California State Assembly

Agenda

Assembly Budget Subcommittee No. 6 on Public Safety

Assemblymember James Ramos, Chair

Monday, March 11, 2024
2:30 P.M. – State Capitol, Room 437

Items To Be Heard

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

0820 – Department of Justice

Issue 1: Overview and Various Budget Proposals

The Department of Justice (DOJ) will provide an overview of their department.

Panel

- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Budget Officer, Department of Justice
- Anthony Franzoia, Department of Finance
- Emma Jungwirth, Department of Finance
- Anita Lee, Legislative Analyst's Office

Background

Under the direction of the Attorney General, the DOJ provides legal services to state and local entities, brings lawsuits to enforce public rights, and carries out various law enforcement activities. The DOJ also provides various services to local law enforcement agencies and manages various databases, including the statewide criminal history database.

The Governor's Budget proposes $1.3 billion to support DOJ operations in 2024-25—a decrease of $47 million (or 4 percent) over the revised amount for 2023-24. This decrease reflects various changes, including the expiration of limited-term funding. About half of the proposed funding supports DOJ's Division of Legal Services, while the remainder supports the Division of Law Enforcement and the California Justice Information Services Division. Of the total amount proposed for DOJ operations in 2024-25, $487 million (or 38 percent) is from the General Fund. This is a decrease of $31 million (or 6 percent) from the revised 2023-24 General Fund amount. The proposed budget would provide DOJ with a total of about 5,900 positions in 2024-25, roughly the same as the revised 2023-24 level.

Various Budget Proposals

1. Charitable Trusts Enforcement Workload. The Governor's Budget proposes $860,000 Charities and Fundraisers Fund spending authority and 3 positions in 2024-25, $832,000 in 2025-26, and $832,000 annually thereafter to support increased workload resulting from statutory changes which require organizations to be in good standing in order to receive donations from platform fundraisers. The additional resources are required to respond to

increased public inquiries, review and draft additional requests for cease and desist orders, prepare and recommend enforcement options, prepare stipulations to resolve cease and desist orders, and handle administrative hearings arising out of registration and reporting violations.

2. Tribal Key Employee Licensing Workload. The Governor's Budget proposes $874,000 Indian Gaming Special Distribution Fund in 2024-25 and ongoing and 6 positions to maintain the Tribal Key Employee Licensing workload. The DOJ's Bureau of Gambling Control (BGC) has the authority and responsibility to conduct background investigations to determine whether applicants are suitable to be licensed for association with a gaming operation and the workload associated with this authority is the responsibility of the Tribal Key Employee Unit. The volume of initial applications received as steadily increased in the last ten years (959 applications in 2011-12 and 1,432 applications in 2022-23) and there is a current backlog[1] of more than 440 applications. The BGC has used a combination of staff overtime and temporary redirection of six staff to address the increased workload but five of the redirected staff had to be returned to their original assignment. Without these additional positions and resources, the BGC's growing workload cannot be addressed in a timely manner, resulting in additional backlogged cases.

Staff Recommendation: Hold Open.

[1] A backlog application is defined as one that is over six months old.

Issue 2: Litigation Deposit Fund Loan Proposal

The Department of Finance will provide an overview of the Litigation Deposit Fund (LDF) loan proposal.

Panel

- Anthony Franzoia, Department of Finance
- Emma Jungwirth, Department of Finance
- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Budget Officer, Department of Justice
- Anita Lee, Legislative Analyst's Office

Background

The LDF is a state special fund that receives litigation proceeds—or monies required by settlement agreements or court judgements to resolve legal cases—in cases where the state is a party to the case and no other state law specifically provides for: (1) the handling and investing of the money; and, (2) how any earned interest is distributed. The fund primarily supports payments to people and entities harmed by those breaking the law, as well as transfers to various state special funds—most notably, DOJ special funds to support current and future litigation-related costs. State law requires that any monies remaining in the LDF that are not needed to satisfy court-ordered payments or to support DOJ litigation costs be transferred to the state General Fund no later than July 1 of each fiscal year.

