emergency Services Executive Director is currently pursuing a Master's degree at the Naval Postgraduate School in Monterey California. This 18-month program requires on-site attendance two weeks every quarter, or approximately 12 weeks, on-site residence in Monterey over the 18-month period. Participants in the Naval Postgraduate Program are also expected to spend a minimum of 660 additional hours (10 hours per week x 66 weeks) over the 18-month period on outside coursework. While providing invaluable education and networking opportunities with emergency management professionals from throughout the country, the Executive Director's participation in this 12-week on-site residence program, with 10-15 hours of additional coursework each week, raises the question of how much time City employees should be permitted to attend outside classes, preparation and on-the-job training, while still receiving full salary and benefits paid by the City. The City has not established any policies or requirements for the amount of time a City employee may spend attending conferences, classes, or other outside, albeit related activities, without taking vacation, holiday or other time off, while continuing to receive full compensation from the City.

Written Response of the Executive Director of the Office of Emergency Services

The written response of the Executive Director of the Office of Emergency Services is attached to this management audit report beginning on page 119. The Budget Analyst management audit report, including the transmittal letter, recommendations, and the Introduction Section, contains a total of 174 pages. The written response of the Executive Director of the Office of Emergency Services contains a total of 154 pages, or 20 pages fewer than the Budget Analyst's entire report.

The Executive Director of the Office of Emergency Services agrees with 62 recommendations, or approximately 86 percent of the report's 72 recommendations, and partially agrees with 5 recommendations, or an additional 7 percent. The Office of Emergency Services disagrees with 3 recommendations, or 4 percent, and had no comment on 2 recommendations, or 3 percent.

Much of the written response of the Executive Director of the Office of Emergency Services does not directly respond to the Budget Analyst's findings and recommendations contained in this management report. For example, the Executive Director of the Office of Emergency Services has included in the written response several newspaper articles regarding emergency services in other cities and a 2005 San Francisco Civil Grand Jury report on the status of the Office of Emergency Services implementation of recommendations made in the San Francisco Civil Grand Jury report on the Office of Emergency Services from 2003.

The Budget Analyst observes that the first 23 pages of the written response provided by the Executive Director of the Office of Emergency Services generally thanks the Budget Analyst for recognizing the accomplishments of the Office of Emergency Services under the direction of the current Executive Director. The written response further lists the major accomplishments made by the Office of Emergency Services over the last 18 months. The response further states that the Office of Emergency Services appreciates that the Budget Analyst acknowledges that other jurisdictions face similar problems to those problems encountered by the San Francisco Office of Emergency Services. The written response also discusses the "strong" and "excellent" working relationships that the Office of Emergency Services Executive Director and staff enjoy with various entities. The response also states that the "Director was selected as one of 30 persons by DHS (U.S. Department of Homeland Security) to attend the Naval Postgraduate School program for senior local, state, federal and military officials. This program is not 'on the job training' but is a highly competitive, prestigious national program."

The written response states “the substantial accomplishments listed in this document as well as those recognized by the Budget Analyst in the report are proof that the Executive Director has the ability to perform in the position. In addition, the attached letters from local, regional, and federal partners, business organizations and nonprofit partners as well as other city agencies attesting to the dramatic changes at OES/HS over the past 18 months should be sufficient evidence of capable leadership.”

The Executive Director of the Office of Emergency Services has provided information in her written response that, in some instances, misinterprets or misunderstands the findings and recommendations in the Budget Analyst’s management audit report. For example, on page 163, the Office of Emergency Services states that the Federal government has not required adoption of Emergency Management Accreditation Program (EMAP) standards. However, the Budget Analyst’s never reports that such was the case, and clearly states that these standards are, in fact, national and voluntary standards. In addition, the response states that the Budget Analyst’s report “implies that there has been a lack of attention to Earthquake Preparedness.” However, the Budget Analyst’s report states that the majority of training resources have gone toward terrorist-related preparedness in response to the grant requirements, and that it is not clear that the Office of Emergency Services has prioritized its activities based on risk, as it produced numerous plans before initiating work on the earthquake response plan. As previously noted, the Office of Emergency Services did not begin preparation of an earthquake response plan until January of 2006.

In other cases, the Office of Emergency Services states that the Budget Analyst did not include information in the report that the Office of Emergency Services provided. For example, in its response to the Budget Analyst recommendation 2.2, on page 157 and 158, the Office of Emergency Services states that it provided information to the Budget Analyst that was “inexplicably, omitted from the final report.” Since that information submitted by the Office of Emergency Services was inaccurate, the Budget Analyst did not include such information in this report.

The Budget Analyst has no comment as to the “proof” that the Executive Director of the Office of Emergency Services has the ability to perform in the position. However, the serious deficiencies discussed in this management audit report document that the San Francisco Office of Emergency Services has not operated in the most efficient, effective and economical manner. Significant improvements in the management of the Office of Emergency Services are needed.

Honorable Aaron Peskin, President
and Members of the Board of Supervisors
Management Audit of the Office of Emergency Services
May 15, 2006
Page 29 of 28

We would like to thank the Office of Emergency Services, the Mayor's Office, and the other City departments for providing their cooperation and assistance throughout this management audit.

Respectfully submitted,

Harvey M. Rose
Budget Analyst

cc: Supervisor Alioto-Pier
Supervisor Ammiano
Supervisor Daly
Supervisor Dufty
Supervisor Elsbernd
Supervisor Ma
Supervisor Maxwell
Supervisor McGoldrick
Supervisor Mirkarimi
Supervisor Sandoval
Mayor Newsom
Clerk of the Board
Annemarie Conroy, Executive Director of the Office of Emergency Services
Noelle Simmons
Cheryl Adams

BOARD OF SUPERVISORS
BUDGET ANALYST

Based on the management audit findings explained above, the Budget Analyst has made the following recommendations. The Budget Analyst has ranked these recommendations based on priority for implementation. The definitions of priority are as follows:

- Priority 1: Implementation of Priority 1 recommendations should begin within six months of the release of this report. Implementation of these recommendations is fundamental to addressing key issues identified in this report or is an essential first step that must occur prior to the implementation of other recommendations in this report.
- Priority 2: Implementation of Priority 2 recommendations should begin between seven months and one year of the release of this report. Implementation of these recommendations follows logically after the implementation of Priority 1 recommendations.
- Priority 3: Implementation of Priority 3 recommendations should begin after one year from the release of this report. While these recommendations address serious issues identified in this report, Priority 3 recommendations are either long-term goals or are dependent upon the recommendation of Priority 1 and 2 recommendations.

The Budget Analyst has recommended 34 Priority 1 (47%) recommendations, which should be initiated in the next six months, 20 Priority 2 (28%) recommendations, which should be initiated in seven months to one year, and 18 Priority 3 (25%) recommendations, which should be initiated 13-26 months from the issue of this report.

Recommendations **Priority**

Section 1: Legislative Authority

- 1.1 The Mayor should appoint to the Disaster Council representatives of civic, business, labor, veterans, professional, or other organizations that have an official emergency responsibility. 1

- 1.2 As Secretary of the Disaster Council, the Executive Director of the Office of Emergency Services should provide sufficient advance notice to all of the Disaster Council representatives regarding upcoming meeting dates, times, location, and agendas for each Disaster Council meeting. 1

- 1.3 The Disaster Council should review each City emergency plan, annex, mutual-aid agreement or report and should determine which plans, annex, agreements, and reports to forward to the Board of Supervisors for public hearing and implementation. 2

- 1.4 The Disaster Council should be convened to review the existing composition, purpose, role and responsibilities of the Disaster Council, in accordance with the City’s Administrative Code. The Disaster Council should then determine whether these requirements are appropriate relative to the ongoing needs of the City. If necessary, the Disaster Council should recommend changes to the City’s Administrative Code which should be forwarded to the Board of Supervisors for consideration. 2

Section 2: Communication and Coordination

- 2.1 The Office of Emergency Services senior management should work closely with the Manager of the Public Safety Division to ensure that the current committee structure comprehensively yet efficiently address all of the Office of Emergency Services meeting needs and that all Office of Emergency Services staff are familiar with the new structure and activities. 2

- 2.2 The Office of Emergency Services management should conduct weekly staff meetings to disseminate management and organizational changes, and update projects, activities and the status and staff person assigned to each. 1

Recommendations	Priority
2.3 The Office of Emergency Services should work with all City departments and establish on-going relations with the private and non-profit sectors to begin to collaboratively develop plans and to participate in exercises and training.	1
2.3 The Office of Emergency Services should work with all City departments and establish on-going relations with the private and non-profit sectors to begin to collaboratively develop plans and to participate in exercises and training.	1
2.4 The Office of Emergency Services should continue to create, maintain, and distribute a master contact list, that contains Office of Emergency Services committee assignment(s), City department, particular expertise, telephone numbers, fax numbers, and email addresses, which can be sorted by City departments, committee assignments, etc. Such information should be distributed to all Office of Emergency Services staff and City departments. In addition, this list should contain contact information for the Office of Emergency Services’ Federal, State, and regional partners and should be updated on a regular, at least annually, basis.	2
2.5 The Office of Emergency Services senior management should direct all Office of Emergency Services meeting chairs to consistently provide advance notice of meetings including agendas and objectives, if applicable, to record and distribute minutes from each meeting to interested parties, and to follow-up on questions, issues, and concerns raised in meetings.	1
2.6 The Office of Emergency Services should request that the Board of Supervisors approve a change in the official name of the Office of Emergency Services to the Office of Emergency Services and Homeland Security as part of the FY 2006-2007 budget process.	1
2.7 The Office of Emergency Services management should carefully review the historical documents at the Office of Emergency Services to build on the positive endeavors of the previous Office of Emergency Services administration, including the development of work plans, a master list of organizations, training and exercise plans, and After Action Reports.	1

Recommendations

Priority

Section 3: Strategic Planning

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| 3.1 | Senior management of the Office of Emergency Services should conduct a robust strategic planning process. This process should include appropriate stakeholders, such as the Mayor and members of the Board of Supervisors, leaders of City departments, and private and non-profit organizations. The Office of Emergency Services should utilize any resources produced by previous administrations in carrying out this process. The strategic plan should address and prioritize planning, response, mitigation, and recovery activities based on the risk and capabilities assessment, as well as organizational goals and capacity. The Office of Emergency Services should review plans from other jurisdictions to help guide this process. | 1 |
| 3.2 | Senior management of the Office of Emergency Services should move forward with a thorough assessment of the City’s emergency services capabilities. The Office of Emergency Services should use the identified gaps in capabilities to help prioritize efforts, such as training, within the strategic plan. | 1 |
| 3.3 | Senior management of the Office of Emergency Services should establish appropriate performance measures. The Office of Emergency Services should seek help in this effort from the Controller’s Office, as appropriate, as the City’s lead agency for performance measure development. The Office of Emergency Services should use any existing tools, such as After Action Reports, as a foundation for these measures. | 1 |
| 3.4 | The Office of Emergency Services should participate in the SFStat process. As part of its participation, the Office of Emergency Services should establish performance measures to help hold other City departments accountable for carrying out emergency preparedness activities. | 1 |

Recommendations

Priority

- 3.5 The Office of Emergency Services and the Mayor should annually request the Board of Supervisors hold a hearing on the state of the City’s disaster preparedness. At minimum, the Office of Emergency Services should report on (a) the grants for which the Office of Emergency Services has applied, (b) the grants the Office of Emergency Services has received, (c) the amount of grant funds expended, (d) the amount of General Funds claimed and received for reimbursement, (e) current emergency services goals, (f) progress toward current emergency services goals, (g) information on the implementation of each of the recommendations contained in this management audit, (h) other City departments’ ability to implement protocols during exercises and emergency events, (i) the status of all basic, functional, hazard-specific and City Department Emergency Plans, including which plans are out-of-date. 1
- 3.6 The Office of Emergency Services should move forward with a self-evaluation of the Office and the state of the City’s emergency services using the Emergency Management Accreditation Program standards. The Executive Director of the Office of Emergency Services should use the results of this assessment to help direct current and future emergency services efforts. 2

Section 4: Grants and Budget

- 4.1 The Office of Emergency Services should increase its rate of Federal and State grant spending and should expend as much of the remaining balance of grants funds as appropriate and possible before the Federal or State grant deadlines. This could include City department overtime costs that are eligible for reimbursement. 1
- 4.2 Senior management of the Office of Emergency Services should develop a plan for sustained operations as part of, or in addition to, the strategic planning process and plan development as recommended in Section 3 of this report. The sustainability plan should identify how the Office will maintain its emergency preparedness efforts as Federal and State grant funding decreases. The sustainability plan should specifically address, but not be limited to: staffing, equipment maintenance and replacement, and on-going training needs. The process of writing the sustainability plan should mirror that of the strategic plan, to include City stakeholders and policy makers. 2
- 4.3 The Office of Emergency Services should provide expenditure deadlines to City departments to encourage the rate of expenditures in the City. 1

Recommendations	Priority
4.4 The Office of Emergency Services should immediately survey each City department regarding their specific emergency needs, such as preparing and updating their City Department Emergency Plan, equipping their Department Operations Center, and emergency training and exercises.	1
4.5 Having implemented recommendation 4.3 and 4.4, the Office of Emergency Services should reallocate unexpended grant funds that are past City deadlines to support prioritized needs prior to the State’s reallocation of funds in September of 2006, and prior to the expiration of the grants on December 31, 2006.	1
4.6 The Office of Emergency Services should re-allocate funds to support broader emergency response capabilities, consistent with the findings and recommendations made in this section. If this re-allocation requires that the Office of Emergency Services realign grant objectives, the Office of Emergency Services should work to do this.	2

Section 5: Financial Management

5.1 The Grants Division of the Office of Emergency Services should immediately claim all reimbursement-eligible expenditures. If needed, the Office of Emergency Services should seek help from the Controller’s Office through work order positions.	1
5.2 The Grants Division of the Office of Emergency Services should develop and follow clear financial policies and procedures to ensure expedited reimbursement for future expenditures. In doing so, the Grants Division of the Office of Emergency Services should claim reimbursement-eligible expenditures as frequently as possible, but at least more frequently than a quarterly basis.	1
5.3 The Grants Division of the Office of Emergency Services should implement policies and procedures for claiming advanced reimbursement on appropriate encumbered funds as appropriate.	2
5.4 The Grants Division of the Office of Emergency Services should develop and distribute clear financial policies and procedures for City departments to use in tracking homeland security grants activity to ensure the City maximizes the amount of possible reimbursements to the General Fund. These policies and procedures must go beyond providing the grant guidelines issued by the grantor. In doing so, the Office of Emergency Services should work with City departments to ensure a sufficient level of familiarity with the grants exists within the various departments.	1

Recommendations

Priority

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| 5.5 | The Grants Division of the Office of Emergency Services should identify all overtime costs associated with Yellow and Orange Alert heightened security measures. The Office of Emergency Services should claim for reimbursement all of these costs, provided grant funds are available and the costs are eligible for reimbursement. As part of this process, the Office of Emergency Services should also identify any other similarly unrecognized General Fund expenditures eligible for reimbursement, and move to claim these expenditures as appropriate. | 1 |
| 5.6 | The Grants Division of the Office of Emergency Services should develop improved internal controls to document what expenditure requests City departments have made, what requests the Office of Emergency Services accepts, what requests the Office rejects, and the rationale behind the decisions. These internal controls should also include policies and procedures for internal cost projections for activities such as training, exercises, and personnel. | 2 |

Section 6: Emergency Plans

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| 6.1 | The Planning Division of the Office of Emergency Services should maintain an up-to-date master list of all completed and planned emergency plans. | 1 |
| 6.2 | The Planning Division of the Office of Emergency Services should ensure that copies of hazard-specific annexes for likely disasters identified <i>Emergency Operations Plan 1</i> are on-file in the Emergency Operations Center and easy to identify and locate. The Planning Division should also ensure that functional and City Department Emergency Plans are easy to identify and locate. | 2 |
| 6.3 | The Planning Division of Office of Emergency Services should complete its review of <i>Emergency Operations Plans 1</i> and <i>2</i> , ensuring that the documents are consistent and that City departments' roles and responsibilities are consistent in both documents. | 2 |

Recommendations	Priority
6.4 The Planning Division of the Office of Emergency Services should, in cooperation with the relevant City departments, identify the San Francisco-specific information, such as geographic areas and demographic populations at risk, that should be contained in functional and hazard-specific annexes. Further, the Planning Division of the Office of Emergency Services should, in cooperation with relevant City departments, modify existing functional and hazard-specific annexes to contain this information. Plans for operational activities should be based on this information.	3
6.5 The Planning Division of the Office of Emergency Services should modify the <i>Department Emergency Plan Guidance</i> so that it requires City departments to describe how they will perform their department’s normal function, as necessary, during a disaster, and will return to normal function following a disaster.	3
6.6 The Planning Division of the Office of Emergency Services should review City Department Emergency Operations Plan to ensure that they conform to the <i>Department Emergency Plan Guidance</i> . Plans should not be considered complete until the Office of Emergency Services confirms they contain the information required by the <i>Department Emergency Plan Guidance</i> .	3
6.7 The Disaster Council should work with Department Heads to determine which City departments, divisions, public facilities, and other entities should write a City Department Emergency Plan.	3
6.8 The Mayor should direct all relevant entities, as determined by the Disaster Council, to revise or write, by March 2007, a City Department Emergency Operations Plan based on the <i>Department Emergency Plan Guidance</i> , and should, every two years, direct all relevant entities, to update their City Department Emergency Plan.	2
6.9 The Planning Division of the Office of Emergency Services should, every two years, remind relevant City departments and divisions to update their City Department Emergency Plans and functional or hazard-specific plans and should provide the necessary technical assistance.	3
6.10 The Office of Emergency Services should report on the status of functional, hazard-specific, and City Department Emergency Plans during the annual Board of Supervisors state of the City’s disaster preparedness hearing.	1

Recommendations	Priority
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| 6.11 The Planning Division of the Office of Emergency Services should work with the District Five community to enhance the <i>Community Disaster Plan Supervisorial District Five Plan</i> by adding a district-specific risk assessment and description current community emergency preparedness activities. The Office of Emergency Services should perform on-going technical assistance to organizations participating in the community disaster planning project. | 2 |
| 6.12 The Office of Emergency Services should extend its Community Disaster Planning effort to the remaining Supervisorial Districts in San Francisco. The majority of the work initiating the community planning should be contracted outside of the Office of Emergency Services, with the Office of Emergency Services to provide technical support for the planning after the initiation of the effort. | 2 |

Section 7: Pre-Disaster Hazard Mitigation

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| 7.1 The Office of Emergency Services, the Department of Building Inspection, the Department of Public Works, the Planning Department, and the Chief Administrator’s Office should work together to develop a comprehensive, strategic approach to pre-disaster mitigation. | 1 |
| 7.2 The Office of Emergency Services should, in cooperation with other City departments, write a mitigation plan that contains comprehensive, city-wide hazard identification, including the probability each risk will occur, as well as a risk assessment and an impact analysis. | 2 |
| 7.3 The Office of Emergency Services should, in cooperation with other City departments, based on a complete hazard identification, risk assessment, and impact analysis, develop priorities and identify which risks and impacts the City should prepare for first. | 3 |
| 7.4 The Office of Emergency Services should, in cooperation with other City departments, based on the City’s identified mitigation priorities, create and implement an action plan for mitigating against identified impacts. | 3 |

Section 8: Emergency Response

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| 8.1 The Office of Emergency Services should work with City departments to develop outcome oriented performance measures that will measure City department’s abilities to implement response protocols. | 1 |
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Recommendations	Priority
8.2 The Office of Emergency Services should modernize and expand the City’s Emergency Operations Center to facilitate a more effective response during an emergency.	2
8.3 By August 1, 2006 the Department of Public of Works should conduct a walk-through of 1011 Turk Street to determine the feasibility of reconfiguring the space to accommodate both a modernized and expanded Emergency Operations Center and the anticipated on-going staff for the Office of Emergency Services. The Department of Public Works should be accompanied by staff from the Emergency Communications Department, the Office of Emergency Services, Real Estate, and the Budget Analyst’s Office. If reconfiguration is possible, the Department of Public Works should prepare cost estimates for reconfiguring 1011 Turk Street to accommodate both the Emergency Operations Center and Office of Emergency Services staff. The Budget Analyst should review these estimates and should report to the Board of Supervisors as necessary.	1
8.4 The Office of Emergency Services should assess and, when appropriate, help other City departments improve the seismic safety of Department Emergency Operations Centers as part of its Department Emergency Operations Center enhancement project.	3
8.5 The Office of Emergency Services should equip all Department Emergency Operations Centers with the emergency supplies necessary to meet the City’s 72 hour personal preparedness standard. In doing so, the Office of Emergency Services should have a plan for care and shelter of response personnel that meets the City’s 72 hour personal preparedness standard.	3

Section 9: Pre-Disaster Recovery Planning

9.1 As required by the Mayor’s January 9, 2004 <i>Directive for Emergency Preparedness</i> , the Office of Emergency Services should develop plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for Phase II recovery of critical infrastructure and services.	1
9.2 As required by <i>Emergency Operations Plan 1</i> , the Office of Emergency Services should produce a Recovery Annex that contains “detailed procedures, forms and checklists for use in specifying recovery phase operations.” This annex should pertain to Phase II mid-term recovery.	2

Recommendations	Priority
9.3 The Disaster Council should decide which City department should take the lead in Phase III long-term reconstruction planning and should direct this City department to, as required by the <i>Community Safety Element</i> , establish an inter-departmental group to develop a Recovery Plan, guide long-term recovery, manage reconstruction activities, and to provide coordination among recovery activities. The Phase III Recovery plan should address long-term reconstruction.	2

Section 10: Office of Emergency Services Training

10.1 The Training workgroup should complete the training plan currently underway. The plan should include a formal, documented training program that includes a training needs assessment, curriculum, course evaluations, and training records, as suggested by the Emergency Management Accreditation Program. Furthermore, the plan should be founded on the risk and capabilities assessment conducted as part of the strategic planning process.	1
10.2 As allowed by the relevant grants, the Office of Emergency Services should evaluate the training needs of and develop appropriate training for support departments and elected officials. These training should be included in the training program currently under development. At a minimum, the Office of Emergency Services should organize an IS-700 National Incident Management System: An Introduction training for elected officials, including the Mayor and the members of the Board of Supervisors.	1
10.3 The Office of Emergency Services should develop performance measures that evaluate emergency responders’ ability to perform Federal target capabilities and should pre- and post-test training participants.	1

Section 11: Office of Emergency Services Exercises

11.1 The Office of Emergency Services, in cooperation with the Exercise Design Team, should design objectives that exercise the capabilities of the Mayor and the members of the Board of Supervisors, particularly as related to the Policy Group.	2
11.2 The Office of Emergency Services, in cooperation with the Exercise Design Team, should design and conduct exercises that test response functions, such as use of communications equipment. The exercises should test the ability of responders to perform the function in isolation, not as part of a response to a scenario.	3

Recommendations	Priority
11.3 Prior to conducting each exercise, the Office of Emergency Services should, in cooperation with the Exercise Design Team, provide necessary training, allow sufficient time for responders to practice skills learned at training, and should test equipment to ensure that it is operable.	3
11.4 Following each tabletop, functional, and full-scale exercise, the Office of Emergency Services, in cooperation with the Exercise Design Team, should promptly produce and distribute an After Action Report and a Corrective Action Report/Improvement Plan. Specifically, the Office of Emergency Services and participating City departments should identify corrective actions to strengthen identified areas of weakness and should assign responsibility and a completion date for each action. These documents should be prepared and submitted to all participants in accordance with Homeland Security Exercise and Evaluation Program and grant guidelines.	1
11.5 Following informal exercises, the Office of Emergency Services should distribute a synopsis of identified problems, lessons learned, and best practices.	1
11.6 Following corrective action, City Departments tasked with making improvements should report back on their progress in a public forum so that all departments can be aware of changes and improvements City-wide.	1
11.7 The Office of Emergency Services should develop a system, such as performance measures, for making City departments accountable for improvement. To increase accountability, the Office of Emergency Services should report on these performance measures during the annual Board of Supervisors state of disaster preparedness hearing.	1

Section 12: Emergency Management Equipment

12.1 The Office of Emergency Services should work with the Controller, the Department of Contracts Administration, and other City departments to establish and implement procedures to identify all emergency-related equipment resources available in the City, and reconcile existing equipment inventory lists to ensure the City has a comprehensive and single consolidated equipment inventory.	3
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Recommendations	Priority
12.2 The Office of Emergency Services should update the City’s equipment priority list to identify what equipment needs have been met, prioritize the remaining needs, and add equipment items to or eliminate equipment items from the equipment list based on the City’s current assets and capabilities.	3
12.3 The Office of Emergency Services should maintain and regularly update a list of all emergency-related equipment available in the City and provide the list to City departments as appropriate.	3

Section 13: Management, Organization, and Staffing

13.1 The Office of Emergency Services senior management should develop detailed staffing plans, based on their strategic planning effort, which identify and prioritize each project, list project tasks, estimate the amount of time required to complete each task, and calculate the number of hours and full-time equivalent positions needed to complete each project.	3
13.2 The Office of Emergency Services management should evaluate whether using part-time personnel is an effective and efficient management and employment strategy to accomplish ongoing full-time responsibilities.	3
13.3 Until December 31, 2006, by which the current Urban Area Security Initiative grant funds are scheduled to expire, the Office of Emergency Services should retain its existing grants management staff and request additional work order accounting positions and support through the Controller’s Office to expedite the grants reimbursement claims processing.	1
13.4 Beginning on January 1, 2007, the Office of Emergency Services should reorganize the entire Grants Division commensurate with the level of grant funds received, with a focus on reducing the number of managers in this Division. Assuming grant funding is sufficient to support the same level of staff support, at a minimum, two Manager III positions should be eliminated. The salary savings from eliminating these two positions should be used to fund three new lower-level Grants Associate or Grants Finance Associate positions to perform routine journal entries, check invoices, and process grant documents, under the supervision of the remaining two Grants Managers.	2

Recommendations

Priority

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| 13.5 The Mayor should eliminate the position of Executive Director of the Office of Emergency Services after management responsibilities diminish following reductions in grant funding, staffing, and activities or upon the completion of the current Executive Director’s tenure. The Executive Director of the Emergency Communications Department should assume responsibility for all emergency services in the City. | 3 |
| 13.6 The Department of Human Resources should establish specific policies and guidelines regarding the amount of time that City employees may spend attending conferences, classes, or other outside training and professional development activities, while continuing to receive full compensation from the City. This past year the Department of Human Resources created a Workforce Development Unit to provide increased coordination and opportunities for additional training and professional development within the City’s workforce. As part of these efforts, this Workforce Development Unit should be directed to address this recommendation. | 3 |

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INTRODUCTION

On September 13, 2005, the Board of Supervisors adopted Motion M05-119 amending the Budget Analyst's schedule of Audits. As directed by the Board of Supervisors in the Motion, the Budget Analyst conducted a management audit of the San Francisco Office of Emergency Services. The Budget Analyst conducted this audit pursuant to the Board of Supervisors power of inquiry as defined in Charter Section 16.114.

Purpose and Scope

According to Government Auditing Standards, performance audits, also known as management audits, provide information to improve program operations and facilitate decision making by providing responsible parties with information to initiate corrective action, and improve public accountability.⁵ Accordingly, the focus of this management audit was to evaluate the efficiency, economy, and effectiveness of the Office of Emergency Services' programs, activities and functions in order to identify areas of improvement. The management audit also assessed compliance with applicable State and Federal laws, local ordinances and City policies and procedures. The Budget Analyst specifically reviewed Office of Emergency Services activities related to coordination and communication, goals and objectives, grants and budget, financial management, planning, mitigation, response, recovery, training, exercises, equipment, and staffing from 2001 to 2006.

Audit Methodology

The Budget Analyst conducted this management audit from November 10, 2005 through April 30, 2006 in accordance with Government Auditing Standards, 2003 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. As directed by these standards, the Budget Analyst conducted the following management audit procedures:

- The Budget Analyst held an entrance conference with the Executive Director of Emergency Services, along with several key staff members, to discuss audit procedures and protocol, request and discuss background information, and to respond to questions.
- The Budget Analyst conducted a pre-audit survey to familiarize the audit staff with the operations and responsibilities of the Office of Emergency Services and its management and staff. As part of this survey, the Budget Analyst conducted interviews with all Office of Emergency Services staff and executives.
- The Budget Analyst conducted field work to develop a more detailed understanding

⁵ United States General Accounting Office, *Government Auditing Standards, 2003 Revision*, GAO-03-673G (Washington, D.C.: June 2003).

of the Office's operations. Field work included additional interviews with selected Office of Emergency Services staff and executives; interviews with staff and executives from other City departments, the Mayor's Office, State and regional emergency response agencies, and stakeholder organizations; attendance and observation of Office of Emergency Services-led meetings, committees, and working groups and exercises; collection and review of key documents, plans, ordinances, legislation, and policies; collection and analysis of quantitative and financial data; and a telephone survey of 15 City departments. The Budget Analyst requested information from three other Urban Areas Security Initiative areas in California (Los Angeles County, the City of Los Angeles, and the City of San Jose), and received information from two of those areas (Los Angeles County and the City of Los Angeles).

- The Budget Analyst provided an initial draft of this report to the Office of Emergency Services Executive Director and Deputy Director, and selected staff on April 13, 2006 to ensure factual accuracy of this report, and provided a final draft report for formal review on May 8, 2006.
- The Budget Analyst held an Exit Conference lasting approximately 20 hours over a two day period with the Executive Director and Deputy Director of Emergency Services, along with several key staff members, and the Mayor's Office Director of Public Policy to discuss the report. On May 11, 2006, the Executive Director of Emergency Services provided final and official comments, which are included as Appendix 1 to this report. Based on these comments, the Budget Analyst revised this report as necessary and provided a final copy of the report to the Board of Supervisors on May 15, 2006.
- The Executive Director of the Office of Emergency Services did not allow the Budget Analyst to observe a critical policy meeting and a homeland security policy seminar with Department heads and elected leaders. The Office of Emergency Services also refused the Budget Analyst to observe Office of Emergency Services staff meetings. In addition, the Office of Emergency Services refused the Budget Analyst access to URS Corporation, the company contracted to develop a Regional Plan that the Office of Emergency Services identifies as a central effort for the region's preparedness efforts.⁶ Because of this, the Budget Analyst must disclose that the Office of Emergency Services created an external impairment limiting the ability of the Budget Analyst to carry out this audit as defined by Government Auditing Standards 3.19.

Background

Emergency management has evolved over the past several decades. At a national level, starting in the 1930s, the Federal government began to make individual disaster loans for

⁶ After the Exit Conference, the Office of Emergency Services provided a name and contact information for a URS representative. However, the provision of this information at this later date did not allow sufficient time for data collection and analysis in this report.

repair and reconstruction of certain public facilities following earthquakes, civil defense efforts, and later, other types of disasters. By the 1960s and early 1970s, large natural disasters such as Hurricane Carla, Hurricane Betsy, Hurricane Camille, and Hurricane Agnes coupled with preparedness measures in response to the Cold War and domestic disasters, such as the nuclear power-plant emergency of Love Canal, increased the prominence of emergency services for both national and local government.

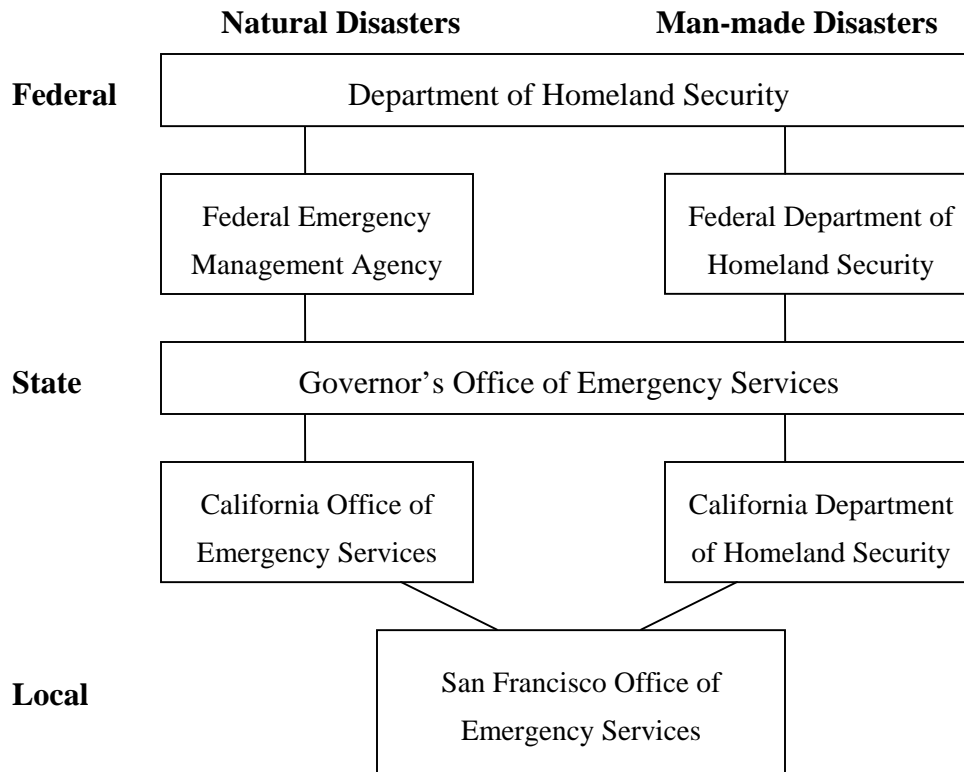
In 1974, Congress approved the Stafford Act to bring an orderly system of providing Federal natural disaster assistance to State and local government.⁷ Congress has since amended the Stafford Act to create the system in place today by which the President can make a declaration of an emergency that triggers Federal financial and physical assistance through the Federal Emergency Management Act. The Stafford Act also provides the Federal Emergency Management Agency, now under the Federal Department of Homeland Security, with the responsibility for coordinating government-wide relief efforts.

Despite the progress of emergency services as a government priority, emergency response still came to national attention during short-term catastrophes only, never remaining in the public consciousness or among government policy priorities for extended periods of time. However, the September 11, 2001 terrorist attacks shifted the country's understanding of emergency services from a short-term limited response to a much broader and on-going preparedness effort. Along with this shift in national attention and priorities, the Federal government made significant increases in its financial assistance to State and local jurisdictions in an effort to spur a nation-wide preparedness effort. Currently, the Federal government provides billions of dollars to States and local jurisdictions through many different grant programs.

San Francisco's Office of Emergency Services coordinates emergency preparedness and response for the City. This coordination includes both natural disasters and man-made, or terrorist, disasters. However, at the State and Federal levels the responsibility for coordination of emergency response for natural and for man-made disasters is split between two agencies. At the State level, the California Office of Emergency Services is responsible for natural disasters and the California Department of Homeland Security is responsible for man-made disasters. Both of these offices are under the Governor's Office. The Federal Emergency Management Agency, while located under the Federal Department of Homeland Security, is specifically responsible for natural disasters at the Federal level. The Department of Homeland Security is responsible for man-made disasters. Chart I.1 displays the Federal, State and local structure for emergency services.

⁷ Robert T. Stafford Disaster Relief Act (Public Law 100-707). Approved in 1974.

Exhibit I.1
Emergency Services: Federal, State and Local Structure



Source: Budget Analyst Office

The California Office of Emergency Services has established three Administrative Regions to coordinate emergency management in the State: the Coastal Region, which includes San Francisco, is based in Oakland; the Inland Region is based in Sacramento; and the Southern Region is based in the Los Angeles metropolitan region. Coordination of assistance by the California Office of Emergency Services can range from a facilitator's role of communicating requests from various jurisdictions, or acting as a resource manager, to requesting mutual aid. The Governor's Office of Homeland Security, located in Sacramento, is primarily responsible for monitoring the Federal and State grants provided to local jurisdictions for homeland security purposes. Similarly, at the Federal level, the Federal Emergency Management Agency coordinates the Federal response and provides assistance when requested by the State, while the Federal Department of Homeland Security provides grants to local jurisdictions, typically with the State as a pass-through and oversight body.

An Increased Amount of State and Federal Grant Funding Is Available to Local Jurisdictions

Funding for local emergency preparedness efforts comes primarily through grants from the State and Federal governments. As national attention shifted to domestic terrorism prevention and response following September 11, 2001, grant funding for terrorism preparedness increased significantly and took predominance in the pool of grant funds available to local jurisdictions. However, as more recent natural disasters have highlighted deficiencies in emergency response, grant funds within the past year have become more available for preparedness for all hazards, natural or man-made. Among the grants currently available are:

- **Urban Area Security Initiative:** Provided by the Federal Department of Homeland Security, the Urban Area Security Initiative grants provide resources for the unique equipment, training, planning, and exercise needs of select high threat urban areas. According to Department of Homeland Security documents, the Federal government intends for the Urban Area Security Initiative grant to enhance security and overall preparedness to prevent, respond to, and recover from acts of terrorism. The Urban Area Security Initiative grant provides assistance to States, and subsequently selected urban areas, to purchase equipment, to conduct training and planning, and to carry out exercises.
- **Metropolitan Medical Response System:** Provided by the Federal Department of Homeland Security, the Metropolitan Medical Response System grants provide funds to highly populated jurisdictions to develop plans, to conduct training and exercises, to acquire pharmaceuticals and personal protective equipment, and to enhance the jurisdiction's ability to respond to a mass casualty event.
- **Law Enforcement Terrorism Prevention Program:** Provided by the Federal Department of Homeland Security, the Law Enforcement Terrorism Prevention Program grants provide law enforcement with funds for activities such as information sharing to preempt terrorist attacks, site hardening to reduce vulnerability of selected high-value sites, and threat recognition to recognize the potential or development of a threat.
- **State Homeland Security Program:** Provided by the Federal Department of Homeland Security, the State Homeland Security Program provides funding for specialized equipment, exercises, training, and planning costs associated with updating and implementing each State's Homeland Security Strategy.
- **Emergency Management Performance Grant:** Provided by the Federal Emergency Management Agency, the Emergency Management Performance Grant provides funds to help State and local emergency managers develop, maintain, and improve their emergency management capabilities.

The Office of Emergency Services Has Grown Significantly Over the Past Three Years

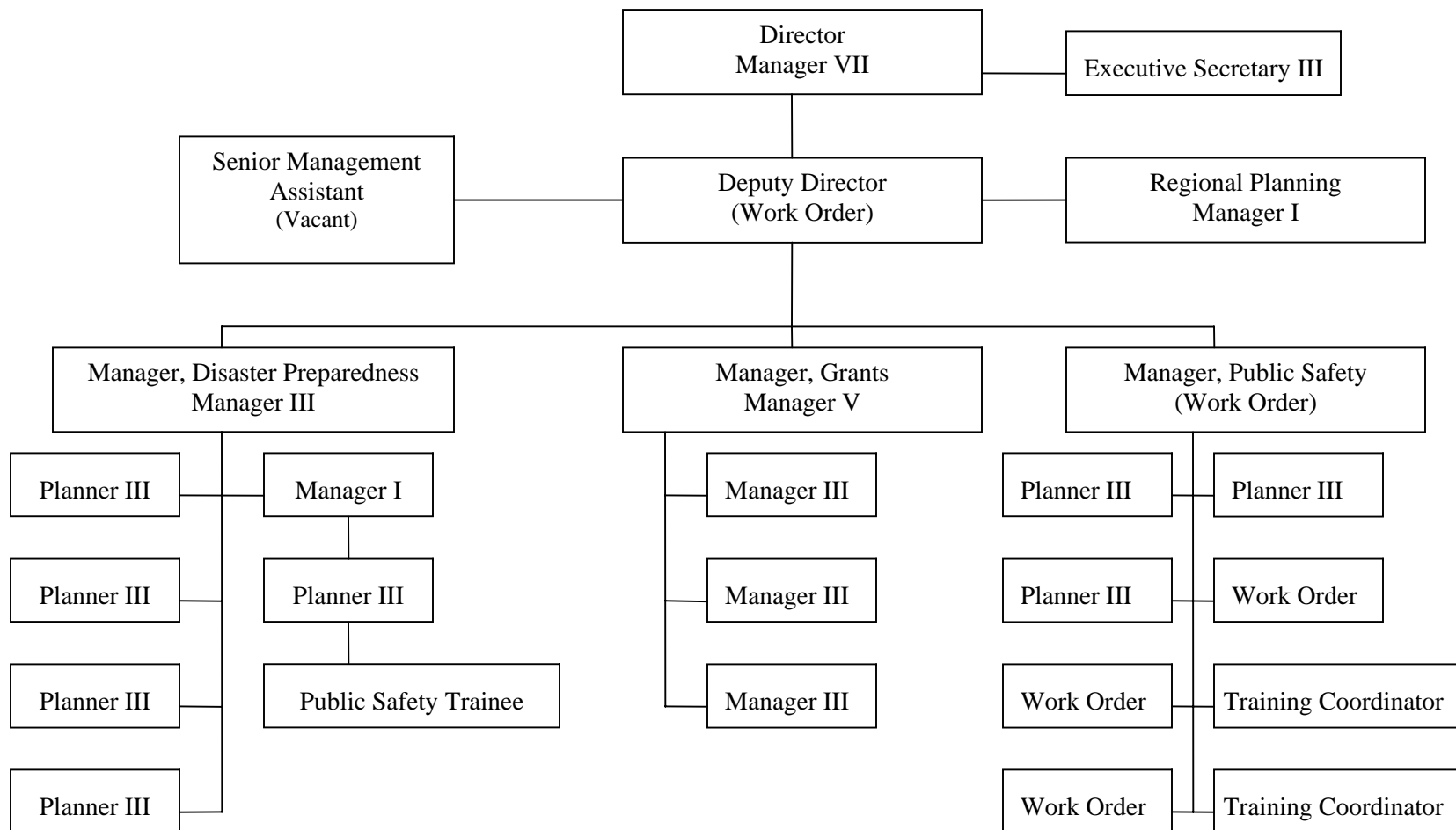
As the City agency charged with coordinating emergency preparedness and response, the Office of Emergency Services manages the majority of Federal and State grant funding received by the City of San Francisco for emergency services. Formerly, the Office of Emergency Services was within the Mayor's Office with grant funding managed through the Mayor's Office of Criminal Justice. However, following a 2003 Civil Grand Jury report, entitled *It's A Catastrophe: The State of Emergency Planning in San Francisco*,⁸ the Office of Emergency Services moved under the Emergency Communications Department. Despite its placement under the Emergency Communications Department, the Executive Director of the Office of Emergency Services reports directly to the Mayor as stated in the City's Administrative Code.

The Office of Emergency Services has had five Executive Directors within the past five years, with the current Executive Director holding the position for the past 18 months, and the Office's activity and productivity has been inconsistent over this time. Until recently, the Office of Emergency Services did not hold Disaster Council or other City department coordinating meetings, and had not produced an overall emergency plan for the City. With the appointment of the current Executive Director, however, the Office of Emergency Services has become more active, initiating and completing many noteworthy initiatives. Chart I.2 provides an organizational overview of the Office of Emergency Services.

⁸ San Francisco Civil Grand Jury, A Report of the 2002-2003 Civil Grand Jury For the City and County of San Francisco, *It's A Catastrophe: The State of Emergency Planning in San Francisco* (San Francisco, June 2003).

Exhibit I.2
Office of Emergency Services Organizational Structure

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Note: Work Order positions are positions paid for by other City departments
Source: Office of Emergency Services

The current Office of Emergency Services administration directed its initial efforts toward responding to the Civil Grand Jury report, *It's A Catastrophe*. The Office of Emergency Services addressed and implemented the majority of the recommendations made in that report. The Office of Emergency Services also focused on hiring knowledgeable, experienced staff members to lead projects and on pooling expertise in the Office. Because of the desire to create this pool of expertise, along with the large amount of grant funds available for hiring new staff, the Office of Emergency Services' staff size grew significantly, as shown in the Table I.1.

Table I.1
Office of Emergency Services Staff Levels Have Increased As Federal Grant Funding Has Increased

Fiscal Year	Number of Full-Time Equivalent Staff	Grant Funding
2001-2002	6	\$251,674
2002-2003	6	\$618,959
2003-2004	10	\$31,400,404
2004-2005	25	\$29,621,234
2005-2006	25	\$22,591,131

Source: Office of Emergency Services

In addition, the current Mayor and the Office of Emergency Services initiated regular quarterly meetings of the Disaster Council. The Disaster Council, chaired by the Mayor, with the Executive Director of the Office of Emergency Services as the Executive Secretary, is primarily composed of City department heads and including three members of the Board of Supervisors, is intended to be an oversight body for City-wide emergency services that makes recommendations to the full Board of Supervisors. In an effort to help guide emergency services in the City, the Disaster Council has formally adopted the Emergency Management Accreditation Program standards.⁹ The Emergency Management Accreditation Program is a national, voluntary program that provides standards for emergency management agencies that address topics such as strategic planning, response planning, hazard mitigation, recovery and coordination. Through these topics, the Emergency Management Accreditation Program provides both criteria for assessment and guidance for effective emergency management.

Because new emergencies create new areas of focus and priorities for funding, the field of emergency management continues to evolve. This evolution makes it difficult to maintain a consistent focus. Office of Emergency Services senior managers have stated that the Federal government has shifted its priorities with each new year of grant funding. This shifting focus at the Federal level has precipitated similar shifts at the Office of Emergency Services. For example, the Federal Urban Area Security Initiative grant funds focused on equipment purchases in FY 2002-2003 and FY 2003-2004, then focused on

⁹ Emergency Management Accreditation Program, *the Emergency Management Accreditation Program Standards* (Lexington, KY, September 2003).

training and exercises in FY 2004-2005 and FY 2005-2006, and on regional initiatives in FY 2006-2007. These shifts in Federal focus have also come with changes in the San Francisco urban area that receives the grant funds. For example, the FY 2006-2007 Urban Area Security Initiative grant vastly increased the definition of the Bay Area urban region, expanding the region to include several additional counties and numerous cities formerly in separate Urban Area Security Initiative grant areas or not included in prior Urban Area Security Initiative grant areas. These changes have created a difficult context for the Office of Emergency Services to implement and coordinate emergency services in San Francisco.

The Office of Emergency Services Has Initiated Many New Promising Programs

The Office of Emergency Services has implemented new emergency preparedness programs, including the development of many emergency response plans for various hazards and emergency situations. For example, specialized plans called annexes now exist to guide the City's response to hazards such as tsunamis, as well as for performing emergency functions like sheltering and caring for a large number of people and animals. These plans augment the City's central emergency response plans, *Emergency Operations Plan 1* and *Emergency Operations Plan 2*.

In addition, the Office of Emergency Services has initiated, restructured, or revived many committees and working groups in order to share information and develop standardized department emergency plans. Moreover, the Office of Emergency Services has been instrumental in obtaining grant funds for the City as well as for the region. Officials from other jurisdictions have recognized the key role the San Francisco Office of Emergency Services played in establishing governing bodies and chairing regional meetings. Beyond these general activities, the Office of Emergency Services has initiated several promising projects, some of which other cities and jurisdictions are considering for adoption, according to Office of Emergency Services officials. A select number of these projects include:

- **Emergency Operations Plan 1: Basic Plan and Emergency Operations Plan 2: Emergency Operations Center Operations.** The *Emergency Operations Plan 1*, revised in 2005, and *Emergency Operations Plan 2*, anticipated to be completed in 2006, provide overall policies and procedures for emergency operations in the City. Prior to 2004, the City did not have an emergency operations plan. While originally contracted out to a consultant for development, the Office of Emergency Services eventually developed these plans internally. *Emergency Operations Plan 1* provides the overall policy of emergency operations including the relationships between the Office of Emergency Services and other entities within and outside of the City. *Emergency Operations Plan 2* provides operational information on the actions for City officials to take in response to an emergency. *Emergency Operations Plan 2* provides a procedural checklist of actions for City officials to perform during an emergency.

- **Disaster Service Worker Training.** The Office of Emergency Services in collaboration with the Department of Human Resources is spearheading a training program for all City employees. This training will inform City employees of their general responsibilities in an emergency and how to carry out those responsibilities. In addition, the training is coupled with two supporting initiatives. One initiative is to provide Disaster Service Worker identification cards to all City employees. The identification cards will be color and number coded, allowing card holders' access to certain areas during an emergency. Depending on what each City department wishes to do, the identification cards can replace or augment the current employee badges, with the capacity to store employee and department specific data via a magnetic strip on the card. The Office of Emergency Services anticipates all City employees will have these cards by this fiscal year. The Office of Emergency Services' second initiative, ongoing through 2006-2007, is to survey all City workers to compile a skills and abilities database, which the City can draw upon in the event of an emergency. For example, if a financial analyst also had carpentry skills, the City could identify those skills in the database and potentially call upon that employee to assist in emergency response if needed.
- **72hours.org Website and Public Outreach Campaign.** The 72hours.org website is the centerpiece of the Office of Emergency Services' public information campaign. This website provides detailed information available in English, Spanish and Chinese regarding personal preparedness. Information includes what emergency supplies people should have on hand, how people should respond to various emergencies, and how people can prepare individualized emergency plans. The Office of Emergency Services has coupled the website with a public outreach campaign that includes public signs and distribution of information at community festivals and other public events. Office of Emergency Services officials stated that other cities have expressed an interest in using this website and initiative as a model, and the website recently won a National award for excellence, the "Webby." In addition, the City recently reached an agreement with Walgreens pharmacy to help people put together "grab-and-go" kits that include essential supplies to survive in the days following an earthquake or other disaster.
- **Housing Authority Outreach and Training.** Taking lessons learned from the response to Hurricane Katrina, the Office of Emergency Services has launched a program to provide personal preparedness information to vulnerable San Francisco residents dependent on housing assistance. The program focuses on personal contact with all Housing Authority residents through Office of Emergency Services presentations with translation services to residents, based on the messages of 72hours.org.
- **Community Disaster Planning (District 5).** Initiated by SF5, community organization in Board of Supervisors District 5, the Office of Emergency Services is providing support to district residents to develop a community response plan. The Office of Emergency Services intends to use the District Five planning process as a model for preparing community response plans for all Board of Supervisors districts.

- **Community Shelter Survey Project and Database.** The Office of Emergency Services contracted with consulting firm, Standing Stone, Inc., at a cost of \$156,978 to collect information on 60 facilities in the City that can act as emergency shelters. Information collected includes (a) the capacity of the building, (b) shelter set-up, (c) disabled access, (d) facility location, and (e) proximity of additional City resources. In the event of an emergency requiring the shelter of people and animals in the City, the Office of Emergency Services will be able to immediately identify the best-suited shelter facilities as well as access information on shelter set-up and how to make such shelters accessible to various populations in the City.

- **Bay Area Regional Plan.** The Office of Emergency Services has contracted with the URS Corporation at a cost of \$2,200,000 to develop the *Regional Emergency Coordination Plan (Regional Plan)* for the Bay Area. This plan will include:
 - (a) Base Plan;
 - (b) Resource Asset Inventory;
 - (c) Regional Information System and Strategic Communications Plan;
 - (d) Transportation Coordination and Recovery Plan;
 - (e) Fire Urban Search and Rescue;
 - (f) Law and Coroner Plan;
 - (g) Hazardous Materials Response Plan;
 - (h) Mass Care and Shelter Plan;
 - (i) Health and Medical Plan; and
 - (j) Recovery Plan.

In FY 2006-2007, URS will also coordinate training and exercises to test the Regional Plan. Office of Emergency Services officials and officials from other jurisdictions have noted that in initiating this project, the Office of Emergency Services together with the State Office of Emergency Services, has taken the lead in filling a major deficiency in regional disaster preparedness.

- **Department Operations Center Enhancement:** Each City department that has a presence in the City's Emergency Operations Center should have a "Department Operations Center" which collects and transmits information from the field to the Emergency Operations Center run by the Office of Emergency Services during an emergency. To help departments meet this need, the Office of Emergency Services has initiated an effort to better equip Department Operations Centers for those departments that do not receive substantial allocations of homeland security funding. Specifically, the Office of Emergency Services is currently assisting 12 City departments and agencies: the Port, the Department of Parking and Traffic, the Recreation and Park Department, the Medical Examiner, the Treasure Island Development Authority, the Department of Human Resources, the Public Utilities Commission, the Department of Building Inspection, the General Services Administration, the Department of Human Resources, the Municipal Railway, and the San Francisco Unified School District.

- **April 1906-2006 Centennial Commemoration:** To commemorate the centennial of the 1906 Earthquake, the Office of Emergency Services along with other City departments, such as the Mayor's Office and the Fire Department, led special events extending over several days. As part of this effort, the Office of Emergency Services held an earthquake exercise and a seminar for policy makers.
- **Emergency Management Accreditation Program:** Adopted by the Disaster Council in January of 2004, the Emergency Management Accreditation Program is the voluntary assessment and accreditation process for state and local government programs responsible for coordinating prevention, mitigation, preparedness, response, and recovery activities for natural and man-made disasters. Nine jurisdictions are currently accredited: the State of Arizona, the City/County of Jacksonville/Duval Florida, the State of Florida, the State of Illinois, the State of Montana, the State of North Dakota, the Commonwealth of Pennsylvania, and the Commonwealth of Virginia. The standards help jurisdictions (a) focus on comprehensive emergency management, (b) encourage collaboration of community-wide programs rather than individual agencies, (c) demonstrate effective use of public resources and provide justification for resources, (d) encourage intra- and interagency communication and team-building through the assessment and accreditation process.

Areas for Improvement

Considering the low level of activity initiated by the Office of Emergency Services prior to the current administration, the current Office of Emergency Services administration has significantly increased the level of emergency preparedness activity in the City. However, despite recent progress, areas for improvement remain. These areas for improvement, if not addressed, will impede the City's future progress in emergency preparedness. The areas for improvement included in this report compose five broad themes, which appear throughout the report's findings. These themes are:

Strategic and Sustainability Planning: Strategic planning is the process of identifying needs and setting priorities, goals, objectives, and performance measures to help manage and guide an organization's operations. Through this process, senior managers are able to appropriately direct programmatic efforts, accomplish results and ensure accountability. The process of developing a strategic plan produces an equal, if not greater, benefit than having a plan available for reference as the process requires that stakeholders work through complex issues, set priorities, and determine and commit to the appropriate direction of programs, and dedicate resources. The lack of a strategic plan, and therefore the lack of carrying out a strategic planning process, is central to the findings of the Budget Analyst's management audit report.

Sustainability planning ensures that this strategic approach to government operations continues during times of abundant financial resources as well as limited financial resources. The need for sustainability planning is central as it extends to all areas of emergency services. For example, emergency equipment, staffing, training, exercises,

and technological upgrades all require funding now and in the future to keep pace with accepted standards. This need is paramount for emergency services reliant on grant funding, as the Federal government has indicated to local jurisdictions that the Federal grant funding now provided is to act as start-up funding. However, local jurisdictions must plan to continue with emergency preparedness activities without continuing to receive large amounts of Federal grant funds.

Accountability and Transparency: Accountability and transparency are fundamental concerns of good government. Accountability first consists of setting standards and expectations for government services and operations. Second, accountability consists of policy makers and the public holding government responsible for meeting those standards. Transparency is a necessary component of accountability. Specifically, transparency in operations ensures that government maintains and provides accurate data and information, which is readily available for public scrutiny and public debate by policy makers and the public. Strategic planning and setting performance measures are critical to accountability and transparency, as the strategic planning process produces the standards to which policy makers and the public can hold government accountable.

Coordination and Communication: The San Francisco Administrative Code specifically charges the Office of Emergency Services with the coordination of the City's emergency preparedness activities. Coordination of these activities necessitates effective communication within the Office of Emergency Services as well as among City departments, the private sector, and non-governmental agencies in the City. Without effective coordination and communication, it is difficult to ensure participation from all relevant emergency preparedness stakeholders. In addition, effective coordination and communication is needed to ensure clarity and consistency within the difficult context of emergency services.

Budget and Financial Management: Emergency services since 2001 has involved significant sums of grant money. As these funds are tax dollars, regardless of whether the grants are from the Federal or State government or from the City's General Fund, it is essential that management ensure that these funds are used for the most appropriate purposes and in the most efficient and effective manner. Again, strategic planning is important to proper financial management as the strategic planning process sets agreed upon priorities and needs for resources, and provides a means, through performance measures, to enable policy makers and the public to determine if government has used these resources for the most appropriate purposes.

Inclusion of all Stakeholders and Areas of Emergency Services: Inclusion of all emergency stakeholders in training, exercises, and resource allocation is an important step in preparing the City for an emergency. It is appropriate for those departments that are likely to have the largest role in emergency response – such as the Police and Fire Departments – to receive a larger proportionate allocation of the grant funds. However, many other City departments, such as the Medical Examiner and the Recreation and Park Department, as well as other non-governmental organizations, play a significant role in emergency preparedness and recovery and must be included.

Acknowledgments

The Budget Analyst would like to thank management and staff at the Office of Emergency Services and other City departments, the Mayor's Office, as well as the other organizations and individuals who provided their cooperation, assistance and insight during this study.

SECTION 1: LEGISLATIVE AUTHORITY

THE DISASTER COUNCIL IS NOT PERFORMING AS INTENDED

The Disaster Council, chaired by the Mayor with the Director of the Office of Emergency Services as the Executive Secretary, is the established oversight body for emergency services in the City, as prescribed by the City's Administrative Code. The Disaster Council is responsible for developing an emergency plan that effectively mobilizes all public and private resources in the community and forwarding implementing legislation to the Board of Supervisors. However, the Disaster Council is not adequately performing in this capacity.

For example, although the Disaster Council has grown by nine new members since 2004, and although appointment to the Disaster Council is at the discretion of the Mayor, there is little representation on the Disaster Council outside of City and County of San Francisco officials. Without representation on the Disaster Council of private organizations who are knowledgeable about emergency planning, it will be difficult, if not impossible, for the Disaster Council, and therefore the City to insure that all private emergency resources are adequately included and coordinated during an emergency. Moreover, although three nonprofit organizations are members of the San Francisco Disaster Council, none of these organizations are currently attending Disaster Council meetings because they do not receive information or notification regarding when and where the Disaster Council meetings are held.

In addition, the Disaster Council has only approved one plan, the City's base emergency operations plan, despite the development of 17 emergency plans within the past two years. Furthermore, since 2001, the Disaster Council has not forwarded any ordinances, resolutions, rules or regulations to the Board of Supervisors for adoption. At the same time, the Office of Emergency Services has established various committees to determine grant funding allocations for emergency services and therefore the City's priorities for emergency activities, rather than raising such issues with the Disaster Council. The current composition, activities and roles played by the Disaster Council raises the question regarding the future appropriate role and responsibility for the Disaster Council and whether the Disaster Council needs to be modified to perform to its fullest intended oversight capacity.

The Mayor is Responsible for the Office of Emergency Services and the Disaster Council

The City's Charter and Administrative Code contain numerous provisions that specifically address the City's emergency requirements, including assigning the Mayor, with the concurrence of the Board of Supervisors, the leading role and responsibility to take necessary actions to respond to an emergency. Charter Section 3.100 (13) specifies:

“In the case of an emergency threatening the lives, property or welfare of the City and County or its citizens, the Mayor may direct the personnel and resources of any department, command the aid of other persons and do whatever else the Mayor may deem necessary to respond to an emergency... In meeting an emergency, the Mayor shall act only with the concurrence of the Board of Supervisors, or a majority of its members...”

As part of this effort, Administrative Code Section 7.6(a) specifically empowers the Mayor:

“To control and direct the effort of the City and County Emergency Services organization and to direct cooperation between and coordination of services and officers in charge of the Emergency Services organization of the City and County; and resolve questions of authority and responsibility that may arise between them.”

The City’s Disaster Council, as provided in Section 7.4 of the City’s Administrative Code is empowered to “develop a plan for meeting any emergency, such plan to provide for the effective mobilization of all the resources of the community, both public and private.” Administrative Code Section 7.5 provides that the Disaster Council then recommends this emergency plan to the Mayor, who approves and promulgates the plan. The Administrative Code also stipulates that the Disaster Council be responsible for (a) preparing and recommending ordinances, resolutions, rules and regulations as are necessary to implement the City’s emergency plan(s) to the Board of Supervisors and (b) developing and recommending mutual-aid plans and agreements and related ordinances or regulations necessary to implement such plans and agreements to the Board of Supervisors. The Disaster Council currently meets on a quarterly basis.

Section 7.3 of the City’s Administrative Code stipulates that the Disaster Council be comprised of:

- (a) The Mayor, who shall be the chair;
- (b) The vice-chair who shall be appointed by the Mayor, and who, in the absence of or at the direction of the Mayor, shall act on his or her behalf on matters within the purview of this Chapter;
- (c) Such officers in charge of emergency services as are provided for in the current emergency plan of this City and County;
- (d) Such other representatives of civic, business, labor, veterans, professional, or other organizations having an official emergency responsibility, as may be appointed by the Mayor;
- (e) Three members of the Board of Supervisors, to be appointed by the President of the Board;
- (f) The Controller; and
- (g) The Executive Director of Emergency Services who shall be the Executive Secretary.

The City’s Disaster Council Should Include Additional Private Industry, Professional, and Non-Profit Organizations

As noted above, Section 7.3 of the Administrative Code provides that the Disaster Council will include representatives of civic, business, labor, veterans, professional, or other organizations having an official emergency responsibility, as may be appointed by the Mayor. While recognizing that the Mayor has discretion in the specific appointments to the Disaster Council, the Budget Analyst notes that there is little representation on the Disaster Council outside of City and County of San Francisco officials.

Based on a review of the Disaster Council meetings and agendas from September of 2004 through January of 2006, the Budget Analyst found that membership steadily grew from 22 representatives on September 10, 2004 to 31 representatives, an increase of nine representatives, or 41 percent, by January 17, 2006, as shown in Table 1.1.

**Table 1.1
Disaster Council Membership Has Increased, Primarily Due to Additional Department Head Members**

Agency	September 2004	January 2006
City		
Mayor	1	1
Board of Supervisors	3	3
Executive Director of Office of Emergency Services	1	1
Controller’s Office	1	1
Department Heads	14	23
Non-City		
San Francisco Unified School District	1	1
Non-Governmental Organizations		
Bay Area Chapter of the American Red Cross	1	1
Private Industry		
N/A	0	0
Total	22	31

Source: Budget Analyst’s Office

As reflected above, this growth was the direct result of the addition of nine City and County department representatives. The Mayor has expressed concern regarding the large size of the Disaster Council. But, other than one representative from the San Francisco Unified School District and the American Red Cross, no representatives from civic, business, labor, veterans, professional, or other organizations having an official emergency responsibility attended the Disaster Council. This is despite the fact that on

January 9, 2004, the Disaster Council specifically approved resolutions designating three nonprofit organizations, including the (a) Collaborative Agencies Responding to Disaster,¹⁰ (b) Volunteer Center of San Francisco¹¹ and (c) Salvation Army¹² as members of the San Francisco Disaster Council. Based on discussions with each of these non-profit organizations, none of these organizations are currently attending Disaster Council meetings because they do not receive information or notification regarding when and where the Disaster Council meetings are held. As noted above, in accordance with the City's Administrative Code, the Executive Director of Emergency Services is the Executive Secretary of the Disaster Council, who is responsible for the administration of Disaster Council meetings.

Furthermore, as referenced above, in accordance with Section 7.4 of the City's Administrative Code, the Disaster Council is responsible for developing a plan that mobilizes the resources of both the public and private community. On January 11, 2005, the Disaster Council adopted the *Emergency Operations Plan 1*. However, there is very little information in the City's *Emergency Operations Plan 1* that addresses the resources in the private community. Without significant inclusion in the City's *Emergency Operations Plan 1*, or representation on the Disaster Council of private parties who are knowledgeable about emergency planning in the private sector, it will be difficult, if not impossible, for the Disaster Council, and therefore the City to insure that the emergency resources from the private sector are adequately included and coordinated in the event of an emergency.

The City's Disaster Council Should Review Emergency Plans and Forward Legislation to the Board of Supervisors for Approval

As noted above, Section 7.4 of the City's Administrative Code provides that the Disaster Council is responsible for developing plans for meeting any emergency, with the effective mobilization of all public and private resources, and for recommending appropriate legislation to the Board of Supervisors as necessary to implement such plans. As discussed in greater detail in Section 6: Emergency Plans of this report, the Office of Emergency Services and other City departments have completed 17 basic, functional and hazard specific plans and annexes. Each City department is also responsible for completing and updating their own City Department Emergency Plan every two years. Based on a review of the Disaster Council agendas for the past several years, other than *Emergency Operations Plan 1*, the Office of Emergency Services has not forwarded any

¹⁰ The Collaborative Agencies Responding to Disaster (CARD) is an umbrella organization of community based organizations with responsibilities for preparing and responding to emergencies and disaster.

¹¹ The Volunteer Center serves as a clearinghouse for volunteers and agencies in San Francisco and entered into an agreement with the Office of Emergency Services to assist in the management of volunteers during a disaster.

¹² The Salvation Army provides vital services in emergencies such as food supplies, donations management and mental health counseling.

plans for approval to the Disaster Council.

Furthermore, since 2001, the Disaster Council has not forwarded any ordinances, resolutions, rules or regulations to the Board of Supervisors for adoption. This applies to emergency plans, mutual-aid plans or agreements. As a result, although City department staff may individually review draft plans, no policy body reviews the City's emergency plans for timely completion, consistency, adoption and implementation by the City. With the completion of each City emergency plan, annex or report, the Disaster Council should review each plan, and determine which plans to forward to the Board of Supervisors for public hearing and implementation.

The Role and Responsibilities of the Disaster Council Need Clarification

Since 2001, the City has received over \$82 million in Federal and State grant funds. Various committees have been formed through the Office of Emergency Services to allocate these Federal and State grant funds¹³. These committees are comprised of Office of Emergency Services staff, with a limited number of City department representatives and regional partners. Most of the decisions regarding the allocation of emergency funds, and therefore the related emergency equipment, staffing and activities, have been determined by these various Office of Emergency Services committees.

As a result, over the last five years the Disaster Council has not been the primary decision making body for prioritizing emergency funding and related disaster activities. Given the above noted discussions, the Disaster Council, as the established oversight body for emergency services in the City, is not functioning as it was originally intended. This raises the larger question of what is the appropriate role and responsibility of the City's Disaster Council.

Conclusion

Section 7.3 of the City's Administrative Code establishes the Disaster Council as the oversight body for emergency services in the City. Section 7.4 of the Administrative Code charges the Disaster Council with the responsibility for developing an emergency plan that effectively mobilizes all public and private resources in the community and forwarding implementing legislation to the Board of Supervisors. However, the Disaster Council does not include sufficient representation from outside City and County government. Non-profit organizations previously appointed to the Disaster Council are not receiving notifications of the Disaster Council meetings and therefore are not attending meetings. The Disaster Council has not consistently reviewed and approved emergency plans. The Disaster Council has not forwarded any implementing legislation to the Board of Supervisors in the past five years. And lastly, the Disaster Council has not been the primary decision making body for prioritizing emergency grant funding and related disaster activities. These shortcomings raise the larger question of the appropriate

¹³ Section 2: Communication and Coordination of this report identifies the composition of these committees and describes their recent activities and reorganization.

role and responsibility of the Disaster Council and whether the Disaster Council needs to be modified to perform to its fullest intended oversight capacity.

Recommendations

- 1.1 The Mayor should appoint to the Disaster Council representatives of civic, business, labor, veterans, professional, or other organizations that have an official emergency responsibility.
- 1.2 As Secretary of the Disaster Council, the Executive Director of the Office of Emergency Services should provide sufficient advance notice to all of the Disaster Council representatives regarding upcoming meeting dates, times, location, and agendas for each Disaster Council meeting.
- 1.3 The Disaster Council should review each City emergency plan, annex, mutual-aid agreement or report and should determine which plans, annex, agreements, and reports to forward to the Board of Supervisors for public hearing and implementation.
- 1.4 The Disaster Council should be convened to review the existing composition, purpose, role and responsibilities of the Disaster Council, in accordance with the City's Administrative Code. The Disaster Council should then determine whether these requirements are appropriate relative to the ongoing needs of the City. If necessary, the Disaster Council should recommend changes to the City's Administrative Code, which should be forwarded to the Board of Supervisors for consideration.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, along with the staff time of the Mayor and various City departments, who are members of the Disaster Council. If additional costs are incurred, the Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations will ensure that the City is in full compliance with the City's Administrative Code. It will also ensure that the City's Disaster Council functions most effectively as the policy oversight body for emergency services, reporting directly to the Mayor and the Board of Supervisors.

SECTION 2: COMMUNICATION AND COORDINATION

THE OFFICE OF EMERGENCY SERVICES NEEDS TO IMPROVE ITS COORDINATION EFFORTS

Coordination of the City's emergency services is the fundamental responsibility of the Office of Emergency Services. Despite this, effective coordination and communication within the Office of Emergency Services, with other City departments, and with non-City organizations does not consistently occur. Ineffective internal communication, inconsistent advance notice of meetings, a lack of follow-up from meetings, and changing committee and working group structure at the Office of Emergency Services has resulted in City department representatives often being frustrated and confused.

Furthermore, the Office of Emergency Services has not systematically included key City departments and other local agencies in exercise scenarios that focus specifically on their facilities. For example, the Office of Emergency Services did not specifically invite Municipal Railway (Muni) or Bay Area Rapid Transit (BART) officials to an exercise that assumed a chemical spill in one of the downtown Muni/BART stations. By not including these other entities, the Office of Emergency Services reduced the opportunities for City departments to coordinate their emergency preparedness efforts with these other entities.

In addition, the Office of Emergency Services changed its name and letterhead to the Office of Emergency Services and Homeland Security in mid-2004, although the Office did not inform the Board of Supervisors or the public of this name change. While not required by law, public notification of a change to the official name or title of a City department is a logical practice, particularly for an Office whose fundamental responsibility is coordination and communication. The current Office of Emergency Services administration has also not built on the positive management practices and effective communication tools established by the previous administration.

The Office of Emergency Services did not maintain a master contact list that contained telephone, fax and email contact information for the City department staff who perform emergency management activities or functions for their departments. Instead, each Office of Emergency Services staff person maintained a separate list of people with whom they work. Basic management tools and activities, such as creation and maintenance of a master contact list, sending out agendas, and keeping stakeholders informed of changes to the organization would facilitate more effective communication and collaboration of emergency services in the City.

Coordination is the Fundamental Responsibility of the Office of Emergency Services

Section 7.7 of the City's Administrative Code states that it is the responsibility of the Executive Director of Emergency Services "to coordinate all protective and relief services for the City and County, the training of all personnel connected therewith and the operation and implementation of all emergency plans and activities." Coordination of any City-wide effort is an extremely difficult task, particularly when City departments have primary missions and functions that are not directly aligned with emergency preparedness. While recognizing that coordination of emergency activities is a two-way responsibility, as specified in the City's Administrative Code, the primary coordination responsibility resides with the Office of Emergency Services.

The Office of Emergency Services' Constantly Changing Committee Structure Creates Confusion Among City Departments

The primary tool the Office of Emergency Services uses to coordinate and communicate with City departments and regional partners is task force, group and committee meetings. Because the Office of Emergency Services has increased its level of activity over the past two years, the Office is working to identify the best structure for these task forces, groups and committees, and has established several iterations of the overall committee structure. A review of Office of Emergency Services documents from 2004 identified 11 task force groups that included City department representatives. At the beginning of the management audit in November of 2005, the Office of Emergency Services had a different committee structure, which included three primary committees: (1) Equipment Committee, (2) Planning Committee, and (3) Training Committee, comprised of City department representatives from four specific City departments plus the Office of Emergency Services staff. These three Committees reported to the Office of Emergency Services Steering Committee. The Steering Committee, chaired by the Office of Emergency Services Deputy Director, was comprised of the same Office of Emergency Services staff and representatives from the same Public Health, Police, Fire and Sheriff's Departments.

At the same time, the Office of Emergency Services had an Urban Area Working Group, comprised of the same people who sat on the Steering Committee plus representatives from Marin County and San Mateo County, San Francisco's regional partners for the FY 2005-2006 Urban Area Security Initiative grant. The purpose of both the Steering Committee and the Urban Area Working Group was to decide how to allocate the FY 2005-2006 Urban Area Security Initiative grant funds. However, under this committee structure, the same Office of Emergency Services and City department representatives often attended multiple Office of Emergency Services Committee meetings and discussed the same issues multiple times.

In December of 2005, after observing this committee structure and receiving negative feedback from City department representatives, the new Manager of the Public Safety Division stopped all committee meetings to review, assess and recommend changes. This

new Manager introduced a new committee structure in January of 2006, which is intended to coordinate, yet streamline all of the Office of Emergency Services' activities. This new committee structure provides a range of participation options for City departments while capturing specific expertise in the City. At the same time, it reduces the number of meetings that present duplicative information to the same people, thus minimizing the workload demands on individuals. This new committee structure has four ongoing workgroups and is comprised of Office of Emergency Services staff and department representatives that have specific expertise in: (1) exercise design, (2) earthquake structural collapse rescue, (3) training, and (4) mass casualty care. In addition, ad hoc task force groups have been created to address specific issues, such as the Response to Suspicious White Powder Incidents Task Force. These four new workgroups report to a Planning Committee, which is composed of mid-level City department managers and Office of Emergency Services staff, and which reviews the workgroups' activities and recommendations.

However, this new committee structure is not integrated with other Office of Emergency Services workgroups. For example, the Logistics Working Group currently meets every month, with the Office of Emergency Services logistics staff person and logistics representatives from various City departments (Department of Administrative Services, Department of Public Works, Medical Examiner, Public Utilities Commission, Department of Public Health, Municipal Railway, Department of Parking and Traffic). This Logistics Working Group has recently further divided into subgroups that will report back to the Logistics Working Group on specific areas, such as securing food and water, staging and warehousing, and distribution locations. However, the Logistics Working Group does not interact with the other four workgroups or the Planning Committee.

