

California State Assembly



Agenda

Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Wednesday, May 15, 2024

1:30 P.M. – State Capitol, Room 437

Items To Be Heard		
Item	Description	Page
Various	May Revision Overview	3
Issue	1. Legislative Analyst's Office May Revision Overview	3
0552	Office of Inspector General	4
Issue	2. May Revision Proposals	4
5225	California Department of Corrections and Rehabilitation	5
Issue	3. May Revision Proposals	5
5227	Board of State and Community Corrections	11
Issue	4. May Revision Proposals	11
0250	Judicial Branch	13
0390	Judges Retirement System	
Issue	5. May Revision Proposals	13
7870	Victims Compensation Board	17
8940	Military Department	
Issue	6. May Revision Proposals	17
0820	Department of Justice	19
Issue	7. May Revision Proposals	19

0690	Office of Emergency Services	23
Issue	8. May Revision General Fund Proposed Budget Solutions	23
	9. Various May Revise Budget Proposals	25
	10. Various May Revise Adjustments	26

Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.

Items To Be Heard

May Revision Overview

Issue 1: Legislative Analyst's Office May Revision Overview

The Legislative Analyst's Office will provide an overview of the Governor's May Revision.

Panel

Drew Soderborg, Deputy Legislative Analyst, Legislative Analyst's Office

0552 Office of the Inspector General (OIG)

Issue 2: May Revision Proposals

The Department of Finance will provide an overview of the May Revision Proposals.

Panel

- Department of Finance
- Office of Inspector General
- Legislative Analyst’s Office

Proposed Reductions

Issue #	Title	Duration	2024-25	2025-26	2026-27	2027-28	Staff Notes
302	Medical Inspection Unit	Ongoing Reduction	1.9	3.9	3.9	3.9	This funding was originally provided in the 2022-23 Budget Act to support medical inspections and inspection reports on a more frequent basis. The intent of the reduction is to decrease the frequency of medical inspections for delegated prisons while maintaining a shortened period for non-delegated prisons. There are 10 prisons that have not been delegated back to the state.

Staff Comments

1. The May Revision proposal reduces the funding augmentation for more frequent medical inspections but requires OIG to continue the more frequent medical inspections at the 10 undelegated prisons. Would the OIG be able to accomplish this workload without resources? Are there filled positions that would need to be eliminated as a result of this reduction?

2. How does the OIG intend to absorb the 7.95% cut proposed by the Governor? Is the OIG also impacted by the vacancy sweeps and if so, how many positions will be swept? What are the collective impacts of these reductions on the OIG’s auditing functions, oversight of CDCR’s staff complaint process, and other critical functions of the office?

5225 California Department of Corrections and Rehabilitation (CDCR)

Issue 3: May Revision Proposals

The Department of Finance (DOF) will provide an overview of May Revision proposals.

Proposed Reductions

Issue #	Title	Duration	2022-23	2023-24	2024-25	2025-26	2026-27	Staff Notes
313	Housing Unit Deactivations at 13 prisons	Ongoing Reduction			80.6	80.6	80.6	CDCR states that the housing deactivations were selected based on bed need, medical needs, ADA compliance, etc. CDCR notes that while the savings are expected to be ongoing, the deactivations may be “temporary” and reactivated.
314	COVID-19 Prevention and Response Funding - Current Year Savings	One-Time Reduction		24.3				Reduction reflects savings due to lower than anticipated costs.
315	COVID-19 Testing Protocol	Ongoing Reduction			4.1	4.1	4.1	This proposal eliminates 2 COVID tests that are administered to incarcerated people at a cost of \$69 for each test at a frequency of 2,500 people tested per month. CDCR will instead rely on wastewater testing. Those exhibiting symptoms will be tested.

316	Peace Officer Training Reduction (Block Training and NCWF Training Facility)	Ongoing Reduction		8.5	13.8	22.6	22.6	
317	Los Angeles County Fire Camp Contract	Ongoing Reduction			2.4	4.8	4.8	
318	Level IV Visiting Reduction	Ongoing Reduction			4.1	4.1	4.1	This proposal eliminates the third day of visitation for any incarcerated person in a level 4 housing unit— approx. 23 units in 12 prisons, impacting an estimated 18,000 incarcerated people.
319	Return Data Collection Analysis and Outcomes Funding	One-Time Reduction	6.0					CDCR states that the RFI, RFP, and coordination with the CA Dept. of Technology, coupled with responses from 30 interested entities resulted in the delay of the funding being awarded.
320	Cancel Managed Access System Expansion	One-Time Reduction	8.5	15.3				CDCR received input from various wardens regarding the inefficacy of this intervention to reduce contraband cell phones. They also raised concerns with the high costs to implement a constantly evolving technology.

