HAGERTY CONSULTING’S

2021 Year Ahead

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Disaster Recovery &
Resilience Champions Needed

We saw a series of COVID-19 federal grant programs that required proficiency in complex recovery management. Due to the shortage of expertise in this area, many communities returned funds or were unable to optimize their use, while others contracted with firms, like Hagerty, to manage this process on their behalf. In anticipation of additional stimulus programs in the future months, now more than ever a strong project and financial management skillset is required to navigate disaster cost recovery – one of the most important functions of emergency management.

Migration to Lifelines & True Expansion to the Private Sector

When all states are undergoing a significant incident at the same time – with some areas experiencing more than one incident simultaneously – the traditional mutual aid systems, like the Emergency Management Assistance Compact (EMAC), are taxed. Be it through integration with medical supply companies, vaccine producers, medical staffing agencies, or consulting firms like ours, in 2020 we saw large-scale integration of the private and public sectors. We believe this trend is here to stay. Variability of federal funding and constrained local and state revenues will continue to highlight the value of public-private partnerships to provide essential services to the public.

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Privatization of Surge Response

The role and value of the private sector in emergency response has been highlighted by the COVID-19 crisis, be it in vaccine distribution, supply chain logistics, the operation of alternate care sites/medical surge, or staff augmentation for emergency management. The ability of state and local governments to grow their budgets to accommodate a larger workforce to meet the needs of the community will be impacted by reduced revenues – further exacerbated by the events of 2020. The private sector will be a dominant force in offering the best technical expertise, at the right time, capable of immediate surge to meet pressing demands.

Prioritizing Risks Beyond the Stafford Act

When COVID-19 became the dominant hazard in 2020, it highlighted, and continues to highlight, the limitations imposed by the current incident management system in the United States. Public health emergencies are still not fully integrated, and we have heard from all levels of government the need to overhaul public health preparedness to better align with emergency management functions. The limitations of the coordination systems will continue to be a hinderance for communities as they address the fundamental issues of importance at the intersection of public health and emergency management, such as housing and homelessness, which will be magnified by the impacts of COVID-19.

Engagement Strategies as a Renewed Priority

Throughout the year, we saw demonstrations, protests, and civil disturbances on a range of issues from diverse ideologies. Effective stakeholder engagement—incorporating inclusive practices and reasonable accommodations—were required to harness the energy and input of the public in a productive way and to ensure that all segments of the community had a voice in informing policies, plans, and programs that would affect them. We think this will continue to be a major trend that must be addressed if governments wish to foster community participation in emergency management preparedness, response, and recovery.
Our Top Trends for 2021

It is difficult to fully characterize the numerous and diverse factors influencing emergency management in 2021. Here are five that we believe will rise to the top:
1. Emergency Management Investment Moves Beyond the Traditional Field

When there is an issue or a system that needs leadership and organization, elected and appointed officials have turned to emergency management stakeholders. Increasingly this has moved emergency managers out of traditional public safety roles and into facilitating outcomes amongst diverse and sometimes competing stakeholders. As this role becomes the standard, we need to view emergency management less in terms of individual incidents and more as an ongoing activity to reduce vulnerabilities and enhance a community’s resilience.

We must ask ourselves, what is sustainable for emergency management professionals? Co-response dominated early 2020 with hurricanes and wildfires; and, more recently, active threat incidents such as the Nashville bombing. All these events occurred during a pandemic. We are calling on the same staff to manage multiple incidents in the face of a public health emergency and accomplish day-to-day activities like planning updates and grant applications. While there will always be an urgent need of the day, as a profession, we must use 2021 to advocate for our importance and entrench emergency management not just as an ancillary function to be called upon during the occasional high-impact, low probability incident, but as a foundation on which a community is built and essential to sustaining the basic function of societies.

We embrace a fuller integration of emergency management stakeholders into more strategic thinking and policy setting, while retaining the ability of emergency management to implement its goals. We hope, in time, that preparedness and resilience funding streams follow this same path, addressing endemic challenges as opposed to focusing on a repetitive cycle of managing impacts.

In 2021, we are entering an era in which our response to COVID-19 will continue while communities address: the needs of economically vulnerable populations; the increasing importance of continuity of operations; utilizing significant amounts of federal relief funds; a massive overhaul of supply chain resilience; and an inclusive approach to economic recovery, to name a few.
2. Climate & Infrastructure Resilience Present Rare Opportunity

President Joe Biden identified climate change related activities as a major priority, stating that “we literally have no time to waste”. The Biden Administration has already taken immediate action to achieve reduced emissions through the prioritization of clean energy and resilient infrastructure solutions and re-emphasizing the importance to that commitment globally. For practitioners, including emergency managers, we feel this agenda poses a unique opportunity to influence the built (buildings, roads, bridges, water, transportation, and energy infrastructure) and natural environments and abate the impacts of future disasters.

Through activities like State Preparedness Reports (SPR), mitigation plans, the growing Building Resilient Infrastructure and Communities (BRIC) Program, pre- and post-disaster recovery plans, the US Department of Housing and Urban Development’s Community Development Block Grant Mitigation (CDBG-MIT) Program, and, in many cases, resilience or climate action and adaptation plans, emergency managers have gained exposure to areas within their communities where investments could substantially improve the quality of life and reduce disruptions from future disasters. If communities have not undertaken these initial steps or researched these programs, it is strongly advised that they do so to be in a position where planning and recommendations are based on thorough analysis and objective data.