In addition, despite repeated requests, the Office of Emergency Services did not provide a comprehensive chart of the Office of Emergency Services task forces, groups and committees to the Budget Analyst until after the Exit Conference. Further, this chart was inconsistent with the information provided during the audit and during the Exit Conference. Various City department representatives reported that the constantly changing Office of Emergency Services committee structure has resulted in considerable confusion regarding which Office of Emergency Services committee their staff should attend and which Office of Emergency Services committee is responsible for what activities.

The Office of Emergency Services' Internal Coordination and Communication Needs Improvement

The Budget Analyst was not permitted by the Office of Emergency Services staff to attend the Office of Emergency Services internal staff meetings during the audit and was therefore unable to determine the value of the information shared at staff meetings. Nevertheless, despite the small size of the staff, the Budget Analyst found that there was insufficient or ineffective information sharing from the senior management staff to the project staff.

Insufficient internal communication often results in individual Office of Emergency Services staff presenting contradictory information to City departments. For example, at the Disaster Forum¹⁴ meeting in November of 2005, the newly hired Training Coordinator provided an overview of the Disaster Service Worker and National Incident Management System training programs. This Training Coordinator informed the staff from approximately 15 major City departments that all City employees, as Disaster Service Workers, would be required to meet the National Incident Management System training standard for Police Officers and Firefighters. In addition, this Office of Emergency Services Training Coordinator instructed all City department representatives to inform their immediate supervisors and department heads of the importance and requirement for such National Incident Management System training. However, this Office of Emergency Services Training Coordinator had obviously not communicated this training recommendation or coordinated this presentation with the top management staff at the Office of Emergency Services, who later advised that the State and Federal guidelines for such training had not yet been issued. As a result, the newly appointed Manager of the Public Safety Division had to later revise and reissue these training instructions to City departments, reducing these requirements to the appropriate emergency-related staff only. Providing incorrect information, which needs to be corrected subsequently, resulted in reported confusion and frustration for City department representatives.

Similarly, in February of 2006, an Office of Emergency Services planner suggested to the Disaster Forum that a new review group be created to review and provide feedback on the draft Earthquake Plan. However, in January of 2006, or just one month earlier, the new Manager of the Public Safety Division in the Office of Emergency Services had introduced to the same Disaster Forum members, a new workgroup committee structure that was intended to coordinate all of the Office of Emergency Services' activities. If the individual Office of Emergency Services planner had been more familiar with the Office of Emergency Services reorganization and the work conducted by his colleagues, such confusing and contradictory messages would be reduced.

The Office of Emergency Services Needs to Consistently Provide Advance Notices, Agendas, Minutes and Follow-up to Meetings

Various City departments also reported that the changing committee structure and confusing directives are exacerbated by the Office of Emergency Services staff inconsistently providing advance notices of meetings, agendas, minutes and follow-up after meetings. For example, despite repeated requests from City departments, the Office of Emergency Services has not produced an exercise schedule plan for the next six months or beyond, which identifies the objectives of each exercise. Police officials stated that the Office of Emergency Services' lack of advance notice has caused their

¹⁴ The Disaster Forum is the Office of Emergency Services' monthly information sharing meeting and is attended by key City department representatives and other stakeholders, such as the American Red Cross. Recently, as part of the Disaster Forum, the Office of Emergency Services began conducting monthly tabletop exercises.

Department to send both too many staff and staff with inappropriate specialties to exercises. Officials from the Police Department state that knowing the specific exercise dates, times, objectives and requirements in advance would allow them to plan more and reserve the necessary resources to more fully participate in exercises. According to a senior Police Department official, the Police Department has, on multiple occasions, requested a long-range exercise plan that would allow for all involved to incorporate exercises into annual calendars and recommend alternative dates if City events conflict with the staffing needs of the exercise. However, to date, the Office of Emergency Services has not provided such calendars.

Advance information regarding the topic or objectives of a meeting or training can also help ensure that the meeting or training is effective and on-point by allowing time for individual representatives to think about the general issues that will be discussed. Without this notice, the effectiveness of the meeting or training can decline significantly. For example, the intent of the Office of Emergency Services' January 19, 2006 Tabletop Exercise was to familiarize City departments with the resource request process. At the exercise, City department representatives were asked what resources their department would need and where they could obtain such resources to respond to a power failure downtown. When asked to talk about their individual resource needs however, individual City department representatives discussed the actions they would take to respond to the event, not the resources they would need. Participants were unclear about the purpose of the exercise and ill-prepared to answer the question, likely due, in part, to a lack of advance information.

Several City department staff also report that Office of Emergency Services meeting announcements are inconsistently accompanied by an agenda and minutes are taken only sporadically. As a result, City department representatives often do not know which meetings are most important to attend and if they miss a meeting, they are unable to review what occurred. An agenda attached to a meeting reminder would provide advance notice of which Office of Emergency Services meetings are critical to attend. In addition, minutes from Office of Emergency Services meetings could also provide an effective means of informing City department emergency representatives about what transpired at each meeting.

The Office of Emergency Services should consistently prepare agendas and meeting minutes and distribute them by email to all interested representatives. Consistently creating and distributing agendas and minutes would help keep all City departments up-to-date and reduce the amount of time required at meetings to familiarize participants with the issues. Keeping and distributing minutes would also enable those representatives that were unable to attend to review notes on what transpired and highlight specific questions, issues and follow-up for further attention and resolution.

Public and Private Participants Are Not Fully Integrated Into the City's Emergency Planning Activities

Federal Homeland Security guidance goals address the need to achieve full integration

and interconnectedness between the public and private sectors and specifically identify the need to strengthen information sharing and collaboration.¹⁵ Despite this, the Office of Emergency Services often does not include all the necessary public, private and non-profit participants in planning activities and in exercises. For example, when the Office of Emergency Services installed its replacement public alarm notification system sirens, it did not coordinate these efforts with the Department of Building Inspection to identify those buildings with higher seismic construction ratings for locating the sirens. As a result, some sirens are located on seismically vulnerable buildings. In addition, the Office of Emergency Services has not contacted the City's Risk Manager, who advises that risk management in other cities and counties generally reviews emergency planning documents, evaluates exercises, and conducts risk analysis. Furthermore, although the Department of Public Health representatives are involved in the Office of Emergency Services activities, the Office of Emergency Services has not contacted private hospitals to participate in coordinating such activities. This is despite the fact that private hospitals will likely be responsible for handling the majority of the patients requiring immediate treatment after an emergency in San Francisco.

Although all City departments have an open invitation to participate in Office of Emergency Services activities, City departments directly relevant to the execution of Office of Emergency Services-led exercises may not be specifically invited to attend exercises, compromising their effectiveness. For example, the Office of Emergency Services did not notify Municipal Railway (Muni) staff that the February of 2006 Tabletop Exercise would be addressing a Chemical Agent Release in a Bay Area Rapid Transit (BART)/Muni station, so that the Municipal Railway staff could specifically participate. Similarly, the Office of Emergency Services did not specifically notify Public Utilities Commission staff that the January of 2006 Tabletop Exercise focused on a power outage in downtown San Francisco. As a result, representatives from the Municipal Railway and the Public Utilities Commission did not attend these respective Tabletop Exercises.

Furthermore, the Office of Emergency Services has not systematically included other local agencies in exercise scenarios that focus specifically on their facilities, negating the ability of City departments to coordinate their emergency preparedness efforts with these other entities. For example, San Francisco State University representatives indicate they were never contacted by the Office of Emergency Services nor ever participated in any emergency exercises. This, despite the fact that the January of 2006 Disaster Forum Tabletop Exercise included a collapsed building on the University's campus. Nor did the Office of Emergency Services invite Federal Postal disaster operations staff to the March of 2006 Office of Emergency Services tornado exercise that centered on the Evans Street Postal Facility. Although the Office of Emergency Services staff disagree that they should invite such outside agencies to general functional exercises, the Federal Homeland Security Exercise and Evaluation Program¹⁶ provides some guidelines. For example, if

¹⁵ U.S. Department of Homeland Security, *State and Urban Area Homeland Security Strategy: Guidance on Aligning Strategies with the National Preparedness Goal*, (Washington, D.C.: July 2005).

¹⁶ Federal Department of Homeland Security, Office for Domestic Preparedness, *Federal Homeland Security Exercise and Evaluation Program*, (Washington, D.C.: July 2004).

the Office of Emergency Services is designing general functional exercises, specific scenarios are not required to identify detailed sites, locations and parameters. However, if specific exercise scenarios are designed which specify a unique site, these exercises should be based on specific identified risks and include the relevant participants.

Private businesses own and operate most of the buildings and related economic, banking, telecommunications, electricity, garbage, food supply and other critical services needed to maintain the economy, public health and safety of San Francisco. Similarly, non-governmental organizations, such as non-profit and community groups, can also complement and support the City's preparedness efforts with essential support and volunteer efforts. Many large businesses and non-profit organizations are prepared for an emergency because they have developed disaster plans and employ disaster specialists. However, many smaller businesses and community groups are not well prepared for an emergency.

While the Office of Emergency Services staff often attend meetings with private and non-profit organizations, with the infusion of Federal grant funds, the Office of Emergency Services currently has the financial resources and staff to more actively participate with the private and non-profit sectors. More active participation would enable the Office of Emergency Services to gain a better understanding of how private and non-profit efforts could be incorporated into Office of Emergency Services' activities to both complement and support the Office of Emergency Services' efforts as their resources and staffing decline. Section 1: Legislative Authority of this report already highlights the need to appoint additional private and non-governmental representatives to the Disaster Council. In addition, the Office of Emergency Services needs to more fully integrate the capabilities of the private, non-profit and other non-governmental agencies into its planning, preparedness, response, mitigation and recovery efforts. The City cannot plan to adequately respond to an emergency unless the Office of Emergency Services fully understands the private and non-profit sectors' preparedness and needs. Likewise, businesses and non-profit organizations cannot develop plans and undertake preparedness activities without understanding how the Office of Emergency Services and the City will respond.

Creation and Maintenance of a Master Contact List Would Facilitate Coordination and Collaboration

The Office of Emergency Services did not maintain a master contact list that contains telephone, fax and email contact information for the City department staff who perform emergency management activities or functions for their departments, until after the final meeting (Exit Conference) with the Budget Analyst's staff. Instead, each Office of Emergency Services staff person maintained a separate list of people with whom they work. In many cases, especially for smaller City departments, the same person may be responsible for all emergency management activities. However in other cases, such as the Fire Department or the Department of Public Health, which have dedicated Urban Area Security Initiative grant-funded emergency management staff, different people are responsible for planning, financial management, logistics, training or exercises. As a

result, there were many contact lists, each of which contained information about different, albeit often overlapping, sets of people. In addition, the Office of Emergency Services did not maintain a comprehensive contact list for Federal and State agencies, regional partners, private firms, and non-profit organizations.

The lack of a master contact list can seriously hinder the capabilities of the Office of Emergency Services to provide effective coordination in the City. Effective coordination is a critical need, not only in case of an emergency, but also for the Office of Emergency Services' day-to-day operations. The Office needs to continue to maintain a master contact list in order to insure that all interested parties are informed of upcoming meetings, to avoid duplication and overlap, and to enable individual City department representatives to contact each other and to work most effectively together. An Office of Emergency Services master database could be sorted by City department or agency, specific expertise (i.e., planning, logistics, training, etc.), Office of Emergency Services workgroup or committee or assigned responsibilities and tasks.

The Office of Emergency Services Changed its Name Without Notifying the Board of Supervisors or the Public

The Office of Emergency Services changed its name and letterhead to the Office of Emergency Services and Homeland Security in mid-2004. There was no legislation introduced or memorandum informing the Board of Supervisors or the public of this name change. The current Office of Emergency Services management indicated that this name change occurred prior to their tenure. In contrast, when the Economic Development Department changed its name to the Economic and Workforce Development Department, a separate ordinance (File No. 04-0746, Ordinance No. 183-04) was introduced amending Chapter 2A in the City's Administrative Code to establish and describe the responsibilities of this renamed City department. The Board of Supervisors approved this legislation on July 20, 2004. Although not required by law, public notification of a change to the official name or title of a City department is a logical practice, particularly for an Office whose fundamental responsibility is coordination and communication.

Current Office of Emergency Services Activities Have Not Built on Previous Administration's Positive Endeavors

The current Office of Emergency Services administration has not built on the positive management practices and effective communication tools established by the previous administration. Once obtained, a review of past documents identified that the Office of Emergency Services has not fully incorporated the following documents and activities from previous administrations into its current practices:

1. An initial Office of Emergency Services 2004 work plan, with goals, objectives, performance measures, assigned lead person, and 2004 due dates for each activity;
2. A master list of all the specific emergency committees and task forces, identifying the purpose, members, dates and times of their meetings, chair, person to contact, and telephone numbers;

3. Exercise invitation lists, identifying the role, agency, name, title, address, phone number, fax, and email address;
4. Exercise reports and plans dating back to 1994, including descriptions and one-page summaries of the objectives and goals of tabletop and field exercises; and
5. After Action Reports issued in 1998, 1999, 2000, and 2001, including evaluation sheets and responses from the various City department representatives that participated in the specific aspects of the exercise, identifying areas that went well and areas that needed improvement.

Section 3: Strategic Planning of this report addresses the need for the Office of Emergency Services to implement work plans and strategic planning (Point 1 above). As discussed above, this Section addresses the need for the Office of Emergency Services to develop a master list of committees and contact people and to provide minutes and follow-up on meetings and exercises (Points 2, 3 and 4 above). Section 11: Office of Emergency Services Exercises of this report addresses the need to provide timely After Action Reports to department representatives to fully evaluate their participation in exercises (Point 5 above). Given that this management audit contains specific recommendations directing the Office of Emergency Services to implement similar activities, these earlier Office of Emergency Services documents could be used as starting points to address issues identified in this report.

Conclusion

The fundamental responsibility of the Office of Emergency Services is to coordinate the City's emergency preparedness efforts. The primary tool the Office of Emergency Services uses to coordinate and communicate with City departments and regional partners is task force, group and committee meetings. However, the Office of Emergency Services constantly changing committee structure has resulted in confusion for some City departments. In addition, insufficient internal communication among the Office of Emergency Services staff has also led to confusion and frustration for other City departments. These problems are exacerbated by the Office of Emergency Services not providing advance exercise schedules that identify objectives and resource needs, or consistently providing agendas, minutes or follow-up after meetings. Furthermore, the Office of Emergency Services does not fully integrate public, private and non-profit participants into the City's emergency planning, preparedness and exercises.

Furthermore, the Office of Emergency Services does not use basic management tools and activities that would facilitate more effective communication and collaboration. The Office of Emergency Services did not maintain a master contact list of relevant staff in City departments and other public, private and non-profit organizations who perform emergency management work, which could facilitate more effective communication and collaboration. The Office of Emergency Services has not notified the Board of Supervisors or the public regarding their name changing to the Office of Emergency Services and Homeland Security. And finally, the current administration has not built on the previous administration's positive efforts which would have addressed some of these weaknesses in communication and coordination.

Recommendations

- 2.1 The Office of Emergency Services senior management should work closely with the Manager of the Public Safety Division to ensure that the current committee structure comprehensively yet efficiently address all of the Office of Emergency Services meeting needs and that all Office of Emergency Services staff are familiar with the new structure and activities.
- 2.2 The Office of Emergency Services management should conduct weekly staff meetings to disseminate management and organizational changes, and update projects, activities and the status and staff person assigned to each.
- 2.3 The Office of Emergency Services should work with all City departments and establish on-going relations with the private and non-profit sectors to begin to collaboratively develop plans and participate in exercises and training.
- 2.4 The Office of Emergency Services should continue to create, maintain, and distribute a master contact list, that contains Office of Emergency Services committee assignment(s), City department, particular expertise, telephone numbers, fax numbers, and email addresses, which can be sorted by City departments, committee assignments, etc. Such information should be distributed to all Office of Emergency Services staff and City departments. In addition, this list should contain contact information for the Office of Emergency Services' Federal, State, and regional partners and should be updated on a regular, at least annually, basis.
- 2.5 The Office of Emergency Services senior management should direct all Office of Emergency Services meeting chairs to consistently provide advance notice of meetings including agendas and objectives, if applicable, to record and distribute minutes from each meeting to interested parties, and to follow-up on questions, issues, and concerns raised in meetings.
- 2.6 The Office of Emergency Services should request that the Board of Supervisors approve a change in the official name of the Office of Emergency Services to the Office of Emergency Services and Homeland Security as part of the FY 2006-2007 budget process.
- 2.7 The Office of Emergency Services management should carefully review the historical documents at the Office of Emergency Services to build on the positive endeavors of the previous Office of Emergency Services administration, including the development of work plans, a master list of organizations, training and exercise plans, and After Action Reports.

Costs and Benefits

Development and maintenance of a consistent and comprehensive committee structure, with the provision of advance meeting notices, agendas and follow-up should be the normal responsibility of existing and ongoing staff. Development and maintenance of a master contact list will initially require administrative staff time to compile, although once compiled the ongoing update requirements of staff time should be minimal, albeit continual. The greater inclusion of private and non-profit organizations should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs, with specific outreach responsibilities continued to be assigned to City staff.

Implementation of these recommendations should result in more efficient communication and coordination with City departments and ultimately facilitate improved information sharing among all emergency staff. Conducting weekly staff meetings will enable staff to become more knowledgeable about all of the Office of Emergency Services projects, activities and changes, thus providing one clear, consistent voice. And the greater inclusion of private and non-profit agencies and previous Office of Emergency Services positive endeavors will greatly enhance the Office of Emergency Services overall coordination efforts.

SECTION 3: STRATEGIC PLANNING

THE OFFICE OF EMERGENCY SERVICES NEEDS TO CONDUCT A ROBUST STRATEGIC PLANNING PROCESS AND REPORT ON THE CITY'S EMERGENCY PREPAREDNESS EFFORTS

Strategic planning, including setting goals, objectives, and performance measures is an essential responsibility of an organization's senior management, which helps to direct programmatic efforts appropriately, accomplish results, ensure accountability, and properly manage financial resources. The Office of Emergency Services has produced a plan based on Federal goals that the Federal government has accepted as a strategic plan for receipt of the Urban Area Security Initiative grant. However, the Office of Emergency Services has yet to conduct a robust strategic planning effort consistent with generally accepted strategic planning guidance. As such, the Office of Emergency Services has not identified goals for emergency services independent of grant goals, has not identified goals for the Office itself, has not fully identified and prioritized the City's risks and needed response capabilities, and has not sought out input from policy-makers or stakeholders on the long-term goals and objectives of the City's emergency services.

Performance measures for emergency services provide an indication of the effectiveness of emergency preparedness efforts, demonstrate a level of overall preparedness, and act as a tool for policy-makers and the public to hold City departments accountable for the City's emergency services. Currently, the Office of Emergency Services' performance measures are inappropriate and out-dated. For example, one performance measure captures the number of committee meetings held, although that particular committee no longer exists. The lack of appropriate performance measures and the lack of formal reporting to the Board of Supervisors has limited the accountability associated with emergency preparedness activities in the City.

In addition, because the Office of Emergency Services has only recently conducted a risk and capabilities assessment, it is not clear how the Office of Emergency Services has prioritized its efforts to date. For example, while the Office of Emergency Services has increased the number of preparedness activities, the Office of Emergency Services did not begin production of an earthquake plan until January of 2006.

Strategic Planning is Essential to Accomplishing Results and Ensuring Accountability

Strategic planning – the process of identifying needs and setting priorities, goals, objectives, and performance measures – is an essential responsibility of an organization's

senior managers. Through this process, senior managers are able to appropriately direct programmatic efforts, accomplish results and ensure accountability. This responsibility takes on a greater importance when senior managers direct government programs and agencies that serve or protect the public. The United States Government Accountability Office has published guidance for the development and evaluation of strategic plans and performance measures.¹⁷ This guidance includes critical elements for an agency to consider when identifying and developing its strategic goals, such as receiving stakeholder input, considering external influences and establishing clear links between outcome-oriented performance measures and agency goals. In addition, the Government Accountability Office has shown a link between the principles of strategic planning and the betterment of government through increases in efficiency, accountability, and results.¹⁸ Moreover, the Government Accountability Office has concluded that local jurisdictions can better manage the influx of recent Federal homeland security grant funds by carrying out strategic planning.¹⁹

The process of developing the strategic plan produces an equal, if not greater, benefit. Specifically, the process requires that stakeholder participants work through complex issues, set priorities, and determine and commit to the appropriate direction of programs and resource allocation. Accordingly, such an effort would elicit input from stakeholders, such as the Board of Supervisors, the Mayor, critical City department heads and representatives, and local private and non-profit organizations, allowing all stakeholders to agree upon a common direction for the City's emergency preparedness efforts. Furthermore, keeping the plan current helps stakeholders continue to address new and emerging emergency services needs.

In January of 2004, the Disaster Council adopted the Emergency Management Accreditation Program standards to help guide the Office of Emergency Services in its efforts. These national, voluntary standards provide direction for local jurisdictions on strategic planning and performance. The Disaster Council specifically cited strategic planning and performance measures as reasons for adopting the standards. While it has been more than two years since the adoption of the standards, the Office of Emergency Services has yet to take initial efforts toward accreditation, such as conducting a self-assessment based on the standards.

¹⁷ United States General Accounting Office, *Agencies' Strategic Plans Under GPRA: Key Questions to Facilitate Congressional Review*, GAO/GGD-10.1.16 (Washington, D.C.: May 1997); United States General Accounting Office, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GAO/GGD-96-118 (Washington, D.C.: June 1996); United States General Accounting Office, *The Results Act: An Evaluator's Guide to Assessing Agency Annual Performance Plans*, GAO/GGD-10.1.20 (Washington, D.C.: April 1998).

¹⁸ United States General Accounting Office, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: March 2004).

¹⁹ United States General Accounting Office, *Homeland Security: Coordinated Planning and Standards Needed to Better Manage First Responder Grants in the National Capital Region*, GAO-04-904T (Washington, D.C.: June 2004).

The Office of Emergency Services Needs to Conduct A Robust Strategic Planning Process

Section 3.5(b) of the City’s Administrative Code provides that “each department, board, commission and agency shall develop and annually review a strategic plan which contains at least a three-year forward plan to reflect policy outcomes from the operations of the respective department, board, commission or agency.” The Office of Emergency Services places the responsibility for conducting strategic planning, including establishing goals and objectives and setting performance measures, in the job description of the Office of Emergency Services Executive Director position. In addition, the recently released announcement to fill the vacant Executive Director of the Emergency Communications Department position states that the new Director will establish performance goals and a long-term strategic vision for the Office of Emergency Services.

Currently, the Office of Emergency Services uses the Federally-developed strategic goals for the Urban Area Security Initiative grant as the Office’s own goals. While the Executive Director of the Office of Emergency Services stated that there was no time to conduct a strategic planning process, the Office of Emergency Services used these Federal goals to develop a basic plan with locally-focused projects, such as the 72hours.org project, that the Federal government then approved as the Office’s strategic plan. These 10 Federal objectives, also referred to “Urban Area Security Initiative target capabilities” are:

- Develop preparedness capability to include all hazards planning, coordination within and amongst jurisdictions and citizen participation;
- Develop the capability to provide uninterrupted flow of critical information among multi-disciplinary and multi-jurisdictional agencies at all levels of government;
- Deter all potential terrorists from attacking, detect terrorists before they strike, prevent them and their instruments of terror from entering our community and take decisive action to eliminate the threat they pose;
- Reduce the likelihood of attack on assets or systems and limit the impact should an attack or natural disaster occur;
- Provide support elements that will cause implementation of immediate actions to save lives, protect property, and meet basic needs;
- Implement immediate actions to save lives, protect property, and meet basic human needs (for City responders);
- Implement immediate actions to save lives and meet basic human needs (for the public);
- Develop, coordinate, and execute service – and site – restoration plans and reconstitute government operations and services through individual, private-sector, non-governmental, and public assistance programs;
- Ensure staff readiness and systems effectiveness through training, collaboration, exercises and drills; and
- Maintain compliance with all grant regulations ensuring appropriate reimbursement.

The Federal target capabilities are broad in scope and nature, which makes them a useful

tool for the Office of Emergency Services to develop local goals related to the specific needs of San Francisco. However, the Federal government does not intend for the Federal target capabilities to replace local strategic planning. According to a recent Office of the President report, *The Federal Response to Hurricane Katrina: Lessons Learned*, local governments should use the Federal target capabilities as guidelines or tools to identify local capabilities and to establish local priorities.²⁰

By using the Federal target capabilities alone as the strategic direction of the Office, the Office of Emergency Services has exposed itself to several problems in the future. First, there is no guarantee that local projects and needs will continue to align with the Federal capabilities as the capabilities change over time. Second, as the Office of Emergency Services completes projects, there is an assumption that the Office has moved closer to meeting the goal, which may or may not be correct. Third, the Federal target capabilities can be limiting, as none of the capabilities address organizational capacity, such as staffing or operational sustainability.

While working toward the Federal target capabilities is a required and positive first step in identifying local priorities, the Office of Emergency Services can do more by carrying out a thorough, robust strategic planning process. Doing so will help the Office of Emergency Services ensure local capabilities and priorities drive the efforts of the Office, and avoid what one City department official noted as the current desire of the Office of Emergency Services to set objectives based on what the Federal government says the City should do, not on what City departments know the City needs to do. Such a process would include, among other components, the identification of emergency services goals independent of grant goals or goals for the Office Emergency Services itself, a determination of needed capabilities, setting clear priorities for San Francisco emergency services, planning for the sustainability of the Office's operations, and incorporating input from policy makers and stakeholders on the long-term goals and objectives of the Office.

The Office of Emergency Services Does Not Have Appropriate Performance Measures in Place

Performance measures are a common element of strategic planning. By setting appropriate outcome focused performance measures, City departments can demonstrate how well they deliver services, where they need to focus resources, and whether their efforts are achieving the departmental mission. The Office of Emergency Services has several performance measures in place, established while the Office of Emergency Services was a part of the Mayor's Office under the previous administration. These performance measures are:

- Number of functional exercises conducted;

²⁰ United States Executive Office of the President, *The Federal Response to Hurricane Katrina: Lessons Learned*, (Washington, D.C.: February 2006).

- Number of tabletop exercises conducted;
- Number of planning task force meetings;
- Number of disaster council meetings;
- Number of training courses;
- Number of preparedness presentations made; and
- Number of brochures distributed.

Because each of the Office of Emergency Services' measures focus on outputs (such as the number of exercises held), the Office of Emergency Services has no measure or benchmark for outcomes (level of City's response preparedness). As such, there is no measure in place to hold the Office of Emergency Services accountable for moving toward the overall goal of preparing the City for an emergency. For example, the number of exercises conducted provides no assurance each exercise added value to the City's preparedness and future response performance. This measure considers an exercise that failed to achieve its objective or included few of the City's critical responder departments as equal to an exercise that was successful in achieving some or all of its objectives and that included all of the City's critical responder departments. Further, there is no performance measure in place to hold City departments accountable for incorporating feedback on areas of improvement or conducting required activities such as updating emergency plans. In addition, the performance measures in place are out-of-date. For example, the performance measure that captures the number of planning task force meetings is meaningless because the planning task force no longer exists.

Because these performance measures do not provide meaningful data, only anecdotal information is available to gauge whether the City is prepared for an emergency and whether the Office of Emergency Services is directing its efforts appropriately. Furthermore, the Office of Emergency Services is unable to determine what projects need greater or fewer resources, and what projects will likely produce the most return on resources invested. By taking the initiative to set goals, objectives, and performance measures for the City and for the Office of Emergency Services as an organization, senior Office of Emergency Services officials have the opportunity to set the current and future direction of emergency services in the City. Moreover, by doing so, Office of Emergency Services officials could also identify what specifically the City needs to do and what level of resources are required to plan, prepare, respond to, and recover from the emergency the City will likely face.

Although not formalized as a performance measures, Office of Emergency Services senior management stated that the Office uses evaluations of City department's performance during participation in emergency exercises, or After Action Reports, as a tool to determine how well the departments are performing. Although these evaluations provide an appropriate basis for assessment, it is not clear what the Office of Emergency Services has done to hold itself and other departments accountable for areas of improvement. In addition, the Office of Emergency Services considers the completion of projects as a measure of moving forward toward achieving an ultimate preparedness outcome. However, this measure, similar to the seven currently in place, does not necessarily provide useful information as it assumes that each project is appropriate and

produces an actual benefit. The Office of Emergency Services should establish more appropriate performance measures.

The need for performance measures will only increase as the Office of Emergency Services moves from funding the majority of its activities through large Federal grants to sustaining a meaningful level of operations with General Fund. Specifically, as grant funds decline, the City must decide how much General Fund money should go toward emergency services. In this situation, it is exceedingly difficult to justify staffing levels and a baseline of services or projects, among other organizational activities, without a mechanism to demonstrate results and needs. Moreover, because the City must set funding priorities for many City departments and programs, there is little justification for directing increased General Fund resources to the Office of Emergency Services without demonstrable evidence that the Office of Emergency Services is using its resources efficiently and effectively.

Other local jurisdictions have made efforts in developing strategic plans and performance measures. For example, King County, Washington, has developed a strategic plan, that includes outcome-oriented performance measures that are associated with specific projects linked to both organizational and operational goals, and are prioritized based on the needs and risks within the region.²¹ While the King County strategic plan could be improved upon, it can also provide useful ideas to the San Francisco Office of Emergency Services in developing a San Francisco-specific strategic plan.

The Office of Emergency Services Needs to Increase Formal Reporting and Accountability

Appropriate strategic planning and performance measures also ensure accountability. San Francisco currently uses performance measures as a tool to hold departments accountable for services through “SFStat,” an internal management and accountability program based on the “Citistat” model from Baltimore, Maryland. Adopted in March of 2004, the SFStat program gathers and reviews data from 13 of the largest City departments regarding their service delivery, budget status, and human resources information, such as employee overtime. SFStat is an ideal forum for reporting on organizational performance measures, allowing both City policy-makers and the public to be informed. While the Emergency Communications Department participates in the SFStat program, currently, the Office of Emergency Services does not.

Without strategic plans, preparedness goals, or performance measures, it is difficult for policy-makers and the public to hold the Office of Emergency Services and other City departments accountable. Formal reporting on emergency preparedness activities and expenditures is an additional method of ensuring accountability. Section 7.19 of the City’s Administrative Code states that the Office of Emergency Services may provide an

²¹ King County, Washington, *Region 6 Homeland Security Strategic Plan* (King County: December 2005). Seattle is the major metropolitan area in King County.

annual hearing to the Board of Supervisors. As of the writing of this report, the Office of Emergency Services had not submitted such a report. Accordingly, some members of the Board of Supervisors have expressed concern over having only limited information with respect to how the Office of Emergency Services is utilizing grant resources and how well prepared the City is today as compared to several years ago. To address this, the current Mayor introduced legislation on April 18, 2006, calling for a Board of Supervisors hearing on emergency preparedness.

In comparison, the City of Los Angeles similarly identified accountability within emergency services as an area that needs attention. Accordingly, the City of Los Angeles is in the process of implementing a program called “Compstat,” where all departments receiving homeland security grant funding will make a monthly presentation to the Mayor’s Office grant staff on progress made in implementing grant programs and identifying obstacles to efficient program implementation. Los Angeles City officials believe that this will improve accountability and contribute to more targeted, effective troubleshooting. Los Angeles will begin this process internally within the City, and then extend it to its Urban Area Security Initiative partner jurisdictions.

The Office of Emergency Needs to Further Assess The City’s Risks and Capabilities and Incorporate the Assessment Into Current Activities

As required by a Mayor’s January 9, 2004 Directive for Emergency Preparedness memo, Emergency Management Accreditation Program standards, and Presidential Directive number eight, the Office of Emergency Services conducted an initial assessment of the City’s risks and capabilities to identify improvements needed to protect the City and its assets. However, an Office of Emergency Services official noted that the assessment did not go far enough to provide the detail needed to direct the Office’s efforts. Having noted this, the Office of Emergency Services plans to begin a second, more robust, capabilities assessment. Based on templates the Office of Emergency Services has already completed, the second assessment will provide invaluable information by identifying capability gaps across departments and emergency response functions, and then prioritizing exercises, equipment, personnel, and training needs, to direct the Office’s current and future efforts toward the identified gaps. Such an effort would constitute a central piece of a strategic planning effort.

Because the Office of Emergency Services has only recently conducted a risk and capabilities assessment, it is not clear how the Office of Emergency Services has prioritized its efforts to date, and whether the Office of Emergency Services has prioritized its activities based on the risks the City faces. For example, while the Office of Emergency Services has increased the number of preparedness activities, which all generally addressed various needs of San Francisco, the Office of Emergency Services did not begin production of an earthquake plan until January of 2006. Similarly, only 0.2 percent of people trained through Office of Emergency Services-led training received earthquake-related training.

Conclusion

Local, regional, and State officials have stated that over the past two years, the Office of Emergency Services has created a sea-change in the level of emergency preparedness activity in the City and in the region. In its effort to energize emergency preparedness activities, the Office of Emergency Services has initiated many valuable projects. However, in this effort, the Office of Emergency Services did not take the time to look strategically at the City's needs, at the future of the organization, or at the overall direction of the City's emergency preparedness efforts when considering the myriad projects and efforts underway.

The Government Accountability Office, the Emergency Management Accreditation Program, the San Francisco Administrative Code and the Office of Emergency Services – as outlined in its responsibilities for the Executive Director – all recognize the need for strategic planning. While the Office of Emergency Services has a strategic plan based on Federally-developed goals that was approved by the Federal government, the Office of Emergency Services has not carried out a robust strategic planning process to include the generally accepted components of strategic planning. Accordingly, the Office of Emergency Services has not identified the goals for emergency services independent of grant goals, identified the goals for the Office itself, determined needed capabilities, set clear priorities for San Francisco emergency services, planned for the sustainability of the Office's operations, or sought out input from policy makers or stakeholders on the long-term goals and objectives of the Office. The strategic planning process is as important, if not more important, than the plan itself, as it requires all stakeholders to consider and agree upon critical aspects of emergency management.

Currently, there is little accountability in the Office of Emergency Services' operations or other City departments' emergency services activities due to inadequate performance measures and a lack of formal reporting to date. While the Office of Emergency Services has initiated many promising projects and the Office of Emergency Services staff are committed to improving the City's level of preparedness, without appropriate emergency preparedness performance measures, there is only anecdotal information available to suggest that the City is more prepared today than it was in the past.

Recommendations

- 3.1 Senior management of the Office of Emergency Services should conduct a robust strategic planning process. This process should include appropriate stakeholders, such as the Mayor and members of the Board of Supervisors, leaders of City departments, and private and non-profit organizations. The Office of Emergency Services should utilize any resources produced by previous administrations in carrying out this process. The strategic plan should address and prioritize planning, response, mitigation, and recovery activities based on the risk and capabilities assessment, as well as organizational goals and capacity. The Office of Emergency Services should review plans from other jurisdictions to help guide

- this process.
- 3.2 Senior management of the Office of Emergency Services should move forward with a thorough assessment of the City's emergency services capabilities. The Office of Emergency Services should use the identified gaps in capabilities to help prioritize efforts, such as training, within the strategic plan.
 - 3.3 Senior management of the Office of Emergency Services should establish appropriate performance measures. The Office of Emergency Services should seek help in this effort from the Controller's Office, as appropriate, as the City's lead agency for performance measure development. The Office of Emergency Services should use any existing tools, such as After Action Reports, as a foundation for these measures.
 - 3.4 The Office of Emergency Services should participate in the SFStat process. As part of its participation, the Office of Emergency Services should establish performance measures to help hold other City departments accountable for carrying out emergency preparedness activities.
 - 3.5 The Office of Emergency Services and the Mayor should annually request the Board of Supervisors hold a hearing on the state of the City's disaster preparedness. At minimum, the Office of Emergency Services should report on (a) the grants for which the Office of Emergency Services has applied, (b) the grants the Office of Emergency Services has received, (c) the amount of grant funds expended, (d) the amount of General Funds claimed and received for reimbursement, (e) current emergency services goals, (f) progress toward current emergency services goals, (g) information on the implementation of each of the recommendations contained in this management audit, (h) other City departments' ability to implement protocols during exercises and emergency events, and (i) the status of all basic, functional, hazard-specific, and City Department Emergency Plans, including which plans are out-of-date.
 - 3.6 The Office of Emergency Services should move forward with a self-evaluation of the Office and the state of the City's emergency services using the Emergency Management Accreditation Program standards. The Executive Director of the Office of Emergency Services should use the results of this assessment to help direct current and future emergency services efforts.

Costs and Benefits

Staff costs and resources of the Office of Emergency Services, working with the Controller's Office, would be incurred in the development of a strategic plan, and performance measures. In addition, the Office of Emergency Services could contract a consulting firm to facilitate the strategic planning process at an approximate cost of \$75,000 to \$100,000. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or

eliminate General Fund costs.

Developing a strategic plan, setting performance measures, and developing a sustainability plan would increase the accountability and sustainability of the Office of Emergency Services' operations. In doing so, the Office of Emergency Services could justify future General Fund expenses and minimize unneeded General Fund costs by directing resources as efficiently as possible. In addition, by soliciting and receiving stakeholder input, and reporting on the status of emergency services through SFStat and a formal annual report to the Board of Supervisors, the Office of Emergency Services could better hold City departments accountable to agreed upon goals and objectives and ensure that the City's policy makers are informed of the direction of emergency services in San Francisco and the region.

