

## SUMMARY

This bill amends the 2024 Budget Act to authorize emergency expenditure authority related to the 2025 Los Angeles wildfires. Specifically, this bill:

### Major Provisions

- 1) Appropriates \$4 million one-time General Fund to the Department of Housing and Community Development for a grant program for local governments in areas impacted by the January 2025 wildfires to provide additional planning review and building inspection resources for the purpose of expediting building approvals for homeowner rebuilding. The funds are available for encumbrance until June 30, 2028.
- 2) Appropriates \$1 million one-time General Fund to the Department of General Services (\$250,000 for the Division of the State Architect and \$750,000 for the Office of Public School Construction). The funds will be used to provide assistance to the Los Angeles Unified School District, Pasadena Unified School District, and any impacted charter schools located within those school districts, to rebuild and recover school facilities damaged as a result of the January 2025 wildfires. Funds are available for encumbrance through June 30, 2026.
- 3) Appropriates up to \$1 billion in one-time General Fund for augmentations to departments and agencies, subject to Department of Finance approval, for use in accordance with allowable uses of the Disaster Response-Emergency Operations Account in areas of the state affected by wildfire states of emergency that were declared by the Governor in January 2025. Funds shall be available for encumbrance until the state of emergency declaration is terminated, or on a date determined by the Department of Finance.
  - a. Allowable uses include, but are not limited to, emergency protective measures, evacuations, sheltering for survivors, household hazardous waste removal, assessment and remediation of post-fire hazards such as flash flooding and debris flows, traffic control, air quality and water and other environmental testing, and other actions to protect health, protect the safety of persons or property, and expedite recovery.
  - b. Augmentations shall be made no sooner than three days following the transmittal of the approval to the chairperson of the Joint Legislative Budget Committee or an earlier date as determined by the chairperson of the joint committee, or the chairperson's designee. The augmentation authority provided to the Department of Finance under this subsection expires as of April 30, 2025.

- c. The Department of Finance shall post on its internet website a Los Angeles Wildfire Response and Recovery Expenditure Report, providing information of the use of state funding concerning the response and recovery from the January 2025 wildfires. Expenditure reports shall be made according to the timelines specified in the legislation. Departments receiving funding are required to provide reporting as needed.
- d. Legislative intent language specifies that the Legislature may consider extending or amending the augmentation authority provided to the Department of Finance prior to April 30, 2025, at which time the Legislature also intends to begin the process, following budget committee review, of appropriating bond funds from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Fund, which was established by voter approval of Proposition 4 at the November 5, 2024, statewide general election, for wildfire and forest resilience activities.
- e. The executive branch is required to seek reimbursements from the federal government for the maximum possible amount of funds related to response and recovery from the January 2025 wildfires.

## COMMENTS

The January 2025 wildfires in the Los Angeles area have destroyed over 12,000 structures and at the time of this analysis, are still not fully contained. A disaster has been declared in response, with the damage expected to be extensive. This bill, in concert with (ABX1 4/SBX1 4), amends the 2024 Budget plan to provide \$2.5 billion of authority for initial emergency response and recovery expenditures made by the state for this disaster. Historically, these expenditures have later been reimbursed by the federal government, private insurance, and other sources.

It is expected that the Legislature will have to revisit disaster funding again before the 2024-25 fiscal year concludes and also incorporate disaster funding as a major component of the 2025-26 budget plan. To facilitate this future discussion, both bills also includes expenditure reporting requirements to inform future actions needed to respond to the disaster and facilitate the recovery.

### **According to the Author**

This bill provides essential funding to respond to the 2025 Los Angeles wildfires.

### **Arguments in Support**

None on file.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

This bill amends the Budget Act of 2024, and results in increased expenditures of up to \$1.005 billion, of which \$1 billion may be fully or partially reimbursed by the federal government.

## **VOTES**

## **UPDATED**

VERSION: January 20, 2025

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099

FN: