

AGENDA ASSEMBLY BUDGET SUBCOMMITTEE NO. 4 ON STATE ADMINISTRATION

Assemblymember Juan Arambula, Chair

**WEDNESDAY, APRIL 2, 2008, 1:30 PM
STATE CAPITOL, ROOM 437**

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CONSENT ITEMS

ITEM 8550 CALIFORNIA HORSE RACING BOARD

ISSUE 1: INCREASE STEWARD AND VETERINARIAN CONTRACT RATES

This proposal would provide an augmentation of \$430,000 payable from the Fair and Exposition Fund to provide contract stewards and veterinarians with a rate increase and fund one assistant steward.

COMMENTS

The stewards and veterinarians play a role in ensuring the safety and integrity of racing operations in California. These contracted positions have not received a rate increase since 1999.

ITEM 0690 OFFICE OF EMERGENCY SERVICES/HOMELAND SECURITY

ISSUE 1: HEADQUARTERS FACILITY MAINTENANCE

This request would provide \$198,000 General Fund in fiscal year 2008-09 and \$41,000 ongoing. \$157,000 in one-time costs are primarily for emergency power in Building A and Warning Center and IT Server Room air conditioning. Ongoing costs are for utilities.

COMMENTS

This request will allow the Office of Emergency Services (OES) to properly maintain the State Operations Center facility.

ISSUE 2: PAROLE REVOCATION VICTIM ADVOCACY PROGRAM

This request would provide \$1,100,000 from the Victims/Witness Assistance Fund and one position on an ongoing basis to continue to provide local assistance funding to victim/witness centers statewide and assist victim/witnesses during parole revocation hearings.

COMMENTS

The Parole Revocation Victim Advocacy Program was funded in 2006-07 and 2007-08 as a two-year pilot.

ISSUE 3: RESIDENTIAL SUBSTANCE ABUSE TREATMENT

This request would provide an increase of \$970,000 in Federal Trust Fund authority to utilize available funding from the Bureau of Justice Assistance.

COMMENTS

The Residential Substance Abuse Treatment Program was designed to assist states and locals with development and implementation of residential substance abuse treatment programs within correctional and detention facilities.

ISSUE 4: REIMBURSEMENT AUTHORITY – CSTI

This request would provide an increase of \$1,349,000 in Reimbursement authority to accommodate the increased demand for all-hazard disaster management training and exercise services provided by the California Specialized Training Institute (CSTI).

COMMENTS

The CSTI is California's primary provider of disaster management training.

ISSUE 5: JUSTICE ASSISTANCE GRANT PROGRAM

This request would provide 4 permanent positions funded by existing Federal Trust Fund authority to address additional workload created by federal mandates, an increase in federal grants, and increased law enforcement participation in the Counter Drug Procurement Program.

COMMENTS

The OES is allowed to use 10 percent of the identified federal funds for administrative purposes. This request will not result in a reduction of local assistance.

ISSUE 6: MENTORING CHILDREN OF INCARCERATED PARENTS

This request would reduce Federal Trust Fund Authority by \$270,000 because the program that these funds supported ended January 31, 2007.

COMMENTS

As an outcome of the Mentoring Children of Incarcerated Parents Program ending, the OES will no longer receive the associated federal funds.

ISSUE 7: TECHNICAL CORRECTIONS TO BUDGET DISPLAY

This request would make technical changes to the Governor's Budget display in order to provide a more accurate summary of General Fund, Anti-Terrorism Fund and Federal Trust expenditures.

COMMENTS

This proposal has a net zero fiscal impact.

ISSUE 8: EMERGENCY MANAGEMENT PERFORMANCE GRANT

This request would provide an increase of \$3,353,000 in Federal Trust Fund authority for state operations related to an increase in the 2008 Emergency Management Performance Grant (EMPG).

COMMENTS

The EMPG provides assistance to sustain and enhance state and local emergency management capabilities.