321	Statewide Correctional Video Surveillance - May Revision Technical Update	Ongoing Reduction			-0.9	-0.9	-0.9	
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Additional May Revision Proposals

1. Adult Populations Adjustment. The May Revision reflects an estimated average daily adult incarcerated population of 90,860 in 2024-25, which is 825 fewer than projected in the Governor’s Budget. The projected parolee average daily population is 41,287 in 2024-25, which is a decrease of 935 compared to the Governor’s Budget projection. This reflects a net decrease of \$21,209,000 and an increase of 69.4 positions in 2024-25, with varying amounts in the subsequent years, resulting in a decrease of \$13,523,000 and an increase of 49.8 positions ongoing, comprised of a decrease of \$13,327,000 General Fund and \$196,000 Inmate Welfare Fund ongoing.

2. Sex Offender Management Program Contract Services. Governor’s May Revision requests \$25,997,000 ongoing for renegotiated contracts with various sex offender rehabilitation service providers. These contract services are provided to paroled sex offenders who participate in such programs for at least one year upon their release.

Staff Note. CDCR states the last time these contracts were negotiated were in 2017. Due to new vendors, a higher requirement for licensing, location need based on releases, the contracts, while providing the same level of service are a 40% increase, for a total of approximately \$65 million to serve 6,700 individuals.

3. CDT and DGS Rate Increase. Governor’s May Revision requests \$5,804,000 ongoing to address California Department of Technology fee increases and Department of General Services vehicle insurance assessment rate increases.

Staff Note. According to DOF, the rate increases impact departments statewide, including CDCR.

4. Staff Misconduct Expansion, Year 3. Governor’s May Revision requests \$7.4 million and 33 positions in 2024-25 and \$14.5 million and 63 positions ongoing.

Staff Note. If this proposal is approved, this would provide a total of 607 positions at full implementation, \$71 million in one-time costs, and \$116.5 million ongoing for the costs to implement the staff complaint process, including cameras. Staff notes that the report released from the Inspector General earlier this year showed ongoing, significant issues with proper implementation of CDCR’s staff complaint process. As such, the Subcommittee may wish to consider whether CDCR should make corrections to their existing process before the Legislature provides any additional resources. Staff further notes that despite the significant resources provided to CDCR, a number of oversight hearings on this issue since 2019, the issue of staff

complaints appears to have worsened, based on growing numbers of complaints and CDCR's challenges with implementing its own process.

5. Utilities Costs Update. Governor's May Revision requests \$1,157,000 in 2024-25 and \$24,316,000 in 2025-26 and ongoing to supplement the Governor's Budget proposal to update the utilities cost projections methodology.

6. Technical Adjustments. Governor's May Revision request a technical adjustment to Item 5225-001-0001 be decreased by \$1,183,000 ongoing and 30 positions and Item 5225-002-0001 be increased by \$1,456,000 ongoing and 14 positions to realign resources across items and programs and correct a technical miscoding of a position from the Governor's Budget. It is also requested that \$1,629,000 and 14.2 positions be shifted from Program 4580-Board of Parole Hearings-Administration to Program 4575-Board of Parole Hearings-Adult Hearings within Item 5225-009-0001 to better align these positions with their core functions. This request results in a net increase of \$273,000 ongoing.

7. Employee Compensation. Governor's May Revision requests adjustments to reflect revised employee compensation costs, resulting in a net decrease of \$76,697,000 ongoing,

8. Accelerated Closure of Chuckawalla Valley State Prison (CVSP). Governor's May Revision requests the accelerated closure of CVSP from March 31, 2025 to November 30, 2024, reflecting savings of \$44.48 million.

9. Workers' Compensation Adjustment. Governor's May Revision requests a reduction of \$5,706,000 ongoing for a reduction to workers' compensation funding for institution security and parole staff. This adjustment offsets the proposed increase included in the Governor's Budget.

10. CDCR Headquarters Lease Reduction. Governor's May Revision requests a reduction of \$8.5 million in 2025-26 and ongoing related to CDCR's headquarters lease. CDCR plans to discontinue its lease on 1515 L Street and consolidate offices in various other locations.

11. California Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative – Medi-Cal Billing System. Governor's May Revision requests 7 positions ongoing and \$16.5 million in reimbursements one-time to continue the development of an information technology-based Medi-Cal billing system to support the implementation of CalAIM. The request also includes proposed provisional language to adjust this amount consistent with projected expenditures.

12. Contract Medical Update. Governor's May Revision requests an increase of \$1,975,000 ongoing to reflect population changes since the 2024-25 Governor's Budget as well as a refined methodology for projecting costs associated with administrative claims.

13. Modifications to Pre-Release Reentry Funding. Governor's May Revision requests various adjustments to (1) shift funding previously allocated for the expansion of community correctional reentry center capacity from Item 5225-019-0001 to Item 5225-008-0001, and (2) make this consolidated funding available to support projected costs associated with both existing

and expansion reentry beds. These changes will enable CDCR to utilize existing funding to offset increased costs associated with operating existing community correctional reentry programs while supporting the expansion of reentry programs based on projections of when new facilities will become operational. This proposal replaces the Governor's Budget proposal for community correctional reentry centers:

- Item 5225-008-0001 be increased by \$102.8 million one-time and provisional language be added.
- Item 5225-019-0001 be eliminated by \$40 million and shifted to Item 5225-008-0001.
- Item 5225-499 be added to revert \$62.8 million previously appropriated for reentry expansion.

