

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON CLIMATE CRISIS, RESOURCES, ENERGY, AND TRANSPORTATION

ASSEMBLYMEMBER RICHARD BLOOM, CHAIR

WEDNESDAY, FEBRUARY 2, 2022
9:30 A.M. – STATE CAPITOL, ROOM 127

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The public may attend this hearing in person or participate by phone. Any member of the public attending this hearing will need to wear a mask at all times while in the building location. This hearing can be viewed via live stream on the Assembly's website at <https://assembly.ca.gov/todaysevents>.

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: BudgetSub3@asm.ca.gov. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.

*A moderated telephone line will be available to assist with public participation. The public may provide comment by calling the following toll-free number: **877-692-8957 / Access Code: 131 51 27.***

NON-DISCUSSION ITEMS

3540 CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION

ISSUE 1: AGRICULTURAL LANDS: LIVESTOCK PRODUCERS: MANAGERIAL EMPLOYEES: LIVESTOCK PASS PROGRAM: DISASTER

The Governor's budget requests funding \$493,000 General Fund in 2022-23, \$181,000 General Fund in 2023-24, and 1.0 position for two years to implement the training curriculum for livestock producers eligible for the livestock pass program to comply with the requirements of Chapter 609, Statutes of 2021 (AB 1103).

Additionally, CalFIRE requests a statutory change to delay the development of course plans from January 1, 2023 to July 1, 2024.

Staff Recommendation: Hold Open.

ISSUE 2: CAL FIRE TRAINING CENTERS

The Governor's budget requests \$15.7 million General Fund in fiscal year 2022-23 and \$272,000 General Fund ongoing to meet the increased training demand at CAL FIRE's Training Centers. The request will provide funding for one-time purchase of essential equipment required to meet existing demand and prepare the Training Centers for future impacts, along with ongoing amortization for some of this equipment.

The equipment includes props, fire engines, and personal protective equipment to be used at the training centers.

LAO COMMENTS

At this time, it is unclear what additional response benefits would be provided by acquiring 13 new engines for CalFire's training facilities and whether those benefits justify the cost of the Governor's proposal. The LAO notes that the need for some or all of the proposed training engines could potentially be met by repurposing older fire engines that the department would otherwise sell. The LAO does not raise concerns with the purchase of other training equipment.

Staff Recommendation: Hold Open.

ISSUE 3: COMMUNITY WILDFIRE PREPAREDNESS AND MITIGATION PACKAGE (AB 9, AB 642, SB 63)

The Governor's budget requests \$10.096 million General Fund in fiscal year 2022-23, \$8.398 million ongoing, and 29.0 positions to address the statutory requirements set forth by Chapter 225, Statutes of 2021 (AB 9), Chapter 375, Statutes of 2021 (AB 642), and Chapter 382, Statutes of 2021 (SB 63). This includes one-time equipment, software, and travel costs including 21 Sport Utility Vehicles (SUVs) for staff travel.

LAO COMMENTS

This proposal would implement three recently enacted bills related to community wildfire preparedness and mitigation. Most of the proposed resources appear reasonable to address the requirements of these bills. The LAO has a couple of potential concerns about the proposal, however. First, they note that some of the proposed activities appear to be limited-term in nature, but are proposed for funding on an ongoing basis. For example, Chapter 382 of 2021 (SB 63, Stern) establishes a defensible space and home hardening assessment and education pilot program through January 1, 2026. However, the staffing resources to implement this pilot training program are proposed to be ongoing. Second, the legislation expresses the Legislature's intent that any costs for the pilot program come from the existing funds made available to CalFire from the Greenhouse Gas Reduction Fund (GGRF). However, the proposal would provide funding from the General Fund rather than GGRF. The LAO recommends that the Legislature defer action on this proposal at this time to evaluate the extent to which modifications to this proposal are merited to address the above issues.

STAFF COMMENTS

This budget change proposal (BCP), along with many others, include vehicles for staff that do not seem to have a position that requires extensive travel. The Administration should provide a justification for how often and how far these vehicles will be driven, if these trips can be accomplished via a pool car or rental car at lower price, why these vehicles need to be SUVs or include expensive features, and why these vehicles will not be zero-emission vehicles.

Additionally, per the LAO's recommendation, staff would like greater justification for why these are permanent positions.

Staff Recommendation: Hold Open.

ISSUE 4: CONTRACT COUNTY CREWS AND REALIGNMENT

The Governor's budget requests \$25.4 million General Fund in 2022-23 and \$35.4 million ongoing to fund 12 hand crews, implemented over two years, to be utilized for vegetation management, hazardous fuel reduction projects, wildland fire suppression in the Contract Counties, and a budget adjustment to re-baseline Contract County funding commensurate with CAL FIRE Units. The baseline budget adjustment is \$3 million per year. This request potentially decreases year-over-year Emergency Fund costs.

The state's six contract counties are Marin, Kern, Los Angeles, Santa Barbara, Orange, and Ventura.

Last year, the budget provided \$14 million for six hand crews on a one-time basis.

Staff Recommendation: Hold Open.

ISSUE 5: ENHANCED INDUSTRIAL DISABILITY LEAVE (SB 334 AND SB 1144)

The Governor's budget requests \$13.8 million General Fund starting in fiscal year 2022-23 and use of a four-year average methodology to annually adjust baseline funding consistent with the utilization of this benefit to support the overtime costs resulting from the implementation of Chapter 857, Statutes of 2017 (SB 334) and Chapter 897, Statutes of 2018 (SB 1144).

This is consistent with budget actions in 2018, 2019, and 2020 to reflect increased costs of workers' compensation and overtime.

Staff Recommendation: Hold Open.

ISSUE 6: FIREFIGHTERS PROCEDURAL BILL OF RIGHTS ACT (SB 206)

The Governor's budget requests \$1.1 million General Fund and 4.0 positions starting in fiscal year 2022-23, to satisfactorily address the increased workload and fiscal impacts resulting from the implementation Chapter 722, Statutes of 2021 (SB 206), for increased evidentiary hearings.

Staff Recommendation: Hold Open.

ISSUE 7: OFFICE OF THE STATE FIRE MARSHAL, FIRE AND LIFE SAFETY

The Governor's budget requests \$2.6 million reimbursement authority increase in 2022-23, \$2.2 million ongoing, and 8.0 permanent positions to support the Office of the State Fire Marshal's (OSFM) Fire and Life Safety (FLS) Division's increased workload related to current and planned construction by the state, and infrastructure improvements outlined in the Budget Act of 2021. This request also includes five vehicles: four full size, all wheel drive vehicles and one pool car, with at least one sport utility vehicle.

STAFF COMMENTS

While FLS staff are expected to travel extensively to fulfill their job responsibilities, it is unclear why full sized, all wheel drive vehicles are needed, or why an SUV. The Administration should provide information regarding where these vehicles will be based, and why these trips cannot be completed in a more cost-effective vehicle model or a zero-emission vehicle.

Staff Recommendation: Hold Open.

ISSUE 8: OFFICE OF WILDFIRE TECHNOLOGY RESEARCH AND DEVELOPMENT (SB 109)

The Governor's budget requests \$1.8 million General Fund in 2022-23, \$1.7 million ongoing, and 7.0 positions to establish the Office of Wildfire Technology Research and Development, as specified by Chapter 239, Statutes of 2021 (SB 109).

Staff Recommendation: Hold Open.

ISSUE 9: STATE FIRE TRAINING ENHANCEMENT PROGRAM

The Governor's budget requests \$914,000 California Fire and Arson Training (CFAT) Fund in 2022-23, \$839,000 ongoing, and 4.0 positions for the Office of the State Fire Marshal's (OSFM) State Fire Training Division (SFT). This request will allow for adequate staffing and funding to support the operational needs to administer the California Fire Service Training and Education Program. This request also includes one SUV to be used as a pool vehicle to attend trainings and audit classes.

STAFF COMMENTS

While one pool vehicle for four staff seems reasonable for SFT staff who may need to travel occasionally, the administration should provide documentation for why an SUV is needed and why this vehicle cannot be a zero-emission vehicle.

Staff Recommendation: Hold Open.

ISSUE 10: VARIOUS CAPITAL OUTLAY PROJECTS

The Governor's budget includes 23 CalFire capital outlay proposals totaling \$175.2 million (\$119.7 million General Fund and \$55.5 million lease revenue bonds) in 2022-23. The total estimated cost of these projects is \$712 million.

BACKGROUND

These capital outlay projects are part of the CalFIRE's 5-year infrastructure plan, many of which were heard last year in this Subcommittee.

As noted in last year's hearing on March 3, 2021, CalFIRE's facilities are aging and out of date due to the changing nature of our climate, combined with increased need to staffing and state of the art technology to fight fires.

Given that these are General Fund expenses, if General Fund revenues decline in the future, many of the uncompleted projects may be delayed.