ISSUE 9: HIGH TECHNOLOGY THEFT APPREHENSION AND PROSECUTION

This request would provide add Budget Bill Language to revert, at the end of each fiscal year, any unused balance in the High Technology Theft Apprehension and Prosecution Program Trust Fund (HTTAP) to the originating fund.

COMMENTS

The HTTAP is funded in part by General Fund Transfers. This would allow for those unspent balances to revert to the General Fund.

**ISSUE 10: NUCLEAR PLANNING ASSESSMENT SPECIAL ACCOUNT CPI
ADJUSTMENT**

This request would provide an increase of \$99,000 to the Nuclear Planning Assessment Special Account in order to reflect the Consumer Price Index (CPI) rate increase.

COMMENTS

Government Code 8610.5 requires that the funds appropriated from the Nuclear Planning Assessment Special Account for planning and exercise related to the implementation of the State Nuclear Power Emergency Response Plan be adjusted annually based on the prior calendar year CPI rate.

ISSUE 11: REIMBURSEMENT AUTHORITY – WIPP

This request would provide an increase of \$91,000 in Reimbursement authority for activities related to the Waste Isolation Pilot Program (WIPP).

COMMENTS

The OES receives reimbursements from the California Energy Commission for activities related to WIPP.

ITEMS TO BE HEARD

ITEM 0855 CALIFORNIA GAMBLING CONTROL COMMISSION

The California Gambling Control Commission (Commission) has jurisdiction over card rooms and tribal casinos, pursuant to its authority under state law and Tribal-State Gaming Compacts (Compacts).

There are 91 licensed card rooms in California over which the Commission has regulatory authority. This authority extends to the operations, concentration, and supervision of the card rooms and all persons and things related to each licensed establishment.

In addition, the Commission has fiduciary, regulatory, and administrative responsibilities related to Tribal Gaming that include: (1) oversight of Class III gaming operations, which are primarily casino-type games, (2) distribution of Tribal Gaming revenues to various state funds and to authorized, federally-recognized, non-Compact tribes, (3) monitoring of Tribal Gaming through periodic background checks of tribal key employees, vendors, and financial sources, (4) validation of gaming operation standards through testing, auditing, and review, and (5) fiscal auditing of tribal payments to the state pursuant to Compact provisions.

ISSUE 1: ELECTRONIC GAMING DEVICE INSPECTION PROGRAM

The Commission is requesting \$1,008,000 payable from the Indian Gaming Special Distribution Fund to convert 8 limited-term positions to permanent and fund the Electronic Gaming Device Inspection Program, which would provide oversight of electronic gaming devices and associated equipment research, testing and inspection.

BACKGROUND

The Electronic Gaming Device Inspection Program was formed using these 8 positions that were established on a two-year limited-term basis, in fiscal year 2006-07, in two separate Budget Change Proposals (BCP). The BCPs provided 3 positions for the Field Inspection Program and 5 positions for the Technical Services Program.

Pursuant to supplemental reporting requirements of the 2007 Budget Act, no later than March 1, 2008, the Commission shall submit to the Legislature a report describing the activities of its field inspection and technical services programs including, as specified.

COMMENTS

The Commission has yet to submit the supplemental report to the Legislature and has indicated that it is currently in the review process.

ISSUE 2: NEW AND AMENDED TRIBAL COMPACTS WORKLOAD

The Commission is requesting \$282,000 payable from the Indian Gaming Special Distribution Fund (SDF) and 2.3 positions for new and increased workload in the Licensing Division driven by five amended Tribal Compacts (Agua Caliente, Morongo, Pechanga, San Manuel, Sycuan), one new compact (Yurok), Memoranda of Understanding, and Letter of Agreement.

BACKGROUND

The Commission projects that the new and amended compacts will increase finding of suitability workload for the Licensing Division related to processing initial and renewal applications for Tribal Key Employees (TKEs) and resource suppliers and vendors.

ISSUE 3: LICENSING DIVISION WORKLOAD

The Commission is requesting \$444,000 payable from the SDF (\$400,000) and the Gambling Control Fund (\$44,000) and 5 positions to the Licensing Division's findings of suitability workload.