Staff Note. The Legislature provided \$40 million each year for three years to expand the number of reentry beds. This proposal would continue to support the already approved expansion of 439 beds but it appears unlikely that further expansion would be supported if this proposal is approved as the majority of the funding would be used to cover cost increases associated with existing reentry beds.

14. Hope and Redemption Program Continuation. Governor's May Revision requests \$4 million in 2024-25 and \$4 million in 2025-26 utilizing reverted capital outlay funds, and provisional language, to support the continuation of the Hope and Redemption Team Program in 2024-25 and 2025-26.

15. COVID-19 Mitigation Activities – Update. Governor's May Revision requests a reduction of \$6,313,000 ongoing to reflect updated estimates for the projected level of expenditures for COVID-19 prevention, mitigation, and response activities. Taken with the concurrent General Fund Solution: COVID-19 Testing Protocol proposal, this will bring the total amount proposed for COVID-19 mitigation activities to \$27,967,000 ongoing.

16. Reappropriation: Fleet Asset Funding. Governor's May Revision requests to reappropriate \$1,058,000 from the 2021 Budget Act and \$147,000 from the 2022 Budget Act to enable the Department to complete the purchase of fleet assets.

17. Workers' Compensation Death Benefits: Chapter 448, Statutes of 2023 (AB 621). Governor's May Revision requests \$1,542,000 in 2024-25, \$1,828,000 in 2025-26, \$2,304,000 in 2026-27, \$2,780,000 in 2027-28, and \$3,256,000 ongoing to fund additional workers' compensation death benefits for the families of deceased peace officers.

18. Capital Outlay, Reappropriation. Governor's May Revision request a reappropriation of \$12 million for preliminary plans, working drawings, and construction for the San Quentin Rehabilitation Center.

Staff Note. CDCR stated that the funding would be used to make "improvements in the upper yard" based on the California Model and to have it resemble a "town square" environment for congregate activities. In addition, CDCR states this funding is separate and distinct from the lease revenue bond authority provided for the San Quentin Rehabilitation Center.

19. **State Criminal Alien Assistance Program (SCAAP): Baseline Adjustment.** Governor's May Revision requests a net zero shift of \$12,723,000 federal fund to the General Fund to reflect the anticipated receipt of funding from the federal program associated with the SCAAP, administered by the Federal Department of Justice, Bureau of Justice Assistance. The SCAAP provides federal assistance to states and localities that incur costs for incarcerating undocumented criminal aliens who are being held as a result of state and/or local convictions.

Staff Comments

Staff notes that the Governor's proposal to close a number of housing units provides the state with the ability to realize immediate savings in the short term but the May Revision is absent of any proposals to address the mid-term and long-term inefficiencies of CDCR's operating budget. Even with these housing deactivations, CDCR will have nearly 15,000 empty beds in the near term.

Regarding the 7.95% reduction for state departments in the May Revision and the vacancy sweep proposal in the Governor's January budget and its application to CDCR, Department of Finance states the following:

The planned reduction involves all categories, including personnel, operating costs, and contracting. Finance will work with agencies and departments in the fall on the appropriate budget reductions. As we have done in the past for similar reductions, certain portions of 24/7 operations and other areas within the prisons will likely be exempt, but not the department overall.

The Subcommittee may wish to seek an estimate of how much of a reduction could be taken from CDCR considering some of the exemptions mentioned above. In addition, the Subcommittee may wish to exempt certain categories of funding, such as rehabilitative funding, from being reduced.

5227 Board of State and Community Corrections (BSCC)

Issue 4: May Revision Proposals

The Department of Finance will provide an overview of the May Revision Proposals.

Panel

- Department of Finance
- Board of State and Community Corrections
- Legislative Analyst’s Office

Proposed Reductions

Issue #	Title	Duration	2023-24	2024-25	2025-26	2026-27	2027-28	Staff Notes
322	Medication Assisted Treatment	One-Time Reduction	10.5					Selected grant recipients were notified in April 2024 that this funding may not be awarded.
323	Organized Retail Theft Vertical Prosecution	One-Time Reduction		3.6				This reduction reflects the remaining amount for which there were no applicants.
324	Reduction of Funding for Proposition 57 Impact on Post-Release Community Supervision	One-Time Reduction		4.4				
325	Adult Reentry Grant	One-Time Reduction	54.1		19.0	19.0	19.0	This funding does not impact current grantees.
326	California Violence Intervention and Prevention (CalVIP) Grant	Ongoing Reduction		9.0	9.0	9.0	9.0	Most recently estimates project \$100 million in revenue from the Gun Violence and School Safety Act (AB 28), of which \$75 million would be available to BSCC for CAL VIP.