Tens of millions of LDF revenues are regularly transferred to four DOJ special funds—the Unfair Competition Law (UCL) Fund, the False Claims Act (FCA) Fund, the Antitrust Account, and the Public Rights Law Enforcement Special Fund (PRLESF)—that support litigation-related costs. State law specifies what types of litigation proceeds can be transferred into these funds and provides guidelines on how these proceeds are to be used. These DOJ special funds are part of the annual state budget process and the Legislature receives key revenue and expenditure information to monitor the health of these funds and makes decisions about how much funding should be available from them to support DOJ litigation activities.

To increase legislative oversight of the LDF, the 2023-24 budget package made various changes, including requiring that most litigation proceeds deposited into the LDF be transferred to a state special fund subject to legislative oversight: (1) within three months after case resolution for deposits made after July 2023; or, (2) by January 2024 for deposits made before July 2023. This requirement ensures that monies transferred to these funds are considered in the annual state budget process and subject to greater legislative oversight. Additionally, this

transfer requirement will generally only leave monies in the LDF that were pending allocation to specific entities or narrowly defined purposes, as well as funds tied to cases awaiting final resolution.

Governor's Proposal. The Governor's Budget proposes budget provisional language for a $100 million no-interest loan from the Litigation Deposit Fund (LDF) to the General Fund subject to a 30 day legislative notification. The 2023 Budget Act included a $400 million no-interest loan from the LDF to the General Fund with legislative notification. The Department of Finance notified the Legislature of its intent to authorize the $400 million in January of 2024. The balance of the LDF is approximately $657 million. If the $100 million loan proposal is approved, that total plus the $400 million from the 2023 Budget Act will reduce the fund balance of the LDF to approximately $157 million.

LAO Comments

The Legislative Analyst's Office (LAO) provides the following assessment and recommendations.

Assessment

Proposed Loan Would Help Address Budget Condition, but LDF Not an Ideal Source. Given the state's fiscal condition, we find it reasonable for the administration to propose a loan to the General Fund, as this will help reduce the level of reductions necessary for other programs supported by the General Fund. Despite this, we are concerned about making such a loan from the LDF. This is because much of the $657 million LDF fund balance is not an ideal source for a loan. Specifically, about $500 million (or 76 percent) of this fund balance consists of the litigation proceeds that will already be loaned to the General Fund (which are exempt from transfer) or were in the process of being transferred to state special funds, as required by Government Code 16427. This leaves about $157 million in the LDF. However, these funds are generally to be used for narrowly defined purposes or are attached to cases that have not been fully resolved. This makes these funds a less than ideal source for a loan for various reasons. For example, monies held in the LDF for a case that has not been resolved (such as due to the case being on appeal) may need to be returned. As such, it would be difficult for the LDF to support the proposed additional $100 million loan.

Funds Transferred to DOJ Special Funds Likely Able to Support Loan. DOJ's Unfair Competition Law (UCL) Fund, False Claims Act (FCA) Fund, Public Rights Law Enforcement Special Fund (PRLESF), and Antitrust Account will receive nearly $485 million in transfers from the LDF to support DOJ litigation activities. Assuming expenditures levels from these funds remain relatively constant at approximately $105 million, it appears likely that $100 million could

be borrowed from these special funds without impacting DOJ's operations supported by the special funds in the near term

Various Ways Available to Ensure Loans From DOJ Special Funds Do Not Impact DOJ Activities. There are various ways to ensure any loans authorized from the UCL Fund, FCA Fund, PRLESF, and Antitrust Account do not negatively affect the ability of DOJ to pursue the litigation supported by the special funds. For example, most—if not all—of the money could be borrowed from the UCL Fund and the FCA Fund. This is because these two funds received three-quarters of the money recently transferred from the LDF. Additionally, these two funds have traditionally received deposits of litigation proceeds on a more regular basis. Accordingly, if there was an unexpected increase in litigation expenses before the loan is repaid, it is more likely that additional revenues would be forthcoming to these special funds to maintain ongoing support for DOJ litigation activities. Additionally, DOJ could be required to report on specific cases whose litigation proceeds were being used to make this loan, similar to the reporting requirements related to the $400 million loan from the LDF. This transparency would help ensure that the state complies with the underlying settlement agreements and court judgements of these cases when monies are repaid.