BACKGROUND

The Licensing Division is responsible for registering and/or licensing Third Party Providers of Proposition Player Services, gambling equipment manufacturers and distributors, resource suppliers and vendors, issuing work permits, and processing and reviewing initial and renewal applications for finding of suitability for TKEs or resource supplier and vendor employees.

The California Department of Justice plays a role in the licensing process. As work has increased in this area for the Commission, there may be a concern of overlap in functions/resources.

COMMENTS

The Legislative Analyst's Office (LAO) has raised concerns regarding the solvency of the SDF. Under the five amended compacts listed above, the tribes will make payments directly to the General Fund and their payments to the SDF will end. This will substantially reduce SDF revenues. The first priority of the SDF is to fund any shortfalls of the Revenue Sharing Trust Fund (RSTF), which makes payments to non-compact tribes. While, under the amended compacts, tribes agreed to make increased payments to the RSTF, four of the compacts provide that "if it is determined that there is an insufficient amount in the RSTF" to distribute payments to each non-compact tribe, a portion of each tribe's General Fund payments must be directed to the RSTF in order to cure the deficiency.

The LAO has also raised concerns that the Governor's Budget directs \$40 million of Tribal General Fund Payments to the RSTF. As mentioned above, under current law, the first priority of the SDF is curing the RSTF shortfall. The budget forecasts that the SDF will have a \$197 million fund balance at the end of 2008-09. While the amended compacts raise concerns regarding the future of the SDF, the administration's plan to use General Fund resources to cure the RSTF shortfall in the current year does not seem to be the best approach.

ITEM 0690 OFFICE OF EMERGENCY SERVICES/HOMELAND SECURITY

The principal objective of the Office of Emergency Services (OES) is the coordination of emergency activities to save lives and reduce property losses during disasters and to expedite recovery from the effects of disasters.

On a day-to-day basis, the OES provides leadership, assistance, and support to state and local agencies in planning and preparing for the most effective use of federal, state, local, and private sector resources in emergencies. This emergency planning is based upon a system of mutual aid in which a jurisdiction relies first on its own resources, and then requests assistance from its neighbors. The OES' plans and programs are coordinated with those of the federal government, other states, and state and local agencies within California.

During an emergency, the OES functions as the Governor's immediate staff to coordinate the state's responsibilities under the Emergency Services Act and applicable federal statutes. It also acts as the conduit for federal assistance through natural disaster grants and federal agency support.

Additionally, the Office of Homeland Security is responsible for the development and coordination of a comprehensive state strategy related to terrorism that includes prevention, preparedness, and response and recovery.

ISSUE 1: CAPITAL OUTLAY – SOUTHERN REGION FACILITY

The Governor's Budget proposes \$963,000 General Fund for Preliminary Plans for a new Southern California Regional Emergency Operation Facility.

BACKGROUND

The goal of this project is to replace the current Southern Region facility with a permanent and secure essential services facility of approximately 33,180 square feet that can serve as an alternate State Operation Center. The existing Southern Region facility was designed to be used temporarily and consists of two modular buildings (7,200 square feet) that are located at the Los Alamitos Armed Forces Reserve Center.

COMMENTS

A permanent Southern Region Emergency Operation Center facility will enhance the state's ability to properly respond to emergency situations throughout California. However, to maximize efficiencies in the use of state resources, it would be prudent for the OES to coordinate with all state entities that shoulder responsibility in responding to emergency situations in California.

ISSUE 2: REGIONAL OPERATIONAL READINESS

The Governor's Budget proposes \$3,294,000 (\$1,647,000 Federal Funds and \$1,647,000 General Fund) and 19 positions to increase readiness at its three region offices.

BACKGROUND

The OES region offices (Inland, Coastal, and Southern) provide administrative oversight over six mutual aid regions. The regions provide for the effective application and coordination of mutual aid and other emergency related activities and are responsible for direct service delivery in the area of emergency preparedness, response, recovery, and mitigation efforts.