Additional May Revision Proposals

1. **In-Custody Death Reviews: Chapter 306, Statutes of 2023 (SB 519)**. Governor's May Revision requests \$3,279,000 and 15 positions in 2024-25 and \$7,688,000 and 35 positions ongoing to implement in-custody death reviews.

2. **Transfer of Juvenile Justice Programs from the BSCC to the Office of Youth and Community Restoration (OYCR)**. Governor's May Revision requests statutory changes to transfer administration of 2011 juvenile realignment grants. Taken with the 2024-25 Governor's Budget proposal, this will effectuate the transfer of the administration of juvenile grants from BSCC to OYCR.

**0250 Judicial Branch
0390 Judges Retirement System**

Issue 5: May Revision Proposals

The Department of Finance will provide an overview of the May Revision Proposals.

Panel

- Department of Finance
- Judicial Council
- Legislative Analyst’s Office

Proposed Reductions

Issue #	Title	Duration	2023-24	2024-25	2025-26	2026-27	Staff Comments
288	Court Reporters	Ongoing Reduction	16.0	10.0	10.0	10.0	The reduction in 2023-24 of \$16 million is projected savings for support of court reporters in family and civil law cases.
289	Court Interpreter Grants	One-Time Reduction	20.4				The reduction is proposed reversion of projected savings for the Court Interpreter Employee Incentive Grant Program that was included in the 2021 Budget Act.
290	Trial Court Trust Fund Unrestricted Fund Balance	One-Time Revenue/Borrowing		25.0			This is in addition to the Governor’s Budget proposed transfer of \$80 from the unrestricted fund balance to the General Fund. The total transfer proposed is \$105 million.

291	Current Year Savings from CARE Act Implementation	One-Time Reduction	17.5				
292	Judicial Council Operational Savings	One-Time Reduction	5.0				
293	Ongoing Reduction to Trial Court Operations	Ongoing Reduction		97.0	97.0	97.0	This reflects the 7.95% reduction to nearly all state departments.

Additional May Revision Proposals

1. Adjustment to Firearm Relinquishment Program Reversion. Governor’s May Revision requests Item 0250-496 be amended to reduce the amount proposed in the Governor’s Budget for reversion of the Firearm Relinquishment Program from \$20 million to \$18.6 million. This adjustment allows the Judicial Council to continue to administer the existing grants that have been allocated to the trial courts.

2. Allocation for Employee Compensation and Staff Benefits. Governor’s May Revision requests the following items be amended to reflect the revised employee compensation adjustment for judges and justices:

- Item 0250-001-0001 be increased by \$906,000 ongoing
- Item 0250-001-0159 be decreased by \$4,000 ongoing
- Item 0250-001-0932 be decreased by \$37,000 ongoing
- Item 0250-001-3037 be decreased by \$112,000 ongoing
- Item 0250-001-3060 be decreased by \$2,000 ongoing
- Item 0250-001-3085 be increased by \$150,000 ongoing
- Item 0250-101-0932 be increased by \$13,883,000 ongoing
- Item 0250-111-0001 be increased by \$13,883,000 ongoing

3. CARE Court Funding. Governor’s May Revision requests the following Items be amended as follows to adjust the level of resources needed to implement the CARE Act:

- Item 0250-001-0001 be decreased by \$414,000 in 2024-25 and \$465,000 ongoing
- Item 0250-101-0001 be decreased by \$32,448,000 in 2024-25 and \$44,625,000 ongoing
- Item 0250-101-0932 be decreased by \$26,239,000 in 2024-25 and \$33,092,000 ongoing
- Item 0250-111-0001 be decreased by \$26,239,000 in 2024-25 and \$33,092,000 ongoing

It is also requested the provisional language be amended to reflect the revised amounts.

4. Technical Adjustment: Self-Help Centers. Governor’s May Revision requests Item 0250-001-0001 be decreased by \$190,000 ongoing and Item 0250-111-0001 be increased by \$190,000 ongoing to align program expenditures proposed in the Governor’s Budget for the continued support for Judicial Branch Self-Help Centers.

5. Trial Court Employee Benefit Adjustment. Governor's May Revision requests Item 0250-111-0001 be increased by \$20,820,000 ongoing and Item 0250-101-0932 be increased by \$20,820,000 ongoing to reflect the updated health benefit and retirement rate changes for trial court employees.

6. Trial Court Trust Fund Backfill. Governor's May Revision requests Item 0250-113-0001 be decreased by \$45,834,000 ongoing to reflect updated revenue shortfalls based on the most current estimates of the Trial Court Trust Fund revenues for 2024-25.

7. State Court Facilities Construction Fund Backfill. Governor's May Revision requests Item 0250-015-0001 be decreased by \$40 million in 2024-25 and \$30 million ongoing to reflect the updated revenue shortfalls based on the most current estimates of the State Court Facilities Construction Fund revenues for 2024-25.