These projects include:

Proposal	22-23 GF Cost (millions)	Estimated Cost (millions)	Summary
Bear Valley Fire Station: Relocate Facility	0.75	9.5	\$750,000 General Fund for the acquisition phase of the Bear Valley Fire Station: Relocate Facility project, located in San Benito County. This is a new project. Total estimated project costs are \$9,594,000.
Columbia Helitack Base: Replace Facility	1.2	17.4	\$1,228,000 General Funds for the preliminary plans phase of the Columbia Helitack Base: Replace Facility project, located in Tuolumne County. This is a new project. Total estimated project cost is \$17,435,000.
Hemet-Ryan Air Attack Base: Replace Facility	33.6 (special fund)	37.5	\$33,661,000 Public Buildings Construction Fund for the construction phase of the Hemet-Ryan Air Attack Base: Replace Facility project, located in Riverside County. This is a continuing project. Total estimated project costs are \$37,523,000.
Higgins Corner Fire Station: Replace Facility	0.7	12	\$789,000 General Fund for the working drawings phase of the Higgins Corner Fire Station: Replace Facility project, located in Nevada County. This is a continuing project. Total estimated project costs are \$12,029,000.
Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities	2.1	53.5	\$2,131,000 General Fund for the preliminary plans phase of the Hollister Air Attack Base/Bear Valley Helitack Base: Relocate Facilities project, located in San Benito County. Total estimated project costs are \$53,550,000.
Howard Forest Helitack Base: Replace Facility	1.2	17.9	\$1,228,000 General Fund for the working drawings phase for the Howard Forest Helitack Base: Replace Facility project to replace the existing facility in Mendocino County. This is a continuing project. Total estimated project costs are \$17,985,000.

Humboldt-Del Norte Unit Headquarters: Relocate Facility	3.5	57.3	\$3,558,000 General Fund for the preliminary plans phase of the Humboldt-Del Norte Unit Headquarters: Relocate Facility project, located in Humboldt County. This is a continuing project. Total estimated project costs are \$57,317,000.
Intermountain Conservation Camp: Relocate Facility	3.8	73.8	\$3,831,000 General Fund for the preliminary plans phase of the Intermountain Conservation Camp: Relocate Facility project, located in Lassen County. This is a continuing project. Total estimated project costs are \$73,895,000.
L.A. Moran Reforestation Center Improvements	0.05	5.8	\$50,000 General Fund for the preliminary plans phase of the CAL FIRE LA Moran Reforestation Center (LAMRC) project, located in Yolo County. This is a new project. Total project costs are estimated at \$5,826,000.
Lake Napa Unit Headquarters and St. Helena Fire Station: Relocate Facility	5	42.7	\$5,000,000 General Fund for the acquisition phase of the Lake Napa Unit Headquarters and St. Helena Fire Station Relocate Facility project, located in Sonoma County. This is a new project. The total estimated project costs are \$42,714,000.
Lake/Napa Unit Auto Shop and Warehouse: Replace Facility	19.7	22.9	\$19,713,000 General Fund for the construction phase of the Lake/Napa Unit (LNU) Auto Shop and Warehouse: Replace Facility project in Napa County. This is a continuing project. Total project costs are \$22,917,000.
Macdoel Fire Station: Relocate Facility	0.5	11.8	\$586,000 General Fund for the working drawings phase of the Macdoel Fire Station: Relocate Facility project, located in Siskiyou County. This is a continuing project. Total estimated project costs are \$11,879,000.
Minor Projects	2	2	\$2,068,000 General Fund for two minor projects at the Puerta La Cruz Conservation Camp in San Diego County and the CAL FIRE Training Center located in Amador County. These are new projects. Total estimated project costs are \$2,068,000.
North Lake Tahoe Fire Station: New Facility	2	15.8	\$2,000,000 General Fund for the acquisition phase of the North Lake Tahoe Fire Station: Replace Facility project, located in Placer County. This is a new project. Total estimated project costs are \$15,680,000.
Potrero Forest Fire Station: Replace Facility	14.6	17.3	\$14,675,000 General Fund for the working drawings and construction phases of the Potrero Fire Station: Replace Facility project, located in San Diego County. This is a continuing project. Total estimated project costs are \$17,370,200.
Prado Helitack Base: Replace Facility	21.8 (special fund)	24.6	\$21,831,000 Public Buildings Construction Fund for the construction phase of the Prado Helitack Base: Replace Facility project to replace the existing facility in San Bernardino County. This is a continuing project. Total estimated project costs are \$24,600,000.
Self-Generating Power Projects in Tehama-Glenn and Fresno-Kings Units	0.05	30.1	\$50,000 General Fund for the preliminary plans phase of the purchase and installation of renewable energy (solar array, wind power generation, and clean back-up power supplies with supporting infrastructure) at state-owned facilities within two administration units: Tehama Glenn and Fresno Kings. This is a new project.

Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility	6.2	109.7	\$6,288,000 General Fund for the working drawings phase of the Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility project, located in Shasta County. This is a continuing project. The total estimated project costs are \$109,759,000.
South Lake Tahoe Fire Station: New Facility	3	16.6	\$3,000,000 General Fund for the acquisition phase of the South Lake Tahoe Fire Station: New Facility project located in El Dorado County. This is a new project. The total estimated costs are \$16,680,000.
Statewide Construct Communications Facilities: Phase V	37.2	41.6	\$37,226,000 General Fund for the construction phase of the Statewide Construct Communications Facilities: Phase V project. This is a continuing project.
Tehama Glenn Unit Headquarters: Relocate Facility	1.5	60.8	\$1,500,000 General Fund for the acquisition phase of the Tehama Glenn Unit Headquarters: Relocate Facility project. The total estimated project costs are \$63,840,000.
Various Projects: Air Attack Base: Infrastructure Improvements	13.8	16.3	\$13,882,000 General Fund for the construction phase of the Chico Air Attack Base/Paso Robles Air Attack Base: Infrastructure Improvements projects. Chico Air Attack Base is located in Butte County and Paso Robles Air Attack Base is located in San Luis Obispo County. These are continuing projects. Total estimated costs are \$16,350,000.
Wilbur Springs Fire Station: Relocate Facility	0.1	12.2	\$150,000 General Fund for the study phase of the Wilbur Springs Fire Station Relocate Facility, located in Colusa County. This is a new project. The total estimated costs of the project are \$12,214,000.
Total	\$175.2	\$712	

Staff Recommendation: Hold Open.

3340 CALIFORNIA CONSERVATION CORPS

ISSUE 11: ENHANCING AND EXPANDING CALIFORNIA CONSERVATION CORPS (CCC) FIRE CREWS

The Governor's budget requests an augmentation of \$8,087,000 in Fiscal Year (FY) 2022-23, \$8,969,000 in FY 2023-24, \$8,058,000 in FY 2024-25, \$10,292,000 in FY 2025-26, and \$10,248,000 ongoing General Fund for 18.0 positions and 13.0 full-time equivalent Corpsmembers positions to fund 10 additional hand crews (four new crews and six conversion crews) to provide vegetation management, hazardous fuel reduction projects, and wildland fire suppression, phased over four years, in partnership with CAL FIRE. These funds are offset by a reduction of -\$1,800,000 in FY 2022-23 and -\$2,700,000 ongoing in Collins-Dugan Reimbursement Account.

The CCC requests to transition six existing reimbursement CCC crews into Type 1 fire crews, one crew at each of the following CCC Centers: Pomona, San Diego, Monterey Bay, Fresno, Fortuna, and Redding (in 2023-24). Additionally, this proposal adds two expansion crews at the Los Pinos Center, and two crews at the new Auberry Residential Center (in 2025-26). This request includes an offset of -\$1.8 million in year one and -\$2.7 million starting in year two, and ongoing, from the Collins-Dugan Reimbursement Account to reflect that the six existing reimbursement crews will transition to being fully funded by the General Fund.

This request includes:

- 3 positions and 13 corpsmembers at the Los Pinos Center.
- 2 positions at the Monterey Bay, Camarillo Facility.
- 3 positions at the Auberry Facility in 2025-2026.
- 10 administrative positions at headquarters.

Staff Recommendation: Hold Open.

ISSUE 12: EQUIPMENT REPLACEMENT

The Governor's budget requests \$7,305,000 one-time General Fund in Fiscal Year (FY) 2022-23 to replace 114 vehicles. This would enable the CCC to meet its operational needs, minimize health and safety concerns related to crew transportation, and replace its aging fleet with newer, more fuel-efficient vehicles. The CCC's vehicle replacement plan is consistent with Executive Order (EO) B-16-12, and State Administrative Manual (SAM) Section 4100. Funds will be available for expenditure or encumbrance until June 30, 2024.

	Quantity	Unit Cost	Total
CCV/Van	28	\$155,000	\$4,340,000
Van-Mini	9	\$30,000	\$270,000
Pickup	77	\$35,000	\$2,695,000
		Total	\$7,305,000

SAM Chapter 4121 through 4121.9 (Zero-Emission Vehicle Implementation Plan) addresses EO B-16-12. Starting in 2015, departments must have 10 percent of its light duty vehicle purchases be Zero Emission Vehicles (ZEV) and 25 percent by 2020. These thresholds are limited to purchases that are less than 8,500 lbs. Gross Vehicle Weight Rating does not apply to procurements of 10 vehicles or less annually.