The OES plans on assigning the 19 requested positions to the region offices to enhance California's efforts to provide a strong and effective emergency management system capable of responding to natural or manmade disasters in a way that protects the safety of the public, preserves the environment, and minimizes economic loss.

These positions would be funded in part by an increase in the U.S. Department of Homeland Security Emergency Management Performance Grants (EMPG). The use of EMPG requires a 50 percent match from the state.

COMMENTS

The OES was able to identify gaps in its ability to adequately staff essential facilities and functions in the October 2007 Southern California Wildfires. The additional regional staff will provide for the capability to meet existing needs as well as additional capacity to assist local governments with emergency management requirements.

ISSUE 3: ALERT AND WARNING SYSTEM MAINTENANCE

The Governor's Budget proposes \$230,000 General Fund and 1 position on a two-year limited-term basis to support the Emergency Digital Information Service (EDIS) and the California State Warning Center's Law Enforcement and Weather Alert System.

BACKGROUND

The EDIS system provides emergency public information directly from authorized agencies to the news media, emergency personnel, and the general public. A major component of the EDIS system is the California State Warning Center's Law Enforcement and Weather System, which provides emergency alerts (including Amber Alerts) to local government agencies through the EDIS system.

Currently EDIS is maintained by an outside contractor at an annual rate of \$90,000, which the OES has redirected resources in the current fiscal year to cover. This request would fund the contract and 1 position to gain knowledge of and document the system so in the future the OES can directly oversee and maintain the system.

ISSUE 4: DISTRIBUTED ADMIN BUDGET ADJUSTMENT

The Governor's budget proposes a technical correction to the budget display in order to provide an increase of \$377,000 General Fund in Distributed Administration to cover the redirection of funding to support the establishment of 2 positions (a Deputy Director, Communications and Senior Advisor to the Chief Deputy Director).

BACKGROUND

The funding for these two positions will be provided by the reclassification of one Staff Services Manager I and one Accounting Technician position and the redirection of Operating Expenses and Equipment funding. The purpose for these changes is to provide better response to the Governor's Office and to provide high-level coordination for sensitive communications during an emergency situation.

COMMENTS

EDIS system maintenance is essential to ensuring California has appropriate emergency response capabilities. Transferring ownership of EDIS maintenance from an outside contractor to the OES will also guard against the possibility of losing the knowledge base required to maintain the system if the outside contractor were to cease business with the state.

The request to redirect funding in order to establish two high-level administrative positions does not appear to be simply a technical correction. The OES is redirecting funding that could be used for operational purposes to increase Administration.

ISSUE 5: OPERATIONAL AREA SATELLITE INFORMATION SYSTEM

The Governor's budget proposes \$2,000,000 General Fund for the Operational Area Satellite Information System (OASIS).

BACKGROUND

The OASIS system provides backup to the Public Switch Telephony Network in the event of failure or damage due to manmade or natural disasters. The system assures emergency redundant satellite phone and data communications directly to the 59 Operational Area's Emergency Operational Centers located in all 58 counties, the State Warning Center, the State Operational Center, Regional Emergency Operational Centers and other state agencies: California Department of Transportation and California National Guard.

The OASIS system provides satellite capabilities that are essential to California's emergency response efforts. During the 2007 Southern California Wildfires, OASIS was utilized to provide emergency communications to San Diego County for incident command posts and local fire departments.

COMMENTS

The main component of this request is to increase the bandwidth capacity of OASIS. Currently the OES has 7,616 kHz of bandwidth for the entire state system and estimates that it needs over four times that amount to provide ideal services. However, it does not appear that the current bandwidth capacity of OASIS has created any major operational impediments in response efforts to date. In addition, it is not clear why the OES cannot increase bandwidth availability during emergency situations through the utilization of mutual aid.

ISSUE 6: CRITICAL COMMUNICATIONS – EQUIPMENT REPLACEMENT

The Governor's budget proposes \$3,030,000 General Fund for replacement of critical communications equipment.

BACKGROUND

Telecommunications equipment is critical to the ability of the OES and first responders to respond to an emergency and effectively plan, coordinate, allocate, and distribute resources. OES communication equipment, networks, vehicles and cache resources support local and state agencies in all 58 counties, as well as OES staff in responding to emergencies.