8. Extension of Liquidation for Deferred Maintenance Projects. Governor's May Revision requests Item 0250-491 be added to extend the liquidation period of \$1.6 million General Fund from Item 0250-001-0001, Budget Act of 2018, and \$6.6 million General Fund from Item 0250-001-0001, Budget Act of 2019, to June 30, 2025. There have been project delays at the Hayward Hall of Justice and Foltz Criminal Justice Center due to unforeseen challenges during construction, scope revisions, and extended delays in required inspections by the State Fire Marshal.

9. Reappropriation: Remote Access to Court Proceedings (AB 716). Governor's May Revision requests Item 0250-492 be added to reappropriate up to \$5.1 million from Item 0250-001-0001, 2023 Budget Act, to support the implementation Chapter 526, Statutes of 2021 (AB 716).

10. Provisional Language. Governor's May Revision requests provisional language in Item 0250-001-0001 be amended to update the number of counties eligible to receive grants for legal representation in CARE Act proceedings and to allow for the State Bar to contract for public defender services in a county that does not have a public defender office.

11. Implementation of Piqui's Law: Keeping Children Safe from Family Violence Act: Chapter 865, Statutes of 2023 (SB 331). Governor's May Revision requests Item 0250-001-0001 be increased by \$1,114,000 and 4 positions ongoing.

12. Sonoma County: New Santa Rosa Criminal Courthouse. Governor's May Revision requests Item 0250-301-0660 be increased by \$11,498,000 one-time to provide additional lease revenue bond authority for the construction phase of a new criminal courthouse in Santa Rosa. The funding is needed to address costs due to construction delays and design issues.

0390 Judges Retirement System Proposals

1. Increase in State Contributions to the Judges Retirement System II. Governor's May Revision requests that state retirement contributions to the Judges' Retirement System (JRS) II, be decreased by a total of \$38,000 ongoing. These changes comply with the statutory

requirement per Government Code section 75600.5, that the state retirement contribution to JRS II be appropriated based on the contribution rate submitted by the California Public Employees' Retirement System (CalPERS) Board of Administration.

2. Reappropriation of Mallano Judgement Funding. Governor's May Revision requests Item 0390-490 be added to reappropriate \$65,000 General Fund from Item 0390-001-0001 in Chapter 23, Statutes of 2019 (AB 74). The extension is necessary to allow CalPERS to continue making payments for the post judgment award in *Robert M. Mallano, Individually, and Behalf of a Class of Similarly Situated Persons v. John Chiang, Controller of the State of California (Superior Court of California, County of Los Angeles, Case No.BC-533770)*.

7870 California Victims Compensation Board 8940 California Military Department

Issue 6: May Revision Proposals

The Department of Finance will provide an overview of the May Revision proposals.

Panel

- Department of Finance
- Legislative Analyst's Office

Proposals

Cal VCB

1. **Attorney General Costs for Erroneous Convictions.** Governor's May Revision requests \$350,000 ongoing to CalVCB to pay for legal services rendered by the California Department of Justice in erroneous conviction cases.

2. **Erroneous Convictions Claims Program: Chapter 702, Statutes of 2023 (SB 78).** Governor's May Revision requests \$1,464,000 in fiscal year 2024-25 and \$1,418,000 in 2025-26 and ongoing to support the implementation of SB 78. This bill extends the timeline for CalVCB to approve claims for erroneous convictions from 30 days to 90 days after receiving the claim and authorizes CalVCB to require additional documentation to calculate the total compensation owed.

California Military Department

1. **Consolidated Headquarters Staffing.** Governor's May Revision requests \$554,000 and 7 positions in 2024-25, and \$539,000 ongoing to support the security and facility needs of the California Military Department's new Consolidated Headquarters Complex.

2. **Taskforce Rattlesnake.** Governor's May Revision request \$3,397,000 ongoing and reimbursements be increased by \$2 million ongoing to provide pay increases and cover increased costs for benefit stipends for Emergency State Active Duty employees assigned to Taskforce Rattlesnake. This request aligns with federally set rates and provides resources for industrial disability leave required for hand crews.

3. **State Active Duty Compensation Adjustment.** Governor's May Revision requests Item 8940-001-0001 be increased by \$265,000 and reimbursements be increased by \$4,000 ongoing, Item 8940-002-0001 be decreased by \$1,000 ongoing, Item 8940-001-0890 be increased by \$637,000 ongoing, and Item 8940-001-3085 be increased by \$15,000 ongoing to align the pay of the Department's State Active Duty employees to the pay of service members of similar grade in the United States Army, Air Force, and Navy.

4. State Active Duty Benefit Adjustment. Governor’s May Revision requests Item 8940-001-0001 be increased by \$2,945,000 and reimbursements be increased by \$285,000 ongoing, Item 8940-001-0890 be increased by \$4,619,000 ongoing, Item 8940-001-3085 be increased by \$105,000 ongoing, and Item 8940-002-0001 be increased by \$16,000 ongoing to cover costs for State Active Duty service members’ Salary Driven Benefits and Basic Allowance for Housing and Cost of Living Adjustments. These adjustments are set annually by the federal government in the National Defense Authorization Act, and the Department is required to pay State Active Duty employees the same as their counterparts on federal active duty. It is also requested that provisional language be added to allow Finance to augment these items in the current year to cover increased costs for Basic Allowance for Housing and Cost of Living Adjustments resulting from the passage of the federal active duty compensation increase in the federal budget.