SECTION 4: GRANTS AND BUDGET

THE OFFICE OF EMERGENCY SERVICES NEEDS TO INCREASE THE RATE OF GRANT FUND EXPENDITURES

The Office of Emergency Services has received \$82,672,634 in Federal and State homeland security and emergency preparedness grants since 2001. However, as of February 1, 2006, the Office of Emergency Services and other City departments had not expended \$59,047,317, or 71 percent of these funds. Including encumbered funds, which the Office of Emergency Services and other City departments may or may not expend in the near future, \$44,650,018, or 54 percent, of the total grant funds remained as of February 1, 2006. This low rate of expenditure could cause the City to lose the ability to use the grant funds, as all of these Federal and State grants will expire by December 31, 2006. Moreover, the State has announced that it may redistribute unexpended funds in September of 2006 from jurisdictions that have not fully expended or encumbered the grant funds.

The Office of Emergency Services has allocated grant funds to a limited number of City departments. While it is appropriate for those departments that are likely to have the largest role in emergency response to receive a greater allocation of the grant funds, many other City departments and other non-governmental organizations play a significant role in emergency preparedness and recovery, or are particularly vulnerable to the impacts of an emergency. For example, although the Recreation and Park Department and the Public Utilities Commission have important roles in emergency response, preparedness, and recovery, they have received comparatively little grant funding.

The expiration of these grants together with the lack of sustainability planning could have a significant impact on the Office of Emergency Services. Currently, grant funds comprise 97 percent of the Office of Emergency Services' total budget, and the Office's General Fund budget has declined since FY 2002-2003. Despite this high-reliance on grant funding and warnings from the Federal government and the City that grant funding will end in the near future, the Office of Emergency Services has not planned for sustained future operations.

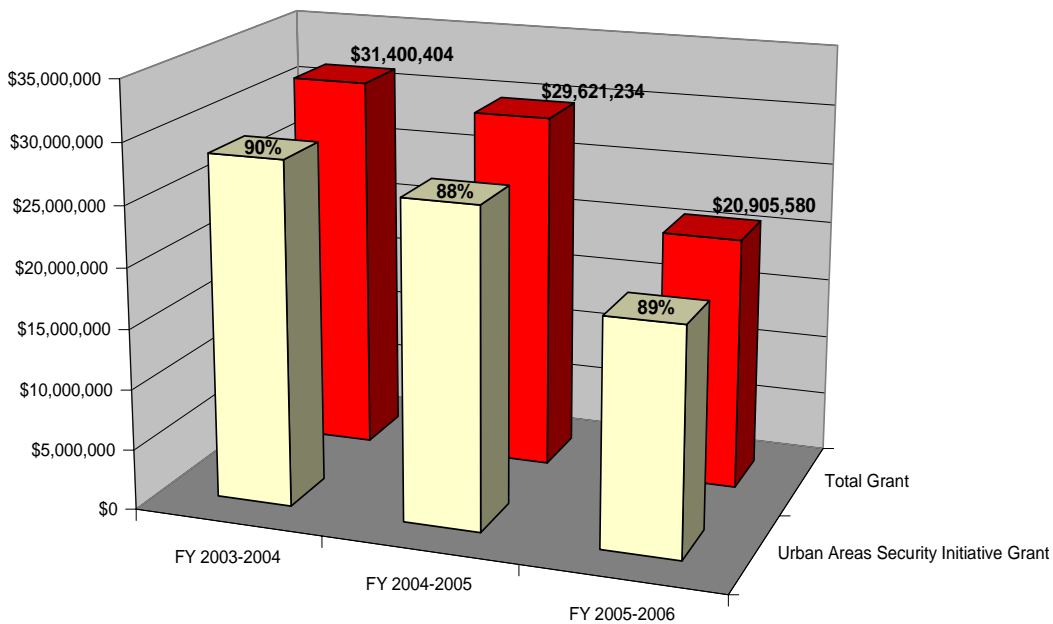
Grant Funding For Emergency Services Has Increased Significantly Since 2001

San Francisco has received grants for homeland security and for emergency preparedness related purposes for many years. However, the City has seen a dramatic increase in the amount of grant money for emergency services since 2001. Accordingly, the Office of Emergency Services, as the managing agency for most of the Federal and State homeland security grants coming into San Francisco, has seen a dramatic increase in its budget. As shown in Exhibit 4.1, the Federal Urban Area Security Initiative grant comprises the

majority of grant funding received by San Francisco, at 90 percent of total grant funding in FY 2003-2004, 88 percent in FY 2004-2005, and 89 percent in FY 2005-2006. Among the smaller grants the Office of Emergency Services manages, provided by both the Federal and State government, are the Metropolitan Medical Response Services grant, the State Homeland Security Grant Program, and the Law Enforcement and Terrorism Prevention Program grant. These grants are discussed in the Introduction to this report.

Exhibit 4.1

The Majority of Grant Funding Comes From Urban Area Security Initiative



Source: Office of Emergency Services

Table 4.1 displays the Office of Emergency Services budget, identifying the amount of General Fund and grant funding from FY 2001-2002 to FY 2005-2006. As shown in the table, from FY 2002-2003 to FY 2003-2004, the Office of Emergency Services’ budget, including grant funds, increased from \$1,825,761 to \$32,249,396, or 1,666 percent. Because of this significant increase in funding available for emergency services, the City has reduced the Office of Emergency Services’ General Fund budget. Specifically, the Office of Emergency Services’ General Fund budget was \$1,206,802 in FY 2002-2003, declined to \$848,992 in FY 2003-2004, and declined again to \$635,573 by FY 2005-2006, an overall reduction of 53 percent from FY 2002-2003.

Table 4.1
Office of Emergency Services Total Budget Has Increased Due to Federal Grant Funding

Fiscal Year	General Fund	Grant Amounts	General Fund and Grants
FY 2001-2002	\$541,485	\$251,674	\$793,159
FY 2002-2003	\$1,206,802	\$618,959	\$1,825,761
FY 2003-2004	\$848,992	\$31,400,404	\$32,249,396
FY 2004-2005	\$655,266	\$29,621,234	\$30,276,500
FY 2005-2006	\$635,573	\$20,780,363	\$21,415,936
Total	\$3,888,118	\$82,672,634	\$86,560,752

Source: Office of Emergency Services

The Office of Emergency Services recently led a regional effort to prepare an application for FY 2006-2007 Urban Area Security Initiative grant funding. This grant application was different from previous years on two accounts. First, prior Urban Area Security Initiative grants were non-competitive allocations from the Federal government based on a formula of Federally-assessed need, whereas the FY 2006-2007 Urban Area Security Initiative grant was a competitive process. Second, the FY 2006-2007 Urban Area Security Initiative grant dramatically expanded the regional Urban Area Security Initiative grant area. The new San Francisco Urban Area Security Initiative grant area now includes the counties of Sonoma, Napa, Solano, Contra Costa, Alameda, Santa Clara, Santa Cruz, San Mateo, and the cities of Berkeley, Daly City, Fremont, Hayward, Oakland, Palo Alto, Richmond, San Jose, Santa Clara, Sunnyvale, and Vallejo. In addition, the new area includes a 10-mile buffer extending from the border of the combined area. The Bay Area Urban Area Security Initiative grant region applied for \$332,400,000, or 43 percent of the total \$765,000,000 Urban Area Security Initiative grant funds available to the entire nation. While the Federal government had not announced its decision regarding the San Francisco-led Urban Area Security Initiative grant application as of the writing of this report, Table 4.2 provides an overview of the projects included in the FY 2006-2007 Urban Area Security Initiative grant application.

Table 4.2
Office of Emergency Services Urban Area Security Initiative Grant Proposed
Projects, FY 2006-2007

Project	Funding Amount Requested
Expand regional cooperation	\$11,600,00
Training for emergency services personnel	\$31,500,00
Detecting and responding to explosives and chemical, biological and nuclear attacks	\$26,300,000
Regional plan for hospitals in case of mass casualties	\$25,200,000
Protection of infrastructure, including the ports, mass transit systems, bridges and utilities	\$50,100,000
Delivering medicine to people in case of mass attack	\$26,300,000
Communication system improvements	\$107,400,000
Coordinate data sharing among cities, counties and agencies	\$16,600,000
Shore up public information procedures and public warning systems	\$7,100,000
Provide shelter, food and other care for people displaced by a disaster	\$12,100,000
Increase citizen preparedness and participation	\$10,700,000
Bolster emergency operations centers	\$7,500,000
Total	\$332,400,000

Source: Office of Emergency Services

The City Has Not Expended \$59,047,317, or 71 Percent, of Total Grant Funding

Office of Emergency Services officials have stated that the Federal government has ranked the San Francisco Bay Area as one of the most likely urban areas for terrorist attack. This ranking contributed to the Federal government's FY 2003 – 2005 Urban Area Security Initiative grant allocation to San Francisco. By allocating this money to the San Francisco urban area, the Federal government also provided an indication of how much money the area needed to spend to adequately increase the level of preparedness.

However, the City has yet to expend the majority of grant funds received. As indicated in Table 4.3, as of February 1, 2006, 40 percent of the FY 2003-2004 grant funds, 87 percent of the FY 2004-2005 funds, and 99 percent of the FY 2005-2006 funds were unexpended. In total, as of February 1, 2006, the City had expended only \$23,625,317, or 29 percent, of the \$82,672,634 in grant funds received, leaving \$59,047,317, or 71 percent, of the total grant funds unexpended.

Table 4.3
\$59,047,317 in Homeland Security Grant Funds Have Not Been Expended

Fiscal Year	Grant Amount	Expended	Balance	Percent Expended	Percent Unexpended
FY 2001-2002	\$251,674	\$251,614	\$60	99%	1%
FY 2002-2003	\$618,959	\$609,436	\$9,523	98%	2%
FY 2003-2004	\$31,400,404	\$18,790,057	\$12,610,347	60%	40%
FY 2004-2005	\$29,621,234	\$3,704,172	\$25,917,062	13%	87%
FY 2005-2006	\$20,780,363	\$270,038	\$20,510,325	1%	99%
Total	\$82,672,634	\$23,625,317	\$59,047,317	29%	71%

Expenditures as of 2/1/06

Source: Office of Emergency Services

The Federal government has consistently informed San Francisco of grant awards several months into the grant year, delaying the Office of Emergency Services' ability to expend the Federal and State grant funds. However, the Federal government has offset these delays by providing deadline extensions on both the FY 2003-2004 and FY 2004-2005 Urban Area Security Initiative grants. Specifically, the FY 2003-2004 Urban Area Security Initiative grant, initially set to expire on June 30, 2005, is now set to expire on December 30, 2006. Similarly, the FY 2004-2005 Urban Area Security Initiative grant, initially set to expire on November 30, 2005, is now set to expire on November 30, 2006.

Office of Emergency Services officials state that the rate of expenditure is increasing and that much of the delay in expenditures is attributable to City departments not moving forward with expenditure plans. Many City departments lack dedicated staff, disaster expertise, and the resources necessary to undertake the emergency activities requested by the Office of Emergency Services. Moreover, emergency preparedness responsibilities are in addition to all other City departments' ongoing mission and daily operations.

Office of Emergency Services officials stated that the City could not begin to spend grant funds quickly until it had established processes for spending. In order to increase the rate of expenditures, the Office of Emergency Services worked with the Mayor's Office and the Office of Contract Administration (purchasing) to expedite the purchasing process for homeland security equipment. While officials from City departments state that the purchasing process is much faster now than previously, some officials have reported significant delays from the Office of Emergency Services in approving and processing expenditure requests, as discussed in Section 5: Financial Management of this report.

While the City has expended only a small percentage of the total grants received, it has

encumbered an additional amount.²² As shown in Table 4.4, the City has expended and encumbered a combined total of 46 percent of the \$82,672,634 in grant funds received. However, this leaves \$44,650,018, or 54 percent, unexpended and unencumbered.

Table 4.4
\$44,650,018 in Homeland Security Grant Funds Have Not Been Expended or Encumbered

Fiscal Year	Grant Amount	Expended & Encumbered	Balance	Percent Expended & Encumbered	Percent not Expended & Encumbered
FY 2001-2002	\$251,674	\$251,614	\$60	100%	0%
FY 2002-2003	\$618,959	\$609,436	\$9,523	98%	2%
FY 2003-2004	\$31,400,404	\$24,576,860	\$6,823,544	78%	22%
FY 2004-2005	\$29,621,234	\$12,314,668	\$17,306,566	42%	58%
FY 2005-2006	\$20,780,363	\$270,038	\$20,510,325	1%	99%
Total	\$82,672,634	\$38,022,616	\$44,650,018	46%	54%

Expenditures and encumbrances as of 2/1/06
 Source: Office of Emergency Services

While there is no way to determine when the Office of Emergency Services and other City departments will expend encumbered funds, Office of Emergency Services data show that expenditure of some encumbrances can come within as little as one month. However, these data also show some of the encumbered funds have been encumbered for significant periods of time. For example, as of February 1, 2006, several items totaling over \$100,000 from the FY 2003-2004 Urban Area Security Initiative Grant Part 2 remained encumbered for more than a year. In addition, other encumbered funds are never expended. For example, as discussed in Section 13: Management, Organization, and Staffing, many grant funded positions within the City, which required funds to be appropriated in the annual budget for salary and benefits, have not been filled. In FY 2005-2006, approximately \$2,116,400 of unexpended grant funds were appropriated for vacant positions as of January 13, 2006.

Other jurisdictions in California have a similar expenditure and encumbrance pattern as does the San Francisco Office of Emergency Services. For example, both Los Angeles County and the City of Los Angeles have expended less than 30 percent of their respective Urban Area Security Initiative grant allocations, and have encumbered an additional amount. While the Budget Analyst requested this information from the City of San Jose, San Jose’s Office of Emergency Services did not provide the information in

²² Encumbered funds are those funds that the City has committed for use to purchase goods or services. In this report, “encumbered” also includes funds that have been earmarked for a specific purpose but not necessarily encumbered within the City’s finance system.

time to include it in this report.

The State and Federal Government May Reclaim \$59,047,317 in Unexpended Grant Funds Upon Grant Expiration Date

All of the grants have deadlines for expenditure; while the Federal government has previously provided extensions on some of these grants to allow spending beyond the original deadline, all of these grants will expire by December 31, 2006. At this time the Federal government may reclaim all unexpended grant funds. Furthermore, the California Office of Emergency Services can reallocate any unexpended or unencumbered funds 120 days prior to the expiration of the grant deadline, or by September of 2006. As previously noted, as of February 1, 2006, the unexpended balance was \$59,047,317.

Both the City and County of Los Angeles report concerns similar to San Francisco regarding difficulties encouraging individual departments to increase expenditures. However, Los Angeles County has taken measures to encourage County departments to increase expenditures. Specifically, like the State, Los Angeles County provides deadline warning to all departments that received grant funding. If the departments do not move to encumber and expend remaining grant funds before the County deadline, the County can reallocate the funds to another identified priority area. The City of Los Angeles is in the process of implementing a similar policy that will require all City departments receiving homeland security grant funding to make monthly presentations to the Mayor's Office on how the department is spending its allocated funds and on the status of project implementation.

The Office of Emergency Services has not created similar deadlines for City departments to expend the funds and has not identified alternate projects to fund with unused allocations. Creating deadlines for City departments could encourage an increase in the overall rate of grant expenditures. In addition, with identified priorities established through a strategic planning process as discussed in Section 3: Strategic Planning of this report, the Office of Emergency Services could quickly reallocate unexpended funds to use grant funding before State and Federal grant deadlines pass.

The Office of Emergency Services Should Allocate Grant Funds to Support the Improvement of Broader Capabilities

According to Office of Emergency Services officials, grant funding allocations must receive approval from the Urban Area Security Initiative Steering Committee, comprised of the Office of Emergency Services, and representatives from the San Francisco Police, Fire, Public Health, and Sheriff's Department, and one representative from each regional partner, with the Office of Emergency Services as the grant manager for all of these funds and the chair of the committee. Although this structure is in place, it does not appear to be overly burdensome to reallocate funds across departments as City needs change. For example, the Steering Committee moved funds from the Fire Department's Structural Collapse training program to the Port's Pier 35 Cruise Terminal project, discussed in more detail in Section 5: Financial Management of this report.

An Office of Emergency Services official stated that grant funding allocation decisions took place in April of 2004 through the Steering Committee, at which time the Office of Emergency Services asked departments to submit project requests. Because the Office of Emergency Services does not maintain records pertinent to this request process, it is not clear how many City departments submitted project requests, how many total requests the Steering Committee declined, and the nature or cost of the declined projects. Since this initial process approximately two years ago, neither the Steering Committee nor the Office of Emergency Services has solicited project proposals from City departments.

Via the Steering Committee, the majority of grant allocations have gone to support immediate response capabilities primarily provided by the City departments represented on the Steering Committee. As shown in Chart 4.5, the Fire Department received 13.9 percent, the Office of Emergency Services received 12.3 percent, the Police Department received 11.0 percent, and the Department of Public Health received 12.4 percent of the total grant allocation since FY 2001-2002. The Office of Emergency Services and the Emergency Communications Department, the Police, Fire, and Sheriff's Departments, the Public Health Department, and the Department of Telecommunication and Information System and San Mateo and Marin Counties have been allocated 95.5 percent of the grant funds received between 2001 and 2005. Only 4.5 percent has been allocated to all other City departments.²³

While it is appropriate for those departments that are likely to have the largest role in emergency response to receive a greater allocation of the grant funds, many other City departments, local and regional governmental agencies, and other non-governmental organizations play a significant role in emergency preparedness and recovery, or are particularly vulnerable to the impacts of an emergency. For example, although the Recreation and Park Department and the Public Utilities Commission have important roles in emergency response, preparedness, and recovery, the Recreation and Park Department has received only \$100,000 and the Public Utilities Commission has received only \$110,376 as of February 1, 2006. *Emergency Operations Plan 1* lists 13 other City departments that will play a support role in emergency response, including the Coroner/Medical Examiner, the Municipal Transportation Agency, the Department of Human Services, the Department of Animal Care and Control, the Port, the Department of Public Works, the Department of Building Inspection, Treasure Island Development Authority, the Department of Administrative Services, the Emergency Communications Department, the Department of Human Resources, and the Controller's Office. Together, these departments received only 8 percent of the total grant allocation. As such, reallocating funds, as approved by the Steering Committee and consistent with grant guidelines, to some of these other City departments to support the development of broader emergency preparedness capabilities is needed.

²³ The Office of Emergency Services provided incomplete data on the allocation of grant funds, representing only \$61,212,271, or 74 percent, of the \$82,672,634 in grants received.

Table 4.5
Majority of Grant Funds Are Allocated to Public Safety and the Office of
Emergency Services, FY 2001-2005

Department	Total Allocation FY 2001- 2005	Percent of Total Allocation FY 2001- 2005
Fire Department	\$12,290,864	20%
Office of Emergency Services*	\$11,504,688	19%
Police Department	\$10,141,261	17%
Region Partners	\$ 9,063,102	15%
Department of Public Health	\$ 7,563,062	12%
Department of Telecommunications and Information Systems	\$ 3,466,847	6%
Sheriff's Department	\$ 2,567,721	4%
Emergency Communications Department	\$ 1,799,397	3%
Port	\$ 1,100,000	2%
Department of Public Works	\$ 780,675	1%
Municipal Railway	\$ 500,909	1%
SF International Airport	\$ 126,908	0%
Public Utilities Commission	\$ 110,376	0%
Recreation and Park Department	\$ 100,000	0%
Medical Examiner	\$ 96,461	0%
Total	\$61,212,271	100%

*According to the Office of Emergency Services, the Office manages grant allocations for the other City departments, including the Fire Department, the Department of Telecommunications and Information Systems, the Medical Examiner, and San Francisco Unified School District, within the total allocation indicated in this table.

Note: Allocation data available for \$61,212,271 of total grant funds received.

Source: Office of Emergency Services

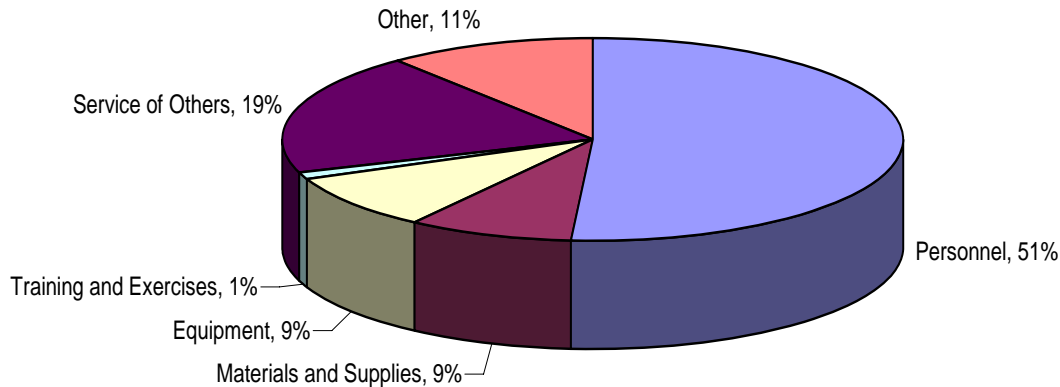
Public expectations during an emergency also suggest a need for increased grant allocations to support broader capabilities. For example, generally, the public's first concern is for the safety of life and property, typically provided for by the City's first responders. However, with these immediate concerns met, the public will require fresh water, shelter, and electrical power. As the Office of Emergency Services has over \$60 million in unexpended funds, it should provide more support for broader capabilities. This support can include resources other than grant funding. For example, an official from the Public Utilities Commission stated that while the Pacific Gas and Electric Company and the Public Utilities Commission have worked collaboratively to develop emergency plans, the Office of Emergency Services has not offered support for that planning effort or incorporated the information from that planning effort into the City's plans to the extent that the two organizations would like.

Much of the early focus on terrorism and homeland security is attributable to the grant

objectives. However, the Office of Emergency Services has the ability to change grant priorities, and has done so previously, as Federal priorities evolve, as discussed in Section 5: Financial Management of this report. As Federal priorities are now moving toward supporting all hazards, natural or man-made, the Office of Emergency Services, through the Steering Committee, should reallocate funds to support a broader array of capabilities to include all hazards, particularly those most likely to occur in San Francisco.

Based on data provided by the Controller’s Office, the majority of the City’s homeland security grant funding expenditures have gone toward personnel costs, including direct salaries as well as fringe benefits, overtime, premium pay, and health insurance costs.²⁴ Specifically, as shown in Exhibit 4.2, 51 percent of all grant expenditures have been for personnel costs. In addition, expenditures for contracted and other professional services represents the second greatest, 19 percent, of total grant expenditures. Conversely, training represents 1 percent of total grant expenditures.²⁵

Exhibit 4.2
Personnel Costs Are the Largest Grant Expenditure



Source: Controller’s Office

Office of Emergency Services Needs to Plan for Sustained Operations

Although Federal officials have stated that grant funds are to help local jurisdictions establish preparedness efforts that the jurisdictions will need to sustain without significant grant assistance in the future, the Office of Emergency Services has not planned for sustained operations. In addition, the *Joint Budget Report – Three Year*

²⁴ Data provided by the Controller’s Office represents \$22,535,448 of grant expenditures.

²⁵ The Budget Analyst combined similar categories of expenditures within the Controller’s data to facilitate data analysis. Because the Controller’s Office does not consider purchases under \$5,000 as equipment, the City may have purchased emergency equipment categorized as “Materials and Supplies.”

Projections,²⁶ issued by the Mayor’s Budget Office, the Controller’s Office, and the Office of the Budget Analyst, does “not assume a General Fund backfill of any Federal funding reductions for various grant programs such as Homeland Security Urban Area Safety Initiative” and states that “to the degree that any Federal cuts (including CDBG, Homeland Security or Ryan White AIDS funding) occur and are backfilled by the General Fund, our projected shortfall will grow.” While the Joint Report assumptions do not constitute policy decisions, they provide an indication that if the City decides to use General Fund money to replace decreasing grant funds, the City will also need to address an increased budget shortfall. Given this context, the Office of Emergency Services needs to plan for sustained operations as recommended in Section 3: Strategic Planning of this report.

Conclusion

Since 2001, the Office of Emergency Services has received \$82,672,634 in Federal and State homeland security and emergency preparedness grants. However, as of February 1, 2006, the Office of Emergency Services and other City departments have not expended \$59,047,317, or 71 percent of these funds. Including encumbered funds, which Office of Emergency Services and other City departments may or may not expend in the near future, \$44,650,018, or 54 percent, of the total grant funds remain as of February 1, 2006. This low rate of expenditure could cause the City to lose the ability to use the grant funds, as all of these Federal and State grants will expire by December 31, 2006.

City departments have a significant responsibility for increasing the City’s overall rate of expenditure, and the Office of Emergency Services has helped to make the purchasing process more efficient within the City. However, the Office of Emergency Services, as the grants manager, holds the ultimate responsibility for the City’s expenditure rate. To date, the Office of Emergency Services has not taken significant action to move City departments forward with expenditure proposals, and should consider approaches taken by the State and other California jurisdictions to do this.

In addition, the Office of Emergency Services has allocated funds to a limited number of City departments and primarily for personnel expenses. While it is appropriate for those departments that are likely to have the largest role in emergency response to receive a greater allocation of the grant funds, many other City departments and local and regional governmental agencies play a significant role in emergency preparedness and recovery, or are particularly vulnerable to the impacts of an emergency. As the chair of the Steering Committee, which must approve grant allocations, and the grants manager, the Office of Emergency Services should move to identify areas of funding need, including soliciting current project proposals, and allocate grant funds more broadly to support additional emergency preparedness capabilities.

²⁶ San Francisco Mayor’s Budget Office, Controller’s Office, Board of Supervisors Budget Analyst Office, *Joint Budget Report – Three Year Projections*, (San Francisco: March 2006).

Recommendations

- 4.1 The Office of Emergency Services should increase its rate of Federal and State grant spending and should expend as much of the remaining balance of grant funds as appropriate and possible before the Federal or State grant deadlines. This should include City department overtime costs that are eligible for reimbursement.
- 4.2 Senior management of the Office of Emergency Services should develop a plan for sustained operations as part of, or in addition to, the strategic planning process and plan development as recommended in Section 3: Strategic Planning of this report. The sustainability plan should identify how the Office will maintain its emergency preparedness efforts as Federal and State grant funding decreases. The sustainability plan should specifically address, but not be limited to: staffing, equipment maintenance and replacement, and on-going training needs. The process of writing the sustainability plan should mirror that of the strategic plan, to include City stakeholders and policy-makers.
- 4.3 The Office of Emergency Services should provide expenditure deadlines to City departments to increase the rate of expenditures in the City.
- 4.4 The Office of Emergency Services should immediately survey each City department regarding their specific emergency needs, such as preparing and updating their City Department Emergency Plan, equipping their Department Operations Center, and emergency training and exercises.
- 4.5 After providing expenditure deadlines and surveying City department needs, the Office of Emergency Services should reallocate unexpended grant funds that are past City deadlines to support prioritized needs prior to the State's reallocation of funds in September of 2006, and prior to the expiration of the grants on December 31, 2006.
- 4.6 The Office of Emergency Services should re-allocate funds to support broader emergency response capabilities, consistent with the findings and recommendations made in this Section. If this re-allocation requires that the Office of Emergency Services realign grant objectives, the Office of Emergency Services should work to do this.

Cost and Benefits

Costs of implementing these recommendations are associated with staff time and resources. The Office of Emergency Services could contract services to develop a survey of departmental needs and the basis of a sustainability plan as part of the strategic planning contract at an additional approximate cost of \$10,000. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations would help to ensure the State and Federal governments do not reclaim \$59,047,317 in unexpended grant funds. In addition, implementation of these recommendations would help ensure that the City identifies departmental emergency preparedness needs. Furthermore, implementation of these recommendations would allow the Office of Emergency Services to allocate funds to those City departments that are able to spend grant funds expeditiously.

SECTION 5: FINANCIAL MANAGEMENT

THE OFFICE OF EMERGENCY SERVICES NEEDS TO IMPROVE INTERNAL CONTROLS TO MINIMIZE GENERAL FUND LOSSES

Because the majority of Federal and State homeland security grant funds received by Office of Emergency Services are reimbursement grants, the City's General Fund must advance money for expenditures, and then the Office of Emergency Services must claim these expenditures for reimbursements. However, as of February 1, 2006, the Office of Emergency Services had yet to claim \$7,658,466 in General Fund expenditures, and the City had not received reimbursement on an additional \$2,092,318. Due to the delays in claiming reimbursement, the General Fund has lost to date approximately \$189,788 in earned interest, and continues to lose approximately \$1,068 per day on the funds currently awaiting reimbursement.

In addition, the lack of consistent guidance from the Office of Emergency Services calls into question whether the City is seeking and obtaining reimbursement for all eligible expenditures. For example, the City is eligible to use more than \$1.8 million to receive reimbursement for all overtime costs related to the protection of critical infrastructure in the City during times of Code Yellow or Orange. However, it is not clear whether the City is taking full advantage of this or other reimbursement opportunities.

Insufficient communication of financial policies and procedures has caused financial management concerns within the City. While the Office of Emergency Services officials state that City departments are responsible for ensuring expenditures are appropriate before moving forward with purchases, the Office of Emergency Services is the grants manager for the City's emergency services. Accordingly, the Office of Emergency Services should take the responsibility to oversee this grant activity. Specifically, while the Office of Emergency Services has provided the grant documents produced by the grantor, the Office of Emergency Services has not developed and provided additional written information to help guide City departments. While the Budget Analyst did not find indications of financial fraud or abuse, insufficient financial policies and procedures distributed to City departments, coupled with a lack of a formalized and documented management of the grants by the Office of Emergency Services has created a situation in which fraud or abuse could occur.

Internal Controls Are a Critical Component of Financial and Program Management

Internal controls are a primary aspect of managing an organization successfully.²⁷

²⁷ The term "internal controls" in this report is synonymous with the term management control and, unless stated otherwise, covers all aspects of operations, including but not limited to programmatic, financial, and

Typically, internal controls comprise the plans, methods, and procedures used to meet an organization's mission, goals, and objectives, ensuring both a consistency in operations as well as the appropriate handling of financial and other resources. In short, internal controls help government leaders and program managers achieve desired results through effective stewardship of public resources. Effective internal controls also help in managing change, and in helping organizations cope with shifting environments and evolving demands and priorities.

Internal controls are also critical to financial management and should guide financial policies and procedures. The majority of Federal and State homeland security grant funds received by the Office of Emergency Services are reimbursement grants.²⁸ Accordingly, the City's General Fund must advance the money needed for expenditures made by the Office of Emergency Services and other City departments. To ensure reimbursement to the General Fund, the Office of Emergency Services must submit appropriate documentation and paperwork to the Federal and State governments. As such, to avoid placing undue strain on the General Fund to minimize the amount of time the General Fund is depleted of funds, the Office of Emergency Services must submit timely claims for reimbursement.

Other City departments have a direct role in the reimbursement process. After approval of the purchase, the Office of Emergency Services requests City departments to submit documentation on the expenditure. The Office of Emergency Services sends copies of these documents to the Controller, which then processes payment to the vendor or contractor. After payment, the receiving department sends proof of receipt of the goods or services to the Office of Emergency Services. The Office of Emergency Services then submits a claim for reimbursement to the State of California, which holds the Federal grants as a pass-through entity, and which manages the State homeland security grants.

Office of Emergency Services Has Not Claimed Reimbursement for Over \$7 Million of General Fund Expenses

Because San Francisco must advance General Fund money for grant expenditures, the City is reliant on the Office of Emergency Services to facilitate reimbursement of the General Fund in an expeditious manner. Currently, the Office of Emergency Services claims reimbursement for expenditures on a quarterly basis. Moreover, the Office of Emergency Services has fallen behind this quarterly cycle as of February 1, 2006. Office

compliance.

²⁸ A condition of the Urban Area Security Initiative grant receipt is a financial audit to review the Office of Emergency Services' compliance with the Federal Urban Area Security Initiative grant requirements. These requirements are limited in scope, and are concerned with areas not covered in great detail in this report. The Controller's Single Audit did not identify issues of concern related to the Office of Emergency Services' handling of the Urban Area Security Initiative grant funds. However, the audit identified areas of concern with how one other City department has managed its Urban Area Security Initiative grant allocation. Specifically, the audit found that one City department did not consistently track its purchases, and did not document personnel records related to the Urban Area Security Initiative grant and homeland security funding.

of Emergency Services grant officials stated that other financial management responsibilities make it difficult to keep reimbursement claims current. Consequently, the General Fund has not received reimbursement in a timely manner.

Data on reimbursements the City has received to date show that General Fund reimbursement has lagged General Fund expenditures by an average of 151 days or approximately five months. While the delays can be shorter, the Office of Emergency Services claimed \$3,624,526 approximately 120 days after the date of expenditure, the delays can also be much greater. For example, the Office of Emergency Services claimed \$99,966 over a year (400 days) after the date of expenditure.

In addition to the expenditures for which the General Fund has already received reimbursement, the Office of Emergency Services has yet to claim a significant amount of General Fund expenditures for reimbursement. Specifically, as shown in Table 5.1, as of February 1, 2006, the Office of Emergency Services had not claimed \$7,658,466 of General Fund expenditures. Moreover, the General Fund had yet to receive an additional \$2,092,318 of claimed expenditures, leaving a total of \$9,750,784 that the General Fund had expended without reimbursement.

**Table 5.1
Office of Emergency Services Has Not Claimed \$7,658,466 in Expenditures,
FY 2002-2005**

Fiscal Year	Total Expended	Total Claimed	Total Unclaimed	Awaiting Reimbursement
2002-2003	\$609,436	\$413,200	\$196,236	\$196,236
2003-2004	\$18,790,057	\$12,911,412	\$5,878,645	\$6,680,012
2004-2005	\$3,704,172	\$2,390,625	\$1,313,547	\$2,604,498
2005-2006	\$270,038	\$0	\$270,038	\$270,038
Total	\$23,373,703	\$15,715,237	\$7,658,466	\$9,750,784

Expenditures and reimbursements as of February 1, 2006.

FY 2001-2002 not included as grant was not provided on a reimbursement basis.

Source: Office of Emergency Services

Other jurisdictions in California have a similar reimbursement pattern as does the Office of Emergency Services. For example, the City of Los Angeles has not received \$7,826,981 in reimbursements. Although Los Angeles County has a similar rate of expenditures, a County official provided data which indicate the County is current in claiming reimbursements. The Los Angeles County official expressed regret that the County could not claim reimbursements more frequently than a monthly basis. While the Budget Analyst requested this information from the City of San Jose, San Jose's Office of Emergency Services did not provide the information in time to include it in this report.

The City's General Fund Has Lost a Significant Amount of Earned Interest Due to Delays in Reimbursement Claims

As of February 1, 2006, the Office of Emergency Services typically claimed expenditures

from prior quarters, not from the current quarter. The amount of delay between General Fund expenditures and reimbursement caused the General Fund to lose earned interest. According to the Treasurer–Tax Collector’s Office, based on the past year’s interest rates, an annual interest rate of four percent is appropriate for calculating lost interest due to unclaimed expenditures.

Using a four percent interest rate, the City’s General Fund has lost approximately \$189,788 of interest revenues due to the Office of Emergency Services’ delay in claiming reimbursement as of February 1, 2006 on the expenditures for which the City has already received reimbursement.²⁹ However, in addition to this \$189,788 of lost interest earnings, the City continues to lose interest on \$9,750,784 of General Fund expenditures, which have not yet been reimbursed. Specifically, the City’s General Fund loses \$1,068 per day, which amounts to \$32,502 per month or \$390,031 per year.³⁰ According to the Treasurer–Tax Collector’s Office, interest rates are likely to continue to increase in the short-term, such that the amount of lost interest due to future delayed reimbursement claims will also increase. Further, as the rate of expenditures increases to meet grant deadlines, lost earned interest will increase without timely reimbursement claims.

FY 2005-2006 the Urban Area Security Initiative grant guidance allows cities to claim reimbursement on encumbered funds if the City will expend the funds within 150 days of the claim. Therefore, the Office of Emergency Services could save the City’s General Fund the burden of delay between expenditure and reimbursement by adopting this reimbursement policy on future expenditures from this grant.

Improved Financial Policies and Procedures are Needed to Prevent General Fund Expenditures Without Reimbursement

Improved financial policies and procedures are needed to ensure the City maximizes all eligible reimbursement for City expenditures. For example, the FY 2005-2006 Urban Area Security Initiative grant guidance allows the City to claim up to 10 percent of the \$18,663,700 grant, or \$1,866,370, to support overtime costs associated with increased security at critical infrastructure sites during times of Federally-issued Homeland Security Code Yellow. This grant also allows the City to claim up to an additional 15 percent, or \$2,799,555, for increased security measures at critical infrastructure sites during times of Federally-issued Homeland Security Code Orange. However, the Office of Emergency Services has not provided clear guidance on this matter. For example, a senior Police official noted that while the Police Department has incurred such overtime

²⁹ Calculation based on annualized interest rate of four percent, broken into daily interest (.04/365), with the daily interest rate applied to the amount of expenditure and the number of days between expenditure and reimbursement.