This proposal would provide for the following equipment replacement:

- | | |
|---|-------------|
| • CLERS, FIRE & Mobile Relays | \$2,375,000 |
| • UHF & 800 MHz Cache Portable Radios/Accessories | \$ 540,000 |
| • UHF & 800 MHz Mobile Radios | \$ 115,000 |

The communications equipment identified in this request are all more than five years old and should be replaced per industry standard. The purchase and installation costs for this equipment are to be completed per Federal Communications Commission regulations and Project 25 Standards. Project 25 defines federal technical standards for digital, wireless radio communications systems.

COMMENTS

While there is merit to the replacement of outdated communication equipment that is used to respond to emergencies in California, the OES should ensure that federal funds are not available for this purpose.

ISSUE 7: COASTAL REGION OFFICE RELOCATION

The Governor's Budget proposes \$32,000 General Fund in fiscal year 2008-09 and \$833,000 General Fund in 2009-10 to relocate the Coastal Region Branch Office.

BACKGROUND

The Coastal Region Office is one of three regional offices (Coastal, Inland, and Southern) that coordinate services and resources to support local governments during an emergency or disaster and is located in downtown Oakland (Alameda County). The OES moved into the current location in 1995 when the lease of prior office space was not going to be renewed. The current location was chosen in an effort to consolidate and to provide easy access via public transportation.

The OES cites the following factors in requiring a move from its current location: 1) Lack of available parking for equipment. 2) Lack of available parking for staff in the event of an emergency. 3) Difficulty accessing the roof and basement. 4) Cabling work and communication lines must be installed by Lessor's vendor. 6) Inability to accommodate anticipated growth.

COMMENTS

The current lease expires July 31, 2008, therefore, the OES will have to negotiate an extension if it hasn't already done so.

ISSUE 8: EMERGENCY MANAGEMENT PREPAREDNESS

The Governor's Budget proposes \$600,000 General Fund for contract assistance to support research and reporting requirements of the California Emergency Council (CEC).

BACKGROUND

Assembly Bill (AB)1889 (Chapter 502, Statute of 2006) requires the CEC to prepare a biennial report that identifies gaps in emergency preparedness efforts and evaluates strategic response actions taken from actual disasters in the preceding two years. The goal of the report is to improve California's preparedness efforts for potential catastrophic disasters.

The OES is proposing to enter into a contract with private consultants to do the research and prepare the biennial report as outlined in the provisions of AB 1889. As staff to the CEC, the OES has the responsibility to set up the appropriate support structure for the CEC to remain in compliance with statutory requirements.

ISSUE 9: WILDLAND FIREFIGHTING INITIATIVE

The Governor's Budget proposes \$10,210,000 and 11 positions payable from the Insurance Fund for additional ability to respond to wildland fires.

BACKGROUND

In April 2004, the Governor's Blue Ribbon Fire Commission (Commission) presented its report to the Governor. In the report the Commission recommended that the state develop a program to fund the acquisition of 150 additional OES fire engines and the requisite personnel and logistical support necessary to address California's fire suppression needs.

As a result of the Commission's recommendation, the Legislature appropriated \$5,000,000 General Fund in fiscal year 2005-06 for the purchase of additional OES fire engines. Four Type 1 and 15 Type 3 engines are being built and distributed to locals. After the OES uses the 2005-06 appropriation, 131 fire engines will need to be purchased to meet the recommended level. The resources requested in this proposal would begin funding of a five-year implementation plan to increase the OES fire fleet with the additional 131 new fire engines.

COMMENTS

Issues regarding the fund source of this proposal will be addressed in other subcommittee hearings.

ISSUE 10: CALIFORNIA MULTI-JURISDICTIONAL METHAMPHETAMINE ENFORCEMENT TEAMS

The Governor's Budget proposes \$20,110,000 General Fund and 1 position to continue limited-term funding, provided for California Multi-Jurisdictional Methamphetamine Enforcement Teams (Cal-MMET), on a permanent basis.