Recommendations

1. Reject Loan From LDF. We recommend the Legislature reject the Governor's proposed loan from the LDF as it will be difficult for the LDF to support the loan. The monies currently left in the fund balance are to support the 2023-24 authorized loan or narrowly defined purposes or are tied to cases that have not yet been resolved. Accordingly, these funds are not ideal candidates to support the loan.

2. Direct DOJ to Identify Specific Litigation Proceeds in Its Special Funds That Could Be Loaned. We recommend the Legislature direct DOJ to provide by May Revision a list of cases whose litigation proceeds could be used to support up to $100 million in loans, along with the DOJ special fund or funds from which the monies would be borrowed. Such loans should come from one or more of the DOJ special funds that received LDF transfers. This allows DOJ to consider what litigation activities may currently be in progress, what activities may be necessary in the near future, and what litigation proceeds might be forthcoming when providing the Legislature with the department's recommendations for how much to borrow from its special funds. Additionally, such a list will help the Legislature ensure that the state complies with any underlying settlement agreements and court judgements when monies are ultimately repaid.

3. Authorize Loans From DOJ Special Funds to General Fund. We recommend that the Legislature review DOJ's proposed list of cases whose litigation proceeds could be used to support General Fund loans to determine whether any changes are needed, such as changing

the amount proposed to be borrowed from a particular special fund. We recommend that the Legislature then modify the budget to reflect loans to the General Fund from the special funds holding the litigation proceeds identified on the final list. Additionally, for each of these loans, we recommend requiring DOJ to report certain information (such as any restrictions on the use of the litigation proceeds) until the entire loan is repaid, similar to the reporting requirements related to the $400 million loan from the LDF. This will help the Legislature monitor and track loan repayments and ensure that monies are used appropriately when they are repaid.

Staff Recommendation: Hold Open.

Issue 3: CURES trailer bill proposal

The Department of Justice will provide an overview of their CURES trailer bill proposal.

Panel

- Chris Ryan, Chief of Operations, Department of Justice
- Ashley Harp, Budget Officer, Department of Justice
- Anthony Franzoia, Department of Finance
- Emma Jungwirth, Department of Finance
- Anita Lee, Legislative Analyst's Office

Background

Existing law requires health care practitioners to consult the CURES database to review a patient's controlled substance history prior to prescribing a Schedule II-Schedule V controlled substance to a patient for the first time and at least once every four months thereafter if a controlled substance remains part of the patient's treatment. DOJ is required to maintain CURES for the electronic monitoring of the prescribing and dispensing of Schedule II through Schedule V controlled substances by health care practitioners authorized to order, administer, furnish, or dispense a Schedule II through Schedule V controlled substance. Once dispensed by a pharmacy, clinic, or other dispenser, it must be reported to DOJ within one day.

In 2013, the CURES Fund was established to deposit fees collected from practitioners and to reimburse DOJ for maintenance and operation costs of CURES. This fund is administered by the Department of Consumer Affairs (DCA) and supports DOJ's CURES expenditures via an Interagency Agreement. At its inception, the CURES fee was established at $6.00 annually, which is paid by each of the specified licensees. Chapter 359, Statutes of 2020 (AB 3330) increased the CURES fee from $6.00 annually to $11.00 annually effective April 1, 2021, and subsequently reduced the fee to $9.00 annually effective April 1, 2023. At the time, this fee level was estimated to be sufficient to cover DOJ's costs to implement various legislatively driven enhancements to the CURES system and support maintenance and operating cost ongoing.

Governor's Proposal. The Governor's Budget proposes trailer bill language to increase the Controlled Substance Utilization Review and Evaluation System (CURES) fee from $9 to $15, beginning April 1, 2025, for the maintenance and operation costs to support CURES.