STAFF COMMENTS

Given the pending release of numerous zero-emission vehicle models that meet the qualifications of the vehicles needed for this request, staff recommends the Administration reevaluate the cost estimate to include more zero-emission vehicles and the associated charging. The Subcommittee may wish to extend the encumbrance period even longer to accommodate this.

Staff Recommendation: Hold Open.

ISSUE 13: RESIDENTIAL CENTER, GREENWOOD: NEW RESIDENTIAL CENTER

The Governor's budget requests \$66,607,000 General Fund for the construction phase to replace the existing Greenwood Residential Center (located in El Dorado County), which was constructed in the 1980s, to address structural and functional deficiencies.

Staff Recommendation: Hold Open.

ISSUE 14: MISSION CRITICAL RESOURCES

The Governor's budget requests position authority for 1.0 Administrator Officer I, 1.0 Associate Governmental Program Analyst, 2.0 Conservationist I, and 1.0 Fish Habitat Assistant for FY 2022-23 and ongoing to address critical staffing needs in the CCC to better serve and develop Corpsmembers. This proposal has a net zero fiscal impact.

Staff Recommendation: Hold Open.

ISSUE 15: RESOURCE REALIGNMENT FOR COMMUNICATIONS, OUTREACH, RECRUITMENT, AND ENROLLMENT (CORE)

The Governor's budget requests to convert 20.5 Full-Time Equivalent (FTE) Special Corpsmember positions to 11.0 permanent civil service staff positions to align resources with workload needs. The CCC is requesting position authority for 7.0 Staff Services Analysts, 1.0 Associate Governmental Program Analyst, 1.0 Graphic Designer I, 1.0 Information Officer I, and 1.0 Staff Services Manager I for FY 2022-23 and ongoing for the CCC's Communications, Outreach, Recruitment, and Enrollment (CORE). This proposal has a net zero fiscal impact.

Staff Recommendation: Hold Open.

ISSUE 16: RIGHTSIZING FIRE CREW RESOURCES

The Governor's budget requests an augmentation of \$1,769,000 in FY 2022-23, \$1,708,000 in FY 2023-24, and \$1,994,000 ongoing General Fund for 11.0 positions and 13.0 full-time equivalent Corpsmembers positions to adequately support CAL FIRE/CCC fire crews.

This proposal includes:

- 1 position at the Magalia-Butte Fire Center.
- 1 position and 13 corpsmembers at the Camarillo Fire Center.
- 1 position at the Los Pinos Center.
- 8 administrative positions at headquarters.

Staff Recommendation: Hold Open.

ITEMS TO BE HEARD

VARIOUS DEPARTMENTS

ISSUE 1: WILDFIRE AND FOREST RESILIENCE PACKAGE

The Governor's budget requests a \$1.2 billion investment in forest health and fire prevention across two years, to build the state's resilience to wildfires, while restoring critical watersheds and bolstering local economies. This investment builds on the historic \$1.5 billion investment the previous year, realizing a coordinated, scientific, state-wide approach to mitigating catastrophic wildfires. This request includes \$800 million General Fund and \$400 million Greenhouse Gas Reduction Fund (GGRF) across fiscal years 2022-23 and 2023-24—\$400 million General Fund and \$200 million GGRF in each year.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Helen Kerstein, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
- Wade Crowfoot, Secretary, California Natural Resources Agency
- Jessica Morse, Deputy Secretary of Forest Resources Management, California Natural Resources Agency
- Sergio Aguilar, Assistant Program Budget Manager, Department of Finance
- Stephen Benson, Principal Program Budget Analyst, Department of Finance

BACKGROUND

In last year's budget, the Legislature appropriated \$1.5 billion for wildfire and forest prevention activities and committed to at least \$200 million a year from GGRF for this purpose, until 2028-2029. Additionally, the budget included language requiring the Administration to report certain information—such as a summary of projects that received funding and the average cost per project—annually on all the wildfire and forest resilience programs that were funded in the early action and 2021-22 budget packages. The first of these required reports is due to the Legislature on April 1, 2022, and reports are due annually thereafter until April 1, 2026.

This Subcommittee held an oversight hearing on these funds on December 7, 2021. In that hearing, the Administration reported that 87% of the early action funds had been awarded and only 7% of the 2021-2022 funds. Some of the programs that have been relatively slow to commit funds have been newer programs that have taken time to launch, such as the pilot program that supports home hardening retrofits and the Climate Catalyst Fund.

This year's proposal includes:

Investment Category	Department	Program	Early Action 2020-21	2021-22	2022 Governor's Budget Multi-Year Package		Total
					2022-23	2023-24	
Resilient Forests and Landscapes	CAL FIRE	Forest Health Program	\$155	\$160	\$120	\$120	\$555
		Forest Improvement Program for Small Landowners	\$10	\$40	\$11	\$14	\$75
		Forest Legacy	\$6	\$10	\$14	\$19	\$49
		Nursery	\$2	\$9	\$2	\$2	\$15
		Urban Forestry	\$10	\$20	\$20	\$10	\$60
		Tribal Engagement	\$1	\$19	\$10	\$10	\$40
		Post-Fire Reforestation and Regeneration	-	-	\$50	\$50	\$100
	Various	Stewardship of State- Owned Land	\$30	\$145	\$65	\$65	\$305
Wildfire Fuel Breaks	CAL FIRE	CAL FIRE Unit Fire Prevention Projects	\$10	\$40	\$20	\$20	\$90
		Fire Prevention Grants	\$123	\$120	\$115	\$117	\$475
		Prescribed Fire and Hand Crews & Contract Counties	\$15	\$49	\$35	\$35	\$134
	California Conservation Corps	Fuel Reduction Crews	-	\$20	\$20	\$20	\$60
		Residential Centers	-	\$7	-	-	\$7
Community Hardening	Cal OES & CAL FIRE	Home Hardening	\$25	-	\$13	\$12	\$50
	CAL FIRE	Defensible Space Inspectors	\$2	\$13	\$5	\$5	\$25
	CAL FIRE & University of California	Land Use Planning and Public Education Outreach	-	\$7	\$4	\$5	\$16
Regional Capacity	Department of Conservation	Regional Forest Capacity	\$50	\$60	\$20	\$20	\$150
	Conservancies	Project Implementation in High-Risk Regions	\$69	\$139	\$35	\$35	\$278
Science-Based Management	CAL FIRE	State Demonstration Forests	-	-	\$5	\$5	\$10
		Monitoring and Research	\$3	\$20	\$7	\$8	\$38
		Prescribed Fire Liability Pilot	-	\$20	-	-	\$20
		Interagency Forest Data Hub	-	\$10	-	-	\$10
	Natural Resources Agency	LiDAR Remote Sensing	-	\$25	\$3	\$2	\$30
	Air Resources Board and Water Board	Prescribed Fire and Water Permitting	-	\$4	\$4	\$4	\$12
Economic Development of the Forest Sector	IBank	Climate Catalyst Fund	\$16	\$33	-	-	\$49
		Workforce Training	\$6	\$18	\$15	\$15	\$54
	CAL FIRE	Transportation Grants for Woody Material	-	-	\$5	\$5	\$10
	Office of Planning and Research	Market Development	\$3	-	\$2	\$2	\$7
Total			\$536	\$988	\$600	\$600	\$2,724

1. Resilient Forests and Landscapes: Achieving wildfire resilience requires cohesive landscape level action and engagement with landowners, including small family forest land owners, tribes, industrial timber operators, and state land managers. Wildfires don't recognize ownership boundaries. From rolling oak woodlands to conifer forests, active management is needed to mitigate catastrophic fire and restore fire intervals to their ecological norm. The Governor's budget will: (1) invest in coordinated forest health and fire prevention projects that help restore the right fire regime to the right ecosystem; (2) provide state land managers resources to better manage state-owned lands in particularly fire-prone areas; (3) expand programs that provide assistance to small non-industrial landowners; and, (4) provide resources to Tribes for fire resilience.

- **State-Owned Land:** The state owns 3 million acres of some of the most unique, beloved, and critical habitat on the planet. Year after year, these ecosystems are being devastated by wildfire, with over 100,000 acres of State Parks land and 40,000 acres of Fish and Wildlife land burning in the 2020 wildfire season alone. Protecting these lands from catastrophic wildfire will not only improve wildfire resilience but will help protect some of the most unique ecosystems on the planet, supporting Governor Newsom's recent commitment to reach "Thirty by Thirty." (EO N82-20).

Program	BU	Department	Early Action 2020-21	2021-22	Proposed 2022-23	Proposed 2023-24	Total
Stewardship of State-Owned Land	0540	CNRA			\$15	\$15	\$30
	3790	Parks	\$15	\$105	\$20	\$20	\$160
	3600	Fish and Wildlife	\$15	\$40	\$30	\$30	\$115
Project Implementation in High-Risk Regions	3125	Tahoe	\$1	\$36	\$5	\$5	\$47
	3855	Sierra Nevada	\$20	\$50	\$13	\$12	\$95
	3810	Santa Monica	\$12	\$15	\$5	\$5	\$37
	3845	San Diego River	\$12	\$13	\$2	\$3	\$30
	3825	LA Rivers and Mountains	\$12	\$15			\$27
	3760	State Coastal	\$12	\$10	\$10	\$10	\$42

- **California State Parks:** The increased investment and ongoing dedicated funding will enable State Parks to continue to scale up wildfire resilience and forest management activities on the 300,000 acres of State Park forestlands as well as other fire prone habitats across the state. This includes fuel reduction, forest restoration, and prescribed fires, with a goal of sustaining the delivery of up to 25,000 acres treated annually. These land management activities, along with improved wildfire preparedness, facility

protection, collaboration with adjacent landowners, and on-going recovery and restoration activities associated with recent wildfires will help State Parks reach that goal.