0820 Department of Justice (DOJ)

Issue 7: May Revision Proposals

The Department of Finance will provide an overview of the May Revision proposals.

Panel

- Department of Finance
- Department of Justice
- Legislative Analyst’s Office

Proposed Reductions

Issue #	Title	Duration	2024-25	2025-26	2026-27	2027-28	Staff Notes
309	Additional Loan from the Unfair Competition Law Fund	One-Time Loan	30.0		-30.0		This proposal is in addition to the \$100 million loan from the same fund source proposed in the Governor’s 2024-25 Budget, for a total of \$130 million. The remaining balance for the UCL is \$182 million.
310	Legal Resources and Federal Matching Fund Reductions	Ongoing Reduction	3.0	3.0	3.0	3.0	This reflects a \$1 million decrease to the Division of Legal Services for activities related to federal lawsuits, and a \$2 million fund swap from the General Fund to the False Claims Act Fund for federal matching funds for the Division of Medi-Cal Fraud and Elder Abuse.
311	Reduction to the Division of Law Enforcement and the Division of Legal Services	Ongoing Reduction	15.0	15.0	15.0	15.0	

Additional May Revision Proposals

1. **Legal Services Rate Increase.** Governor’s May Revision requests Item 0820-001-0001 be increased by \$8,530,000 ongoing, and Item 0820-001-0017 be increased by \$2.3 million ongoing

for the Department of Justice to update its departmental services allocation model. The Department also proposes to increase the rates it charges to departments for the use of its legal services. The current hourly legal rates are \$220 for attorney services, \$205 for paralegal services, and \$195 for auditor and research analyst services. The new rates will be \$228, \$213, and \$202, respectively, which equates to an increase of approximately 3.75 percent. Although the Department requires additional ongoing resources for the updated departmental services allocation model, the new model ultimately leads to a lower rate increase needed for legal services.

2. Firearms Information Technology Systems Modernization Project. Governor's May Revision requests Item 0820-001-0001 be increased by \$3,922,000 and 8 positions in fiscal year 2024-25, and \$1,240,000 in 2025-26 and ongoing to allow the Department to complete Stages 3 and 4 of the Project Approval Lifecycle Process for this project.

3. Remote Caller Bingo Interest Loan Repayment. Governor's May Revision requests Item 0820-016-0001 be added in the amount of \$41,000 in 2024-25, Item 0820-017-0001 be added in the amount of \$258,000 in 2024-25, Item 0820-001-3132 be added in the amount of \$258,000 in 2024-25, and Item 0820-002-3131 be added in the amount of \$41,000 in 2024-25 to make the final loan repayments from the California Bingo Fund to the Gambling Control Fund and from the Charity Bingo Mitigation Fund to the Indian Gaming Special Distribution Fund. It is requested that provisional language be added to provide the Department of Finance with the necessary flexibility to augment these Items, if necessary, to make the final loan repayments and revert any resources that are not needed back to the General Fund.

4. License 2000 System Replacement Project. Governor's May Revision requests Item 0820-001-0367 be increased by \$3,073,000 one-time to allow the Department to complete Stages 3 and 4 of the Project Approval Lifecycle Process for this project.

5. Tribal Key Employee Licensing Workload Adjustment. Governor's May Revision requests Item 0820-001-0367 be increased by \$68,000 in 2024-25 and decreased by \$3,000 in 2025-26 and ongoing to reflect a technical correction to the costing of this request included in the Governor's Budget.

6. Provisional Language for Settlement Payment. Governor's May Revision requests provisional language be added to Item 0820-001-0567 and Item 0820-001-0569 to allow the Department of Finance to augment the Department's budget to pay legal settlement costs.

7. Division of Medi-Cal Fraud and Elder Abuse. Governor's May Revision requests that Item 0820-001-0378 be increased by \$1,946,000 and 21 positions, and Item 0820-001-0890 be increased by \$5,865,000 and 64 positions ongoing to expand investigations, enforcement activities, and prosecutions related to Medi-Cal fraud and elder abuse. This request allows the Department to receive additional federal grant funding from the federal Office of Inspector General.

8. **Climate Nuisance Litigation.** Governor's May Revision requests Item 0820-001-3087 be increased by \$4,727,000 in 2024-25, and \$4,752,000 in 2025-26 and 2026-27 to allow the Department to continue the existing litigation efforts against several major oil companies.