The Department of Finance states that costs to support the CURES system have continued to increase and the CURES Fund is no longer able to support the ongoing needs for CURES maintenance. Current costs to operate the system total approximately $4.0 million annually,

while the current DCA CURES Fund appropriation totals only $2.8 million. To fully support the system, an additional $917,000 in 2024-25 and $1.1 million in FY 2025-26 and ongoing is required. DOJ is unable to absorb this additional amount to support the maintenance and operation costs of CURES.

The below table details the current distribution of revenue received into the CURES Fund by Board and provides the estimated new revenue to be received due to the fee increase to $15.

Program Name	Percentage of CURES Revenue	2023-24 Estimated Revenue	Estimated Revenue Increase due to $15 fee	2025-26 Estimated Revenue
Dental Board	11.4%	$301,878	$215,340	$517,218
Medical Board	40.6%	$1,073,394	$765,688	$1,839,082
Naturopathic Medicine	0.3%	$7,596	$5,418	$13,014
Optometry	2.3%	$62,118	$44,311	$106,429
Osteopathic Medicine	3.2%	$85,392	$60,913	$146,305
Pharmacy	21.8%	$575,730	$410,687	$986,417
Physician Assistant	5.0%	$132,102	$94,233	$226,335
Podiatric Medicine	0.6%	$15,210	$10,850	$26,060
Registered Nursing	10.6%	$280,962	$200,420	$481,382
Veterinary Medicine	4.2%	$111,546	$79,569	$191,115
Total	**100.0%**	**$2,645,928**	**$1,887,429**	**$4,533,357**

Staff Recommendation: Hold Open.

0820 – Department of Justice
8940 – California Military Department

Issue 4: Fentanyl Enforcement Program and Drug Interdiction Continuation Proposal and Update

The Department of Justice (DOJ) will provide an update of their Fentanyl Enforcement Program and the California Military Department will provide an update on their drug interdiction efforts and an overview of their drug interdiction continuation proposal.

Panel

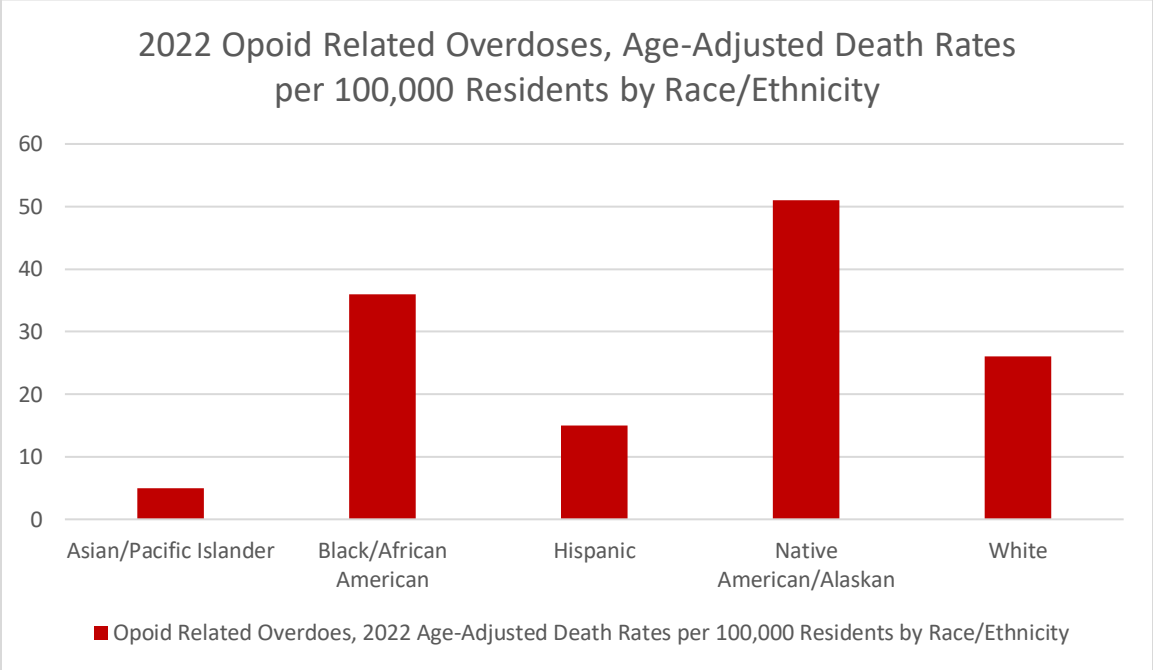
- Stephen Woolery, Director of the Bureau of Investigation, Department of Justice
- Michael Redding, Special Assistant Attorney General, Department of Justice
- Major General Matthew Beevers, Adjutant General, Military Department
- Jessie Romine, Department of Finance
- Anthony Franzoia, Department of Finance
- Jared Sippel, Legislative Analyst's Office