³⁰ Calculation based on annualized interest rate of four percent, broken into daily interest (.04/365), with the daily interest rate applied to the amount of expenditures the Office of Emergency Services had not claimed as of February 1, 2006; the monthly calculation based on annualized interest rate of 4 percent, broken into monthly interest (.04/12); the annual calculation based on the annualized interest rate of 4 percent applied to the amount of funds awaiting reimbursement.

expenses, there has not been any specific direction given by the Office of Emergency Services that these General Fund expenditures could be reimbursed. While City departments have a responsibility to track internal expenses, the Office of Emergency Services as the grant manager must provide clear, consistent, and formal written guidance to departments regarding what expenditures are eligible for reimbursement and how to track those expenditures.

The Office of Emergency Services Grant Manager stated that the Office of Emergency Services provides the grant documents, provided by the State or Federal grantor, to departments and may have informal discussions with City departments. While this is an important first step, most City departments do not manage homeland security grants and there is not a reasonable expectation that those departments should have expertise in such grants that would enable them to translate grant documents into needed financial policies and procedures. Moreover, various City departments may develop individual and incompatible policies and procedures.

This policy of providing limited guidance without attention to the City department's financial management needs creates a situation where the City may be expending General Funds that are eligible for reimbursement without maximizing that reimbursement. For example, the Controller's Office recently developed a redundant financial system to ensure continuity of operations during an emergency. While it is not clear whether the costs borne by the General Fund for this project could have been reimbursed, it is possible that some grant funds could have minimized the cost to the General Fund. Whereas the Office of Emergency Services officials have stated that other jurisdictions have not received reimbursement for expenses because those jurisdictions did not properly document the claimed expenditures, the Office of Emergency Services has a critical responsibility for going beyond the distribution of grant documents to provide clear financial policies and procedures to ensure the City's General Fund is fully reimbursed for eligible expenses.

The Office of Emergency Services' Financial Guidance and Documentation Is Insufficient and Has Not Met City Departments' Needs

While the Federal government has never retrospectively changed grant priorities, Office of Emergency Services officials stated they have shifted the focus of previously approved grant applications to mirror the priorities of subsequent grants. Part of this is attributable to the receipt of grant deadline extensions. While the Office of Emergency Services has received Federal approval to make these changes retrospectively, the changes without clear communication has created an unintended consequence of confusion among City departments. For example, Recreation and Park Department officials state the department submitted a report detailing how it would spend its allocation of Urban Area Security Initiative money, which the Office of Emergency Services approved. While it is necessary for City departments to ensure all expenditures are appropriate before expending funds, the Office of Emergency Services, as the manager of the grants, is ultimately responsible for the proper management of grant funds.

In addition, the limited level of financial guidance provided by the Office of Emergency Services has created confusion and funding problems for City departments. For instance, based on discussions with the Office of Emergency Services in late 2004, the Port intended to use homeland security grant funds to cover some, if not all, of a projected \$980,849 shortfall on the Port's Pier 35 construction project. Under the impression that project costs would receive reimbursement, the Port put forward a supplemental appropriation of \$980,849 from the Port's unappropriated fund balance (File 04-1583) and began work on the Pier 35 project. However, after the Port expended the Pier 35 construction project funds in 2005, the Office of Emergency Services notified Port officials that the Pier 35 project was ineligible to receive the homeland security grant funds for these costs. Office of Emergency Services officials then advised the Port in early 2006 that the Office had identified a different project from which the Port could use the homeland security grant funds. Subsequently, the Office of Emergency Services moved funds from the Fire Department's Emergency Structural Collapse Team training program to the Port. During this process, the Port requested, though did not receive, guidance beyond the Federal grant document that the Office of Emergency Services provided, and expressed confusion over exactly what costs were and were not eligible. Port officials acknowledge that they should have done more to ensure the proposed expenditures were appropriate and allowable under the grant, and that communication between the Port and the Office of Emergency Services is generally good. Nevertheless, as the manager of the grant, the Office of Emergency Services should actively engage City departments and monitor department activities to ensure expenditures are appropriate before the City expends the funds.

The Office of Emergency Services needs to improve its financial policies and procedures for internal activities. For example, in the past, documenting projected training costs was not a priority for Office of Emergency Services staff managing training projects. In one instance, the Office of Emergency services staff person organizing structural collapse training did not know the total cost of training despite the fact that the Office of Emergency Services had already initiated the training program. In a January 2006 interview, this staff person stated that he did not know the project's total cost because he did not know the project's annual budget, had not defined the training specifications, and did not know the cost of required equipment, facilities, and supplies. The staff person further stated that a budget was not necessary because Federal funding was so abundant. Since the January 2006 interview, under a new training manager, the Emergency Structural Collapse Rescue Team project has been further developed. Following the Exit Conference, the Office of Emergency Services provided data that shows the budget for the Emergency Structural Collapse Rescue Team training to be \$2,204,661.

The estimated cost of Emergency Structural Collapse Rescue Team training is 347 percent more than of the Office of Emergency Services FY 2005-2006 General Fund budget of \$635,573. Given the high cost of this training, prior to moving forward with training, the Office of Emergency Services should have created a budget to include at a minimum documentation of program costs. Without a budget and an estimate of total training costs, the Office of Emergency Services could not know whether grant funds would be sufficient to fully fund the project and, in the absence of grant funding, if the

project could be supported by the General Fund.

The Budget Analyst did not identify indications of financial fraud or abuse related to the homeland security grants received and managed by the Office of Emergency Services.³¹ However, the Office of Emergency Services, as the grant manager, has provided insufficient financial policies and procedures to City departments, which is coupled with a lack of a formalized documentation of most aspects of its grant management. If not adequately addressed, the continuation of this situation will create an opportunity for financial fraud or abuse to occur without easy detection.

The Office of Emergency Services’ Release of Reserves Request Lacked Detail and Included False Information

During the FY 2005-2006 budget deliberations, the Budget and Finance Committee of the Board of Supervisors placed a total of \$11,168,000 of the \$14,339,586 FY 2005-2006 Urban Area Security Initiative grant on reserve. The Committee decided to place these funds on reserve because the Office of Emergency Services did not provide sufficient details on how the Office planned to expend the funds, with the Budget and Finance Committee to release the reserve once the Office of Emergency Services had provided details.

After nine months of not pursuing the release of the reserve funds, the Office of Emergency Services requested the release of reserve funds on March 10, 2006. However, the Office again provided insufficient details on the proposed expenditures. Moreover, as shown in Table 5.2, the requested expenditures differed greatly from the original request in June of 2005.

**Table 5.2
Release of Reserve Request Has Changed Significantly**

Category	Original*	Revised*	Increase or (Decrease)
Overtime	\$4,109,000	\$2,015,873	(\$2,093,127)
Fringe Benefits	\$0	\$62,913	\$62,913
Professional Services	\$2,000,000	\$2,585,414	\$585,414
Equipment Purchases	\$5,059,000	\$1,670,000	(\$3,389,000)
Minor Furnishings	\$0	\$75,000	\$75,000
Building Repair	\$0	\$650,000	\$650,000
Payment to Other Government Agencies	\$0	\$4,108,800	\$4,108,800
Total	\$11,168,000	\$11,168,000	\$0

Note: Original is the originally proposed expenditure plan included in the June of 2005 budget. The revised numbers are from the subsequent request for release of reserves in March of 2006.

Source: Office of Emergency Services

³¹ The Controller’s Single Audit, required as a condition of receipt of Urban Area Security Initiative grant funds, also did not identify financial fraud and abuse.

Through the process of conducting this management audit, the Budget Analyst found that the Office of Emergency Services knowingly provided false information as part of its request for release of reserve funds. Specifically, the Office of Emergency Services requested \$225,000 for exercise costs surrounding the April 2006 earthquake centennial commemoration, which was the budgeted estimate as of December of 2005. However, by the time the Office of Emergency Services submitted this request to the Budget Analyst in March of 2006, the Office of Emergency Services had revised the exercise to a level estimated at \$70,000. Nevertheless, the Office of Emergency Services went forward with the request for \$225,000. Based on this finding, the Budget Analyst has no confidence that other estimated costs were correct at the time of this submission.

Conclusion

The Office of Emergency Services currently claims reimbursement for expenditures on a quarterly basis. In addition to the delay attributable to the quarterly claim cycle, the Office of Emergency Services was not current on its claims as of February 1, 2006. The delay between General Fund expenditures and reimbursement causes the General Fund to lose earned interest. Because of this delay, as of February 1, 2006, the City's General Fund had lost approximately \$189,788 in earned interest for expenditures which the City has already received reimbursement. In addition to this amount, the City continues to lose interest on \$9,750,784 of General Fund expenditures that have not been reimbursed. Specifically, the City's General Fund loses \$1,068 per day, which amounts to \$32,502 per month or \$390,031 annually. According to the Treasurer-Tax Collector's Office, interest rates are likely to continue to increase in the short-term, such that lost earned interest due to future delayed reimbursement claims will also increase.

The FY 2005-2006 Urban Area Security Initiative grant guidance allows cities to claim reimbursement on encumbered funds if the City will expend the funds within 150 days of the claim. The Office of Emergency Services could save the City's General Fund the burden of delay between expenditure and reimbursement by adopting this reimbursement policy on future expenditures from this grant.

The Office of Emergency Services needs to improve its financial policies and procedures, including the guidance provided to departments regarding tracking expenditures and identifying reimbursement eligible expenses, as well as financial documentation internal to the Office. Because the Office of Emergency Services has provided insufficient guidance to City departments in these areas, City departments track grant activities differently, may not capture all General Fund expenditures that could receive reimbursement, and may not maintain complete or accurate information regarding what expenditures are appropriate under the grants. While the Budget Analyst did not find indications of financial fraud or abuse, insufficient financial policies and procedures distributed to City departments, coupled with a lack of a formalized and documented management of the grants by the Office of Emergency Services has created a situation in which fraud or abuse could occur.

Recommendations

- 5.1 The Grants Division of the Office of Emergency Services should immediately claim all reimbursement-eligible expenditures. If needed, the Office of Emergency Services should seek help from the Controller's Office through work order positions.
- 5.2 The Grants Division of the Office of Emergency Services should develop and follow clear financial policies and procedures to ensure expedited reimbursement for future expenditures. In doing so, the Grants Division of the Office of Emergency Services should claim reimbursement-eligible expenditures as frequently as possible, but at least more frequently than a quarterly basis.
- 5.3 The Grants Division of the Office of Emergency Services should implement policies and procedures for claiming advanced reimbursement on appropriate encumbered funds as appropriate.
- 5.4 The Grants Division of the Office of Emergency Services should develop and distribute clear financial policies and procedures for City departments to use in tracking homeland security grants activity to ensure the City maximizes the amount of possible reimbursements to the General Fund. These policies and procedures must go beyond providing the grant guidelines issued by the grantor. In doing so, the Office of Emergency Services should work with City departments to ensure a sufficient level of familiarity with the grants exists within the various departments.
- 5.5 The Grants Division of the Office of Emergency Services should identify all overtime costs associated with Yellow and Orange Alert heightened security measures. The Office of Emergency Services should claim for reimbursement all of these costs, provided grant funds are available and the costs are eligible for reimbursement. As part of this process, the Office of Emergency Services should also identify any other similarly unrecognized General Fund expenditures eligible for reimbursement, and move to claim these expenditures as appropriate.
- 5.6 The Grants Division of the Office of Emergency Services should develop improved internal controls to document what expenditure requests City departments have made, what requests the Office of Emergency Services accepts, what requests the Office rejects, and the rationale behind the decisions. These internal controls should also include policies and procedures for internal cost projections for activities such as training, exercises, and personnel.

Costs and Benefits

Costs of implementing these recommendations are associated with staff time and resources. The Office of Emergency Services could contract services to help develop financial policies and procedures at an approximately cost of \$25,000 to \$50,000. The

Office of Emergency Services should use Urban Area Security Initiative or other available grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations will expedite \$7,658,466 of reimbursements to the General Fund. In addition, implementation of these recommendations will reduce the amount of lost earned interest on General Fund expenditures, which was \$1,068 per day as of February 1, 2006. Moreover, implementation will result in a more consistent and appropriate method of tracking emergency preparedness expenditures in the City, which is a necessary step for the City to take in identifying and maintaining all available emergency equipment and other resources as recommended in this report. Moreover, implementation of these recommendations will help to ensure that financial fraud or abuse do not occur.

SECTION 6: EMERGENCY PLANS

THE NUMBER OF EMERGENCY PLANS HAS INCREASED. HOWEVER THE PLANS NEED IMPROVEMENT

The Office of Emergency Services develops a variety of emergency plans, ranging from basic emergency operations plans to specific plans that describe how the City will perform functions such as care and shelter, or how the City will respond to specific hazards, such as tsunamis. Since 2001, the Office of Emergency Services, in cooperation with other City departments, has produced 17 new emergency plans. The majority of these plans were produced in the last nine months. These plans provide valuable information to the City, however improvement is needed. In particular, the plans are poorly organized, inconsistent, and do not provide adequate San Francisco-specific information. For example the City's basic emergency operations plans assign the same department different emergency response responsibilities and three functional annexes do not identify geographic areas or populations most likely to be affected. In addition, some functional and hazard-specific plans are out-of-date. For example, the *Energy Storage Annex* has not been updated since 1995, over ten years. Also, the Office of Emergency Services did not provide a master list of plans until after the Exit Conference.

In January of 2004, the Mayor directed City departments to submit an emergency plan to the Office of Emergency Services by March 2004. However, 11 City departments have still not written a City Department Emergency Plan and 14 City departments did not up-date their plan by the Mayor's deadline. In addition, some plans do not adequately describe how the City department will maintain continuity of operations during an emergency. For example, 55% of City Department Emergency Plans do not contain a plan for safeguarding the City's vital records and databases, an action recommended by the California Office of Emergency Services. While the Office of Emergency Services is not directly responsible for writing these plans, the Office has only started to review the plans for current and consistent information.

Finally, the Office of Emergency Services, in cooperation with District Five residents, needs to modify the *Community Disaster Plan Supervisorial District Five Plan* to contain district-specific information, such as how a particular hazard will affect the District, as well as actions residents have taken and should take to respond to an emergency.

The City Has Produced 17 New Emergency Plans Since 2001

The Office of Emergency Services produces and coordinates with other City departments in the production of emergency plans. Emergency plans identify what actions will be taken, when they should be taken, and who will perform them. Emergency plans are on-file in the Emergency Operations Center, the City's emergency response command

center, where they will be used as a reference during emergency response.

The Office of Emergency Services produces and coordinates three types of emergency plans: basic plans, functional annexes, and hazard-specific annexes. The basic plans, *Emergency Operations Plan 1: Basic Plan (Emergency Operations Plan 1)* and *Emergency Operations Plan 2 (Emergency Operations Plan 2)*, are the foundation of the City’s emergency management structure. Functional annexes, which detail how emergency responders perform specific response tasks, and hazard-specific annexes, which contain response information for specific emergency types, build on the basic plans. While the majority of functional and hazard-specific annexes are written by the Office of Emergency Services, annexes that require special expertise are written by other City departments. For example, the Department of Public Works produced the *Damage Assessment Annex* and the Public Utilities Commission produced the *Emergency Drinking Water Annex*.

Since 2001, the Office of Emergency Services has expanded and updated the City’s basic emergency operations plans. The Office of Emergency Services has both rewritten *Emergency Operations Plan 1*, which contains a high-level overview of the emergency management system, and has created *Emergency Operations Plan 2*, which contains detailed checklists, contact information, and reference data required to operate the City’s emergency response command center. In addition, the Office of Emergency Services has produced six new functional annexes and three new hazard-specific annexes, a total of nine new annexes. The specific plans and their dates of completion are in Table 6.1.

**Table 6.1
Office of Emergency Services-Authored Emergency Plans and Annexes**

Plan/Annex Name	Author	Completion Date
Basic Plans		
Emergency Operations Plan 1: Basic Plan	Office of Emergency Services	January 2005
Emergency Operations Plan 2, Version 2.2	Office of Emergency Services	March 2006
Hazard-specific Annexes		
Terrorism	Office of Emergency Services	September 2005
Tsunami	Office of Emergency Services	September 2005
Severe Weather Annex	Office of Emergency Services	March 2006
Earthquake	Office of Emergency Services	In Development
Functional Annexes		
Care and Shelter	Office of Emergency Services	September 2005
Donations Management	Office of Emergency Services	September 2005
Volunteer Management	Office of Emergency Services	December 2005
Operation Return	Office of Emergency Services	January 2006
Animal Care	Office of Emergency Services	March 2006
Emergency Communications	Office of Emergency Services	April 2006

Source: Office of Emergency Services

Other City departments have, in cooperation with the Office of Emergency Services,

produced and updated functional and hazard-specific annexes. Since 2001, other City departments have produced five new functional annexes and one new hazard-specific annex, which are shown in Table 6.2.

**Table 6.2
City Department-Authored Emergency Plans**

Functional Annex	Author	Date of Completion
Mass Fatality	Medical Examiner	March 2004
Mass Casualty	Department of Public Health/ Emergency Medical Services	February 2005
Damage Assessment	Department of Public Works	July 2005
Debris Management	Department of Public Works	July 2005
Emergency Drinking Water	Public Utilities Commission	2005
Oil Spill Annex	Department of Public Health	March 2006

Source: Office of Emergency Services

Together, the Office of Emergency Services and other City departments have produced 17 basic, functional, and hazard-specific emergency plans since 2001. The majority of these plans were written in the last nine months. While the Office of Emergency Services and other City departments have increased the number of plans, critical improvements are necessary: organization of plans is confusing, basic emergency plans need to be reconciled, and some plans need additional San Francisco-specific information.

The Office of Emergency Services Did Not Maintain a Current List of Emergency Plans and Emergency Plans Are Disorganized

The Budget Analyst was unable to reconcile lists of functional and hazard-specific plans provided by the Office of Emergency Services with each other or with plans on-file at the Office of Emergency Services. At the outset of the audit, the Office of Emergency Services provided a document entitled *Plan and Annex Matrix*, dated November 7, 2005. In February of 2006, the Budget Analyst reviewed the emergency plans on-file in the Emergency Operations Center. During this review, the Budget Analyst found that two of the plans listed as complete, *Staging Area Support* and *Transportation and Traffic Control*³² were not on-file at the Office of Emergency Services. At the Exit Conference for this audit, the Office of Emergency Services provided an up-to-date list of functional and hazard-specific annexes, *OES/HS Functional and Hazard Specific Annexes*. This list was substantially different than the *Plan and Annex Matrix* provided at the beginning of the audit. In some cases the *OES/HS Functional and Hazard Specific Annexes* listed plans not listed in the *Plan and Annex Matrix*. In other cases the *Plan and Annex matrix* listed plans not listed in the *OES/HS Functional and Hazard Specific Annexes*.

In addition, the Budget Analyst was unable to reconcile the Office of Emergency Services’ list of City Department Emergency Plans with the Budget Analyst’s list of

³² *Staging Area Support* and *Transportation and Traffic Control*

plans on-file at the Office of Emergency Services, which were reviewed by the Budget Analyst in February of 2006. At the Exit Conference for this audit, the Office of Emergency Services provided a list of City Department Emergency Plans. Although both the Budget Analyst's and the Office of Emergency Services' lists identify 42 City Department Emergency Plans, the plans identified by the Budget Analyst differ from those listed on the Office of Emergency Services' list. For example, the Budget Analyst observed a plan from the Moscone Center, but the Office of Emergency Services' list did not include this plan. Also, the Office of Emergency Services' list included a plan from the Department of Elections and from the Superior Court, neither of which were present at the Office of Emergency Services during the Budget Analyst's February of 2006 review.

Moreover, the organization of functional and hazard-specific plans is confusing. For example, when the Budget Analyst asked Office of Emergency Services officials why, despite the fact that *Emergency Operations Plan 1* identifies civil disturbances as a potential hazard, there is no plan on-file for this threat, Office of Emergency Services officials stated that the civil disturbance plan is part of the Police Department's special events manual, which is located at the Police Department. Similarly, when the Budget Analyst asked why the *Management of Dead Bodies Annex* was written by the Pan American Health Organization and contains case studies on how to respond to a fire in Peru or to a volcanic eruption in Nicaragua, Office of Emergency Services officials stated that the document is a background report, not a functional annex. Finally, when the Budget Analyst attempted to catalogue the number and type of plans on-file at the Office of Emergency Services, it was unclear whether the Airport plan was a City Department Emergency Plan or a hazard-specific plan.

The Office of Emergency Services states that emergency responders will use emergency plans to guide their emergency response efforts. However, because plans on the shelf do not reconcile with lists of plans and because it is unclear which plans are operational documents, which are background documents, which are City Department Emergency Plans, and which plans are hazard-specific annexes, it may be difficult for emergency responders to locate the plan they need in the case of an emergency. A simple, easy to understand system for organizing emergency plans will be particularly important to City departments, such as the Coroner, who are less involved with emergency response on a daily basis and for State or Federal responders who may be working in San Francisco for the first time.

Basic Emergency Plans Need to Be Reconciled and Functional and Hazard-Specific Plans Lack Sufficient San Francisco-specific Information

Emergency Operations Plan 1, which provides an overview of the City's emergency response policy, and *Emergency Operations Plan 2*, which provides operational response detail, need to be reconciled. In some cases, *Emergency Operations Plan 1* defines the responsibilities of the City's emergency response operational units, which are known as branches, differently than does *Emergency Operations Plan 2*. For example, *Emergency*

Operations Plan 1 states that the Traffic and Transportation Branch is responsible for evacuation, while *Emergency Operations Plan 2* states that the Branch is responsible for the resumption of services. Furthermore, some entities are not mentioned in *Emergency Operations Plan 1*, but are assigned an emergency response role in *Emergency Operations Plan 2*. The Department of Technology and Information Services, the Department of Environment, and the California Highway Patrol, are absent from *Emergency Operations Plan 1*. *Emergency Operations Plan 2*, however, states that the Department of Technology and Information Services will support the Law Enforcement Branch, the Department of the Environment will support the Health and Medical Branch, and the California Highway Patrol will support the Traffic and Transportation Branch. Consistent description of emergency response roles is critical. The Federal Office of the President's recent report entitled *Federal Response to Hurricane Katrina: Lessons Learned*, states that unclear roles and responsibilities hindered the Federal government's Katrina response.

Federal Response to Hurricane Katrina: Lessons Learned, also states that Federal responders' failure to understand the local context contributed to poor decision-making. Some functional and hazard-specific annexes include San Francisco-specific information. For example, the *Mass Casualty Annex* refers to San Francisco hospitals and the *Tsunami Annex* identifies potential inundation zones. However, some annexes contain no San Francisco-specific information at all. For example, three functional annexes, *Animal Care and Control*, *Debris Management*, and *Mass Casualty*, do not identify geographic areas or populations most likely to be affected. Similarly, two of the hazard-specific annexes, the *Energy Storage Annex* and the *Terrorism Annex* do not identify the geographic areas most likely to be affected.

City Department Emergency Plans Need Improvement

On January 9, 2004, the Mayor issued a memo regarding *Directives for Emergency Preparedness*³³ which required City departments to update their City Department Emergency Plans by March 31, 2004. This directive was sent to the Mayor's standard department head e-mail distribution list, which contains both department heads, such as the Director of Human Services, and division heads, such as the County Clerk. The Mayoral directive did not instruct City departments what to include in their plan.

In response to this directive, City departments sent their emergency plans to the Office of Emergency Services. In February 2006, the Budget Analyst reviewed the City department Emergency Plans on-file at the Office of Emergency Services. Based on this review, the Budget Analyst found that although the plans are called City Department Emergency Plans, some plans pertained to buildings owned by the City, such as 25 Van Ness, while others pertained to entities that are affiliated with, but are not a part of the City, such as the Housing Authority. In some cases, there were plans for both a City department and for some, but not all, its divisions. For example, there was a plan for the Division of Animal Care and Control, which is a division in the Department of Administrative

³³ Mayor's Office Memorandum. [Directives for Emergency Preparedness](#). January 9, 2004.

Services, but there was not plan for the Real Estate Division, which is also a division of the Department of Administrative Services.

In some cases, such as the case of Animal Care and Control, a City department which plays a large disaster response role, it is appropriate that the division have its own emergency plan. In other cases, such as Real Estate, a separate emergency plan may be unnecessary, the division's needs can be covered in the relevant Department's City Department Emergency Plan. In addition, some city-owned facilities that will operate during a disaster, such as City Hall, need an emergency plan. As previously stated, to date, the Mayor only requires City departments to have emergency plans. Clarification regarding which City departments, divisions, and public facilities need an emergency plan is needed.

The quality of City Department Emergency Plans varies widely. While some plans contain detailed evacuation, recall, and response procedures, other plans have only general information on evacuation procedures. For example, the Controller's plan is only a few pages and contains only standard procedures for dealing with emergencies. In addition, based on the Budget Analyst's review of City Department Emergency Plans on-file at the Office of Emergency Services in February 2006, some City departments' plans are inadequate. For example, 10 of the plans on-file at the Office of Emergency Services do not contain a plan for calling staff back to work in case of an emergency. Even when City departments have a recall plan, the plan is sometimes inadequate. Many City departments' recall plan consists of a phone tree or a contact list. Given that many City Department Emergency Plans have not been updated since 2004 or earlier and that contact information often changes, using old contact lists to recall staff will likely be ineffective. To test this, the Budget Analyst attempted to call five people from six City department contact lists. Of the 30 people the Budget Analyst attempted to contact, 53 percent could not be reached due to incorrect contact information.

To improve City Department Emergency Plans, the Office of Emergency Services drafted a document entitled *Department Emergency Plan Guidance*, which provides a suggested table of contents.

City Department Emergency Plans Do Not Demonstrate That City Departments Are Prepared to Operate During an Emergency

Federal and State standards require that City departments have a plan for operational continuity. On the Federal level, national preparedness goals and the Emergency Management Accreditation Program³⁴ require that City departments have a plan to maintain government services during a disaster. On the State level, the California State Office of Emergency Services *Recovery Manual*³⁵ recommends nine actions

³⁴ Emergency Management Accreditation Program Standards 3-6.2.5, 3-9.5, and 3-9.6

³⁵ State of California, Governor's Office of Emergency Services. *Recovery Manual*. (Sacramento: June 2004).

organizations should perform to ensure they are able to operate during a disaster. The Budget Analyst’s review of City Department Emergency Plans reveals that many City departments have not performed these actions. For example, as shown in Table 6.3, 55 percent of City Department Emergency Plans do not contain a plan for safeguarding vital records and databases.

Table 6.3
City Department Emergency Plans Do Not Describe How Departments Will Continue Operations During an Emergency

Continuity of Operations Recommendations	Non-Compliant Plans
1. Describe emergency concepts, actions, & procedures in emergency action plans	5 %
2. Identify & prioritize essential functions	32 %
3. Identify a line of succession for essential positions during an emergency	41 %
4. Pre-delegate emergency authorities to key officials	36 %
5. Identify emergency operations centers & alternative worksites	23 %
6. Ensure interoperable communications	36 %
7. Plan for protecting government resources, facilities, & personnel	23 %
8. Create a system for safeguarding vital records & databases	55 %
9. Perform tests, training, & exercises	36 %

Source: State of California Office of Emergency Services and Budget Analyst’s Office

The *Department Emergency Plan Guidance* addresses some of the issues described above, such as identifying alternative work sites. However, it does not address other elements, such as identifying a line of succession.

The Office of Emergency Services needs to revise the *Department Emergency Plan Guidance* so that it requires City departments to address all the continuity of operations recommendations identified in the State Office of Emergency Services *Recovery Manual*. Furthermore, the *Department Emergency Plan Guidance* needs to require City departments to describe how they will perform their normal function during an emergency. For example, City departments that provide services to incarcerated individuals or individuals living in half-way homes need to have a plan for continuing to provide those services in the event of an emergency. Finally, the *Department Emergency Plan Guidance* needs to require that City departments describe how they will return to normal function following the disaster.

Emergency Plans Are Out-of-Date

Standard emergency management policy dictates that emergency plans be updated following a hazard event or every two years, whichever comes first. Many of San Francisco’s emergency plans have not been updated in accordance with this policy. The *Energy Storage Annex*, which was written by the Public Utilities Commission in 1995, was not updated after the rolling blackouts in 2001. In addition, other hazard-specific annexes are more than two years old. The *Hazmat Response Annex* and the *Oil Spill*

Annex, which were written by the Fire Department, have not been updated since 2001 and 2003. As the functional annexes were written in 2004 and 2005 and no disaster has occurred since then, no updates have been necessary.

To date, the Office of Emergency Services has not reviewed City Department Emergency Plans to ensure they were updated by the March of 2004 deadline issued in the Mayor's January of 2004 *Directive for Emergency Preparedness*. However, a review by the Budget Analyst found that as of February of 2006, 14, or 33 percent of City Department Emergency Plans on-file at the Office of Emergency Services were not updated by the Mayor's deadline. Table 6.4 identifies the out-of-date plans. Some plans, such as the Controller's and the Fine Arts Museum's, have not been updated since 1999 and 2000 respectively.

Moreover, based on the list provided by the Office of Emergency Services, 11 City departments have not written a City Department Emergency Plan: the Board of Permit Appeals, the Assessor-Recorder, the Employees Retirement System, the Health Service System, the Juvenile Probation Commission, the Parking and Traffic Commission, the Planning Department, the Public Defender, the Rent Board, the Taxicab Commission, and the Convention Facilities Management. In addition, although Office of Emergency Services' records show that the Department of the Status of Women and the Department of Health Services have a City Department Emergency Plan, plan for these two City departments were not on the shelf at the time of the Budget Analyst's review.

The Office of Emergency Services needs to hold City departments accountable for maintaining up-to-date functional, hazard-specific, and City Department Emergency Plans.

Table 6.4
Nine City Department Emergency Plans Have Not Been Updated For Over Two Years

Department	Date of Last Update	
Police Department	April	2004
City Attorney	June	2004
District Attorney	June	2004
Office of Contract Administration	August	2004
Human Resources	February	2003
Medical Examiner	February	2003
Animal Care & Control	March	2003
Public Utilities Commission	June	2003
Moscone Center	February	2002
School District, San Francisco Unified	August	2001
Child Support Services	November	2001
25 Van Ness	November	2001
Fine Art Museums of San Francisco	March	2000
Controller's Office	October	1999
Department of Children, Youth, & Families	Not Dated	
Department of Elections	Not Dated	
Department of the Environment	Not Dated	

Source: Budget Analyst's Office

District Five Plan Is Not District-specific and Lacks Operational Information

The community emergency planning process in District Five is a grassroots process initiated by the residents of District Five and overseen by the Office of Emergency Services. The purpose of this process is to encourage District Five residents to take responsibility for their own emergency preparedness. The District Five planning process is a pilot the Office of Emergency Services plans to roll-out in San Francisco's 10 other Supervisorial Districts. The Office of Emergency Services' role in this process has been to initiate community meetings, provide technical guidance, and to write a background document, entitled *Community Disaster Plan Supervisorial District Five Plan (District Five Plan)*.

The *District Five Plan* is a background document that provides general emergency response information, tells residents how to write a community disaster plan, and includes some limited district-specific information, such as the location of schools and community centers. The *District Five Plan* needs additional district-specific information. For example, the *District Five Plan* includes a hazard assessment that describes the general effects of an earthquake but does not identify how an earthquake would affect District Five. A more useful hazard assessment would not only state that an earthquake may cause power lines to go down, but would also note the locations of power lines in the District, would state the impact of downed power lines, and would tell residents how to prepare for and respond to downed power lines.

The *District Five Plan* also needs operational detail. Currently, the plan describes general actions residents could take to prepare their community for a disaster, but does not reflect the community preparedness activities that are planned or have already taken place. Office of Emergency Services staff advised that District Five has divided into four quadrants, each of which has formed an emergency preparedness committee, which in turn, has prioritized an emergency preparedness project for its quadrant to complete. For example, the quadrant that contains lower Pacific Heights prioritized public safety as its number one concern. As a result, the emergency preparedness committee decided to develop a community safety communications system. Other quadrants organized Neighborhood Emergency Response Team trainings or elected block captains that will ensure all homes on the block have family disaster kits; however, these activities are not reflected in the *District Five Plan*. Based on the information contained in the *District Five Plan*, the reader has no knowledge of the actions residents would take in the face of a disaster. Without knowledge of community emergency preparedness activities, emergency responders cannot leverage community action, negating much of the utility in having a plan.

Given that the number of Office of Emergency Services staff will likely decrease as federal grant funding declines, it is critical that District residents take responsibility for their community's preparedness planning. As such, District residents should be responsible for maintaining and updating the plan on a regular basis. In the future, the Office of Emergency Services should serve only as a technical advisor, providing guidance, answering technical questions, and ensuring that community preparedness activities are consistent with existing emergency planning documents.

On March 29, 2006 the Office of Emergency Services requested a release of reserves to pay a community organizing consultant \$75,000 to implement the District Five community planning process in other Supervisorial Districts. While there may be a role for a community organizing consultant to initiate the community organizing process in other Districts, this role should be limited to early stage activities such as organizing meetings, building initial consensus, and developing a committee structure. Ultimately, residents should take ownership of their District's plan as well as community preparedness activities happening in their District. Once the community organizing process is established, a consultant will no longer be needed.

Conclusion

Over the past two years, the Office of Emergency Services has increased the number of planning documents. However, improvements are needed: plans are poorly organized, inconsistent, and do not provide adequate San Francisco-specific information. In addition, some hazard-specific and City departments' plans are out-of-date. For example, the *Energy Storage Annex* has not been re-written since 1995. While emergency responders will not necessarily read these plans in detail during an emergency response, the process of writing the plan forces officials to think about what activities must be performed, who should perform the activity, and in what order they should be completed.

City Department Emergency Plans also need improving and updating. For example, 55% of City Department Emergency Plans do not describe the City department's plan for safeguarding data and records and the Controller's Office has not updated its plan since 1999. Further, not all City Departments have adequately completed a City Department Emergency Plan. Finally, the Office of Emergency Services and District Five residents should work together to modify the *District Five Plan* so that it contains district-specific information, such as how a particular hazard will affect the District, as well descriptions of actions residents have taken and should take to respond to an emergency. On an ongoing basis, the Office of Emergency Services' community preparedness planning responsibility should be limited to that of a technical advisor.

Recommendations

- 6.1 The Planning Division of the Office of Emergency Services should maintain an up-to-date master list of all completed and planned emergency plans.
- 6.2 The Planning Division of the Office of Emergency Services should ensure that copies of hazard-specific annexes for likely disasters identified *Emergency Operations Plan 1* are on-file in the Emergency Operations Center and easy to identify and locate. The Planning Division should also ensure that functional annexes and City Department Emergency Plans are easy to identify and locate.
- 6.3 The Planning Division of Office of Emergency Services should complete its review of *Emergency Operations Plans 1* and *2*, ensuring that the documents are consistent and that City departments' roles and responsibilities are consistent in both documents.
- 6.4 The Planning Division of the Office of Emergency Services should, in cooperation with the relevant City departments, identify the San Francisco-specific information, such as geographic areas and demographic populations at risk, that should be contained in functional and hazard-specific annexes. Further, the Planning Division of the Office of Emergency Services should, in cooperation with relevant City departments, modify existing functional and hazard-specific annexes to contain this information. Plans for operational activities should be based on this information.
- 6.5 The Planning Division of the Office of Emergency Services should modify the *Department Emergency Plan Guidance* so that it requires City departments to describe how they will perform their department's normal function, as necessary, during a disaster, and will return to normal function following a disaster.
- 6.6 The Planning Division of the Office of Emergency Services should review City Department Emergency Operations Plan to ensure that they conform to *Department Emergency Plan Guidance*. Plans should not be considered complete until the Office of Emergency Services confirms they contain the information required by the template.

- 6.7 The Disaster Council should work with Department Heads to determine which City departments, divisions, public facilities, and other entities should write a City Department Emergency Plan.
- 6.8 The Mayor should direct all relevant entities, as determined by the Disaster Council, to revise or write, by March 2007, a City Department Emergency Operations Plan based on *Department Emergency Plan Guidance* and should, every two years, direct all relevant entities, to update their City Department Emergency Plan.
- 6.9 The Planning Division of the Office of Emergency Services should, every two years, remind relevant City departments and divisions to update their City Department Emergency Plans and functional or hazard-specific plans and should provide the necessary technical assistance.
- 6.10 The Office of Emergency Services should report on the status of functional, hazard-specific, and City Department Emergency Plans during the annual Board of Supervisors state of the City's disaster preparedness hearing.
- 6.11 The Planning Division of the Office of Emergency Services should work with the District Five community to enhance the *Community Disaster Plan Supervisorial District Five Plan* by adding a district-specific risk assessment and description current community emergency preparedness activities. The Office of Emergency Services should perform on-going technical assistance to organizations participating in the community disaster planning project.
- 6.12 The Office of Emergency Services should extend its Community Disaster Planning effort to the remaining Supervisorial Districts in San Francisco. The majority of the work initiating the community planning should be contracted outside of the Office of Emergency Services, with the Office of Emergency Services to provide technical support for the planning after the initiation of the effort.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, along with the staff time of the Mayor's Office and various City departments. The Office of Emergency Services should contract services to help initiate its Community Disaster Planning in all Supervisorial Districts at an approximately cost of \$75,000 to \$100,000. If the Office of Emergency Services contracts the facilitation of the strategic planning process consistent with recommendations made in Section 3: Strategic Planning of this report, the development of performance measures related to this Section of the report could be included in the costs associated with that contract. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to

minimize or eliminate General Fund costs.