- **Department of Fish and Wildlife (DFW):** The DFW stewards some of the state's most ecologically sensitive lands in its ecological preserves and wildlife refuges. DFW's Resiliency Initiative, funded by SB 85 and SB 170, has increased the pace and scale of activities to promote resiliency to future wildfires that may inevitably reach all department-owned lands. These funds allowed procurement of heavy equipment, staff hiring, and contracting that contributed to approximately 18,000 acres treated and over 30 high fire risk structures removed in 2021. Working with other state agencies and private partnerships, DFW will continue to accelerate fire resiliency work.

California Department of Forestry and Fire Protection (CAL FIRE):

- **Forest Health Grants:** CAL FIRE's Forest Health Program is established in Public Resources Code § 4799.05. To date, Forest Health awards funding to partners working to significantly increase fuels management, fire reintroduction, and reforestation of forestlands. The program was assembled in 2016 to achieve landscape scale forest treatments and has awarded \$362 million to partners since FY 2016.
- **California Forest Improvement Program (CFIP)** enters into cost-share agreements with small landowners to encourage private and public investment in, and improved management of, California forest lands and resources. CFIP was created in 1978 and has been funded through various sources.
- **California Forest Legacy:** The Forest Legacy program provides funding for working forest conservation easements that protect forest land from conversion to non-forest uses. These lands directly correlate with the Administration's Biodiversity Executive Order to preserve 30 percent of California's natural lands by 2030. Working forest conservation easements encourage management practices that promote forest health and fire resilience through negotiated easement terms.
- **Nursery:** The Lewis A. Moran Reforestation Center ensures that high quality tree seed and seedlings are made available for reforestation and recovery efforts of private, nonindustrial landowners. The Center includes the State Seed Bank and a container seedling nursery where trees are carefully grown in state-of-the-art greenhouses. Conifer cones are collected each year and processed to produce pure, high quality seed which is stored for future sales to forest landowners.
- **Urban Forestry:** Under the authority of the California Urban Forestry Act (Public Resources Code 4799.06 - 4799.12), CAL FIRE's Urban & Community Forestry Program leads the effort to develop sustainable urban forests in California. This is accomplished by program staff that provide expert technical assistance to expand and improve the management of urban forests in California communities, with a strong emphasis on disadvantaged and low-income communities. Utilizing the program's Strategic Plan as developed by CAL FIRE's diverse Urban Forestry Advisory Committee, urban forests will expand to provide more multiple economic, environmental, and social benefits to the 94 percent of Californians who live, work and recreate in urban areas.

- **Forest Health Tribal Lands Grants:** A block grant program serving tribal governments and members of tribes to address land management needs.

2. Protective Fuel Breaks. Emergency fuel breaks protect communities and sensitive areas against the impacts of wildfires. They enable firefighters to approach a fire, take a stand, establish containment lines, and create evacuation routes.

CAL FIRE

- **Unit Fire Prevention Projects:** The CAL FIRE Unit Fire Plans contain priority fuel reduction projects unique to each CAL FIRE Unit. The Plans are living documents, updated annually with the input of local Unit staff and partners. These strategic fuel breaks and reduction in hazardous fuels reduce the severity of wildfires, while reducing the fire risk to vulnerable communities. They enable firefighters to approach a fire, take a stand, establish containment lines, and create evacuation routes.
- **Fire Prevention Grants:** CAL FIRE's Fire Prevention Grant Program provides funding for local projects in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Qualified activities include hazardous fuels reduction, wildfire prevention planning and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions. These grants are made available to local agencies, resource conservation districts, fire safe councils, Native American tribes, and qualified nonprofit organizations. Public Resource Code §4124 provides CAL FIRE the authority and activity types to provide these grants.
- **Prescribed Fire Crews:** CAL FIRE staffs 10 fuels crews to complete fuel reduction and prescribed fire projects to increase the pace and scale of prescribed fire use and fuel reduction statewide. They are used both for internal CAL FIRE projects and for support of projects conducted by partnering organizations.

California Conservation Corps:

- The Forestry Corps are critical to statewide forestry work and post-wildfire recovery while training California youth for climate careers, and expanding this program (established pursuant to AB 2126 (2019), with additional funding provided via Wildfire and Forest Resilience Package pursuant to SB 170 (2021)) will provide an efficient and reliable workforce to implement fuel breaks and the removal of dead and dying trees caused by the drought and past wildfires, in partnership with CAL FIRE and other state, local, and federal agencies. In addition, funds will be committed to the certified local conservation corps to carry out the same focus at the local level.

3. Community and Home Hardening

- **Home Hardening:** Simple retrofits like fine-mesh attic vents or double paneled windows dramatically improve a home's survival in the face of a wildfire. Education and outreach can help homeowners make the right improvements. Funding will continue to implement the wildfire mitigation assistance pilot program created by Chapter 391, Statutes of 2019 (AB 38) to provide financial assistance for home hardening to low-income and vulnerable

populations. California will continue to work with FEMA to pursue potential federal funding to match the state's investment.

- **Defensible Space and Community Preparedness:** Public Resources Code (PRC) §429109.1 provides the programs and activities that CAL FIRE is responsible to implement related to wildfire preparedness and mitigation. These programs support communities in the preparation and prevention of wildfires through activities including defensible space, home hardening/building codes, fire safety standards, land use planning assistance, and utility wildfire mitigation. Defensible Space, as outlined in PRC §4291, requires all homes and buildings in the wildland to maintain clearance from dead and dying vegetation. Outreach, education, training, assistance, and research to help homeowners learn about these new standards is crucial to helping homeowners implement the new standards.
- **Community Preparedness and Fire Prevention:** Investments within communities are essential to protect our residents from all types of wildfires. These include hardening homes against embers, reducing hazardous fuels around neighborhoods, creating survivable spaces, establishing defensible space around homes, and supporting local and regional efforts to create fire-adapted communities through improvements in local ordinances, emergency access routes, and other tools.

4. Regional Capacity

- **The Department of Conservation: The Regional Forest and Fire Capacity.** This program provides regional block grants to the highest wildfire-prone regions and leads to the development of regional plans. This model enables regions and their collaboratives to leverage federal and local resources and align their plans with project implementation dollars via multiple fund sources, including state fire prevention and forest health grants. The new funding will allow existing grantees under the RFFC Program to refine project planning and expand implementation ready project pipelines. Further, this increased funding will enable the Regional Forest and Fire Capacity program to serve additional wildfire-prone communities beyond the 10 current RFFC regions.
- **The San Diego River Conservancy:** The San Diego River Conservancy established the Wildfire and Forest Resilience Program (Program) in May 2021. Projects limit the risk of large wildfires by reducing flammable fuel loads, providing equipment and training, and restoring ecological health in the local rivers' watershed. This includes vegetation management to reduce fuel loads around communities threatened by wildfire and to reduce the risk to people and property. In addition, the projects provide education through the Fire Safe Council of San Diego County, Fire Safe Council's coffee chats and Community Wildfire Protection Plan Workshops. Education and mobilization of public and private property owners are essential to meeting the state's wildfire resilience goals. The overall Program provides grants to manage both public and private lands for forest health and wildfire resilience. Targeted regional funding to the San Diego River Conservancy will deliver both wildfire and forest resilience by protecting communities, habitat, and California's water supply.
- **Santa Monica Mountains Conservancy:** With additional funding, grants for new fire resilience projects and augmentation of current projects will further fire resilience efforts

in the Los Angeles region. The Los Angeles Conservation Corps and the California Conservation Corps were two of the workforce development grantees. In just one example of grants providing multibenefit resilience projects, work is currently underway on nonnative weedy fuel reduction in the 101 Freeway corridor, an historic wildfire route driven by Santa Ana winds and ember spread. Corpsmembers have provided workforce assistance in fuel removal and will assist with strategic planting of fire resistant, ember-screening oak and toyon later this fall. Expanded locations for such targeted work will be possible with additional funding, along with additional local assistance grants to cities, nonprofits, special districts, tribes, and joint powers agencies.