Background

Fentanyl is a synthetic opioid that is up to 50 times stronger than heroin and 100 times stronger than morphine[2]. It may be prescribed for medical purposes and is also manufactured illicitly. Illicit fentanyl can be mixed with other drugs, increasing the potency, making it more addictive and increase the likelihood of a fatal overdose. Fentanyl takes the form of pills, powder, and liquid. The following photo from the Drug Enforcement Agency shows a fatal amount of fentanyl next to a penny.

[2] https://www.cdph.ca.gov/programs/ccdphp/sapb/pages/fentanyl.aspx?utm_source=dc_gs&utm_medium=paidsearch&utm_campaign=dc_ope_always-on_mc_en&utm_term=na_na&utm_content=fentanyl&gad_source=1

In 2022, California had 7,385 deaths from opioid related overdoses (88% attributed to fentanyl) with a mortality rate of 18.39 per 100,000 residents which is an increase from 2020[3]. The Center for Disease Control reported an overall rate of 25.9 deaths (age adjusted per 100,000 people) for all opioid related deaths based on data from 30 states[4]. CDPH's dashboard (2022 data) shows the highest number of deaths were in Los Angeles County (1,690 deaths, rate of 16.53), but the highest rate of deaths were in the following counties (age-adjusted per 100,000 residents): Del Norte (74.2), Humboldt (61.66), Lake (55.46), Mendocino (54.91), Siskiyou (53.33), Lassen (37.16), Tehama (34.34), and Kern (34.21). The following table shows opioid overdose information by race/ethnicity:



Data from California Public Health Department

Individuals aged 30-34 have the highest opioid-related overdose death rate at 42.1 per 100,000 residents, followed by ages 35-39 (rate of 35.31)[5]. The death rate of males are 28.76 per 100,000 residents and 8.05 for females[6].

Department of Justice. The DOJ established the statewide Fentanyl Enforcement Program (FEP) in April of 2021. The Legislature provided $7.9 million General Fund in 2022-23 and $6.7 million ongoing to support the FEP. FEP teams are located in the Los Angeles, San Diego, and Bay Area regions and work with federal and local law enforcement agencies, including the Drug

[3] California Snapship Report found at https://skylab.cdph.ca.gov/ODdash/?tab=CA
[4] https://www.cdc.gov/drugoverdose/fatal/dashboard/index.html
[5] https://skylab.cdph.ca.gov/ODdash/?tab=CA
[6] Id.

Enforcement Administration and the Federal Bureau of Investigations. The following table shows the progress accomplished by the FEP teams:

Statewide FEP Statistical Accomplishments as of 3/5/2024	
Fentanyl Pills Seized	1,085,137
Fentanyl Powder Seized	165 lbs.
Cocaine Seized	29 kilograms
Methamphetamine Seized	399 pounds
Heroin Seized	11.2 kilograms
Number of Arrests	83 Felony Arrests
Number of Open Investigations	51 Statewide

Since April of 2022, the combined efforts of the FEP and DOJ's allied task forces (which have prioritized fentanyl enforcement) has resulted in the seizure of approximately 9,348,852 fentanyl pills and 1,213 pounds of powder, and over 200 arrests.