The following proposals implement recently chaptered legislation

9. **Firearms: Chapter 249, Statutes of 2023 (SB 2).** Governor's May Revision requests Item 0820-001-0001 be increased by \$8,041,000 and 11 positions in 2024-25, \$10,242,000 in 2025-26, \$6,806,000 in 2026-27, and \$5,024,000 in 2027-28 and ongoing. It is also requested that Item 0820-001-0017 be increased by \$2,722,000 in 2026-27, \$3,224,000 in 2027-28, and \$3,156,000 in 2028-29 and ongoing.

10. **Law Enforcement Hate Crimes Policies: Chapter 524, Statutes of 2023 (AB 449).** Governor's May Revision requests Item 0820-001-0001 be increased by \$1,911,000 and 9.0 positions in 2024-25, and \$1,765,000 in 2025-26 and ongoing.

11. **Reporting of Lost and Stolen Firearms: Chapter 239, Statutes of 2023 (AB 725).** Governor's May Revision requests Item 0820-001-0001 be increased by \$1,905,000 and 4 positions in 2024-25, \$3,382,000 in 2025-26, and \$891,000 in 2026-27 and ongoing.

12. **Tribal Police: Chapter 638, Statutes of 2023 (AB 44)**—It is requested that Item 0820-001-0001 be increased by \$1,304,000 and 7 positions in 2024-25, and \$1,242,000 in 2025-26 and ongoing.

13. **Dealers Record of Sale: Chapter 237, Statutes of 2023 (AB 574).** Governor's May Revision requests Item 0820-001-0001 be increased by \$973,000 one-time.

14. **Noncompete Agreements: Chapter 828, Statutes of 2023 (AB 1076).** Governor's May Revision requests Item 0820-001-0001 be increased by \$840,000 and 4 positions in 2024-25, 2025-26, and 2026-27, and Item 0820-001-3087 be increased by \$814,000 in 2027-28 and ongoing.

15. **Dealer Requirements: Chapter 250, Statutes of 2023 (SB 241).** Governor's May Revision requests Item 0820-001-0001 be increased by \$351,000 and 2 positions in 2024-25, \$1,032,000 in 2025-26, and \$968,000 in 2026-27 and ongoing.

16. **Restorative Justice Program: Chapter 513, Statutes of 2023 (AB 60)** Governor's May Revision requests Item 0820-001-0001 be increased by \$346,000 and 2 positions in 2024-25, and \$271,000 in 2025-26 and ongoing.

17. **Firearms Purchases: Chapter 246, Statutes of 2023 (AB 1483).** Governor's May Revision requests Item 0820-001-0001 be increased by \$305,000 one-time.

18. **Retail Drug Store and Retail Grocery Store Merger Enforcement: Chapter 457, Statutes of 2023 (AB 853).** Governor's May Revision requests Item 0820-001-0012 be increased by \$1,090,000 and 5 positions in 2024-25, and by \$1,054,000 in 2025-26 and ongoing. It is also

requested that technical statutory changes be made to fix a drafting error related to the fee that the Department is allowed to collect when mergers are filed. The requested statutory changes will be posted on the Department of Finance website.

19. Criminal Records Relief: Chapter 444, Statutes of 2023 (AB 567). Governor's May Revision requests Item 0820-001-0017 be increased by \$333,000 and 2 positions in 2024-25, and \$313,000 in 2025-26 and ongoing.

20. Charitable Raffles: Chapter 406, Statutes of 2023 (SB 650). Governor's May Revision requests Item 0820-001-3297 be increased by \$241,000 and 1 position ongoing.

21. The California Delete Act: Chapter 709, Statutes of 2023 (SB 362). Governor's May Revision requests Item 0820-001-3372 be decreased by \$189,000 ongoing.

0690 California Office of Emergency Services (Cal OES)

Issue 8: May Revise General Fund Proposed Budget Solutions

Cal OES will provide an overview of their May Revise General Fund budget solutions.

Summary Chart.

Issue #	Title	Duration	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Category
347	State Disaster Warehousing Operations: 2022-23 Unencumbered Balance	One-Time		0.6					Reductions
348	Fire Fleet Vehicle Replacements: 2023-24 Unencumbered Balance	One-Time		6.6					Reductions
349	Listos California Emergency Preparedness Campaign	Ongoing			12.5	12.5	12.5	12.5	Reductions
350	Warehousing Operations for Emergency Response Equipment and Supplies	Limited Term (multiple years)			9.5	9.5	9.5	9.5	Reductions
351	Flexible Cash Assistance for Survivors of Crime	One-Time				47.5			Reductions

Panel

- Cal OES
- Department of Finance
- Legislative Analyst’s Office

Background

1. **State Disaster Warehousing Operations: 2022-23 Unencumbered Balance.** Reverts up to \$640,000 which was previously appropriated for the purchase of eight 53’ trailers to support the

deployment of emergency response commodities between warehouses, and is available for expenditure until June 30, 2024. One-time reduction.

2. Fire Fleet Vehicle Replacements: 2023-24 Unencumbered Balance. Reverts up to \$6.6 million which was previously appropriated for the purchase of five Type 1 fire engines, four Type II fire engines, and two water tenders, and is available for expenditure until June 30, 2024. One-time reduction.