Implementation of these recommendations will increase the level of transparency in what planning the Office of Emergency has completed and for what planning the Office of Emergency Services is responsible. In addition, implementation of these recommendations will increase the amount of City-specific information available, which will help to support response activities. Moreover, implementation of these recommendations will hold City departments accountable for developing relevant and current emergency response plans.

Implementation of the recommendations related to Community Disaster Planning will support community outreach campaigns encouraging personal preparedness. In doing so, implementation will help ensure that the public will know what actions to take during an emergency, thus relieving some of the demands placed on the City in its response.

SECTION 7: PRE-DISASTER MITIGATION

THE CITY DOES NOT HAVE A COMPREHENSIVE, CITY-WIDE MITIGATION STRATEGY

According to *Emergency Operations Plan 1*, mitigation is any activity that will reduce or eliminate long-term risk to human life and property from hazards before the disaster occurs. The Office of Emergency Services, the Department of Building Inspection, the Department of Public Works, the Planning Department, and the City Administrator's Office conduct mitigation activities. However, the City does not have a comprehensive, City-wide mitigation plan based on a strategic approach to emergency management. As a result, City departments lack a shared vision of the City's mitigation goals and do not have a roadmap for implementing mitigation strategies. Consequently, City departments identify and implement their own projects, coordinating only sporadically and on a project-by-project basis. In some cases, City departments do not cooperate at all. For example, currently, the City has two mitigation plans, the *Community Safety Element*, which is maintained by the Planning Department, and the *Multi-Jurisdictional Hazard Mitigation Plan* which was written by the Association of Bay Area Governments with assistance from the Office of Emergency Services.

The Office of Emergency Services participated in the production of the *Multi-Jurisdictional Hazard Mitigation Plan*, which was developed by the Association of Bay Area Governments. While this plan identifies the hazards that pose a risk to San Francisco, it does not estimate, for the City of San Francisco, the probability hazards will occur, does not identify the people, property, and environmental elements at risk, and does not determine potential detrimental impacts. Without a comprehensive mitigation strategy containing such information, it is unclear how the City should prioritize hazard mitigation projects. In addition, the *Multi-Jurisdictional Hazard Mitigation Plan* identifies limited mitigation strategies and does not describe how mitigation strategies should be implemented. Although the *Multi-Jurisdictional Hazard Mitigation Plan* contains an *Infrastructure Mitigation Strategy List* that describes 325 strategies which the City should implement, the list addresses only infrastructure mitigation strategies and does not fully assign responsibility or completion dates for the listed strategies.

The City Lacks a Comprehensive, Strategic Approach to Pre-Disaster Mitigation

According to *Emergency Operations Plan 1*, mitigation is any activity that will reduce or eliminate long-term risk to human life and property from hazards. Ideally, mitigation activities are cost-efficient, e.g. it costs less to limit the damage resulting from an

emergency before the emergency occurs than it does to respond to the damage after the emergency has occurred. Responsibility for mitigation is divided among five City departments, each of which conducts its own mitigation projects. As described below, the Office of Emergency Services, the Department of Building Inspection, the Department of Public Works, the Planning Department, and the City Administrator's Office all conduct mitigation activities.

The Office of Emergency Services conducts mitigation activities in three main areas. First, the Office produces mitigation plans. In 2005, the Office of Emergency Services participated in the Association of Bay Area Government's multi-jurisdictional hazard mitigation planning process, which resulted in the production of a *Multi-Jurisdictional Hazard Mitigation Plan*, a plan which addresses hazard mitigation throughout the Bay Area. This plan was adopted by the Board of Supervisors on April 12, 2005 and subsequently approved by the Federal Emergency Management Agency. Local jurisdictions are required to have a Federal Emergency Management Agency approved plan in order to receive pre- and post-disaster mitigation funds. Second, the Office facilitates applications for Federal mitigation funds. In 2005 and 2006, the Office of Emergency Services coordinated City departments' application for Federal pre-disaster mitigation grant funds. In 2006, the Office of Emergency Services also coordinated a multi-agency application process for California Earthquake Authority Non-Structural Grant funds. Third, the Office of Emergency Services conducts personal preparedness activities, such as developing and maintaining a personal preparedness website (72hours.org) and conducting outreach to vulnerable populations through presentations to Housing Authority residents. Personal preparedness activities mitigate the effects of disaster by encouraging citizens to be prepared, therefore reducing the quantity of City-resources needed to provide care and shelter to individual citizens.

The Department of Building Inspection's mitigation activities focus on mitigating the potential structural impacts of an earthquake. In 2000, the Department of Building Inspection commissioned the *Community Action Plan for Seismic Safety*. This plan, although not yet complete, identifies the probability an earthquake will occur, estimates the extent of damage, and describes the physical, economic, and sociological impacts likely to follow. The Department of Building Inspection is also testing strategies for bracing garage doors to prevent soft-story buildings from collapsing following an earthquake.

Similarly, the Department of Public Works mitigation activities focus on seismic safety of public buildings. In 1999, the Department of Public Works identified 172 facilities essential to emergency response. In 2005, the Department of Public Works also conducted a seismic hazard rating assessment of approximately 200 City facilities. Based on this information, the Department of Public Works initiated seismic upgrade projects at critical emergency facilities such as Laguna Honda Hospital.

The Planning Department's primary mitigation responsibility is to maintain the

*Community Safety Element*³⁶, which is an addendum to the City's *General Plan*³⁷ and identifies policies to reduce future loss of life, injuries, property loss, environmental damage, and social and economic disruption from natural or technological disasters. The Planning Department also implements some of the policies described in the document, such as creating incentives for owners of historic buildings to undertake disaster mitigation activities and protecting open space areas susceptible to extreme hazards.

The City Administrator's Office also conducts mitigation activities. In April 2006, the City Administrator's Office released the *Proposed Capital Plan FY 2006-2016*. This plan proposes \$1.6 billion in seismic safety projects that will ensure the City's critical facilities are safe and functional in the event of an earthquake. Proposed projects include upgrading San Francisco General Hospital and the Hall of Justice.

While City departments participate in each other's mitigation activities by attending meetings and using each other's data, cooperation tends to be sporadic and on a project-by-project basis. Furthermore, in some areas, there is no cooperation at all. For example, currently the City has two mitigation policies, 1) the *Multi-Jurisdictional Hazard Mitigation Plan* written by the Association of Bay Area Governments and adopted by the Board of Supervisors and 2) the *Community Safety Element* maintained by the Planning Department. These plans have not been integrated. Finally, City departments that share responsibility for mitigation planning lack a shared vision of the City's mitigation goals and an implementation roadmap.

Hazard Identification, Risk Assessment, Impact Analysis, and Implementation Planning Need Improvement

The *Multi-Jurisdictional Hazard Mitigation Plan* developed by the Association of Bay Area Governments is a first step toward developing a comprehensive, City-wide mitigation plan, however, improvements are needed.

According to the Emergency Management Accreditation Program, a mitigation plan should contain four major elements. These elements are described in Table 7.1.

³⁶ San Francisco Planning Department. Community Safety Element. Adopted by Planning Commission Resolution No.14354 on April 24, 1997 and by Board of Supervisors Resolution 758-97 on August 15, 1997.

³⁷ San Francisco Planning Department. General Plan. Amended by Resolution No.14149 adopted on 6-27-96.

Table 7.1
Recommended Mitigation Plan Elements

Element	Definition
Hazard Identification	Names potential hazard & estimates probability hazard will occur.
Risk Assessment	Identifies people, property & environmental elements at risk.
Impact Analysis	Determines potential detrimental impacts.
Implementation Planning	Identifies & describes plan for completing mitigation actions.

Source: Emergency Management Accreditation Program

The *Multi-Jurisdictional Hazard Mitigation Plan* lacks sufficient hazard identification, risk assessment, and impact analysis. In addition, it does not contain an implementation strategy. The plan identifies the hazards to which San Francisco is vulnerable, however, it does not estimate the probability each hazard will occur, comprehensively identify the people, property, and environmental elements at risk, or determine the potential detrimental impacts of each hazard. Without knowledge of the relative likelihood each hazard will occur, as well as knowledge of the elements at risk and the potential detrimental impacts, it is unclear which events are the most likely or are the most damaging. As a result, it is not clear how the City should prioritize hazard mitigation projects. In addition, the *Multi-Jurisdictional Hazard Mitigation Plan* does not contain a comprehensive, implementable mitigation action plan. Although the *Multi-Jurisdictional Hazard Mitigation Plan* contains an *Infrastructure Mitigation Strategy List* that describes 325 strategies the City should implement, because this list addresses only infrastructure and does not address the environment and human life, it is not a comprehensive implementation plan. Furthermore, this list does not provide a step-by-step plan for implementing the strategies described.

In addition, the *Multi-Jurisdictional Hazard Mitigation Plan* deals with the entire Bay Area and, as a result, the information regarding the City of San Francisco is too general to serve as the basis for mitigation planning. For example, the plan lists the total number and type of facilities at risk, but does not identify actual buildings or building locations in San Francisco. Without knowing the location of critical facilities at risk, it is difficult to assess their vulnerability or take action to reduce that vulnerability.

The City needs a comprehensive, City-wide mitigation strategy that contains a hazard identification, including the probability each risk will occur, a risk assessment, an impact analysis, and a prioritized implementation plan.

Conclusion

According to *Emergency Operations Plan 1*, mitigation is any activity that will reduce or eliminate long-term risk to human life and property from hazards. To date, various City departments such as the Office of Emergency Services, Department of Building Inspection, the Department of Public Works, the Planning Department, and the City Administrator's Office have carried out individual mitigation activities. The Office of Emergency Services has primarily focused on participating in the Association of Bay Area Governments' mitigation planning process, helping other City departments to apply for Federal mitigation funds, and on community outreach and education. Other City departments have focused on structural mitigation. For example, the Department of Building Inspection is identifying strategies to secure private residences during an earthquake and the Department of Public Works identified public buildings to be upgraded. However, cooperation tends to be on a sporadic and project-by-project basis, and the City does not have a consistent, shared vision of the City's mitigation goals or a plan for implementing mitigation strategies.

The Office of Emergency Services participated in the production of the *Multi-Jurisdictional Hazard Mitigation Plan* developed by the Association of Bay Area Governments. Although this plan is a step toward developing a comprehensive, City-wide mitigation plan, improvements can be made. The *Multi-Jurisdictional Hazard Mitigation Plan* identifies the hazards to which San Francisco is vulnerable; however, the plan does not estimate the probability each hazard will occur, comprehensively identify the people, property, and environmental elements at risk as a result of each hazard, or determine the potential detrimental impacts of each hazard. In addition, the *Multi-Jurisdictional Hazard Mitigation Plan* does not contain comprehensive, implementable mitigation action plan.

To create a coordinated approach to mitigation, the City should develop a City-wide mitigation strategy. Without a comprehensive mitigation strategy that identifies the relative likelihood of when hazards may occur, as well the potential detrimental impacts, it is not clear how the City should prioritize hazard mitigation projects. In addition, without a comprehensive City mitigation strategy, it is not clear which City department is responsible for which mitigation activities, or how the individual activities work will achieve a common mitigation goal.

Recommendations

- 7.1 The Office of Emergency Services, the Department of Building Inspection, the Department of Public Works, the Planning Department, and the City Administrator's Office should work together to develop a comprehensive, strategic approach to pre-disaster mitigation.
- 7.2 The Office of Emergency Services should, in cooperation with other City

- departments, write a mitigation plan that contains comprehensive, city-wide hazard identification, including the probability each risk will occur, as well as a risk assessment and an impact analysis.
- 7.3 The Office of Emergency Services should, in cooperation with other City departments, use a complete hazard identification, risk assessment, and impact analysis to develop priorities and to identify which risks and impacts the City should prepare for first.
- 7.4 The Office of Emergency Services should, in cooperation with other City departments, based on the City's identified mitigation priorities, create and implement a action plan for mitigating against identified impacts.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time and the staff time of various City departments. Mitigation, particularly structural mitigation, can result in potentially huge costs to strengthen critical facilities. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

The implementation of these recommendations will have a future unknown cost benefit as mitigation prevents or minimizes the physical and personal impact of an emergency, thus decreasing some of the costs associated with response and recovery efforts. By creating a City-wide mitigation strategy, the City will also be able to achieve economies of scale for mitigation activities as City departments will work collaboratively or in supportive roles toward a common mitigation goal, which will also ensure the most efficient use of any General Funds put toward mitigation activities.

SECTION 8: EMERGENCY RESPONSE

CITY DEPARTMENTS' IMPLEMENTATION OF RESPONSE PROTOCOLS IS INCONSISTENT

Federal, State, and Office of Emergency Services emergency planning documents clearly describe response protocols such as requesting mutual aid, using communications equipment, and implementing the National Incident Management System. However, despite repeated exposure to protocols through trainings and exercises, emergency responders have not consistently implemented their protocols during exercises. For example, all responders did not implement the National Incident Management System in three of the five full-scale and field exercises held since 2004. While City departments have the responsibility to improve identified weaknesses, the Office of Emergency Services is ultimately responsible for the City's disaster preparedness and should hold departments accountable for improvement.

The Emergency Operations Center, as the City's headquarters for emergency response, needs to be modernized and expanded. However, it is not clear whether the Office of Emergency Services plans to move daily operations and staff to another facility are justified given (a) the benefits of co-locating the Office of Emergency Services with the Emergency Communications Department, (b) the ability to re-configure and use existing space at the current facility, (c) the additional annual rental cost of \$190,242 to the General Fund of such a move, and (d) the probability of a significant decrease in staffing at the Office of Emergency Services once grant funding declines in the imminent future.

Department Emergency Operations Centers are in need of improvement . For example, the Police Department does not have an established Department Operations Center, and the City's Auxiliary Communications and the Medical Examiner/Coroner Emergency Operations Centers are located in buildings that are seismically insecure. In addition, Department Operations Centers do not meet the 72 hours standard for personal preparedness set by the City; they lack supplies, such as food and water, that will be needed in the initial days of an emergency response.

Emergency Responders Inconsistently Implement Emergency Response Protocols

According to *Emergency Operations Plan 1*, emergency response includes any activity that addresses the immediate and short-term effects of the emergency. Emergency response includes activities such as disseminating warnings, evacuation, search and rescue, caring for the injured, and damage assessment. Typically, the City's emergency responders are from the public safety, health, and transportation departments. However, other departments, such as the Medical Examiner, Animal Care and Control, and the Department of Public Works, among other City departments, have critical roles in the

City's emergency response.

Emergency response protocols, as described in *Emergency Operations Plans 1 and 2*, include directives for using communications devices, requesting mutual aid, and implementing the National Incident Management System. The Budget Analyst's observations of exercises and review of exercise evaluations finds that emergency responders were unclear about some protocols and did not implement others. For example, at the March of 2006 Disaster Forum tabletop exercise, responders exhibited confusion regarding communications protocols. Specifically, when emergency responders were asked which channel they would use to communicate with each other on the 800 MHz radio system, City department representatives named many different channels, many of which were incorrect. Furthermore, according to exercise evaluations, during the April of 2005 Earthquake Full-Scale exercise, "mutual aid did not follow the normal process through the Logistics section."

Most significantly, emergency responders have inconsistently implemented the National Incident Management System, the City's standard protocol for emergency response. Homeland Security Presidential Directive Five³⁸ requires that all jurisdictions use the National Incident Management System when responding to terrorist attacks, natural disasters, or other emergencies. However, as shown in Table 8.1, emergency responders repeatedly did not utilize the National Incident Management System in exercises conducted in April, July, and October of 2005. For example, in the Earthquake Full-Scale Exercise, the Fast Track Tabletop, and the Fast Track Full-Scale Exercise, incidents were managed from the field, rather than from the Emergency Operations Center, as required by the National Incident Management System. In addition, during the Earthquake Full-Scale Exercise the City department command structure did not follow the Incident Command System and during the FastTrack Full-Scale Exercise the field command structure did not follow the incident command structure.

To foment improved use of response protocols, the Office of Emergency Services has funded technological interoperable communications equipment and has organized trainings and exercises. However, despite these efforts, exercise evaluations do not demonstrate improvement.

Proper implementation of the National Incident Management System is paramount to a coordinated, efficient, and effective response. According to the Federal report, while the responsibility for implementing protocols lies with City departments, as the coordinating body for emergency response, the Office of Emergency Services must hold City departments accountable for implementing protocols, which the Office has yet to do.

While the Emergency Operations Center Should Be Modernized and

³⁸ United States Department of Homeland Security, [Homeland Security Presidential Directive/HSPD-5](#), February 28, 2003.

Expanded, The Office of Emergency Services Should Be Located at 1011 Turk Street

In its March 29, 2006 release of reserves request, the Office of Emergency Services requested \$1,000,000 to modernize and expand the City's headquarters for emergency response, known as the Emergency Operations Center. According to the Office of Emergency Services, the current Emergency Operations Center is inadequate because its technology is outdated and it is too small to fit the necessary staff during an emergency. In order to expand the Emergency Operations Center, all of the Office of Emergency Services staff are moving from their current location at 1011 Turk Street, adjacent to the Emergency Operations Center, to a new space at 25 Van Ness. The cost of tenant improvements at 25 Van Ness (\$650,000), as well as the cost of the move (\$6,000-\$9,000) will be born by the General Fund. The Office of Emergency Services is currently not charged rent at the 1011 Turk Street location, the cost of which is paid through 911 recovery fees. However, the annual rent at 25 Van Ness for the Office of Emergency Services will be \$190,242, beginning on July 1, 2006. This on-going annual cost will be absorbed by City's General Fund. The Office of Emergency Services Planning Division has already re-located to 25 Van Ness and the rest of the Office is scheduled to move in June of 2006.

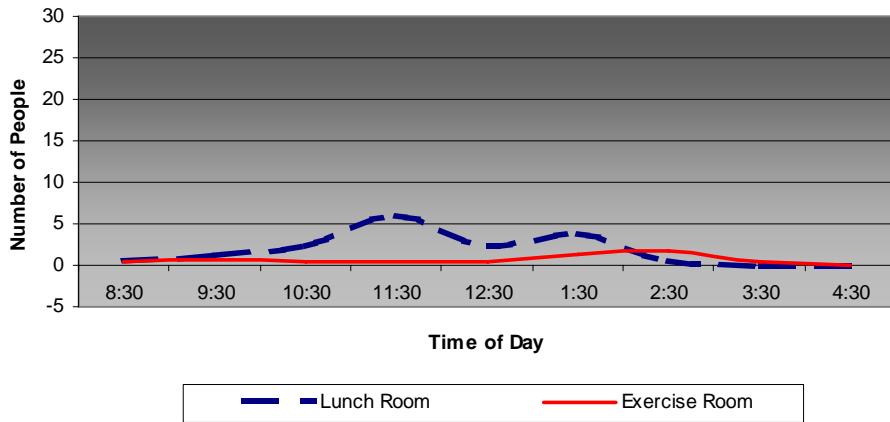
As noted in Section 1: Legislative Authority of this report, one of the primary reasons for transferring the Office of Emergency Services out of the Mayor's Office and into the Emergency Communications Department is that the Office of Emergency Services and the Emergency Communications Department are co-located 1011 Turk Street. Moving the Office of Emergency Services to 25 Van Ness would therefore negate one of the primary reasons for placing the Office of Emergency Services under the Emergency Communications Department and result in even less interaction and engagement between these two entities.

A technologically modern Emergency Operations Center, with the capacity to accommodate both City personnel and liaisons from State and Federal agencies that will provide mutual aid is essential to emergency response. While the City needs to modernize its Emergency Operations Center, it may be possible to modernize the Emergency Operations Center without moving personnel to another facility. There are alternatives to moving staff to 25 Van Ness. The Emergency Operations Center could be expanded by reconfiguring the existing space.

The Budget Analyst's evaluation of existing space at 1011 Turk Street reveals there is a laundry room and that the break/lunch room and the exercise room, which was originally constructed for use by Fire Fighters staffing the 911 call center, are underutilized. As demonstrated in Exhibit 8.1, the average use of the break/lunch and exercise rooms over a three-day period (February 7-10, 2006) was extremely limited; on average 17 people per day used the lunch room and only five people per day used the exercise room. The use of the laundry room was not observed. During peak usage, only six people used the lunch/break room, which the Budget Analyst estimates has a capacity of 100. Given that the lunch/break room, laundry facilities and exercise room are underutilized and that the

Fire Department states the exercise room is no longer needed, this space could be used to reconfigure for the Office of Emergency Services’ staff, eliminating the need to move staff to 25 Van Ness and saving the City’s General Fund an estimated \$190,242 annually. Based on discussions with the Department of Public Works, who is overseeing the proposed modernization and expansion of the Emergency Operations Center, the Department of Public Works did not conduct a careful review of the available space at 1011 Turk Street nor did it consider reconfigurations that could accommodate both a modernized and expanded Emergency Operations Center and Office of Emergency Service staff.

**Exhibit 8.1
Lunch and Exercise Rooms Are Underutilized**



Source: Budget Analyst’s Office

In addition, the Office of Emergency Services’ staff size may soon decrease significantly, eliminating the perceived need to relocate staff to 25 Van Ness. Furthermore, future sustainability of the Office of Emergency Services activities and staff will be reviewed as part of the FY 2006-2007 budget. These factors should be used to determine whether the Office of Emergency Services staff can continue to be located at 1011 Turk Street.

Some Department Operations Centers are Located in Seismically Vulnerable Buildings and Are Insufficiently Provisioned

City departments will direct their response out of their respective Department Emergency Operations Centers. The Budget Analyst’s review of Department Emergency Operations Center locations reveals that while some Centers have advanced equipment and capabilities, such as the Fire Department’s Operations Center, other Department Operations Centers are located in seismically vulnerable buildings. For example, the Department Emergency Operations Centers for Auxiliary Communication Services, which provides emergency radio communications, and the Medical Examiner/Coroner, are seismically unsound. In addition, the Police Department does not have a fixed Department Operations Center; the two sites considered for the Center – the Hall of Justice and Building 606 in the Hunter’s Point Naval Shipyard – are both unsuitable.

Until such a time that a suitable location is identified, the Police Department is forced to use a temporary site or can activate a Mobile Command Van.

Structural mitigation and seismic retro-fitting are not eligible for Urban Area Security Initiative funds. Therefore, the Office of Emergency services, as part of its Department Emergency Operations Center enhancement project should assess and, when appropriate, help City departments improve the seismic safety of Department Emergency Operations Centers by identifying other funds to pay for retro-fits and identifying alternative Department of Emergency Operations Center locations.

In addition, although the Office of Emergency Services' public outreach campaign urges citizens to be prepared for 72 hours without government or outside assistance, Department Emergency Operations Centers lack supplies required to meet emergency responders' basic needs for food and shelter for 72 hours. Officials from the Fire and Police Departments have noted that while some Department Operations Centers have some supplies on hand, such as water, all lack the basic supplies necessary to support emergency responders for 72 hours. While Department Operations Centers do not have sufficient space for on-site supply caches, the City needs a system for the care and feeding of emergency personnel during the first 72 hours of an emergency.

Conclusion

Office of Emergency Services senior managers believe that because protocols are clearly described in *Emergency Operations Plan 1* and *2*, these protocols are thoroughly understood and will be implemented by emergency responders in a real response. However, the Budget Analyst's observation of emergency exercises and review of exercise evaluations demonstrates that emergency responders often do not implement response protocols regarding requesting additional resources, operating communications equipment, and the correct implementation of the National Incident Management System. In order for protocols to be effective and for the City to integrate its response with regional and national efforts, emergency responders must consistently implement these protocols. While Office of Emergency Services officials state City departments are responsible for this learning, the Office must develop a system for making City departments accountable.

A technologically modern and sufficiently large Emergency Operations Center is essential to an effective emergency response. While the City needs to modernize and expand its Emergency Operations Center, it is unnecessary to move Office of Emergency Services staff in order to complete this modernization and expansion, at an increased annual rent cost of \$190,242. In addition, after the grant funds expire on December 31, 2006, the Office of Emergency Services' staff size may decrease significantly, eliminating the perceived need to relocate staff to 25 Van Ness.

The Budget Analyst's review of Department Emergency Operations Centers reveals that some Centers are located in seismically vulnerable buildings and are inadequately provisioned. The Office of Emergency Services needs to help City departments identify

funds for retro-fitting their Department Operations Centers and identify alternative, seismically sound Department Emergency Operations Center sites. In addition, the Office of Emergency Services needs to have a plan for care and shelter of response personnel that, at a minimum, meets the City's 72 hour personal preparedness standard.

Recommendations

- 8.1 The Office of Emergency Services should work with City departments to develop outcome oriented performance measures that will measure City department's abilities to implement response protocols.
- 8.2 The Office of Emergency Services should modernize and expand the City's Emergency Operations Center to facilitate a more effective response during an emergency.
- 8.3 By August 1, 2006, the Department of Public of Works should conduct a walk-through of 1011 Turk Street to determine the feasibility of reconfiguring the space to accommodate both a modernized and expanded Emergency Operations Center and the anticipated on-going staff for the Office of Emergency Services. The Department of Public Works should be accompanied by staff from the Emergency Communications Department, the Office of Emergency Services, Real Estate, and the Budget Analyst's Office. If reconfiguration is possible, the Department of Public Works should prepare cost estimates for reconfiguring 1011 Turk Street to accommodate both the Emergency Operations Center and Office of Emergency Services staff. The Budget Analyst should review these estimates and should report to the Board of Supervisors as necessary.
- 8.4 The Office of Emergency Services should assess and, when appropriate, help other City departments improve the seismic safety of Department Emergency Operations Centers as part of its Department Emergency Operations Center enhancement project.
- 8.5 The Office of Emergency Services should equip all Department Emergency Operations Centers with the emergency supplies necessary to meet the City's 72 hour personal preparedness standard. In doing so, the Office of Emergency Services should have a plan for care and shelter of response personnel that, at a minimum, meets the City's 72 hour personal preparedness standard.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, along with the staff time of various City departments. If the Office of Emergency Services contracts the facilitation of the strategic planning process consistent with recommendations made in Section 3: Strategic Planning of this report, the development of performance measures related to this Section could be included in the costs associated with that contract. Modernizing the Emergency

Operations Center will cost approximately \$1,000,000, according to the Office of Emergency Services budget request, to be financed with Urban Area Security Initiative grant funds. The Office of Emergency Services could use the annual rent savings of \$190,242 to reconfigure the space at 1011 Turk Street, to accommodate the future staff.

Costs associated with supporting the improvement of seismic safety and of supplying City Department Operations Centers with provisions to last the first 72 hours of emergency response are unknown without an assessment of need. Once the Office of Emergency Services has identified the needs associated with this upgrade, the Office should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations will improve the ability of the City to respond to an emergency.

SECTION 9: PRE-DISASTER RECOVERY PLANNING

THE CITY DOES NOT HAVE A PLAN FOR MID-TERM RECOVERY OR LONG-TERM RECONSTRUCTION

Emergency Operations Plan 1, defines the three phases of recovery activities. Phase I, the initial response, occurs between days one and seven. Phase II, mid-term recovery, occurs between days seven and 30. Phase III, long-term reconstruction, occurs from day 30 until completion. While the Office of Emergency Services has planned for short-term recovery, it has not sufficiently planned for mid-term recovery and long-term reconstruction.

While the Office of Emergency Services has planned for short-term recovery, its plans for mid-term recovery and long-term reconstruction are insufficient. The Office of Emergency Services senior management states that the *Regional Emergency Coordination Plan*, being produced under contract for \$2,200,000 by the URS Corporation, will plan for Phase II mid-term recovery. However, this plan will only address regional solutions to regional issues and will not address Phase II mid-term recovery in San Francisco or discuss how San Francisco should conduct the activities required to participate in regional solutions. The City does not have a plan for Phase III long-term reconstruction.

The Office of Emergency Services has not performed some of the pre-disaster recovery activities required by City policy. One, the Office of Emergency Services has not, as required by the Mayor's June 9, 2004 *Directive For Emergency Preparedness*, developed plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for recovery of critical infrastructure and services. Two, the Office of Emergency Services has not, as required by *Emergency Operations Plan 1*, produced a Recovery Annex that contains "detailed procedures, forms and checklists for use in specifying recovery phase operations." Three, an inter-departmental group has not been convened to develop a Recovery Plan, to guide long-term recovery, to manage reconstruction activities, and to provide coordination among recovery activities, as required by the *Community Safety Element*, an addendum to the City's *General Plan*. The *Community Safety Element* does not assign responsibility for convening the inter-departmental group.

Federal Response to Hurricane Katrina Demonstrates San Francisco Should Plan for Recovery

Emergency Operations Plan 1, defines the three phases of recovery activities. Phase One, the initial response, occurs between days one and seven. Phase Two, mid-term recovery, occurs between days seven and 30. Phase Three, long-term reconstruction, occurs from day 30 until completion. The first two phases focus on returning vital life-support systems, like the water system and the power grid, to operation. The third phase of

recovery seeks to return physical, social, and economic infrastructure back to pre-disaster conditions. Long-term recovery can take years. For example, as of 2006, San Francisco was still conducting recovery activities, such as completion of the Octavia Boulevard off-ramp, related to the 1989 Loma Prieta earthquake.

The Federal Emergency Management Agency’s performance following Hurricane Katrina indicates that local jurisdictions should not depend on Federal response. As described in the Office of the President’s report, *Federal Response to Hurricane Katrina: Lessons Learned*, the Federal Emergency Management Agency did not:

- Coordinate critical infrastructure protection and restoration;
- Adequately coordinate its actions with State and local efforts; and
- Understand the interdependencies of critical infrastructure.

City Policy Requires Pre-Disaster Recovery Planning

The Mayor’s January 9, 2004 *Directive for Emergency Preparedness*, the *Community Safety Element* of the City’s *General Plan*, and *Emergency Operations Plan 1*, require the City to conduct pre-disaster recovery planning. These activities are described in Table 9.1.

**Table 9.1
Required Pre-Disaster Recovery Planning Activities**

Document	Activity	Responsible Entity
Mayor’s Directive for Emergency Preparedness	Develop plans to mobilize key City departments such as Public Health, Human Services, Building Inspection, and others to restore critical infrastructure and services after a disaster.	Office of Emergency Services
Community Safety Element	Establish an inter-departmental group to develop a Recovery Plan, to guide long-term recovery, to manage reconstruction activities, and to provide coordination among recovery activities.	City
Emergency Operations Plan 1	Produce a Recovery Annex that contains “detailed procedures, forms and checklists for use in specifying recovery phase operations.”	Office of Emergency Services

Source: Mayors Office, Planning Department, Office of Emergency Services

Additionally, to become accredited by the Emergency Management Accreditation Program the City must:

- Develop a recovery plan that identifies the short and long-term strategic priorities, processes, vital resources, and acceptable timeframes, and procedures for restoration of services, facilities, programs, and infrastructure;
- Institute procedures for short and long-term recovery;
- Institute procedures that ensure response, recovery, and mitigation activities are

coordinated and concurrently planned.³⁹

Initial Pre-Disaster Short-term Recovery Planning Efforts Have Been Made

The Office of Emergency Services has made first steps in pre-disaster recovery planning. The Office has authored or coordinated the production of documents that provide for Phase I initial response. For example, *Emergency Operations Plan 2*, an emergency plan which provides operational detail regarding the City's emergency response, and annexes which provide operational detail for functions like damage assessment and debris removal, specify how the City will perform recovery activities during the first seven days of a disaster. In addition, the *Regional Emergency Coordination Plan* being produced under contract by the URS Corporation for \$2,200,000 will address regional recovery issues during the first 90 days following an event of regional significance. However, this plan will not address mid-term recovery in San Francisco or recovery from disasters that are not regionally significant. San Francisco does not have a plan for long-term reconstruction.

Other City departments have also conducted recovery activities. For example, the Controller's Office, in cooperation with the Office of Emergency Services, has developed cost recovery protocols, built and tested redundant financial systems, trained City personnel on cost recovery protocols, and conducted exercises to test those protocols.

The City Needs Plan for Mid-term Recovery and Long-term Reconstruction

As *Emergency Operations Plan 2* addresses only Phase I short-term response and the *Regional Emergency Coordination Plan* will address Phase II mid-term recovery for the region only, and no planning has been done for Phase III, further planning for Phase II and planning for Phase III is required.

Although the *Regional Emergency Coordination Plan* will address Phase II mid-term recovery for the region, San Francisco does not have a plan for mid-term recovery. As described in the *Recovery Plan Concept*, the *Regional Emergency Coordination Plan*, will only address regional recovery issues and regional level solutions. The plan will not address Phase II recovery in individual cities or discuss how individual cities should conduct the activities required to participate in regional solutions.

Even in a disaster with regional impact, the City of San Francisco must manage Phase II recovery within its own boundaries. Displaced San Franciscans will need housing, damage assessment and debris removal will be needed within City limits, and public and private entities within San Francisco will need to return to normal operation. The Office of Emergency Services, as required by the Mayor's June 9, 2004 *Directive For*

³⁹ Emergency Management Accreditation Program Standards 3-6.2.4, 3-9.4, 3-9.5.

Emergency Preparedness, should develop plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for Phase II recovery of critical infrastructure and services. In addition, as required by *Emergency Operations Plan 1*, the Office of Emergency Services should produce a Recovery Annex that contains “detailed procedures, forms and checklists for use in specifying recovery phase operations.” The Annex should be relevant to Phase II mid-term recovery. Conducting these two activities will help the City achieve Emergency Management Accreditation Program accreditation.

The City has not planned for Phase III long-term reconstruction. Long-term requires high-level, inter-departmental policy decisions that will require input from elected officials and high-level staff throughout the City. Policy decisions will include: setting priorities, allocating resources, and strategic planning. As with emergency response, uncertainty regarding the level and kind of damage that will follow a disaster makes it impossible to develop a step-by-step plan for long-term recovery. However, as with response planning, it is incumbent upon the City to estimate the type and magnitude of recovery activities that will be needed and to establish broad policy guidelines regarding issues such as which areas of the City should be rebuilt first and which environmental areas should be protected. This level of policy-making requires participation from many City departments and policy makers, including the Mayor and the Board of Supervisors.

As the first step in this process, the Disaster Council should decide which City department should take the lead in long-term reconstruction planning. Following the Disaster Council’s decision, this department should, as required by the *Community Safety Element*, establish an inter-departmental group to develop a Recovery Plan, guide long-term recovery, manage reconstruction activities, and provide coordination among recovery activities.

In addition, agencies critical to restoring vital life systems such as water and power report they have not been sufficiently included in pre-disaster recovery planning and do not receive sufficient funding. For example, department representatives from the Public Utilities Commission state that local emergency responders do not acknowledge that non-public safety agencies play an important role in recovery, that interdependencies between agencies are poorly understood, and that they receive insufficient funding for recovery planning.

Conclusion

Emergency Operations Plan 1, defines the three phases of recovery activities. Phase One, the initial response, occurs between days one and seven. Phase Two, mid-term recovery, occurs between days seven and 30. Phase Three, long-term reconstruction, occurs from day 30 until completion. While the Office of Emergency Services has planned for Phase I initial response, it has not sufficiently planned for Phase II mid-term recovery and Phase III long-term reconstruction.

To plan for mid-term recovery the Office of Emergency Services should conduct the

following actions. One, as required by the Mayor's June 9, 2004 *Directive For Emergency Preparedness*, the Office of Emergency Services should develop plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for recovery of critical infrastructure and services. Two, as required by *Emergency Operations Plan 1*, the Office of Emergency Services should produce a Recovery Annex that contains "detailed procedures, forms and checklists for use in specifying recovery phase operations." This Annex should pertain to Phase II mid-term recovery.

The City also needs to plan for Phase III long-term reconstruction. Phase III long-term reconstruction will require high-level, inter-departmental policy decisions and input from elected officials. Policy-decision will include: setting priorities, allocating resources, and strategic planning. As with emergency response, uncertainty regarding the level and kind of damage that will follow a disaster makes it impossible to develop a step-by-step plan for long-term recovery. However, as with response planning, it is incumbent upon the City to estimate the type and magnitude of recovery activities that will be needed and to establish broad policy guidelines regarding issues such as which areas of the City should be rebuilt first and which environmental areas should be protected. This planning would require participation from many City departments and policy makers, including the Mayor and the Board of Supervisors.