Governor's Proposal. The Governor's Budget requests $15 million General Fund in 2024-25 and $15 million in 2025-26 to provide continued support for the California Military Department's (CMD) drug interdiction efforts. The 2022 Budget Act included $15 million in 2022-23 and $15 million in 2023-24 for these efforts which supported an additional 150 service members to expand the existing program.

According to the CMD, in 2022-23, they provided 310,000 support hours to high density drug trafficking areas and assisted federal, state, and local law enforcement agencies to interdict over 365,300 pounds of illegal drugs with an estimated street value of $970 million. The following is a breakdown of the drugs seized and their relative street value:

- Fentanyl 18,825 lbs. $211,877,165
- Heroin 472 lbs. $4,117,388
- Methamphetamine 49,836 lbs. $85,196,022
- Cocaine 8,590 lbs. $71,267,192
- Illicit CA Cannabis 265,081 lbs. $557,219,796
- Other 22,495 lbs. $40,055,598

CMD anticipates a 15% increase in effectiveness of their interdiction efforts in the current and budget year, estimating a seizure of 420,000 lbs. of illegal drugs with a street value of more than

$1.115 billion. In addition, the funding supported outreach efforts at 117 elementary, middle and high schools in the state on maintaining a drug free lifestyle in 2022-23.

Staff Recommendation: Hold Open.

0690 – Office of Emergency Services

Issue 5: Overview and Various Budget Proposals

The Office of Emergency Services (Cal OES) will provide an overview of its primary purpose and respond to any questions from the Committee regarding any of the proposed General Fund budget solutions or proposed budget change proposals.

Panel

- Nancy Ward, Director, Cal OES
- Eric Swanson, Deputy Director, Finance & Administration, Cal OES
- Vy Nguyen, Department of Finance
- Tess Scherkenback, Department of Finance
- Drew Soderborg, Legislative Analyst's Office
- Jared Sippel, Legislative Analyst's Office

Background

Cal OES serves as the state's leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating local, state, and federal resources, and mutual aid assets across all regions to support the diverse communities across the state.

Cal OES also builds disaster resilience by supporting local jurisdictions and communities through the planning and preparedness activities, training, and facilitating the immediate response to an emergency through the longer-term recovery phase. Cal OES serves as the State Administering Agent for the federal homeland security, emergency management, and victim services grants.

Governor's Proposal. The Governor's budget proposal includes $3 billion ($530.3 million General Fund) and 1,909 positions for Cal OES.

Proposed General Fund Budget Solutions

- ***Flexible Cash Assistance for Survivors of Crime –*** A delay of $47.5 million General Fund appropriated in the 2022 Budget Act to establish an assistance program to improve the safety, healing, and financial stability for survivors and the loved ones of those violently injured or killed. Of the original $50 million appropriated, $2.5 million was used/will be used to support the development of the program. The budget includes the remaining $47.5 million for this program in 2025-26.

- ***Building Resilience –*** A reversion of $45 million General Fund for a grant program that supports community hardening efforts through leveraging the federal Hazard Mitigation Grant Program. The Budget maintains $55 million one-time General Fund for this program. Approximately $40 million has been allocated for awarded projects and $15 million was allocated for outreach and technical assistance.

- ***Wildfire and Forest Resilience –*** Home Hardening - $12 million General Fund reversion. The Wildfire Mitigation Assistance Program was intended to provide grants to homeowners for retrofitting projects. Initial outreach was conducted to counties but no entities or projects were identified. (NOTE: This particular funding is just a part of the broader California Wildfire Mitigation Program mention below.)

- ***Multifamily Seismic Retrofit Matching Funds –*** A reversion of $15 million General Fund for establishing the Seismic Retrofitting Program for multifamily housing authorized in Chapter 48, Statutes of 2022 (SB 189). The grant program was intended to provide financial assistance to multifamily property owners to subsidize retrofits of seismically vulnerable older apartment buildings. Cal OES was developing an Interagency Agreement with the California Residential Mitigation Program to develop this grant program. However, the Interagency Agreement was not executed, and the funding has not been expended or allocated.

- ***Gun Buyback Program –*** A reversion of $21 million General Fund to coordinate a gun buyback program with local law enforcement agencies. The program was in the final stages of development but funding had not been allocated. Of the original $25 million appropriation, $4 million was allocated for outreach and education.