- **Sierra Nevada Conservancy:** The Sierra Nevada Conservancy stewards the highest fire-risk region in the State and originates the majority of California's water. Starting January 1, 2021, the Sierra Nevada Conservancy's boundary will expand by two million acres, covering all or part of 24 counties at nearly 27 million acres. The boundary change brings all of the source watersheds that feed California's developed water supply into the Sierra Nevada Conservancy's service area. Targeting regional funding to the Sierra Nevada Conservancy will deliver both wildfire and drought resilience and will protect communities, habitat, and California's water supply.
- **State Coastal Conservancy:** The resources proposed in the Wildfire and Forest Resilience Expenditure Plan will build on recent investments of the Coastal Conservancy's Wildfire Resilience Program. This program supports local partners to develop and implement projects that improve forest health and reduce the risk of catastrophic fire in areas where people are living near wildlands. The Coastal Conservancy established the Wildfire Resilience Program in May 2021, with funding from the Wildfire Early Action Plan (the 2020 Budget Act). Under this program, the Conservancy approved awards totaling \$11.4 million for 35 projects. This program supports high priority projects to limit the risk of wildfires by reducing flammable fuel loads through prescribed grazing, establishment of shaded fuel breaks, and other vegetation management activities. Targeted regional funding to the Coastal Conservancy will reduce fire risk to communities and critical infrastructure through grants to local partners ready to implement vegetation management projects.
- **California Tahoe Conservancy:** The Tahoe Conservancy leads California's efforts to restore and enhance the extraordinary natural and recreational resources of the Lake Tahoe Basin. The Tahoe Conservancy manages state-owned lands for wildfire and forest resilience. The Tahoe Conservancy is also implementing the Lake Tahoe Basin Forest Action Plan, which includes completing wildland-urban interface treatments across ownerships, landscape-scale forest restoration initiatives, and capacity building.

5. Science Based Management

- **Demonstration State Forests:** The Demonstration State Forest Program was established in 1946 to demonstrate reforestation of cut-over forestlands and sustainable management of second growth timber crops. With successful reforestation of these original landscapes, contemporary management is focused on meeting the three primary statutory program objectives: sustainable forest management; research and demonstration; and recreation. Through applied research, the State Forests contribute to scientific understanding to inform policy discussions of issues such as climate change,

carbon sequestration, fire hazard reduction, watershed functioning, and fish and wildlife habitat. Through recreation opportunities, the State Forests help Californians to enjoy their forests and to learn and understand how and why forests are managed.

- **Monitoring and Research:** Forest Resource and Assessment Program (FRAP) assesses the amount and extent of California's forests and rangelands, analyzes conditions of those lands, and identifies alternative management and policy guidelines to achieve state goals. The program relies heavily on the publicly available Forest Inventory Analysis (FIA), a long-term data set compiled by United States Forest Service, and other various data layers such as fuel density data for a number of maps and assessments. FRAP initiated the Forest Health Research program in FY 2018 to support increasing pace and scale of fuels reduction and prescribed fire reintroduction in a scientifically informed way. Forest Health Research program will invest in research needed to address substantial knowledge gaps in forest management, forest health, and wildfire science. Forest Health Research program awarded less than 1/3 of applicants in its first two years. In addition, FRAP has responsibilities for maintaining and enhancing reporting of fuels reduction and other types of vegetation management projects in CalMapper. The Wildfire and Forest Resilience Task Force calls for increased reporting with partner agencies and information sharing to support strategic planning and reporting through the Forest Data Hub.
- **California Natural Resources Agency:** Developing reliable remote sensing data sources to inform predictive and planning models is crucial to improving the effectiveness of all wildfire resilience efforts. Remote sensing including LiDAR, satellite images and hyperspectral analysis will improve predictive modeling and project planning analytics. During the 2020 Creek Fire, fire predictive models were built on the assumption of 3-inch diameter wood on the ground fueling the fire. However, a LiDAR flight over the region earlier in the year revealed 30-inch diameter wood on the ground fueling the fire, creating a drastically hotter, faster, and more dangerous fire. This investment will build on a \$25 million investment from the 2020-21 budget for remote sensing which is acquiring LiDAR and remote sensing products in coordination with federal partners like the US Geological Survey, NASA, and the US Forest Service Pacific Southwest Research Station.
- **California Air Resources Board and State Water Resources Control Board:** The new California Vegetation Treatment Program (CAL VTP) reduced the California Environmental Quality Act (CEQA) timeline from two years to several months for complex forest health and fire resilience projects. This funding will build on previous investments that enable the State Water Boards to continue to fund staff implementation of a state-wide water permit integrated into the CAL VTP, ensuring that grantees and project proponents don't have additional costs or paperwork when using the CAL VTP. State Water Board will also fund adaptive management strategies and research to continually improve efficiency and efficacy of the state-wide water quality order so that it remains a low-cost, low administrative-burden permit for water quality. The California Air Resources Board is also receiving additional funds to ensure efficient oversight for prescribed fire burn permits.

6. Forestry Sector

- **Workforce and Business Development:** The Wood Products and Bioenergy Program (WPBP) works with Forest Health Program to maximize climate and economic co-benefits associated with Forest Health projects. The WPBP manages five existing workforce development and training grant awards and tracks employment created through all Forest Health and Workforce projects. Wood Products and Bioenergy is co-lead in the Workforce Subgroup in the Wildfire and Forest Resilience Task Force, which is developing a statewide workforce gap assessment. To date, the five training programs working with WPBP have enrolled over 300 participants in workforce training curriculum and graduated several cohorts. Demand for space in the programs and for graduates continues to grow.
- **Biomass Transportation Subsidy:** The fires of 2020 and 2021 have created a need to salvage dead trees for timber, reduce future fuel loads and clean up lands so they can be safely replanted. This has caused a situation where there is too much dead wood and too little means to utilize it. Dead tree removal along transportation corridors is being stacked up along roadsides with no destination identified. New and expanding wood processing businesses operate on thin profit margins. A pilot transportation subsidy targeted at post-fire cleanup and new processing capacity could reduce future costs to the state.
- **Office of Planning and Research:** This program seeks to expand wood markets through pilot projects and market strategies to develop long term contracts and mechanisms to fully utilize the material being thinned from forests. The wood could be used for building material, energy, fuel, or other products and will create incentives for private forest-land management.

LAO COMMENTS

Assessment. Overall, the LAO finds that continued focus on wildfire prevention and mitigation activities has merit given the worsening pattern of large and severe wildfires in recent years. However, the LAO notes that in many cases, departments are still implementing the funding from the prior wildfire and forest resilience packages and that information on the outcomes from those funds is limited. The LAO also finds that legislative guidance could improve the implementation of some programs proposed for funding. The LAO also finds that while the new programs proposed for funding are aimed at addressing important issues, key details on how these programs would be structured and the rationale for the proposed funding amounts are lacking. The LAO further finds that there are trade-offs associated with the Governor's two-year funding approach, since some activities require ongoing funding to be effective and others lack adequate information to assess the amount of funding that will be required in 2023-24. Finally, the LAO finds that robust legislative oversight in this area remains essential.

Information on Outcomes Is Limited. Many of the activities proposed for funding are widely considered good practices to reduce wildfire risks, particularly reduction of hazardous fuels, defensible space, and home hardening. However, the available information on the cost-effectiveness of many programs is somewhat limited—making it difficult for the Legislature to know whether the Governor's proposed package represents the most effective way to allocate funds for wildfire prevention and mitigation. Also, while the Administration has identified the projects to which they had committed funding as of December 2021, information on the specific

outcomes achieved and the associated costs is not yet available. The LAO notes that a summary of the funded projects and program costs is required to be included in the Administration's annual report to the Legislature, the first of which is due in April 2022. Additionally, AB 38 required a report assessing the cost-effectiveness of defensible space and home hardening compared to other activities to be completed by 2024. These required reports should help inform future legislative decisions on how much to spend on various potential approaches to reducing wildfire risks.

- ***New Programs Aimed at Addressing Important Issues, but Key Details Lacking.*** The proposed new programs address worthwhile areas of focus, but at the time of this analysis there was insufficient detail provided on these programs to fully evaluate their merits.
- ***Post-Fire Reforestation.*** Providing funding for reforestation would help reduce the likelihood of type conversion and promote long-term landscape health. However, the Administration has not provided at this time key details on the proposed program, such as what specific activities the funding would support, the rationale for the proposed funding amount, and the anticipated outcomes of the funding. This information is necessary for the Legislature to fully evaluate whether the proposed approach and funding amount are appropriate.
- ***CNRA State-Owned Land.*** Making state-owned land more resilient to wildfires is an important goal. However, it currently is not clear what specific types of activities and projects the proposed funding would support and how this funding would complement or duplicate efforts to steward state-owned land through other agencies, such as the Department of Parks and Recreation, Department of Fish and Wildlife, and the Tahoe Conservancy.
- ***Woody Biomass Transportation Subsidy.*** The accumulation of woody biomass, such as due to recent wildfires, is a significant issue that merits attention. This is because, in some cases, it is not economically viable to transport this woody biomass to processing facilities. However, leaving biomass in place or burning it has significant negative impacts that extend beyond the individual property owner, including potentially elevating wildfire risks and generating additional emissions. Accordingly, it appears generally reasonable for the state to help address this issue by providing some level of financial support to incentivize the transfer of biomass to processing businesses. However, key details about how a subsidy would be implemented were lacking at the time of this analysis. For example, it is unclear who would be eligible for subsidies, how the amount of the subsidy would be determined, and how the outcomes of the pilot would be tracked and reported to the Legislature. These and other details are essential for the Legislature to effectively assess whether the specific approach and funding amounts proposed by the Administration are justified.
- ***State Demonstration Forests.*** State demonstration forests are a valuable resource that helps provide research on forest-related issues. However, at the time of this analysis, it was unclear what the proposed funding would be used for, what specific outcomes would be expected, and why the proposed amount was selected.