As investments in climate and infrastructure resilience are made in the coming months, it is important that emergency management’s role in the decision-making process is identified and articulated clearly. At its core, emergency management is a coordinating function designed to ensure comprehensive response and recovery operations. Therefore, where leadership on climate and resilience is absent, emergency managers can work to provide cohesion and help avoid fragmented results that can come from isolated silos of expertise.

Community risk can be reduced if decision makers understand vulnerabilities as well as how and where to prioritize activity. As such, national associations and emergency managers should prioritize mitigation and resilience, and, working together with planning, sustainability, equity, transit, and other community officials, fulfill a critical role in local, regional, and national climate action, adaptation, and resilience plans. Emergency management is in the unique position to help identify projects that impact the most community members, particularly in an equitable manner, using the most comprehensive funding and best planning tools at their disposal.
3. Housing Insecurity & Social Vulnerability Cause Nationwide Review of Assumptions

As we entered 2020, many colleagues were supporting missions related to housing insecurity (including people experiencing homelessness), as well as the management of substance abuse (mainly opioids) programs. After a year of pandemic response, consider this preexisting vulnerability in the context of a series of troubling points:

- **$4 trillion** in aid has already been provided to communities, to include the **Coronavirus Aid, Relief and Economic Security (CARES) Act** and, recently, the **Emergency Rental Assistance Program (ERAP)**, a component of the Consolidated Appropriations Act. These programs helped borrowers through forbearance, suspending foreclosure and evictions, or provide direct assistance for rental and utility payments.

This is a slow-moving, and in some cases, silent disaster that will not be fully understood and appreciated for months, if not years, to come. We know low socioeconomic conditions typically create environments where populations are more vulnerable. As we think about a non-linear recovery from COVID-19, one that comes in stages while the threat persists, we need to envision emergency management’s role in our traditional sense, but also new ways, such as our role in bolstering consumer sentiment to restart our community-based economic engines. We must recognize that our populations are more fragile than pre-COVID and that market forces and entrenched trends are exacerbating the challenges we face. As an example, since May, global food prices have risen by **18%** and the most recent census showed the number of people over age **55 grew by 27%**, which is 20 times larger than the growth rate of the collective population under 55. Many factors create an environment where the needs of our communities will likely look much different in 2021 than they did in previous years.

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It is time to revisit our assumptions. We need assessments that look at overall community resilience as identified in credit scores or the FICO® Resilience Index in aggregate. Financial health will be as critical of a metric as flood plain maps. We need to reimagine the public’s role in preparing for future events and recognize that actions that may need to be refined to reflect modest means while rebuilding financial resiliency through education and training.
4. Technology Resilience Follows COVID-19 Innovation

A long-awaited wave of innovation in emergency management continues to emerge as a result of the events of 2020. Big events, involving thousands of stakeholders nationwide, in both public and private sectors, have required systems to communicate and maintain a common operating picture, along with a variety of other coordination and operational elements.

Much of the COVID-19 response has been data driven and required the sharing of information at levels not previously tested. Managing that flow of information has presented new challenges. But as we have had this increased reliance on technology systems, from our operational response to the implementation of remote working, we also experienced the vulnerability of the increased role of technology.

During a presidential race and COVID-19 response, the United States experienced what some have called the worst cyber-attack in US history. After gaining access through SolarWinds, some 18,000 organizations were impacted. This included Fortune 500 companies and US government agencies (Department of Defense, the Department of Homeland Security, the Department of State, the Department of Energy, the National Nuclear Security Administration, etc.). It is assumed that access may have persisted for as long as nine months and mitigating the impacts will be a major undertaking.

Are we preparing for what some have called the “silent cold war” and how does this relate to our increasing reliance on technological solutions to facilitate response? Over the past five years, we have had the privilege of supporting state and local governments, both big and small with the pre-incident coordination and the consequence management associated with cyber incidents (learn more here). Be it developing an Annex to the emergency plan, mapping out cyber security operations, outlining integration points with information technology, fusion centers, and the private sector, or the decision process for elected and appoint officials, we believe that emergency management has a key role to play. As an arbiter of diverse and sometimes competing priorities, we are best suited to bring together stakeholders and outline a more robust mechanism for prevention.

We must familiarize and test the cybersecurity response capabilities and identify areas for improvement to inform the engagement of new stakeholder groups to support long-term goals of socializing cyber incident response protocols with a larger audience. We need to explore public education on cyber security. Furthermore, we need to look at emergency management systems, such as EMAC, and ensure the standards are in place to share expertise and assets in the event of an attack, and to leverage what may be a limited supply of expertise.
5. A Vital Role at a Vital Time

For those engaged in COVID-19 response, the early weeks of 2021 will remain focused on the distribution of vaccines in the face of some of the highest caseloads we have yet encountered. We think it is an opportunity to build confidence in government and win the public back as an active participant in a more resilient future.

In our pursuit to be successful, we must include in our efforts the ability to see through both the strategic vision and the tactical implementation across many stakeholders and a spectrum of organizations.

Looking for More Information?

Reach out via email or phone to learn more about Hagerty’s 2021 Year Ahead.

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