Other Various Budget Proposals

1. Extension of the California Wildfire Mitigation Program Liquidation Period. Cal OES is requesting the liquidation of $15,986,000 General Fund for the California Wildfire Mitigation Program be extended from June 30, 2025 to June 30, 2029 to complete wildfire home hardening activities. Without an extension of the state liquidation period to June 30, 2029, Cal OES would need to return the identified HMGP federal dollars not expended by the liquidation period end-date. For every state dollar not expended for the CWMP, three federal dollars will need to be returned to FEMA.

2. California Earthquake Early Warning Program. Contract Encumbrance Period Extension. Cal OES is requesting to change the California Earthquake Early Warning (CEEW) Program's funding authority from the current one-year encumbrance period to a two-year encumbrance period allowing for the total lifespan of an Earthquake Early Warning contract to four years. The

technology that supports the CEEW System is constantly evolving as the CEEW Program works with partners toward CEEW System implementation across critical sectors. Given the number of unknown factors when developing an implementation project, it is difficult to determine costs, time of assessments and installation, and ongoing maintenance and subscription costs. A longer encumbrance period will support CEEW System implementation throughout the state by fostering a methodical and targeted approach compared to the short-lived contracts that currently exist.

3. Public Safety Radio Modernization to support Equal Access to 9-1-1 Services. Cal OES is requesting $6,366,000 in State Emergency Telephone Number Account (SETNA) Fund authority, to be funded by the estimated increase of 5 cents to the 9-1-1 surcharge, to provide four years of funding for 13 limited term positions and add 12 new positions to support state and local 9-1-1 public safety agencies by incorporating new technologies, establishing more efficient backhaul deployment, increasing California Radio Interoperable System coverage (CRIS), and implementing traffic management solutions. The Administration is also considering a proposal in the spring to include additional SETNA Fund authority for CRIS equipment costs as an update to this proposal. This additional authority would also be covered by the 5 cents increase to the 9-1-1 surcharge.

Staff Comments

The Subcommittee may choose to ask the following questions:

Regarding the delay in funding for cash assistance for survivors of crime, how does the delayed funding impact survivors in the budget year?

Are the wildfire mitigation program General Fund reductions reasonable given the potential for catastrophic wildfire impacts to at-risk communities?

Equally, what are the impacts of eliminating funding for the multifamily housing seismic retrofit and guy buyback programs?

Staff Recommendation: Hold Open.

Issue 6: California State Nonprofit Security Grant Program (CSNSGP) Update

Cal OES will provide an update on the recent $20 million augmentation to the CSNSGP to address growing concerns about hate-motivated violence due to the recent conflict in the Middle East.

Panel

- Eric Swanson, Deputy Director, Finance & Administration, Cal OES
- Gina Buccieri-Harrington, Associate Director, Grants Management, Cal OES
- Vy Nguyen, Department of Finance
- Tess Scherkenback, Department of Finance
- Drew Soderborg, Legislative Analyst's Office
- Jared Sippel, Legislative Analyst's Office

Background

The purpose of the CSNSGP is to provide funding support 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.

The CSNSGP seeks to integrate the preparedness activities of nonprofit organizations with broader state and local preparedness efforts. The CSNSGP also promotes emergency preparedness coordination and collaboration activities between public and private community representatives as well as state and local government agencies.

For state fiscal year 2023-24, the state budget allocated $20 million for the CSNSGP. In October 2023, the Department of Finance (DOF) notified the Legislature that it had approved an additional $20 million for security assistance to nonprofit organization, doubling the program funding allocation. In its notification to the Legislature, DOF noted:

> "Amid heighted fears and concerns among California's faith communities stemming from the ongoing conflict in the Middle East that began on October 7, 2023, Cal OES is coordinating with security partners and law enforcement officials to protect against the potential impacts on the domestic threat environment. In response to state intelligence that monitors threats against faith institutions and communities, Cal OES continues to take proactive action to provide security assistance to nonprofit organizations at risk of hate-motivated violence."