Recommendations:

- **Consider Funding Amounts in Context of Legislative Priorities.** Given the lack of clear evidence regarding the relative effectiveness of different mitigation and prevention activities, it is difficult for the Legislature to determine whether the proposed package represents the “best” mix of programs and level of funding to address wildfire risks. For this reason, it will be particularly important for the Legislature to ensure that the total level of funding proposed for wildfire and forest resilience, as well as the mix among programs, is consistent with its priorities. In identifying its funding priorities, some of the factors that the LAO recommends the Legislature consider include:
- **Emerging Information on Spending Progress and Outcomes.** The Legislature could consider focusing its allocations on programs that appear to have capacity to use additional funds—as evidenced in part by their ability to get previously appropriated funding out to projects—and are able to provide relatively compelling information on outcomes.
- **Ability to Test and Research Promising Approaches.** The Legislature could consider the extent to which the proposed funding goes to demonstration projects or pilots that could be helpful in improving the state of knowledge about effective approaches to wildfire mitigation.
- **Which Harms Would Be Mitigated.** For example, to the extent protecting homes and reducing economic costs are high priorities, the Legislature could consider dedicating more funding to community hardening. Alternatively, to the extent that mitigating damage to the environment from severe wildfires is a high priority, the Legislature could consider focusing more on improving the health of forests and landscapes.
- **Which Groups of Californians Are Most Impacted.** The Legislature might want to consider how wildfires affect different communities, how past funding has been directed, and the extent to which the proposed strategies could more equitably target new spending. For example, the Governor’s plan includes funding dedicated to forest health projects on tribal lands, and the home hardening program is intended to go to lower-income households that might otherwise be less able to implement these safety improvements on their own.
- **Protecting State Assets and Responsibilities.** For example, some funding in the package is targeted to addressing risks on state-owned lands, such as state parks. The Legislature could also consider whether more funding should be spent in ways that better ensure protection of other state assets, such as highways and state buildings, or the watersheds that provide most of the water flows for the State Water Project.

Defer Action Until Spring to Provide Time to Secure and Assess Additional Information.

The LAO recommends that the Legislature defer action on the proposed package until the spring. This would provide additional time for the Administration to provide information on the specifics of its proposals. Additionally, by the spring, more information may be available on the pace of agencies’ spending of funding provided in previous packages, as well as on the outcomes of this spending. In particular, the Legislature should have the Administration’s first required report on the early action and 2021-22 packages by April. Together, this information would help the

Legislature determine whether it is comfortable with the Administration's proposed approach and funding levels, or whether it would like to make modifications.

STAFF COMMENTS

The negative impacts of wildfires are widespread, ranging from watershed health, air quality, soil, to the economy. With eight of the State's most destructive wildfires occurring in the last five years, it is critical that the state continue to make investments to increase the state's fire resilience through better land management and other fire prevention measures. While CalFIRE's base budget is proposed to increase by 33% this year alone with hundreds of millions of dollars in ongoing commitments, wildfire prevention and forest resilience only has a \$200 million commitment until the 2028-2029 fiscal year.

This proposal increases investments for many of the state's existing effective prevention programs including the fire prevention grants, the forest health program, and others. However, this proposal also increases funding for several programs whose outcomes have not yet been established, such as the home hardening program and the public education and outreach investments, as well as some new programs with minimal information provided, particularly the transportation grants for woody material, market development program, and the state demonstration forests investments.

To better understand the status of last year's funding and the new programs, the Subcommittee may wish to ask:

- Please provide an update on the status of last year's funds. What percentage of funds have been encumbered? Can you provide us a project list?
 - Specifically on the Fire Prevention Grant program, what has the geographic distribution of these funds been? Given the differing prevention activities needed based on vegetation types, have the funded activities in grassland and chaparral areas of the state been different than awarded projects in the forested areas of the state? How is CalFire reviewing grant applications to ensure the projects are not contributing to type-conversion?
- For the competitive grant programs, have the grant applications been opened? Awarded? Are they oversubscribed?
- How will you ensure the investments are coordinated?
- What is the current process to ensure that the investments in this package are aligned with state efforts on climate, water, and biodiversity?
- What is the state's goal for the use of prescribed fire? How much money has been spent on these projects?
- When will we start to see Burn Bosses certified?
- How has the \$25 million for home hardening been dedicated? How has the home hardening program ensured community-wide participation to boost effectiveness of home hardening investments? How much federal money is likely to be leveraged with last year's investment?
- How does the Administration intend to deliver the transportation grants? How will this program work to complement state funding for thinning activities, and public funding for

biomass utilization, including electricity generation? How will this program prevent double-funding the same activities?

- Has the funding provided to the California Air Resources Board and Water Board for prescribed fire permitting decreased the time it has taken to receive the appropriate air and water permits necessary? Will ongoing funding be needed in order to maintain these permit efficiencies?

Staff Recommendation: Hold Open.

0540 NATURAL RESOURCES AGENCY**3540 CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

ISSUE 2: WILDFIRE AND FOREST RESILIENCE TASK FORCE SUPPORT (SB 456)

The Governor's budget requests \$2,483,000 in General Fund for FY 22-23 and \$1,477,000 ongoing, and 4 positions (two at CNRA and two at CAL FIRE) to support the operations of the Task Force and to fulfill the goals of SB 456, which codifies the Governor's Wildfire and Forest Resilience Action Plan in statute.

PANEL

The following individuals will participate virtually in the discussion of this issue:

- Helen Kerstein, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
- Wade Crowfoot, Secretary, California Natural Resources Agency
- Jessica Morse, Deputy Secretary of Forest Resources Management, California Natural Resources Agency
- Patrick Wright, Director, Wildfire and Forest Resilience Task Force
- Sergio Aguilar, Assistant Program Budget Manager, Department of Finance
- Stephen Benson, Principal Program Budget Analyst, Department of Finance

BACKGROUND

These positions will; (1) manage and facilitate the work of more than a dozen work groups and related committees, quarterly regional forums, an interagency team, a Science Advisory Panel; (2) track the 99 deliverables in the Action Plan; (3) coordinate the work of more than 50 federal, state, local, and tribal agencies involved in the Task Force; and, (4) develop and implement a comprehensive communications strategy, including development of the annual reports required by SB 456.

In addition to these positions, CalFIRE is requesting:

- \$500,000 in 2022-23 and \$250,000 annually starting in 2023-24 for contracted services to design and implement a communications and outreach strategy, including development of a structure to support the flow of information between Task Force partners; the creation of high-quality products on multiple media platforms; creation, maintenance and hosting of a Task Force website; and, the design and production of Task Force reports.
- \$750,000 in 2022-23 for contracted services to engage scientific communities, shareholders, and businesses to develop strategies for annually treating one million acres by 2025.

- \$300,000 in 2022-23 and ongoing for Workgroup Facilitation contracts, including, but not limited, to those for prescribed fire, state lands, private landowner, reforestation, and fire adapted communities.
- \$150,000 in 2022-23 and ongoing for Science Consulting contracts including those to guide, inform, monitor, track and report on forest health and resilience treatments, state investments and regional strategies.
- \$5,000 is requested in 2022-23 and \$3,000 in 2023-24 and ongoing for travel associated with region-specific priority planning, and two-to-three times annually for travel to full Task Force meetings that are to be held around the State to engender support for wildfire and forest health/resilience statewide.

STAFF COMMENTS

The proposed BCP does not seem reasonable to implement SB 456. The fiscal estimate in the Senate Floor analysis (the most recent estimate provided) for this bill was \$250,000 to \$500,000 in the first year and \$300,000 ongoing. It is unclear why these tasks are best completed through contracts, instead of by CalFIRE or CNRA staff, especially the ongoing contracts. The Subcommittee may wish to ask the following questions:

1. What will each contract provide?
2. Why are these tasks best provided under a contract and not under CalFIRE or CNRA staff?
3. Why are some of these contracts ongoing?
4. Why are contracting services needed to communicate with shareholders and businesses instead of the having those entities work with GO-BIZ, Ibank, or the Office of Planning and Research under the climate catalyst fund or market development programs?

Additionally, this Subcommittee may wish to hear an update on the activities of the Wildfire and Resilience Task Force before significantly expanding its staffing, including:

- When will the state complete the fine scale vegetation mapping for the entire state (Sierra Nevada, Central Coast, and North Coast) to better guide fire prevention activities?

Staff Recommendation: Hold Open.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION
0690 GOVERNOR'S OFFICE OF EMERGENCY SERVICES

ISSUE 3: VARIOUS CALFIRE PROPOSALS WITH ONGOING COSTS

The Governor's budget requests almost \$500 million in ongoing General Fund expenses for staffing and equipment. This includes a set aside of \$400 million General Fund on an ongoing basis to improve the health and wellness of CAL FIRE firefighters. The administration indicates that there are no details on this proposal yet and that they will engage with firefighters. The details of that proposal will impact many of the BCPs heard today since it may change staffing ratios.