Recommendations

- 9.1 As required by the Mayor's January 9, 2004 *Directive for Emergency Preparedness*, the Office of Emergency Services should develop plans to mobilize key City departments such as Public Health, Human Services, and Building Inspection for Phase II recovery of critical infrastructure and services.
- 9.2 As required by *Emergency Operations Plan 1*, the Office of Emergency Services should produce a Recovery Annex that contains "detailed procedures, forms and checklists for use in specifying recovery phase operations." This annex should pertain to Phase II mid-term recovery.
- 9.3 The Disaster Council should decide which City department should take the lead in Phase III long-term reconstruction planning and should direct this City department to, as required by the *Community Safety Element*, establish an inter-departmental group to develop a Recovery Plan, guide long-term recovery, manage reconstruction activities, and to provide coordination among recovery activities. The Phase III Recovery plan should address long-term reconstruction.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, the staff time of various City departments, and the time of elected officials. The Office of Emergency Services could contract the facilitation of the development of a mid-term recovery plan at an approximate cost of \$50,000-\$75,000 The

Office of Emergency Services could also contract the facilitation of the development of a long-term reconstruction plan at an approximate cost of \$50,000 - \$75,000. The Office of Emergency Services should use Urban Area Security Initiative grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementing these recommendations will ensure the City is positioned to carry out necessary recovery efforts after an emergency. Effective recovery efforts will help to ensure the public interest is taken into account in rebuilding or reconstruction efforts, including the safeguarding and proper allocation of any General Fund expenditures.

SECTION 10: OFFICE OF EMERGENCY SERVICES TRAINING

THE OFFICE OF EMERGENCY SERVICES SHOULD BROADEN EMERGENCY TRAINING AND HOLD CITY DEPARTMENTS ACCOUNTABLE FOR IMPROVEMENT

Since the infusion of Federal grants and the accompanying increase in staff beginning in 2001, the Office of Emergency Services has taken greater responsibility for emergency response training. The Office of Emergency Services now coordinates City-wide training programs, such as Disaster Service Worker training, and department-specific training, such as Emergency Structural Collapse Rescue Team training for Fire Fighters. However, documentation of training needs improvement. When the Budget Analyst requested training documentation, the Office of Emergency Services submitted multiple documents, some of which had not been integrated into the main document.

Due to grant requirements, the majority of training in 2004 and 2005 focused on terrorism scenarios and public safety personnel. Of the 8,310 persons who received training from 2004 to May 2006, 81.3 percent received terrorism response training, 18.3 percent received general response training, 0.1 percent received bioterrorism response training, and 0.2 percent received earthquake response training. Also, 93.9 percent of trainees were from public safety departments, while 6.2 percent of the trainees were from other jurisdictions and other City departments. Training for elected officials was very limited. Since 2001, the Office of Emergency Services has organized only one training session for the Mayor and members of the Board of Supervisors, which just occurred last month.

Emergency responders often fail to show improved capabilities following training. For example, despite the fact that the Office of Emergency Services trained 60 persons on the Incident Command System, an emergency response protocol, little improvement in this area was demonstrated in subsequent exercises. Although it is the responsibility of City departments to internalize and apply information presented in training, as the coordinating body for emergency management the Office of Emergency Services must hold City departments accountable for improvement following training.

Training Needs Assessment and Documentation Need Improvement

Training should provide emergency responders with the skills and knowledge they need to respond to disasters. While there are many forms of training, this Section will focus on traditional, class-room style, instructor facilitated learning. Exercises, another form of learning, are addressed in Section 11: Office of Emergency Services Exercises of this report.

Prior to 2003, emergency preparedness training was conducted by individual City departments. During the past two to three years, the infusion of Federal grants and the accompanying increase in staff have allowed the Office of Emergency Services to take greater responsibility for emergency response training City-wide. The Office of Emergency Services now coordinates both City-wide trainings, such as Disaster Service Worker and National Incident Management System training, and department-specific training, like Emergency Structural Collapse Rescue Team training for Fire Fighters. Individual City departments continue to conduct their own training. Emergency management trainings organized by other City departments were not included in this audit. Since 2004, the Office of Emergency Services has spent \$1,307,658 to train 8,310 personnel. The Office of Emergency Services could not provide data for 2001-2003.

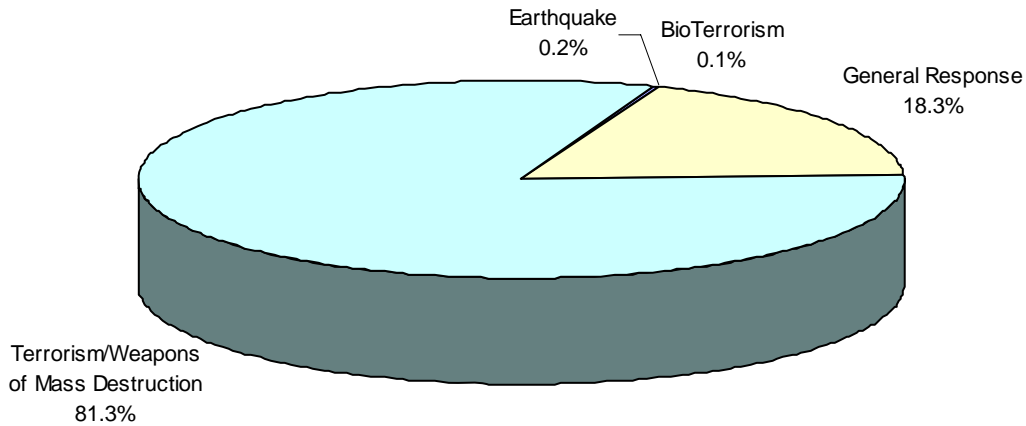
In order to receive accreditation from the Federal Emergency Management Accreditation Program,⁴⁰ jurisdictions must assess training needs and must develop a formal, documented training program that includes a training needs assessment, a training curriculum, course evaluations, and training records. In January of 2006, the Office of Emergency Services Public Safety Division attempted to document all Office of Emergency Services-led training in 2004-2005. The Budget Analyst's review of training records reveals that training documentation is still fragmented. When asked to submit complete training records for as Urban Area Security Initiative funded training, the Office of Emergency Services submitted multiple documents, some of which had not been integrated into the main document.

Training Has Focused on Terrorism and Public Safety Personnel

From 2004 to May of 2006, the Office of Emergency Services organized emergency response training sessions for 8,310 participants from the City of San Francisco and San Francisco's regional partners. Trainings covered general preparedness and response, search and rescue, earthquake response, as well as response to terrorism, bombs, weapons of mass destruction, hazardous materials, nuclear, chemical, or biological incidents.

⁴⁰ Emergency Management Program Standard 3-11.1.

Exhibit 10.1
81.3 Percent of Persons Received Terrorism/Weapons of Mass Destruction Training, FY 2004-2006

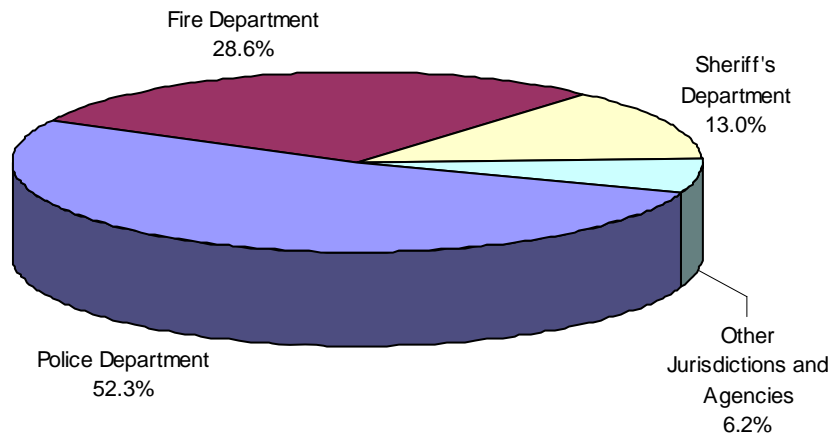


Source: Office of Emergency Services

Due to grant requirements, the majority of training in 2004 and 2005 focused on weapons of mass destruction and terrorism scenarios. In 2006, trainings have focused on incident management. According to Office of Emergency Services' documentation, of the 8,310 people who received training from 2004 to May 2006, 81.3 percent received terrorism response training, 18.3 percent received general response training, 0.1 percent received bioterrorism response training, and 0.2 percent received earthquake response training.

Due to grant requirements, the majority of training in 2004 and 2005 focused on improving the skills of public safety personnel. According to Office of Emergency Services' documentation, 93.8 percent of trainees trained from 2004 to May 2006 were from the City's public safety departments. As shown in Exhibit 10.2, 52.3 percent of trainees were from the Police Department, 28.6 percent were from the Fire Department, 13.0 percent were from the Sheriff's Department, and 6.2 percent of trainees were from other jurisdictions and all other City departments. In fact, City departments such as the Treasure Island Development Authority, the Department of Administrative Services, the Department of Human Resources, and the Controller, received no training, despite the fact that *Emergency Operations Plan 2*, one of the City's basic emergency planning documents, assigns these departments a role in emergency response. In addition, the Port received no training, despite the fact that the Federal government identifies transit as vulnerable to terrorist attack. While it is logical that public safety personnel receive the most training because they have the largest role to play, given that numerous City departments will need to work closely with public safety personnel in order to provide support activities, it is critical that staff from these other City departments also receive training.

Exhibit 10.2
Public Safety Personnel Received 93.8 Percent of Training, FY 2004-2006



Source: Office of Emergency Services

Elected Officials Received Limited Training

Since 2004, only one training has been held for either the Mayor, the President of the Board of Supervisors, or for other members of the Board of Supervisors. This training, which was given by the Federal Center for Homeland Defense and Security and organized by the Office of Emergency Services, was held on April 19, 2006 during the Earthquake 2006 functional exercise. As detailed in Section 11: Office of Emergency Services Exercises of this report, the Mayor also had an opportunity to learn about emergency management by attending exercises. The Office of Emergency Service did not specifically invite the Board of Supervisors to attend any exercises.

The Administrative Code gives the Mayor the power to direct personnel and resources to respond to an emergency, states that concurrence of the Board of Supervisors is required for the Mayor to act, and that if the Mayor is not available, a member of the Board of Supervisors must act in accordance with the succession plan. Based on these roles and responsibilities, it is critical that both the Mayor and the members of the Board of Supervisors are sufficiently trained to effectively direct emergency response personnel and resources.

National Incident Management System certification standards require training for elected officials. According to these standards, elected officials must take IS-700 National Incident Management System: An Introduction. The Emergency Management Accreditation Program also requires that high priority be given to training public officials.⁴¹ The Office of Emergency Services has not provided this training.

⁴¹ Emergency Management Accreditation Program Standard 3-11.1.

City Departments Do Not Show Improvement Following Training

The Budget Analyst's review of exercise evaluations indicates that emergency responders often do not show improved capabilities following trainings. For example, despite multiple trainings, emergency responders inconsistently utilize the Incident Command System and Unified Command Structure System, the foundation of the national response protocol. Following an evaluation of the September of 2004 Bay Area Rapid Transit/Weapons of Mass Destruction exercise, which showed command post organization and management was inadequate, the Office of Emergency Services held an incident management and unified command training for 60 staff from the Police Department, the Municipal Railway, the Sheriff's Department, the Department of Public Works, the Department of Parking and Traffic, and the Department of Building Inspection in October of 2004. Despite this training, six months later, during the Earthquake Full-Scale Exercise, which occurred in April of 2005, emergency responders again did not implement the Incident Command System and the unified command. In response, the Office of Emergency Services developed a series of exercises called Fast Track to improve the operational use of the Unified Command System. However, evaluations of the Fast Track I Tabletop Exercise, the Unified Command Discussion Group, and the Fast Track II Full-Scale Exercise held in the Fall of 2005, note that the Incident Command System was again incorrectly applied. Despite the fact that the Office of Emergency Services trained 60 people, little if any improvement was documented.

Training is an important component of corrective action. However, conducting training does not mean that a problem has been resolved or that participants are better prepared. To be effective, trainings must change emergency responders' behavior. Although it is the responsibility of City departments to internalize and apply information presented in trainings, as the coordinating body for emergency management the Office of Emergency Services must hold City departments accountable for improvement following training.

Conclusion

With the availability of Federal grant funding and the accompanying increase in staff, the Office of Emergency Services is taking a larger role in coordinating and conducting City-wide training. However, improvement is needed: training documentation is fragmented, training has focused almost exclusively on terrorism response and public safety, and training for elected officials has been minimal. As grant guidelines now allow more training for non-public safety departments, the Office of Emergency Services should provide training to City departments that play a support role in emergency response and should provide training for elected officials. Finally, completed trainings have not yielded tangible results. While the Office of Emergency Services cannot be held accountable for individual departments' performance following training, the Office of Emergency Services should be accountable for evaluating the effectiveness of current training programs.

Recommendations

- 10.1 The Training workgroup should complete the training plan currently underway. The plan should include a formal, documented training program that includes a training needs assessment, curriculum, course evaluations, and training records, as suggested by the Emergency Management Accreditation Program. Furthermore, the plan should be founded on the risk and capabilities assessment conducted as part of the strategic planning process.
- 10.2 As allowed by the relevant grants, the Office of Emergency Services should evaluate the training needs of and develop appropriate training for support departments and elected officials. These training should be included in the training program currently under development. At a minimum, the Office of Emergency Services should organize an IS-700 National Incident Management System: An Introduction training for elected officials, including the Mayor and the members of the Board of Supervisors.
- 10.3 The Office of Emergency Services should develop performance measures that evaluate emergency responders' ability to perform Federal target capabilities and identified local capabilities, and should pre- and post-test training participants.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, along with the staff time of various City departments and elected officials. IS 700 National Incident Management System: An Introduction is available for self-study via the Internet, including information for facilitators at no cost. Cost of other or additional emergency preparedness training for elected officials will depend on the trainings selected and the number of officials who attend.

If the Office of Emergency Services contracts the facilitation of the strategic planning process consistent with recommendations made in Section 3: Strategic Planning of this report, a training assessment could be included at an additional approximate cost of \$10,000. The Office of Emergency Services should use Urban Area Security Initiative grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations will help ensure training is effective, and consequently improve the emergency capabilities of the City's responders and elected officials. In addition, implementation of these recommendations will help the Office of Emergency Services determine which training programs provide the greatest return on investment. Moreover, the Office of Emergency Services will be better able to communicate what training is needed in the City and how the Office will go about delivering the training in the future.

SECTION 11: OFFICE OF EMERGENCY SERVICES EXERCISES

THE OFFICE OF EMERGENCY DOES NOT HOLD CITY DEPARTMENTS ACCOUNTABLE FOR IMPROVEMENT UPON WEAKNESSES IDENTIFIED IN EXERCISES

The Office of Emergency Services organizes three types of exercises: (a) tabletop exercises, which are discussion-based, (b) functional exercises, which require responders to practice an operational function, and (c) full-scale or field exercises which simulate a response in the field. Since FY 2001-2002, the Office of Emergency Services has designed and directed 13 tabletop, seven functional exercises, and six full-scale or field exercises.

City department representatives indicate that the exercise design process has improved in recent months. However, other improvements are needed. Exercise expenditures are not clearly documented, limiting accountability and the transparency of exercise costs. For example, according to data provided by the Office of Emergency Services, the Office expended \$373,682 in 2003 to conduct six exercises, \$0 in 2004 to conduct six exercises, and \$11,746 in 2005 to conduct five exercises. In addition, emergency officials have had insufficient opportunities to practice emergency response. The Office of Emergency Services does not develop exercise objectives that require elected officials to practice their emergency response role. In addition, the Office of Emergency Services has not invited the members of the Board of Supervisors to any emergency exercises. Finally, the Office of Emergency Services has designed exercises that test functional capabilities without proper preparation.

In addition, the Office of Emergency Services has not held City Departments accountable for improvement. For example, the Office of Emergency Services does not memorialize or distribute lessons learned during tabletop exercises conducted at monthly Disaster Forums. Similarly, the Office of Emergency Services has not provided timely feedback to departments following functional and field exercises and has not provided timely reports regarding what actions City departments should take to improve upon weaknesses identified in exercises. Contrary to Federal guidelines which require each exercise be evaluated and that a plan for improving upon identified weaknesses be drafted following each exercise, the Office produced a single evaluation and improvement plan for five exercises conducted in 2004-2005. While City departments must take responsibility for improvements in response performance, as the coordinating body for emergency management is incumbent upon the Office of Emergency Services to hold City departments accountable for improving upon weaknesses identified in exercises.

Without Grant Funds, Exercise Schedule May Be Unsustainable

In contrast to training, which focuses on instructor-driven learning and was addressed in Section 10: Office of Emergency Services Training, exercises are activities which require participants to actually perform disaster response skills. Based on records from previous administrations and records provided by the current Office of Emergency Services, since 2001, the Office of Emergency Services has sponsored 26 exercises, 19 of which occurred from 2003-2006. As shown in Table 11.1, since FY 2001-2002, the Office of Emergency Services has designed and directed 13 tabletop or discussion-based exercises, seven functional exercises, and six full-scale or field exercises. Tabletop exercises are discussion-based, functional exercises require responders to practice an operational function, and full-scale or field exercises simulate a response in the field. The Office of Emergency Services has also participated in State-run exercises. In January of 2005 the Office of Emergency Services set the goal of holding one full-scale exercise per year and one tabletop/functional exercise per quarter. The Office of Emergency Services exceeded its goal for full-scale exercises, but did not meet its goal for tabletop/functional exercises.

Table 11.1
Office of Emergency Services-led Exercises, FY 2001-2002 to FY 2005-2006

Month	Year	Exercise
April	2001	Earthquake Emergency Operations Center Functional Exercise
April	2001	Shooter Tabletop Exercise
April	2002	Hazardous Materials Functional Exercise
April	2002	NERT Activation Functional Exercise
October	2002	Earthquake Functional Exercise
October	2002	NERT Activation Functional Exercise
October	2002	Airport Attack Full-Scale Exercise
February	2003	Demonstration/Crowd Control Tabletop Exercise
June	2003	Chemical Attack Tabletop Exercise
June	2003	Fire/Shelter Operations Tabletop Exercise
July	2003	Weapons of Mass Destruction Tabletop Exercise
November	2003	Earthquake Tabletop Exercise
December	2003	Winter Storm Tabletop Exercise
February	2004	Weapons of Mass Destruction Functional Exercise
February	2004	Winter Storms Tabletop Exercise
March	2004	Shipwreck Tabletop Exercise
April	2004	Earthquake Tabletop Exercise
September	2004	Mobile Interoperability Unit and BART Trans-Bay Tube WMD/MCI Field Exercise
December	2004	BART Field Exercise
February	2005	Transportation Attack Full-Scale Exercise
April	2005	Earthquake Full-Scale Exercise
July	2005	Fast Track I Tabletop Exercise
September	2005	Unified Command Discussion Based Exercise
October	2005	Fast Track II Full-Scale Exercise
April	2006	Disaster Communications Discussion Based Exercise
April	2006	Earthquake 06: San Francisco Emergency Operations Center Functional Exercise

Source: Office of Emergency Services

Designing exercises is an extremely time consuming process for both the Office of Emergency Services Public Safety Division and for staff from participating City departments. The Exercise Design Team, an inter-departmental group that collaboratively designs exercises, met over ten times to plan the April of 2006 Earthquake functional exercise. As Federal grant funding declines and there are fewer Office of Emergency Services staff and federally grant-funded positions in other City departments that can be dedicated to exercise design and less grant money available to fund overtime required to backfill Police Officers and Fire Fighters participating in exercises, it is likely that the Office of Emergency Services will be unable maintain its current exercise schedule.

Exercise Expenditures Are Not Transparent, Inhibiting Accountability

Records provided by the Office of Emergency Services show the Office expended \$385,428 in State Homeland Security Grant Program and Urban Area Securities Initiative grant dollars to conduct 17 Office of Emergency Services-led exercises between 2003 and 2006.⁴²

Table 11.2
Exercise Expenditures Are Not Transparent

Year	Exercise Expenditures	Number of Exercises	Average Exercise Cost
2003	\$373,682	6	\$62,280
2004	\$0	6	\$0
2005	\$11,746	5	\$2,349
Total	\$385,428	17	

Source: Office of Emergency Services

According to this data, the Office of Emergency Services expended \$373,682 in 2003 to conduct six exercises, \$0 in 2004 to conduct six exercises, and \$11,746 in 2005 to conduct five exercises, such that the average cost of exercises ranged from \$0 to \$62,280. Given that the Office of Emergency Services is working to expend 2003 grant funds before the grant term expires, it is likely that exercises conducted in 2004 and 2005 were charged to the 2003 grant. While this practice makes sense from a grants management perspective, it is not transparent. Knowledge of exercise expenditures by grant year and by exercise are required in order to hold the Office of Emergency Services accountable.

In its March 2006 request for release of reserves, the Office of Emergency Services requested \$225,000, or 58.4 percent of the Office of Emergency Services' total exercise expenditure for three years (\$385,428), to conduct one tabletop and one functional exercise in April of 2006. Ultimately, the scope of the exercise was reduced, and the Office of Emergency conducted only the functional exercise, which was smaller than originally planned, and did not conduct a tabletop exercise at all. Despite the downscaled exercise plans, the Office of Emergency Services requested \$225,000, the original cost estimate for the tabletop and the larger-scale functional exercise. Following the exercise, the Director of the Grants Division estimated the actual expenditure to be \$70,000 or 31 percent of the amount requested. While it is logical that the amount expended was greatly reduced due to a greatly reduced exercise scope, the variation in the amount requested and the amount expended again raises the issue of transparency and accountability.

Elected Officials Have Insufficient Opportunities to Practice Emergency Response

The Office of Emergency Services does not create exercise scenarios that encourage

⁴² The Office of Emergency Services did not provide exercise expenditures for 2001 or 2002.

active participation by elected officials. For example, the Budget Analyst's review of exercise objectives and a Mayoral Event Overview for the Fast Track I Tabletop Exercise⁴³, indicates that none of the exercises conducted since 2001 included objectives that required the active participation of the Mayor. Although the Mayor performed his emergency response role in the Fast Track II Full-Scale Exercise, his participation was unintended. As explained by Office of Emergency Services senior management, the Office of Emergency Services did not design a role for the Mayor in the exercise objectives, the Mayor's active participation in the Fast Track II happened spontaneously.

The Office of Emergency Services has created even fewer opportunities for participation for members of the Board of Supervisors. While the three members of the Board of Supervisors who sit on the Disaster Council, have an opportunity to learn about exercises and report back to the Board as a whole, the Office of Emergency Services does not specifically invite the members of the Board of Supervisors to participate in exercises nor does it include exercise objectives that would require the active participation of members of the Board of Supervisors. As the coordinating body for emergency services, it is incumbent upon the Office of Emergency Services to invite members of the Board of Supervisors to participate, the Office should not wait for Supervisors to ask to be included.

Emergency Operations Plan 1 lists members of the Board as the first, second, third, and fourth alternates to the Mayor and states that the President of the Board is a member of the Policy Group, the body responsible for setting policy during an emergency. In addition, Section 3.100.13 of the Administrative Code states that the Mayor cannot act without the concurrence of the Board of Supervisors. Given the critical nature of these roles and responsibilities, the Office of Emergency Services needs to develop exercise objectives that allow the members of the Board of Supervisors to practice their emergency function.

During the April of 2006 Earthquake functional exercise, elected officials and other City departments Directors who are part of the Policy Group were unable to participate in the exercise because they were attending an emergency preparedness training organized by the Executive Director of the Office of Emergency Services. Although this training represents a first step in providing critical emergency management training for elected officials and department heads, because the training was scheduled during the exercise, elected officials missed an opportunity to practice their emergency response skills. Had the training occurred prior to the Earthquake functional exercise, the exercise could have been an opportunity for elected officials to practice the skills they learned at the training.

Exercises Test Functional Capabilities Without Proper Preparation

As shown by the April 2006 earthquake exercise, the Office of Emergency Services has

⁴³ The Fast Track I Tabletop Exercise and the Fast Track II Full-Scale Exercise were developed by the Office of Emergency Services to exercise responders' knowledge and implementation of the Incident Command System.

improved the exercise design process. City departments report that prior to January of 2006, they were often confused about exercise objectives and did not have sufficient opportunity to participate in the exercise design process. In January of 2006, the Office of Emergency Services created the Exercise Design Team. Following the creation of this team, some City departments report that communication regarding exercises and their ability to participate in the process has improved. However, further improvements are needed. Exercises need to be designed so that functional skills are practiced in isolation, prior to exercising functional skills in scenario-based exercises.

Emergency responders practice functional skills, such as operating E-team, the City's electronic emergency messaging system, and using 800 MHz radios, during functional and field exercises. In the functional and field exercises organized by the Office of Emergency Services, emergency responders have practiced functional skills while meeting objectives such as operating the Emergency Operations Center and while responding to a scenario, such as a terrorist attack or an earthquake. Furthermore, they have practiced these functional skills in a scenario-based exercise without exercise-related workshops to teach emergency responders how to utilize technology, sufficient time to practice new knowledge following workshops, and verification that technology is functional. For example, in the April of 2006 exercises, emergency responders had to use E-team, while also opening and operating an Emergency Operations Center. During the exercises, representatives from the Fire Department, who were operating the Department's Operations Center, did not have the password required to log-on to E-team. While the Fire Department acknowledges they should have verified their password prior to the exercise, if the Office of Emergency Services had verified that all City departments are able to log-on to E-team prior to the exercise, the Fire Department would have had a greater opportunity to test their ability to use the system.

Technical difficulties with E-team occurred during a large-scale, multi-faceted exercise. As a result, the hot wash,⁴⁴ a verbal exercise evaluation conducted immediately after the exercise with exercise participants, did not isolate specific problems with use of E-team or identify specific solutions. Specifically, emergency responders stated "E-team didn't work," and that they "need E-team training." These general statements leave many questions unanswered, such as: Who could not operate E-team? Why? What kind of training is needed? Is the problem with the E-team software or with operators understanding of how to use the system? Is the problem with E-team training or departments' ability to absorb and implement the training? A better exercise design would have generated more specific criticisms and suggestions that could have been used to develop specific corrective actions. Had the Office of Emergency Services exercised the functionality of E-team, without the complexity inherent in a large-scale multi-faceted exercise, performance objectives and participant feedback could have been more specific and more directly linked to recommendations that could have been included in a plan for improving upon identified weaknesses.

While the responsibility for functional skills is embedded in each City department, as the

⁴⁴ The exercise will also be evaluated via written participant feedback forms and the After Action Report.

coordinating body for emergency response, the Office of Emergency Services needs to facilitate City department' learning process. Exercises need to be designed using a building block approach, starting small and building up to a larger scenario. For example, if the Office of Emergency Services wishes to test radio interoperability, the Office should first verify that responders have radio and know how to use them by conducting a workshop that disseminates the necessary information and, after responders have had sufficient time to practice operating the radio, test responders' ability to operate the radios. The Office should then test the functionality of the radios. Only after it is clear that emergency responders know how to operate the radios and that radios function properly, should the Office of Emergency Services exercise radio interoperability as part of a large-scale, inter-agency exercise.

Exercise Evaluations Are Not Promptly Documented and Distributed

Federal exercise and grant guidelines mandate that all exercises be promptly evaluated. Specifically, the Federal Homeland Security Exercise and Evaluation Program, which provides a standardized methodology for designing, developing, conducting, and evaluating exercises, and State and Federal grant guidelines require that both tabletop and field exercises be evaluated and that evaluators produce an exercise evaluation, known as an After Action Report, and a plan for improvement, known as either an Improvement Plans or Corrective Action Report following each exercise. State and Federal grants also have guidelines regarding submission of After Action Reports and Improvement Plans and Corrective Action Reports. Table 11.3 identifies the deadlines for various State and Federal grants.

**Table 11.3
Office of Emergency Services Has Missed Grant Deadlines for Evaluation and
Corrective Action Report Submissions**

Grant	Deadline	Compliance
FY 2003 State Homeland Security Grant Program	30 Days after exercise	Not Compliant
FY 2004 Homeland Security Grant Program	60 Days after exercise	Not Compliant
FY 2004 Urban Areas Security Initiative	45 Days after exercise	Not Compliant
FY 2005 Homeland Security Grant Program	60 Days after exercise	Partially Compliant

Source: Federal Grant Guidelines

The Office of Emergency Services did not meet these deadlines. Although the Office should have submitted After Action Reports and Improvement Plans within 30-60 days of each exercise, as of January 1, 2006, evaluation of the Mobile Interoperability, Earthquake Full-scale, Fast Track Tabletop, Unified Command Discussion Based, and Fast Track Full-scale exercises conducted in 2004 and 2005 had not been distributed to participating City departments, a delay of up to 15 months. The Office of Emergency Services has improved in this area. Office of Emergency Services staff report and other City department staff confirm that a draft of the After Action Report for the April of 2006 functional exercise was produced by May 1, 2006.

The Office of Emergency Services does not evaluate tabletop exercises conducted at monthly Disaster Forums. Office of Emergency Services senior managers state they do not evaluate these exercises because Disaster Forum is meant to be a safe, non-judgmental environment. Further, the Director of the Public Safety Division state that because the exercises are really workshops, not tabletop exercises, the Homeland Security Exercise and Evaluation Program guidelines that require all tabletop, functional, and full-scale exercises to be evaluated do not apply.

Even if Federal guidelines do not require these exercises be evaluated, there is value in identifying, documenting and distributing identified problems, lessons learned, and best practices following all exercises, including informal exercises. Producing and distributing a short written exercise evaluation would ensure that City departments have a shared understanding of identified problems and would highlight lessons learned. It would also ensure that departments or staff absent from the exercise know what happened, what information was disseminated, and what lessons were learned. It is not necessary for this document to be a formal After Action Report. A synopsis of identified problems, lessons learned, and best practices would be sufficient.

Corrective Action Reports/Improvement Plans Are Late and, in Some Cases, Do Not Exist

As previously stated, Federal and State guidelines require that jurisdictions prepare Corrective Action Reports/Improvement Plans following each exercise. Corrective Action Reports and Improvement Plans are documents that describe a jurisdiction’s plan for resolving problems identified in exercise evaluations. Federal Homeland Security

Exercise and Evaluation Program guidelines require that Corrective Action Reports and Improvement Plans describe, not only actions to be taken, but also assign responsibility and a date for completion.

The Office of Emergency Services produced and distributed a single Improvement Plan for all the exercises conducted in 2004 and 2005. This plan was produced in January of 2006, a delay of up to 15 months. The plan did not assign responsibility or note a completion date for activities.

The Office of Emergency Services does not prepare Corrective Action Reports or Improvement Plans following monthly tabletop exercises at Disaster Forum meetings. Office of Emergency Services senior management state that because problems are dealt with on-the-spot, there is no need to document what actions should be taken or who will take them. However, during the March of 2006 Disaster Forum, a Municipal Railway official stated that, despite repeated requests, the Municipal Railway does not have 800 MHz radios, the City's primary interoperability communications tool. Given that the 800 MHz radio system has been in place since 2000 and the Municipal Railway states it has asked for radios on multiple occasions, some problems continue unresolved for long periods of time. Additionally, as detailed in the Section 8: Emergency Response of this report, exercise evaluations show that City departments do not consistently utilize the Incident and Unified Command Systems.

The Office of Emergency Services Does Not Hold City Departments Accountable for Improvement

Although corrective action plans are an important first step in instituting change, unless there is a system for measuring whether or not improvement has occurred and for making City departments accountable for improvement, there is no assurance that the activities made the City safer. The Office of the President's report, *Federal Response to Hurricane Katrina: Lessons Learned* highlights the need for entities to have a process for ensuring corrective action is taken. The report states "too often After Action Reports for exercises highlight the same problems that do not get fixed." In order to be accredited by the Federal Emergency Management Accreditation Program⁴⁵ jurisdictions must have a procedure for ensuring corrective action is taken.

Conclusion

The Office of Emergency Services organizes three types of exercises: (a) tabletop exercises, which are discussion-based, (b) functional exercises, which require responders to practice an operational function, and (c) full-scale or field exercises which simulate a response in the field. Since FY 2001-2002, the Office of Emergency Services has designed and directed 11 tabletop, seven functional exercises, and six full-scale or field exercises. This level of exercises exceeds the level of exercises conducted prior to 2004

⁴⁵ Emergency Management Accreditation Program Standard 3-12.3.

Exercise expenditures are not transparent, limiting accountability. For example, according to data provided by the Office of Emergency Services, it cost \$373,682 in 2003 to conduct six exercises, \$0 in 2004 to conduct six exercises, and \$11,746 in 2005 to conduct five exercises. Further, the Office of Emergency Services has reprogrammed grant funds from year to year and estimates of expenditures typically exceed actual costs by significant amounts.

In addition, the Office of Emergency Services has not gone far enough to ensure that the City's responders and officials improve their ability to respond based on lessons learned from the exercises. For example, the Office of Emergency Services does not memorialize and distribute lessons learned or other information during Disaster Forum tabletop exercises. Similarly, the Office of Emergency Services has not provided timely feedback plan for improving upon identified weaknesses to departments following functional and field exercises, which, in part, is responsible for responders' limited improvement on critical response protocol. Finally, the Office of Emergency Services does not measure improvement after corrective action has been taken, making it impossible to determine whether actions taken actually made the City better prepared.

Recommendations

- 11.1 The Office of Emergency Services, in cooperation with the Exercise Design Team, should design objectives and conduct exercises the test capabilities of the Mayor and the members of the Board of Supervisors, particularly as related to the Policy Group.
- 11.2 The Office of Emergency Services, in cooperation with the Exercise Design Team, should design and conduct exercises that test response functions, such as use of communications equipment. The exercises should test the ability of responders to perform the function in isolation, not as part of a response to a scenario.
- 11.3 Prior to conducting each exercise, the Office of Emergency Services should, in cooperation with the Exercise Design Team, provide necessary training, allow sufficient time for responders to practice skills learned at training, and should test equipment to ensure that it is operable.
- 11.4 Following each tabletop, functional, and full-scale exercise, the Office of Emergency Services, in cooperation with the Exercise Design Team, should promptly produce and distribute an After Action Report and a Corrective Action Report/Improvement Plan. Specifically, the Office of Emergency Services and participating City departments should identify corrective actions to strengthen identified areas of weakness and should assign responsibility and a completion date for each action. These documents should be prepared and submitted to all participants in accordance with Homeland Security Exercise and Evaluation Program and grant guidelines.

- 11.5 Following informal exercises, the Office of Emergency Services should distribute a synopsis of identified problems, lessons learned, and best practices.
- 11.6 Following corrective action, City Departments tasked with making improvements should report back on their progress in a public forum so that all departments can be aware of changes and improvements City-wide.
- 11.7 The Office of Emergency Services should develop a system, such as performance measures, for making City departments accountable for improvement. To increase accountability, the Office of Emergency Services should report on these performance measures during the annual Board of Supervisors state of disaster preparedness hearing.

Costs and Benefits

Costs of implementing these recommendations are associated with the Office of Emergency Services staff time, along with the staff time of various City departments. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementation of these recommendations will ensure that the Office of Emergency Services captures all exercise costs, thus maximizing the reimbursements of General Fund expenses. In addition, implementation of these recommendations will help ensure exercises are effective, and consequently improve the emergency capabilities of the City's responders and elected officials.

SECTION 12: EMERGENCY MANAGEMENT EQUIPMENT

THE CITY DOES NOT EFFECTIVELY TRACK EQUIPMENT AND NEEDS TO PLAN FOR EQUIPMENT SUSTAINABILITY

Acquiring equipment necessary for emergency preparedness and response has been a significant component of the homeland security grants. As such, the Office of Emergency Services has facilitated the purchase of valuable equipment for several City departments. According to grant applications, Office of Emergency Services planned to purchase over \$20 million of equipment, and, based on data from the Controller, the City has purchased approximately \$2 million of equipment as of February 1, 2006. However, because equipment inventories produced by various City departments, including the Office of Emergency Services, are fragmentary and inconsistent, there is no assurance that the City has a comprehensive and current inventory of all of the City's emergency equipment.

In addition to not being able to identify existing equipment resources, the Office of Emergency Services has not developed a plan for the sustainability of the City's equipment purchases. As the equipment reaches the end of its useful life, the City will have little of the information it needs to decide what equipment to replace or maintain with the General Fund. While some City departments may currently intend to absorb maintenance costs into their General Fund budgets, the City should be aware of what future costs to expect related to these current purchases.

The City has acquired many necessary and valuable emergency equipment items. However, to ensure that these expenditures go toward necessary and needed equipment, the Office of Emergency Services should update and revise its equipment priority list to reflect equipment purchases to date and equipment needs for future expenditures. Although most purchases appear consistent with the equipment priority lists, some purchases are not. For example, the number of pick-up trucks purchased exceeds the number identified in the emergency equipment priority list.

The City Lacks Comprehensive Equipment Inventory

A significant portion of homeland security grants received by the Office of Emergency Services has been spent on acquiring equipment necessary for emergency preparedness and response. As indicated in the Office of Emergency Services' Urban Area Security Initiative grant applications, the Office of Emergency Services proposed to use \$20,183,069 for equipment purchases in 2003 and 2004.⁴⁶ In addition, although priorities

⁴⁶ Data for equipment allocation available only for FY 2003-2004 Urban Area Security Initiative and FY 2004-2005 Urban Area Security Initiative grants.

of the grants shifted, many of the projects and initiatives funded under the more recent grants necessitate equipment purchases. However, as of February 1, 2006, based on data from the Controller, equipment purchases have amounted to only approximately 9 percent, or 2,000,000, of all grant expenditures.⁴⁷

As part of this review, the Budget Analyst obtained equipment inventories from the Controller's Office, the Office of Contract Administration – Purchaser, and the Office of Emergency Services. In comparing the lists, the Budget Analyst found that they are fragmentary and, in many instances, inconsistent. For example, the list obtained from the Controller's Office contains items purchased for \$5,000 or above according to the City's asset inventory policy. However, separate lists provided by the Office of Contract Administration and by the Office of Emergency Services contained items that were purchased for more than \$5,000 but were not on the Controller's list. Moreover, when common items existed across these lists, the purchase prices were often inconsistent. Furthermore, the Budget Analyst found that some City departments maintain lists of equipment purchased through homeland security grants independent from the Controller or the Office of Emergency Services lists. For example, the Fire Department has developed its own database to track equipment purchases along with other Urban Area Security Initiative grant and homeland security grant purchases

The existence of fragmentary equipment lists casts serious doubt as to whether the Office of Emergency Services or other City departments know exactly what equipment the City has purchased for emergency response, what equipment City departments have on hand, and whether this equipment is operational. Currently, the Office of Emergency Services is leading an effort, spearheaded by its "logistics officer" to create a consolidated equipment inventory for the City. This inventory would include items purchased via homeland security funds, as well as equipment the City could use during emergency response and recovery purchased via other funds, including the General Fund.

The *Regional Emergency Coordination Plan*, currently being produced under contract with URS, as discussed in the Introduction and Section 6: Emergency Plans of this report, will include a regional equipment inventory. This effort could produce invaluable information that is currently not available. However, this inventory will not address the current lack of a comprehensive and consolidated equipment inventory in the City. Specifically, URS is not actively identifying what equipment is available in the region. Instead, URS has created a template for the various regional jurisdictions to input information on large equipment, such as aircraft, or capabilities, such as Disaster Medical Teams. In addition, the inventory will not function as a real-time tracking system for the availability of assets during a response.

⁴⁷ The Budget Analyst combined similar categories of expenditure within the Controller's data to facilitate data analysis. Because the Controller's does not consider purchases under \$5,000 as equipment, the City may have purchased emergency equipment categorized as "Materials and Supplies."

Most Equipment Purchases Are Reasonable, Although Some Purchases Are Not Consistent With the Stated Equipment Priorities of the City

For the FY 2003-2004 Urban Area Security Initiative grant application process, the Office of Emergency Services formed an Equipment Committee to identify the City's overall equipment needs. As initially formed, the Equipment Committee consisted of City department representatives from the four primary response departments plus the Office of Emergency Services.⁴⁸ To prioritize the City's equipment needs, the Equipment Committee evaluated what City departments would respond to various emergency scenarios, and what department would be the lead for the given scenarios. According to an Office of Emergency Services official, the Committee also set additional priorities by identifying what equipment was absolutely necessary for proper response, what equipment was needed but not absolutely necessary, and what equipment was nice to have, but not needed.

Office of Emergency Services management stated that the Equipment Committee and equipment purchasing process strayed from the originally intended direction. Specifically, the Equipment Committee evolved into an ineffective body, according to an Office of Emergency Service manager. For example, an Office of Emergency Services manager stated that the meetings often included arguments between City departments and dominant personalities typically controlled the decision-making process. Consequently, the current Office of Emergency Services administration suspended meetings of the Committee for several months in order to create a more constructive approach.

The Office of Emergency Services produced two equipment priority lists through this process in 2003 and 2004. While the list for 2004 is more extensive than the list for 2003, both lists provide information on the type of equipment, the City department needing the equipment, and a project or initiative area the equipment would support. The 2004 list also includes information on projected price and, sporadically, the projected number of units needed. In most cases, City departments are responsible for purchasing equipment from these lists with the grant funds allocated by the Office of Emergency Services.

The Executive Director of the Office of Emergency Services stated that equipment purchases began to move toward purchasing equipment that City departments wanted for special interests prior to the current Executive Director's administration. This shift precipitated an increase in the Office of Emergency Services' review of equipment and other expenditures. While the increased review has ensured that the majority of equipment purchases are appropriate under the Federal and State grant guidelines, some purchases appear incongruous with the equipment priority lists. For example, while the equipment priority lists from 2003 and 2004 identify only a few vehicles as necessary, the City has purchased at least one pick-up truck for each of the four main responding agencies, and multiple pick-up trucks for some of those agencies. While the Office of

⁴⁸ The primary response departments are the Police Department, Fire Department, Department of Public Health, and Sheriff.

Emergency provided reasonable explanations for the equipment purchases displayed in Table 12.1, the equipment in the table represent a selected sample of equipment purchases that are not consistent with or exceed the amount indicated as needed in the equipment priority lists.

**Table 12.1
Selected Questionable Equipment Purchases
with Homeland Security Grants**

Equipment Item	Approximate Total Cost
Pickup trucks	\$550,000
Office furniture	\$56,000
Fireworks disposal unit	\$33,000
Step ladders	\$5,200
Rental toilets	\$3,000

Source: Office of Emergency Services, Office of Contract Administration, Controller’s Office

Office of Emergency Services Needs to Plan for the Sustainability of Emergency Equipment

As with most City equipment purchases, emergency equipment typically has a specific shelf-life and a warranty expiration date. As such, the City must consider maintenance and replacement costs. Because emergency preparedness equipment is designed to facilitate emergency response, using equipment beyond its shelf-life can endanger the lives of first responders and the public. While the Office of Emergency Services has facilitated the acquisition of many potentially beneficial pieces of equipment, there is a lack of sustainability planning regarding this equipment. Accordingly, the City will realize the benefits of the acquired equipment generally for the equipment’s shelf-life only.

As previously stated, Federal officials have warned local jurisdictions that the current level of grant funding will decline, and that local jurisdictions should use the current grants as seed money to establish sustainable emergency preparedness operations. Moreover, this lack of sustainability planning will force the Mayor and Board of Supervisors to choose between replacing some or all of the equipment using General Fund money and using General Fund resources for other needed programs. The Office of Emergency Services has clearly stated that the Office’s senior officials recognize the need and importance of equipment sustainability planning. However, to date, the Office of Emergency Services has not adequately addressed equipment sustainability.

The problems created by the lack of sustainability planning are exacerbated by the lack of an adequate City-wide equipment inventory. Specifically, without a complete understanding of what equipment the City has on hand for an emergency, it is exceedingly difficult to plan for the ongoing maintenance and replacement of that equipment.

Conclusion

Acquiring equipment for emergency preparedness and response has been a significant and necessary component of the homeland security grants received by the Office of Emergency Services. However, City departments do not track equipment expenditures consistently. Consequently, the City does not have a comprehensive inventory of equipment. While the Office of Emergency Services is leading an effort to catalog all resources available for emergency services, no City department, including the Office of Emergency Services, is currently aware of all available emergency response equipment resources.

According to grant applications, the Office of Emergency Services planned to purchase over \$20 million of equipment. As of February 1, 2006, based on data from the Controller, equipment purchases have amounted to approximately 9 percent, or 2,000,000, of all grant expenditures. The Office of Emergency Services and other City officials stated that the City has acquired many necessary and valuable equipment items. However, to ensure that these expenditures go toward necessary and needed equipment, the Office of Emergency Services should update and revise the equipment priority list to reflect equipment purchases to date and equipment needs for future expenditures.

While Office of Emergency managers recognize the importance of equipment sustainability, the Office of Emergency Services has not yet developed a formal plan for the sustainability of the City's equipment purchases. Without a sustainability plan, there is little guidance or knowledge of how the City will sustain equipment, or whether sustaining the equipment is in the best interest of the City's emergency services capabilities.

Recommendations

- 12.1 The Office of Emergency Services should work with the Controller, the Department of Contracts Administration, and other City departments to establish and implement procedures to identify all emergency-related equipment resources available in the City, and reconcile existing equipment inventory lists to ensure the City has a comprehensive and single consolidated equipment inventory.
- 12.2 The Office of Emergency Services should update the City's equipment priority list to identify what equipment needs have been met, prioritize the remaining needs, and add equipment items to or eliminate equipment items from the equipment list based on the City's current assets and capabilities.
- 12.3 The Office of Emergency Services should maintain and regularly update a list of all emergency-related equipment available in the City and provide the list to City departments as appropriate.

Cost and Benefits

Costs of implementing these recommendations are associated with Office of Emergency Services staff time and the staff time of other City departments, such as the Controller and the Department of Contracts Administration. The Office of Emergency Services should use Urban Area Security Initiative or other grant funds to the fullest extent possible in order to minimize or eliminate General Fund costs.

Implementing these recommendations will ensure the City is able to identify all available resources in the event of an emergency, and acquire emergency equipment that will address emergency preparedness capability gaps in the City. This will help the City respond to its full capacity in the event of an emergency. Moreover, implementation of these recommendations will ensure that grant and General Fund expenditures are for appropriate and needed equipment.

SECTION 13: MANAGEMENT, ORGANIZATION AND STAFFING

STAFF GROWTH HAS RESULTED IN QUESTIONABLE STAFFING LEVELS, TOO MANY MANAGERS, AND UNFILLED POSITIONS

The sudden increase in Federal funding has resulted in structural staffing issues that need to be addressed in the near-term. The number of Office of Emergency Services staff has increased from 6.0 full-time positions in FY 2002-2003 to 25 full-time positions in 2005-2006, an increase of 317 percent. Currently, each of these 25 positions is paid an average annual salary of \$95,522. In addition, 40 percent of the Office of Emergency Service's staff are managers, which is unreasonable, at a manager to staff ratio of 1:1.5. This top-heavy management structure is especially evident in the Grants Division, which is composed of only managers.

Moreover, 81 percent of the Office of Emergency Services staff positions are funded by grants that will expire December 31, 2006. In order to pay current staff salaries in the absence of grant funding, the Office of Emergency Services would need \$2,821,368 annually from the City's General Fund, which is \$2,185,795 or 344 percent more than the Office of Emergency Services total General Fund budget of \$635,573 in FY 2005-2006. Further, 63 full-time equivalent positions are in the City's FY 2005-2006 budget funded with Urban Area Security Initiative grants. However, 31 percent of these positions are vacant.

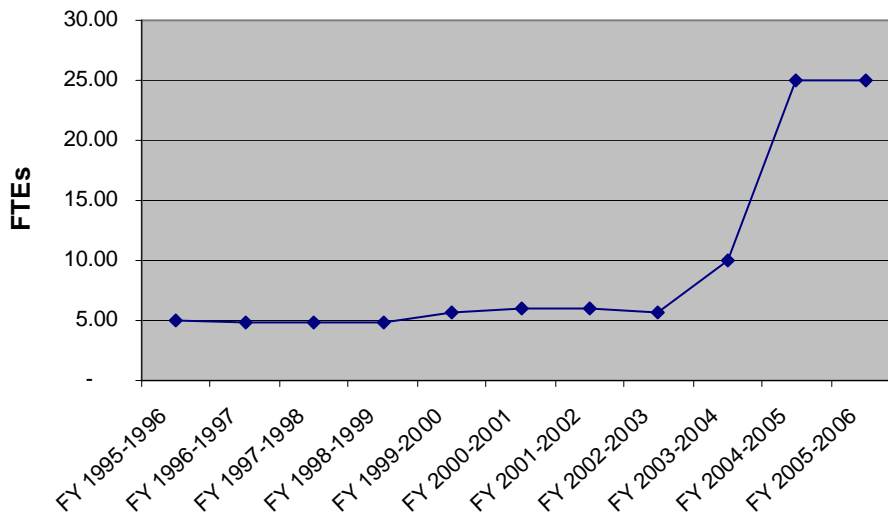
In addition, although the City's Administrative Code requires that the Director of Emergency Services have expert emergency management qualifications upon appointment, the current Director is obtaining those qualifications after appointment. The Director of the Office of Emergency Services is furthering her homeland security and defense education by currently pursuing a Master's Degree at the Naval Postgraduate Program in Monterey, California. While these studies provide the Director with invaluable educational and networking opportunities, the time commitment required for the program highlights that the City has not established policies regarding the amount of time a City employee may spend attending conferences, classes or outside activities, while continuing to receive full compensation from the City.

And finally, the notice for the vacant Emergency Communications Department Executive Director position indicates that there would be a management role over the Office of Emergency Services. Because the Executive Director of the Office of Emergency Services is currently paid more than the higher classified Emergency Communications Department Executive Director position, it may necessitate an increase in supervisory pay for the Emergency Communications Department Executive Director of an additional \$25,057 annually.

Office of Emergency Services Staff Increased 317 Percent Since FY 2002-2003

The Office of Emergency Services has undergone significant changes in the last five years due predominantly to the dramatic increase in State and Federal grant funds discussed in Section 4: Grants and Budget of this report. One of these changes was a dramatic increase in staffing. Between FY 1995-1996 and FY 1999-2000, the Office of Emergency Services had, on average, five full-time equivalent staff positions. In FY 2000-2001, the Office of Emergency Services staff increased to six full-time equivalent staff positions and remained at this level until FY 2002-2003. In 2003, when the City began to receive significant State and Federal funding for emergency management, the number of positions at the Office of Emergency Services also began to increase. As shown in Exhibit 13.1, the number of full-time equivalent positions at the Office of Emergency Services increased from six positions in FY 2002-2003 to 25 positions in FY 2005-2006, an increase of 19 positions, or 317 percent.

Exhibit 13.1
Staffing has Increased Dramatically Since FY 2002-2003



Source: Department of Human Resources

The Office of Emergency Services Would Need \$2,821,368 in General Funds Per Year to Maintain Current Staff Without Grant Funding

Of the current 25 positions at the Office of Emergency Services, 4.77 full-time equivalent positions or 19 percent are included as General Fund positions in the FY 2005-2006 Annual Salary Ordinance. However, only 2.77 full-time equivalent positions or 11 percent of the total 25 positions are currently funded by the General Fund, with 2.0 full-time equivalent positions currently vacant. The remaining 20.23 positions, or 81 percent, are funded by grants that will end on or before December 31, 2006. In the absence of

grant funding, it is unlikely that the Office of Emergency Services can sustain a staff that is 317 percent larger than the level sustained prior to grant funding, without dramatic increases in the City's General Fund support.

Currently, each of the 25 existing positions in the Office of Emergency Services is paid an average annual salary of \$95,522. The Department of Human Resources records indicate that paying the salary and mandatory fringe benefit costs of the Office of Emergency Services' current staff, in the absence of grant funds, would cost the City's General Fund \$2,821,368⁴⁹ per year. This is \$2,185,795 or 344 percent more than the Office of Emergency Services total General Fund budget of \$635,573 in FY 2005-2006.

Despite this, the Office of Emergency Services has not provided a plan to the Budget Analyst for sustaining its staff size or for maintaining critical operations with fewer staff. The Office of Emergency Services senior staff have consistently stated they hope that the FY 2006-2007 Federal grant funds and/or increased General Fund monies will allow them to maintain current staff levels and to continue current programming. The Mayor's Office advises they are currently reviewing the FY 2006-2007 budgetary requirements for the Office of Emergency Services and other City department's Urban Area Security Initiative grant funded positions.

The Office of Emergency Services Needs To Develop Staff Plans and Improve the Management of Work Assignments

Although previous Office of Emergency Services managers used staff plans, the current administration does not use this management tool to project staffing needs. To create a staff plan, managers need to identify projects, list project tasks, estimate time required per task, and calculate the number of full-time positions needed to complete each project. Rather than using a formal staff plan, Office of Emergency Services managers state that they look at the projects they would like to complete, decide if they have enough staff, and if not, hire accordingly.

Office of Emergency Services managers do not set long-term priorities and do not assign fixed job responsibilities. Rather than prioritize projects for the next six to 12 months, Office of Emergency Services managers set priorities project by project; as one project ends, management selects the next project. Individual staff also report that they select the projects they work on. In addition, staff areas of responsibility are constantly in flux. Without a comprehensive staff plan that identifies long-term priorities, assigns critical functions and estimates the number of full-time positions necessary to complete those functions, the correct level of staffing for the Office is unclear.

Senior management cannot articulate how they decide the number of staff needed to

⁴⁹ This estimate assumes current FY 2005-2006 fringe benefit rates, which are projected to increase with the additional 7.5 percent pickup of retirement costs in FY 2006-2007 to a total General Fund cost of approximately \$3,104,471. These salary and fringe benefit costs do not include the costs for overtime, pager, duty or manager pay.

complete a given project. Furthermore, although the Federal grant applications require that applicants describe the projects they will complete, they do not require staff plans. Without a formal staff plan, the Office is unable to demonstrate whether the Office of Emergency Services has sufficient or insufficient staff to accomplish their work.

Traditional management practices dictate that managers set project priorities well in advance and assign fixed job responsibilities. Such priorities would be established through a robust strategic planning effort, which as noted in Section 3: Strategic Planning of this report has not been completed. These practices help managers establish priorities and distribute work, ensuring that projects are completed on time and that staff are efficiently and fully-allocated.

The Office of Emergency Services Underutilizes Staff Due to Part-time Employees

Informal staffing assignments are exacerbated by the use of part-time employees, which is particularly evident in the Office of Emergency Services Public Safety Division. The Office of Emergency Services organization chart (Exhibit I.2 in the Introduction) reflects a total of nine positions in the Public Safety Division. This Division includes four full-time equivalent work order positions, one each from the Fire Department, the Police Department, the Sheriff's Department and the Municipal Transportation Agency.

However, each of the remaining five positions (i.e., three Planner IIIs and two Training Coordinators) was filled with part-time employees. These part-time employees are retired City workers who are restricted to working up to 960 hours per year.⁵⁰ Because only four employees work full time and five employees work part-time, the Office utilizes only 6.5 (4 full-time positions plus 2.5 (5 full-time positions * 0.5) full-time positions and not 9.0 full-time positions, as reflected in the organization chart.

Office of Emergency Services managers state that the part-time staff were hired based on their expertise and their relationships with San Francisco's public safety departments. The Office of Emergency Services senior management advises that such work hour restrictions were necessary in order to hire the most qualified staff. However, the decision to hire personnel with work hour restrictions was made without evidence that part-time staff would be sufficient to get the job done. In fact, the new Public Safety Division manager reported that, prior to recent management changes, the part-time staff were often out of the office or had reached their work hour limits before scheduled work was complete. As a result, projects are sometimes placed on hold for long periods of time or were completed by other personnel unfamiliar with the project. As of March of 2006, two of the part-time staff had already exhausted their hours, with three months still remaining in the fiscal year.

Office of Emergency Services Manager to Staff Ratio is 1:1.5

⁵⁰ In accordance with the City's Charter, retired employees from the City and County of San Francisco are restricted to working up to 960 hours per year, without compromising their Employee Retirement benefits.

The high current staff cost also reflects that the Office of Emergency Services staff is composed largely of managers. Of the existing 25 full-time equivalent positions at the Office of Emergency Services, ten positions or 40 percent of the staff are managers. As a result, the Office of Emergency Services manager to staff ratio is 1:1.5.

This top-heavy management structure is especially evident in the Grants Division. The Grants Division is composed of four positions: the Division Manager who is a Manager V and is paid an annual salary of \$127,110, and three other managers, all of whom are Manager IIIs, currently paid annual salaries ranging from \$92,053 to \$109,793. With no junior staff, the Manager IIIs often perform entry-level tasks such as making journal entries, checking invoices and processing grant documents. In addition, the Manager IIIs are not performing some of the tasks described in their job descriptions. For example, Manager IIIs are not evaluating the effectiveness of homeland security grant programs, identifying alternative approaches, or providing statistical, fiscal or operational reports to City departments to provide early warnings to identify potential problems. The Office of Emergency Services managers confirm that performing entry-level accounting tasks often prevent the financial staff from performing the higher-level tasks described in their job descriptions.

As described in Section 5: Financial Management of this report, the Office of Emergency Services Grants Division has significantly delayed grants reimbursement claims, resulting in interest earnings losses averaging \$1,068 per day on expenditures awaiting reimbursement to the City's General Fund as of February 1, 2006. Until December 31, 2006, when the current Urban Area Security Initiative grant funds are scheduled to expire, the Office of Emergency Services may need to retain its existing grants management staff and, in fact, request additional work order positions from the Controller's Office to expedite the grants reimbursement claims processing. However, if additional grants are received or the grant period is extended, beginning on January 1, 2007, the entire Office of Emergency Services Grants Division should be reorganized. At a minimum, two Manager III positions should be eliminated to create lower-level grants administrative or finance assistant positions to expedite the processing of claims. For example, if the Office of Emergency Services eliminated two Manager III positions, it would achieve an annual salary savings of \$189,673. The Office could then use these salary savings to hire three Grants Associate or Grants Finance Associate positions, to perform routine journal entries, check invoices, and process grant documents, under the supervision of the remaining two Grants Managers.

Management and Salary Discrepancies Exist Within the Emergency Communications Department

As noted in Section 1: Legislative Authority, the Mayor is directly responsible for emergency services in San Francisco. Section 7.7 of the City's Administrative Code specifies that "the Director of (the Office of) Emergency Services shall be subordinate only to the Mayor." In order for the Mayor to provide such control, direction, cooperation and coordination, the Office of Emergency Services was historically located in the

Mayor's Office. However, effective July 1, 2003, the former Mayor transferred the Office of Emergency Services out of the Mayor's Office to the Emergency Communications Department.

According to the Mayor's Office staff, the Office of Emergency Services was transferred to the Emergency Communications Department in order to:

- (a) Reduce the Mayor's Office annual budget, with a focus on maintaining only the Mayor's core Executive day-to-day functions;
- (b) Place the Office of Emergency Services and the Emergency Communications Department together since they were both already physically located at 1011 Turk Street; and
- (c) Facilitate the receipt and transfer of emergency calls during a disaster from the 9-1-1 dispatch center in the Emergency Communications Department to the Office of Emergency Services.

As noted above, one of the primary reasons given by the Mayor's Office for transferring the Office of Emergency Services to the Emergency Communications Department was the co-location of both these organizations at 1011 Turk Street. However, as discussed in greater detail in Section 8: Emergency Response of this report, the Office of Emergency Services currently plans to move its entire staff from the Turk Street facility to 25 Van Ness Avenue.

Although the Office of Emergency Services was transferred under the Emergency Communications Department on July 1, 2003, the job description for the Executive Director of the Office of Emergency Services does not mention the Emergency Communications Department. This unique situation has created management discrepancies. For example, both the acting Executive Director of the Emergency Communications Department and the Executive Director of the Office of Emergency Services confirmed that there is no direct management reporting relationship between the Office of Emergency Services and the Emergency Communications Department. This has resulted in Office of Emergency Services management being unfamiliar with the Office of Emergency Services performance measures that are included in the Emergency Communications Department's annual budget.⁵¹

However, the City is moving to resolve this concern as evidenced by the recent noticing for the vacant Executive Director of the Emergency Communications Department. This notice states that the Emergency Communications Department is comprised of four divisions, including the Office of Emergency Services and Homeland Security, and that the Executive Director of the Emergency Communications Department "provides leadership for efficient and comprehensive delivery of the 9-1-1 communications and emergency operations system". This notice also states that residency in the City of San Francisco is highly desirable since the Emergency Communications Department Director

⁵¹ For more information, see Section 3: Strategic Planning.

needs to be available on a 24-hour basis in the event of a major emergency.

If the City intends the Executive Director of the Emergency Communications Department to manage the Office of Emergency Services, the actual pay for the two Directors may need to be revised. The Emergency Communications Department Director position (0963 Department Head III), which is a higher-level City employee classification, is currently paid a maximum annual salary of \$152,490. A 0942 Manager VII, the classification of the Office of Emergency Services Executive Director is typically paid a maximum annual salary of \$146,042. However, the Office of Emergency Services Executive Director (0942 Manager VII) was hired at a higher pay rate. Thus, for FY 2005-2006, the Office of Emergency Services Executive Director is currently paid an annual salary of \$169,092.⁵² Therefore, the Emergency Communications Department Director position would be paid \$16,602 or 9.8 percent less than the subordinate Office of Emergency Services Executive Director

According to the Director of the Human Resources Department, the 0963 Department Head III position (the Emergency Communications Department Director) is technically a higher classified and paid position than the 0942 Manager VII position (Office of Emergency Services Director). Therefore, if necessary, the City has the flexibility to pay a higher salary to the Emergency Communications Department Director than the Office of Emergency Services Executive Director. If the City were to pay a five percent annual salary differential to a new Emergency Communications Department Director, as compared to the Office of Emergency Services Executive Director's existing annual salary, it would cost the City a minimum additional \$25,057 annually.⁵³

As described in the Introduction and Section 4: Grants and Budget of this report, Federal and State grant funding, staff size and the level of activities at the Office of Emergency Services has significantly increased over the past few years. However, as Federal and State grant funding decreases over the next several years, similar reductions in the Office of Emergency Services grant-funded staff size and levels of activities are anticipated. As this occurs, the need for two highly paid Directors within one relatively small City department becomes questionable.

The Mayor could further alleviate salary and management concerns by eliminating the Office of Emergency Services Executive Director position when such significant reductions in funding, staffing and activities occur, or with the current incumbent's end of tenure. With the Office of Emergency Services Executive Director position eliminated, the Emergency Communications Department Director should be designated to assume responsibility for all emergency services in the City. It should also be noted that both the

⁵² \$165,776 at the higher C Range plus \$3,316 for a two percent Pay for Performance award.

⁵³ \$177,547 is five percent more than the current Office of Emergency Services Director's annual salary less \$152,490 which is the current top step in the A Range for the Emergency Communications Department Director's salary. The Emergency Communications Department Director's salary is paid from the City's Emergency Response Fees imposed and collected from telephone subscribers.

Emergency Communications Department and the Office of Emergency Services each have their own Deputy Director positions. Therefore, the Office of Emergency Services Deputy Director position should serve at the discretion of the Emergency Communications Department Director to aid in the day-to-day management of emergency services.

The City Needs to Develop a Policy for Continuing Education of Employees

Section 7.7 of the City's Administrative Code mandates that the Mayor, as chair of the Disaster Council and Commander of Emergency Services, employ a Director of Emergency Services who has "expert qualifications for the work of emergency preparedness and relief." Furthermore, the City's job description for the Executive Director of the Office of Emergency Services specifies that the candidate have "extensive experience in Emergency Management and/or Disaster Relief operations and planning."

The current Executive Director of the Office of Emergency Services worked as a business and corporate attorney, a member of the Board of Supervisors – appointed as Vice Chair of the Public Safety Committee – a City Police Commissioner, a Fire Commissioner, an attorney representing the San Francisco 49ers on their stadium project and the Director of the Treasure Island Development Authority. The Mayor stated that the Executive Director of the Office of Emergency Services is an exempt position, and that he specifically wanted a manager who could put a skilled team of staff together. Moreover, the Mayor believes the Executive Director's background and experience qualifies her for this position.

To further her education and qualifications, the Office of Emergency Services Executive Director is currently attending the Naval Postgraduate School in Monterey California, sponsored by the U.S. Department of Homeland Security, Office for Domestic Preparedness, in pursuit of a Homeland Defense and Security Master's Degree. The Federal Department of Homeland Security selects and pays for individuals who are already working in the field of homeland security to attend this competitive program. This 18-month program requires on-site attendance two weeks every quarter, or approximately 12 weeks, on-site residence in Monterey over the 18-month period.

Participants in the Naval Postgraduate Program are also expected to spend approximately 10-15 hours per week on supplementary web-based coursework outside of their periods of residence, or a minimum of 660 additional hours (10 hours per week x 66 weeks) over the 18-month period. While providing invaluable education and networking opportunities with emergency management professionals from throughout the country, the Executive Director's participation in this 12-week on-site residence program, with 10-15 hours of additional coursework each week, raises the question of how much time City employees should be permitted to attend outside classes, preparation and on-the-job training, while being fully paid by the City. The City has not established any policies or requirements for the amount of time a City employee may spend attending conferences, classes, or other outside, albeit related, activities without taking vacation, holiday or other time off, while

continuing to receive full compensation from the City.

Other City Departments Have Not Filled 31 Percent of Their Authorized Positions

In addition to the Office of Emergency Services, only four other City departments received authorization in the FY 2005-2006 Annual Salary Ordinance to fill a total of 62.97 full-time equivalent emergency management positions with Urban Area Security Initiative grant funds. As shown in Table 13.1, the four other City departments that currently receive Urban Area Security Initiative grant funded positions are the Department of Public Health, Fire Department, Police Department and Sheriff's Department. Although the Office of Emergency Services has filled all 16.23 authorized full-time positions in the current fiscal year, the other four City departments have not. Overall, as of January 13, 2006, 43.73 full-time equivalent positions of the total 62.97 full-time equivalent positions, or 69 percent of all these positions were filled. This leaves 19.24 full-time equivalent or 31 percent of the positions vacant.

**Table 13.1
Number of Authorized and Filled Full-Time Equivalent Positions with
Urban Area Security Initiative Grant Funds in FY 2005-2006**

Departments	Number of Full-time Positions in Annual Salary Ordinance FY 2005-2006	Filled Positions as of 1-13-06	Difference in Number of Positions
Office of Emergency Services ⁵⁴	16.23	16.23	0.00
Department of Public Health	27.00	16.50	10.50
Fire Department	9.00	5.00	4.00
Police Department	6.00	2.00	4.00
Sheriff's Department	4.74	4.00	0.74
Total	62.97	43.73	19.24

Source: Budget Analyst's Office

By not filling over 19.24 of the previously authorized full-time positions, these City departments contribute to the surplus of unspent Federal grant funds. Assuming each of the positions, including fringe benefits, is paid approximately \$110,000, not filling 19.24 full-time positions results in approximately \$2,116,400 of unexpended grant funds in FY 2005-2006. As previously discussed in this report, all of the current Federal Urban Area Security Initiative grant funds will expire by December 31, 2006.

⁵⁴ The 16.23 FTE Office of Emergency Services positions funded with UASI grants reflected in this Table do not include the 4.0 UASI funded work order positions assigned to the Office of Emergency Services or the 4.77 FTE General Fund positions, for a total of 25 FTE positions in the Office of Emergency Services.

There is still a considerable amount of emergency preparedness, planning, mitigation, training, exercise and other work that needs to be completed. For example, the Recreation and Park Department advised that at a minimum, their Department needs a full-time emergency planner position to coordinate the wide variety of emergency response tasks that the Recreation and Park Department is called upon to undertake by the Office of Emergency Services. During the course of this audit, other City departments also identified staffing and other funding needs required to address their emergency preparedness concerns. By not filling the above noted positions, the City, through the Office of Emergency Services, may have given up the opportunity for other City departments to effectively expend these Federal grant funds.

The Office of Emergency Services Should Plan for Sustaining Staff Size and Maintaining Operations in the Face of Grant Reductions

Although the Office of Emergency Services has not planned to either reduce its staff level or to cutback its programming, some pullback will naturally accompany decreased grant funding. For example, as noted above, significant grant management assistance may be required for the next eight months to capture and submit the required Urban Area Security Initiative grant reimbursements prior to the expiration of the grant on December 31, 2006. However, as the amount of grant funding declines, the Office of Emergency Services will need fewer grants management staff.

Similarly, the Office of Emergency Services currently has one dedicated Regional Planner position working exclusively on the Regional Emergency Coordination Plan, funded with the Urban Area Security Initiative grants. As the Regional Plan is completed, the need for one full-time dedicated Regional Planner will need to be tied to the availability and use of regional emergency grant funds, to fund this position. In addition, as less grant money is available to fund overtime expenses required to backfill Police, Fire and Sheriff's staff participating in training and exercises, fewer Office of Emergency Services personnel will be needed to design exercises and coordinate the training. Finally, once all functional and hazard-specific plans have been written and City Department Emergency Plans have been reviewed and standardized, there will be less need for an extensive planning staff. Planning staff would then be needed only to maintain and update existing plans and to complete special projects. Overall, as the number of staff is reduced, fewer management positions will be needed.

The Budget Analyst cannot recommend a specific level of staffing that is required for providing emergency services in the City until the Office of Emergency Services completes its strategic, sustainability and related staffing plans. These plans will provide the priorities that direct the need for specific positions and justify the amount of General Funds necessary to support the future Office of Emergency Services and other City departments' emergency needs.

Conclusion

Staffing levels, fueled by Federal and State grant monies, increased from six full-time positions in FY 2002-2003 to 25 positions in FY 2005-2006, an increase of 19 positions or 317 percent. To maintain this staffing level in the absence of grant funds, the Office of Emergency Services would need \$2,821,368 from the City's General Fund. This is \$2,185,795 or 344 percent more than the Office of Emergency Services total General Fund budget of \$635,573 in FY 2005-2006.

Because the Office of Emergency Services does not utilize staff plans that prioritize projects, identify critical tasks and estimate the number of full-time positions necessary to complete those functions, the current staff levels cannot be justified. Informal staffing assignments are evidenced by the Office of Emergency Services decision to hire part-time staff without evidence that such resources would be sufficient. Such staffing arrangements are exacerbated by the fact that the Office of Emergency Services currently has ten managers, which is 40 percent of the overall staff, or a manager to staff ratio of 1:1.5. As all the Grants Division staff are managers, these managers often perform entry-level administrative functions. Given that 31 percent of the authorized FY 2005-2006 grant funded positions were not filled, the City may have given up the opportunity to effectively expend these Federal grant funds.

Although the Mayor is directly responsible for the emergency services in the City, on July 1, 2003, the former Mayor transferred the Office of Emergency Services out of the Mayor's Office to the Emergency Communications Department. The appointment of a new Director has resulted in this subordinate Office of Emergency Services Executive Director being paid more than the Emergency Communications Department Director. If the City intends the Executive Director of the Emergency Communications Department to manage the Office of Emergency Services, the pay for the new Emergency Communications Director may need to be increased by \$25,057 annually. Although the Administrative Code requires that the Executive Director of Emergency Services have expert emergency management qualifications upon appointment, the current Executive Director is obtaining those qualifications after appointment. This situation has highlighted that the City lacks established policies or requirements for the amount of time City employees may attend conferences, classes or outside activities, while continuing to receive full compensation from the City.

Recommendations

- 13.1 The Office of Emergency Services senior management should develop detailed staffing plans, based on their strategic planning effort, which identify and prioritize each project, list project tasks, estimate the amount of time required to complete each task and calculate the number of hours and full-time equivalent positions needed to complete each project.
- 13.2 The Office of Emergency Services management should evaluate whether using part-time personnel is an effective and efficient management and employment strategy to accomplish ongoing full-time responsibilities.

- 13.3 Until December 31, 2006, by which the current Urban Area Security Initiative grant funds are scheduled to expire, the Office of Emergency Services should retain its existing grants management staff and request additional work order accounting positions and support through the Controller's Office to expedite the grants reimbursement claims processing.
- 13.4 Beginning on January 1, 2007, the Office of Emergency Services should reorganize the entire Grants Division commensurate with the level of grant funds received, with a focus on reducing the number of managers in this Division. Assuming grant funding is sufficient to support the same level of staff support, at a minimum, two Manager III positions should be eliminated. The salary savings from eliminating these two positions should be used to fund three new lower-level Grants Associate or Grants Finance Associate positions to perform routine journal entries, check invoices, and process grant documents, under the supervision of the remaining two Grants Managers.
- 13.5 The Mayor should eliminate the position of Executive Director of the Office of Emergency Services after management responsibilities diminish following reductions in grant funding, staffing, and activities or upon the completion of the current Executive Director's tenure. The Executive Director of the Emergency Communications Department should assume responsibility for all emergency services in the City.
- 13.6 The Department of Human Resources should establish specific policies and guidelines regarding the amount of time that City employees may spend attending conferences, classes, or other outside training and professional development activities, while continuing to receive full compensation from the City. This past year, the Department of Human Resources created a Workforce Development Unit to provide increased coordination and opportunities for additional training and professional development within the City's workforce. As part of these efforts, this Workforce Development Unit should be directed to address this recommendation.

Costs and Benefits

Creation of a formal staff plan would enable the Office of Emergency Services management to identify a sustainable level of staff, manage workflow and allocate staff time to the Office's most important priorities. To maintain the current staff in the absence of grant funds, the Office of Emergency Services would need \$2,821,368 from the City's General Fund. This is \$2,185,795 or 344 percent more than the Office of Emergency Services total General Fund budget of \$635,573 in FY 2005-2006. Use of additional accounting staff over the next six months to expedite the grants reimbursement claims processing will need to be paid from the Federal grant funds. If the Office of Emergency Services eliminates two of the existing Manager III positions, there would be annual salary savings of \$189,673, which should be used to hire three Grants Associate or Grants Finance Associate positions.

Eliminating the Executive Director of the Office of Emergency Services position would result in annual salary savings of \$169,092, plus fringe benefits. These costs are currently paid by the General Fund and Federal grants. However, such savings would be offset by an estimated cost of an additional \$25,057 annually, plus fringe benefits if the City pays a five percent annual salary differential to the new Emergency Communications Department Director. The Emergency Communications Department Director's salary is paid from the City's Emergency Response Fees imposed and collected from telephone subscribers.

**THE WRITTEN RESPONSE FROM THE EXECUTIVE DIRECTOR OF
THE OFFICE OF EMERGENCY SERVICES**