Staff Recommendation: Hold Open.

Issue 7: Victims Grant Program Update

Cal OES will provide an update on the Administration's progress in consolidating victim services programs operated by Victim Compensation Board (VCB) and Cal OES into a new victim services department under Government Operations Agency.

Also, Cal OES will provide an update on the likelihood of a significant decline in federal Victims of Crime Act (VOCA) funds for California victim services programs and the Department's strategy for addressing the possible funding shortfall.

Panel

- Eric Swanson, Deputy Director, Finance & Administration, Cal OES
- Gina Buccieri-Harrington, Associate Director, Grants Management, Cal OES
- Vy Nguyen, Department of Finance
- Tess Scherkenback, Department of Finance
- Drew Soderborg, Legislative Analyst's Office
- Jared Sippel, Legislative Analyst's Office

Background

The state funds various services to California victims of violent crimes, primarily through Cal OES and VCB. The mission of the Cal OES Victim Services Program is to provide financial assistance and support to victim service providers to ensure all victims of crime in California receive the services they need by: (1) creating programs that are trauma-informed and victim centered; (2) providing timely technical assistance to grant subrecipients; and, (3) ensuring California complies with all federal grant requirements.

During the 2015-16 budget process, an LAO review of the various state's victims programs found that the state lacked a comprehensive strategy for assisting crime victims, primarily because the state lacks a lead agency responsible for coordinating the state's efforts to assist victims. As part of the Governor's budget for 2015-16, the Administration proposed to reorganize Victim Compensation and Government Claims Board beginning in 2016-17. The proposed change resulted in the board, which was later renamed to VCB, having primarily victim programs to administer.

As part of the 2019-20 budget package, the Governor and the Legislature agreed in concept to consolidate the victim services programs operated by VCB and Cal OES into a new victim services department under the Government Operations Agency. The Administration, however, has never submitted a final proposal.

Beginning July 2024, Cal OES is anticipating a significant reduction of federal Victims of Crime Act (VOCA) funds to California. In its last report to the Legislature, Cal OES reported that in Fiscal Year 2021-22 it administered approximately $453 million in funding for victim services, serving over a million California victims.

The Subcommittee may choose to ask the following:

What is the anticipated amount of VOCA funding California may receive and how will Cal OES manage this funding reduction?

Staff Recommendation: Hold Open.

Issue 8: Development of an Operational Vision Report for Enhancing Cal OES Emergency Response Capacity

Cal OES will provide an update on its development of an operational vision report that was due to the Legislature on March 1, 2024.

Panel

- Eric Swanson, Deputy Director, Finance & Administration, Cal OES
- Vy Nguyen, Principal Program Budget Analyst, Department of Finance
- Tess Scherkenback, Staff Finance Budget Analyst, Department of Finance
- Drew Soderborg, Legislative Analyst's Office
- Jared Sippel, Legislative Analyst's Office

Background

The Legislative Analyst's Office (LAO) has previously noted that it is difficult to determine if Cal OES budget proposals reflect the most effective and efficient approach because they are not tied to specific emergency response goals and objectives. In order to ensure the Legislature has better information to make decisions, LAO recommended requiring the Administration to develop a strategic plan for enhancing emergency response capacity. This plan should include:

- Goals for emergency response capacity;
- An assessment of existing capacity;
- Identification of gaps or weakness in current capacity; and,
- An assessment of the level of staffing needed to support capacity goals.

The Budget Act of 2022, as amended by the Budget Act of 2023, required Cal OES to provide the Legislature with a report by March 1, 2024, consistent with the LAO recommendation that outlines: (1) the assumed types and levels of risks that the Department's emergency preparedness and response planning contemplates; (2) the Department's operational framework for determining the appropriate resource capabilities and capacity necessary to address the assumed risks; (3) how the Department's existing resources fit within that framework; and, (4) the general areas of emergency preparedness and response that may need further development.

Staff Recommendation: Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: Sub 6 Hearing Agendas | California State Assembly. You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim and Bernie Orozco.