Proposals for this year alone would increase CalFire's total base support budget for fire protection would increase by 33 percent (from \$2.1 billion in 2021-22 to \$2.8 billion in 2022-23).

Given the uncertainty of General Fund revenue in the future, this committee may want to vet the appropriateness of these future commitments.

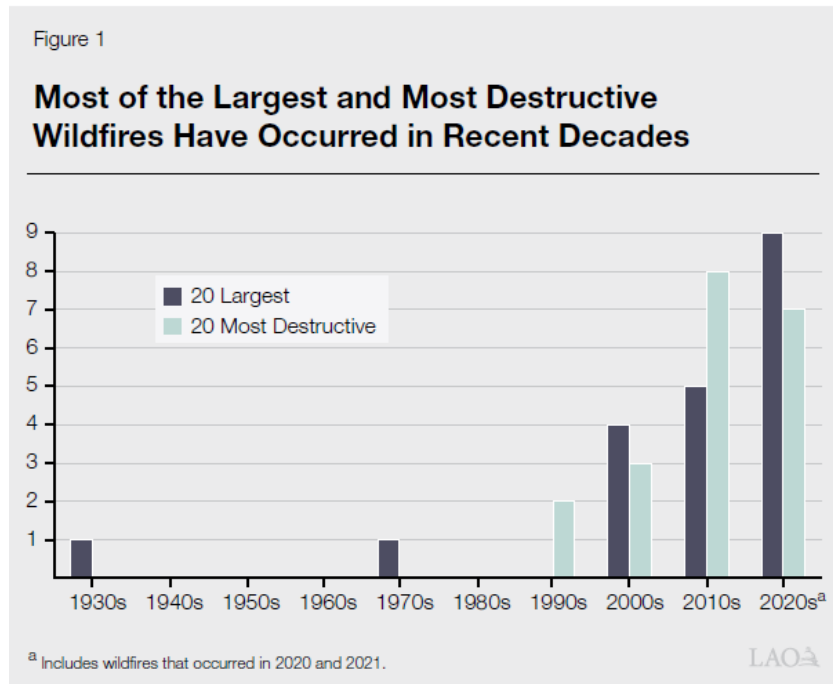
PANEL

The following individuals will participate virtually in the discussion of this issue:

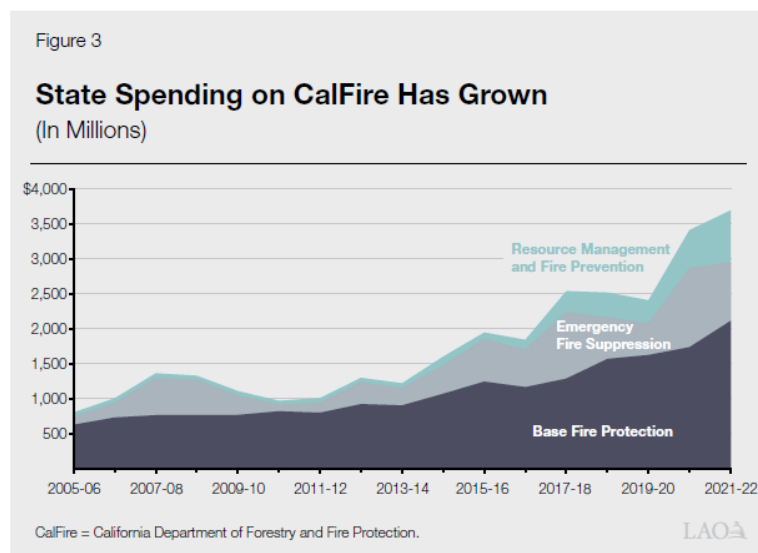
- Helen Kerstein, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
- Wade Crowfoot, Secretary, California Natural Resources Agency
- Jessica Morse, Deputy Secretary of Forest Resources Management, California Natural Resources Agency
- Sergio Aguilar, Assistant Program Budget Manager, Department of Finance
- Stephen Benson, Principal Program Budget Analyst, Department of Finance

BACKGROUND

California has seen some of the largest and most destructive wildfires in recent years and this is only expected to grow due to climate change.



With this growth in fires, CalFire's total base wildfire protection budget has grown by nearly two-thirds over the past five years alone (from \$1.3 billion in 2017-18 to \$2.1 billion in 2021-22). Funding has also increased for related agencies like the California Conservation Corp, California Military Department, and CalOES. Despite this tremendous growth, CalFire has been unable to keep up with demands for resources. For example, in 2020, according to data from CalFire, roughly 7,900 requests for fire engines, 900 requests for dozers, and 600 requests for helicopters could not be filled.



Below is a snapshot of some of the recently adopted investments:

Figure 2

Key State Wildfire-Response Funding Augmentations in the Last Few Years

- ✓ **CalFire—Blackhawk Helicopters.** \$315 million one time (General Fund) over a few years beginning in 2018-19 to replace all 12 of CalFire's helicopters, and \$14 million ongoing to support increased maintenance and staffing associated with the helicopters.
- ✓ **CalFire and CCC—Emergency Response and Preparedness: Fire Crews.** \$143 million (General Fund) in 2021-22, and \$124 million and 617 positions ongoing to support 16 new CalFire hand crews staffed by seasonal firefighters, eight year-round CCC hand crews, and six seasonal CCC hand crews.
- ✓ **CalFire—Relief Staffing.** \$85.6 million ongoing starting in 2020-21 (primarily from the General Fund) to support additional firefighting positions and fire response surge capacity. This includes: (1) \$34.2 million to support 172 permanent firefighting positions; (2) \$44 million for 378 seasonal firefighters and other surge capacity; (3) \$7.5 million for the six CalFire contract counties, pursuant to the state's existing budgeting methodology for contract counties, which is tied to CalFire's budget for fire response resources; and (4) \$1.8 million for facilities and equipment, such as purchasing vehicles. These increases are partially offset by a reduction of \$1.9 million to reflect a lower level of unplanned overtime within the department's fire protection program as a result of the higher ongoing staffing levels.
- ✓ **CalFire—13 Year-Round Fire Engines.** About \$40 million (mostly General Fund) in 2019-20 to purchase and staff 13 additional fire engines on a year-round basis. Includes \$8.3 million (one time) to purchase the fire engines and \$32.6 million ongoing for 131 positions.
- ✓ **OES—Fire Engine Pre-Positioning.** \$25 million annually to pre-position mutual aid fire engines and other related equipment in order to decrease local response times to potentially destructive wildfires and other disasters. This funding was provided on a one-time basis in 2017-18 (GGRF) and in 2018-19 (General Fund). Funding was extended on an ongoing basis in 2019-20 (General Fund).
- ✓ **OES—110 Fire Engines.** \$25 million one time (GGRF) in 2018-19 to purchase 110 additional fire engines, and \$1.1 million ongoing to maintain and fuel the additional engines.
- ✓ **CalFire—Innovative Procurement.** \$15 million one time (General Fund) in 2019-20 for CalFire to work with vendors to test proofs of concept for various potential firefighting technology solutions.
- ✓ **CalFire—Air Tankers.** \$13 million ongoing (General Fund) beginning in 2019-20—increasing to \$50 million upon full implementation in 2023-24—for contract funding for flight crews, maintenance parts and logistics, and 50 additional positions to operate and maintain seven C-130 air tankers that CalFire expects to receive from the federal government.
- ✓ **CalFire—Heavy Fire Equipment Operator Staffing.** \$10.6 million ongoing (General Fund) beginning in 2019-20 for 34 additional heavy fire equipment operators to operate bulldozers.
- ✓ **CalFire—Wildfire Forecasting.** \$4.4 million (General Fund) in 2020-21, increasing to \$7.6 million ongoing, and 24 positions to implement the FireSIM and FireCAST wildfire forecasting technologies that were identified through the innovation procurement.
- ✓ **CalFire, OES, CMD, and CPUC—Wildfire Threat Assessment.** \$2 million (General Fund) in 2020-21, increasing to \$9.5 million in 2021-22 and ongoing (\$9.3 million General Fund and \$191,000 PUCURA) and 22 positions to establish the Wildfire Forecast and Threat Intelligence Integration Center, consistent with the requirements of Chapter 405 of 2019 (SB 209, Dodd).

CalFire = California Department of Forestry and Fire Protection; CCC = California Conservation Corps; OES = Office of Emergency Services; GGRF = Greenhouse Gas Reduction Fund; CMD = California Military Department; CPUC = California Public Utilities Commission; and PUCURA = Public Utilities Commission Utilities Reimbursement Account.