3. Listos California Emergency Preparedness Campaign. Reduce program funding by \$12.5 million ongoing with corresponding amendment to budget provisional language. This proposal will reduce by half the \$25 million annual funding authorized as part of the 2021-22 Strengthening California's Emergency Capacity and Capabilities proposal for the creation of a grant program focused on developing culturally competent messaging related to disaster preparedness.

4. Warehousing Operations for Emergency Response Equipment and Supplies. Reduce program funding by \$9.5 million in fiscal years 2024-25, 2025-26, 2026-27 and 2027-28. This is one-time funding that was authorized annually over a five-year period as part of the 2023-24 Statewide Disaster Warehousing Operations proposal for warehousing and personal protective equipment (PPE) procurement and storage costs. This solution will eliminate the amount provided for PPE replacement.

5. Flexible Cash Assistance for Survivors of Crime. The Governor's January Budget proposed reverting the remaining \$47.5 million for this program in 2023-24 and delaying this funding to a new appropriation in 2025-26. The May Revision removes the proposed delay, resulting in a straight reversion of this remaining funding.

Staff Comments

Questions:

- What alternatives did Cal OES explore to reduce statewide warehouse operations?
- What is Cal OES' fire vehicle fleet replacement policy? How often does Cal OES replace vehicles and what does Cal OES do with the used vehicles?
- What is the justification for the significant reduction for the Listos California Emergency Preparedness Program? Could the program be eliminated?

Issue 9: Various May Revise Budget Proposals

Cal OES will provide an overview of their May Revise new budget proposals.

Panel

- Cal OES
- Department of Finance
- Legislative Analyst's Office

Background

1. California State Nonprofit Security Grant Program. Cal OES is requesting one position and \$234,000 in General Fund for fiscal year 2024-25 and ongoing to implement the California State Nonprofit Security Grant program as enacted by Chapter 566, Statutes of 2023 (AB 1185). The program provides support funding for target hardening and other physical security enhancements to nonprofit organizations that are at high risk for violent attacks and hate crimes due to ideology, beliefs, or mission.

2. California Firefighter Cancer Prevention and Research Program. Cal OES is requesting two positions and \$666,000 General Fund in fiscal year 2023-24 and two positions and \$619,000 ongoing to support the California Firefighter Cancer Prevention and Research Program as enacted in Chapter 268, Statutes of 2023 (AB 700).

3. Relocation of Red Mountain Communications Site. Cal OES is requesting \$21 million one-time General Fund for the construction phase of this project and revert \$17.9 million General Fund of existing authority for the construction phase, resulting in a net increase of \$3 million. This request will fund costs associated with changes to ensure the 199-foot radio towers are strong enough to withstand wind and precipitation maximums in Del Norte and Humboldt Counties. The project is to construct three new communications facilities to replace the Red Mountain facility at the following sites: Rattlesnake Peak, Alder Camp, and Big Lagoon.

Staff Comments

Question:

- Given the significant vacancy rate in the Special Programs and Grant Management Program, why is it necessary to add new positions for both the State Nonprofit Security Grant and the Firefighter Cancer Prevention and Research Programs?

Issue 10: Various May Revise Adjustments

Cal OES will provide an overview of their May Revise proposed adjustments to the budget.

Panel

- Cal OES
- Department of Finance
- Legislative Analyst's Office

Background

1. Public Safety Radio Equipment Upgrades. Cal OES is requesting \$23.7 million annually for four years to provide State Emergency Telephone Number Account (SETNA) fund authority to purchase equipment supporting state and local 911 public safety agencies. This request updates the Cal OES January budget proposal, Public Safety Radio Modernization to Support Equal Access to 911 Services. This will be funded by an estimated increase of 5 cents to the 911 surcharge.

2. State and Local Cybersecurity Grant Program Funding Authority. Cal OES is requesting \$15.8 million in one-time funding authority to reflect federal funding awarded for the State and Local Cybersecurity Grant Program.

3. Biannual Strategy Implementation Report Technical Adjustment. Cal OES is requesting to amend the due date for the Biannual Strategy Implementation Report from February 1 to May 1 of each year. This change is necessary because the relevant data reported from the Department of Homeland Security is not available until the end of March every year, and Cal OES needs additional time to organize, compile, and verify the data.

4. Prepare California Hazard Mitigation Assistance Program: Extension of Liquidation. Cal OES is requesting to extend the Prepare California Hazard Mitigation Assistance Program until June 30, 2033 to allow Cal OES to maximize the use of federal grant program funding and ensure that when the Federal Emergency Management Agency project approvals are received, the state's General Fund cost-share match are available.

Staff Comments

Question:

- Referring back to the January Public Safety Radio Equipment Upgrades budget proposal, are we certain all those positions need to be permanent? Should we make them limited term for implementation and then later evaluate which positions need to be permanent?
- Is the 5 cent 911 surcharge temporary? The proposal is requesting funding authorization for four years to purchase equipment so is the surcharge also temporary?