BACKGROUND

The Cal-MMET program began on September 1, 2001, as authorized by the Budget Act of 2001. The goals of the program are:

- Target methamphetamine manufacturers and traffickers who produce or sell significant quantities of methamphetamine.
- To disrupt and dismantle clandestine labs and organizations (manufacturing and distribution). To incarcerate those responsible, and
- To use state or federal law to identify and seize assets related to the sale and distribution of methamphetamine.

Six Central Valley county sheriff departments received Cal-MMET funding of \$9.5 million General Fund from 2001-02 through 2005-06. In 2006-07, the Cal-MMET program was augmented with an appropriation of \$19,900,000 General Fund on a two-year limited-term basis and the number of counties increased to 41. Of the amount appropriated in 2006-07, the Department of Finance was authorized to transfer up to five percent (\$995000) for the purpose of conducting an independent evaluation of the Cal-MMET Program. This report is expected to be finished in October of 2008.

COMMENTS

As part of its Budget Balancing Reductions the Administration proposes to reduce total funding provided for Cal-MMET (after limited-term funding is made ongoing) by 10 percent. This would result in a funding level of approximately \$26.5 million in 2008-09.

The LAO recommends that base funding for Cal-MMET of \$9.5 million be reduced by 25 percent, and that the administration's proposal to continue permanently the limited-term funding be rejected. This would result in a funding level of \$7.1 million in 2008-09.

ISSUE 11: INTERNET CRIMES AGAINST CHILDREN

The Governor's Budget proposes \$1,000,000 payable from the Restitution Fund to continue, on an ongoing basis, funding for the Internet Crimes Against Children (ICAC) Program.

BACKGROUND

The 2007 Budget Act includes a one-time augmentation of \$1,000,000 payable from the Restitution Fund for the OES to administer a local assistance grant program focused on the investigation and prosecution of crimes committed against children on the Internet. This ongoing funding would support existing ICAC Task Forces in San Diego, Los Angeles, San Jose, and Sacramento.

These task forces will utilize ongoing resources to expand activities involving the investigation, arrest and prosecution of individuals who use the internet to exploit children, and to maintain training opportunities to law enforcement and the public regarding cyber criminals who prey on children and teens.

ISSUE 12: EQUALITY IN PREVENTION AND SERVICES FOR DOMESTIC ABUSE**BACKGROUND**

The 2007 Budget Act includes a \$300,000 transfer from the Restitution Fund to the Equality in Prevention and Services for Domestic Abuse Fund (EPSDA) to support domestic violence services.

Assembly Bill 2051 (Chapter 856, Statutes of 2006) requires a \$23 fee to be imposed upon registering domestic partnership for the development of a training curriculum to support domestic violence service providers of the LGBT community. The \$23 fee is to be deposited into the EPSDA. In addition, the OES is required to administer a grant program designed to provide resources to organizations that provide domestic violence services to this under-represented community. The fee is enough for administration but does not provide a sufficient fund source for the grant.

COMMENTS

Through the legislative and budgetary process, the Legislature has committed itself and state resources to efforts seeking to reduce the quantity of violence within local communities and mitigate the impacts to victims.

During the 2007-08 budget process, the Governor and the Legislature determined that cyber criminals who prey on children and teens are a danger to the children of California, continuing funding for the ICAC Program will ensure that statewide efforts continue to be taken to address this growing problem.

Additionally, with the enactment of AB 2051, the Legislature intended to broaden the availability of domestic violence services to California residents. An ongoing transfer from the Restitution Fund, which derives a portion of its resources from domestic violence penalties, to the EPSDA will ensure the ongoing support of essential domestic violence services.

ISSUE 13: OFFICE OF GANG AND YOUTH VIOLENCE POLICY

The Governor's Budget proposes \$1,2780,000 General Fund and 7 positions to carry out the provisions of Assembly Bill 1381 (Chapter 459, Statutes of 2007), which established the Office of Gang and Youth Violence Policy (OGYVP).

BACKGROUND

The persistence of gang culture within the state of California represents a tremendous challenge for urban and non-urban communities. No longer a mere inner city problem, gangs now operate in cities of all sizes throughout California. In fact, in 2005 the counties Los Angeles, Yolo, Ventura, Fresno, San Diego, Santa Clara, Sacramento and Santa Barbara were successful in obtain gang injunctions, signaling the geographic spread of gang violence. In 2003, the Department of Justice reported that 27.9 percent of homicides in California were gang related, in addition to numerous other illegal activities, including assault, theft and drug trafficking.

The 2007 Budget Act included \$446,000 General Fund to establish a statewide anti-gang coordinator. This proposal expands the role of the statewide anti-gang coordinator, fulfilling the requirements of AB 1381, which establishes within the OES, the OGYVP. The Director of the OGYVP reports directly to the Governor.

The OGYVP must also prepare a report for the Legislature, no later than March 1, 2009, on its recommendations developed pursuant to Penal Code Section 13827. Additionally, the OGYVP must establish a website in coordination with OES, and monitor assess, and coordinate the state's programs, strategies, and funding regarding gang and youth violence.

COMMENTS

This proposal continues Administration and Legislative efforts to combat the serious problems that gangs cause in our communities throughout the state.

ISSUE 14: CALGRIP

BACKGROUND

The 2007 Budget Act appropriated \$9.5 million from the Restitution Fund for the California Gang Reduction, Intervention, and Prevention (CAL-GRIP) Program. The Governor's Budget continues this CAL-GRIP funding that will now be administered by the OGYVP (see Issue 13).

COMMENTS

This issue should be held open for discussion in regards to grant structure.

ISSUE 15: BUDGET BALANCING REDUCTION

The Governor's Budget Proposes a General Fund reduction of approximately \$24 million, a reduction in Federal Funds of approximately \$23.7 million and a reduction of 23.9 positions. The Governor's Budget assumes a portion of the General Fund reduction (\$1.9 million) will be backed back-filled with funding from the Insurance Fund. These reductions are in the following areas:

Program 15 - Mutual Aid Response

The Mutual Aid Response Program is split between several branches and will take a total General Fund reduction of \$2.2 million in 2008-09. The Fire and Rescue Branch and the Warning Center/Information Technology/Telecommunications Branches will take a General Fund reduction of \$1.9 million in 2008-09, which assumes a back-fill of funding from the Insurance Fund. The Law Enforcement Branch will take a General Fund reduction of \$209,000 in 2008-09.

Program 35 - Plans and Preparedness

The Plans and Preparedness Program will take a General Fund reduction of \$914,000 in 2008-09. The Governor's Budget also assumes a reduction of \$600,000 in Federal Funds due to loss the of matching General Fund. The OES has since indicated that it has identified matching funds that would prevent the loss of these Federal Funds.

Program 45 – Disaster Assistance

The Disaster assistance program will take a reduction of \$9.2 million General Fund in 2008-09. The Governor's Budget also reduces Federal Funds in this program by \$23 million in 2008-09. However, this reduction in Federal Funds appears to reconcile Federal Funds that are going away as opposed to resulting from a loss of matching General Funds.

Program 50 – Criminal Justice Projects

The Criminal Justice Projects Program will take a state operations General Fund reduction of \$626,000 and a local assistance General Fund reduction of \$7.5 million (\$435,000 for victim service program and \$7.1 million for public safety programs) in 2008-09.

Program 51 – State Terrorism Threat Assessment Center

The California Anti-Terrorism Information Center operates a state-level intelligence database to assist local law enforcement in combating terrorist activities in California, and coordinates those efforts with federal law enforcement. The OES administers these funds as a pass through to the Department of Justice (DOJ). The DOJ state operations will be reduced by \$708,000 in 2008-09. Since this is a pass-through, the funding reduction does not affect the OES.

COMMENTS

There seems to be uncertainty as to how the workload BCP requests relate to the proposed budget balancing reductions. In addition, it still is not clear how these reductions will impact Federal Funds.