In order to discuss the magnitude of ongoing commitments to CalFire's base fund, the Subcommittee will focus on the following three proposals:

1) Emergency Surge Capacity and Response Enhancements

The Governor's budget requests \$179.8 million General Fund in 2022-23 and \$14.6 million General Fund ongoing to increase surge capacity for wildland fire emergency response by; (1) acquiring four additional S70i Fire Hawk helicopters to provide aircraft availability to help maintain 24/7 flight operations during critical fire weather conditions when frontline helicopters

are due for maintenance; (2) contracting 10 additional heavy helicopters each year for three fiscal years while awaiting the federal delivery of C-130 air tankers beginning in spring 2023; and, (3) adding two surge engines in each of the 21 units and each of the six contract counties as well as 10 surge capacity bulldozers to the statewide resource pool that can be staffed during critical fire conditions and resource drawdown.

This includes:

- **S70i CAL FIRE Hawk Helicopters (\$99 million General Fund in 2022-23 and \$11.7 million ongoing).** S70i CAL FIRE Fire Hawk helicopters are used to deliver personnel and water/retardant to the fire line. These new aircraft have night flying capabilities, which is a departure from the Huey UH-1Hs that were limited only to daytime use. This includes maintenance contracts and a lease for a facility to store the helicopters.
- **Exclusive Use Type 1 Helitanker (\$45 million General Fund annually through 2024-25).** This requests funding for a contract for 10 “exclusive use” heavy helicopters, capable of dropping 1,000 to 2,000 gallons of water at a time, while awaiting the arrival of the federal C-130 air tankers beginning in spring 2023. Exclusive use contracts ensure the helicopters are not leased out to others, which may delay fire response times. Further, CAL FIRE requests budget bill language allowing the department to directly contract with vendors, ensuring the exclusive use aircraft are available for deployment starting in July 2022.
- **Surge Equipment: Fire Engines and Bulldozers (\$35.8 million General Fund in 2022-23 and \$2.8 million ongoing).** CAL FIRE requests to purchase a total of 54 additional Type III wildland fire engines, two for each unit and two for each of the six contract counties (Orange, Los Angeles, Ventura, Kern, Santa Barbara and Marin); CAL FIRE currently has 356 wildland fire engines. This request also includes 10 additional surge capacity bulldozers; CAL FIRE currently has 59 wildland bulldozers.

2) Fire Integrated Real-Time Intelligence Systems (FIRIS)

The Governor’s budget requests \$30 million ongoing General Fund and 31 positions (\$24.4 million and 11 positions for Cal OES and \$5.6 million and 20 positions for CAL FIRE) beginning in 2022-23 to establish and operate a state level mutual aid asset known as the Fire Integrated Real-Time Intelligence System (FIRIS) – An All-Hazards Intelligence Platform, which enhances public safety, the mutual aid response system and situational awareness in real-time for all-hazard prediction and evaluation models, primarily for all-hazard response, to include primarily wildfires, but also mud slides, flooding, earthquakes, avalanches, urban and wilderness search and rescue events, law enforcement activities, environmental emergencies such as oil spills and hazardous material releases, preliminary and post-disaster damage assessments and fire management assistance grants.

The FIRIS system has been operating on a pilot basis since funding in the 2019 budget. The system utilizes aircraft with sensors, artificial intelligence, and GIS mapping systems to monitor disasters and coordinate response. The system is currently managed through the Orange County Fire Authority.

This proposal would operate FIRIS out of CalOES with significant staffing from CAL FIRE. This proposal includes \$20 million for contracted services including two 24 hour air crafts (one for Northern and one for Southern California) and associated technology costs. The proposal also includes \$10 million for staffing and 31 positions, with 11 for CalOES and 20 for CAL FIRE. This program will partner with the Wildfire Forecast and Threat Intelligence Center.

3) CAD/AVL Program Hardware and Service Refresh

The Governor's budget requests \$23.9 million General Fund and \$17.9 million State Emergency Telephone Number Account (SETNA) in 2022-23, \$22.5 million General Fund and \$8 million SETNA ongoing, and 43.0 positions to acquire, install, and support the Computer Aided Dispatching program throughout the CAL FIRE Emergency Command Centers and all other emergency response resources, to quickly locate and dispatch CAL FIRE resources to emergency incidents.

This GIS enabled Automatic Vehicle Locator (AVL) system has already been installed on 1,200 CAL FIRE vehicles and this BCP will expand this to the remaining 2,400 vehicles.

This hardware is updated every five years.

LAO COMMENTS

Additional Wildfire Response Capacity, Particularly During Extreme Events, Is Merited.

As mentioned previously, there has been a pattern of increasing numbers of severe wildfires in recent years, which have strained the state's capacity to respond. Moreover, the effects of climate change are likely to lead to growing risks of severe wildfires in the future. Accordingly, it is reasonable to provide additional resources to improve the state's capacity to respond to future wildfires. In particular, in principle, it makes sense to enhance the availability of flexible resources that can surge when needed to respond to major wildfires.

Proposals Would Result in Very Large Increase in CalFire Base Support Budget, Mostly Ongoing.

If the Legislature adopts all the Governor's wildfire response-related proposals, CalFire's total base support budget for fire protection would increase by 33 percent (from \$2.1 billion in 2021-22 to \$2.8 billion in 2022-23). This represents the largest annual increase since our office started regularly tracking this information in 2005-06. (For reference, the average annual increase has been 8 percent since 2005-06.) Also, in contrast to the Governor's proposed wildfire and forest resilience package, most of the augmentations for wildfire response-related activities are proposed to be ongoing. (In addition to the proposed augmentations to CalFire's base support budget, the budget also includes significant new funding for capital outlay projects.)

Figure 5

CalFire Budget Summary

(Dollars in Millions)

	2021-22 (Estimated)	2022-23 (Proposed)	Change	
			Amount	Percent
By Program				
Base Fire Protection	\$2,113	\$2,809	\$695.0	33%
Emergency Fire Suppression	838	413	-424.4	-51
Resource Management	745	414	-330.1	-44
Other ^a	68	72	4.0	6
Totals	\$3,763	\$3,708	-\$55.0	-1%

^a Other includes the Office of the State Fire Marshal, Board of Forestry and Fire Protection, and Department of Justice Legal Services.

CalFire = California Department of Forestry and Fire Protection.

Absence of a Strategic Wildfire Plan Makes It Difficult to Assess if Proposals Are Optimal Approach. The LAO continues to believe that the state would benefit from the development of a statewide strategic wildfire plan, as discussed in the LAO's February 2020 report, *The 2020-21 Budget: Governor's Wildfire-Related Proposals*. The purpose of the plan would be to inform and guide state policymakers regarding the most effective strategies for responding to wildfires and mitigating wildfire risks. In particular, the plan should include guidance on future funding allocations to ensure the highest-priority and most cost-effective programs and activities receive funding and that the state supports an optimal balance of funding for resilience and response. The Legislature has taken steps to attempt to secure information that would facilitate a more strategic approach to addressing wildfire risks. Specifically, as part of the 2019-20 budget package, the Legislature required CalFire and CalOES to conduct an assessment of the existing wildfire response capacity through state and mutual aid resources to identify gaps in capacity, cost-effective approaches, and fire response goals. The required assessment was due on April 1, 2020, but has not been provided to date due to competing workload demands. According to CalFire, the Administration has no estimated time frame for completing this report. Absent the types of information that would be in a strategic wildfire plan and the required assessment, it is difficult for the Legislature to determine whether the proposals put forward by the Administration represent the most appropriate and cost-effective mix of approaches to meet the state's needs for fire response.

CalFire—Emergency Surge Capacity and Resource Enhancement. Given the high number of unfilled requests for response-related equipment—including fire engines, helicopters, and dozers—over the past few years, the LAO finds that it is reasonable for the Legislature to consider providing additional resources to increase the availability of such equipment. However, the Governor's proposal does not account for all the operational costs associated with the proposed equipment. Specifically, according to CalFire, the costs of staffing the proposed helicopters are included as part of the staffing and operational enhancements proposal. Accordingly, it will be important for the Legislature to consider the two proposals together.

Additionally, given the complex and technical nature of decisions about the relative operational value of various types of equipment in specific wildfire conditions, it is particularly difficult to evaluate the merits of this type of proposal absent a strategic wildfire plan.

Some Proposals May Not Be Most Cost-Effective Approach to Improving Response Capacity.

- **CalFire—CAD/AVL Program Hardware and Service Refresh.** While CAD and AVL provide important functionality to the Department, it is not clear to us whether; (1) the benefits of extending it to every CalFire resource—including every vehicle operated by any CalFire staff—outweighs the substantial cost; (2) a five-year replacement cycle is necessary; and, (3) such a replacement cycle is consistent with the practices of governmental entities with this type of technology.
- **CalOES and CalFire—FIRIS.** Since 2019, the state has been piloting the use of FIRIS—a system that provides real-time aerial data and predictive models to inform the state's response to wildfires and other hazards—through an agreement with Orange County. Under this proposal, CalOES and CalFire would take over FIRIS from Orange County on a permanent basis and expand the level of service provided to include two planes providing 24-hour coverage each at a total cost of roughly \$30 million annually. (The Orange County pilot included two planes, one that provided 24-hour coverage and one that provided 12-hour coverage.) However, it is unclear whether this additional level of service is necessary. This is because the departments have not provided sufficient justification for why the current level of service is insufficient, particularly given that they have access to similar aerial data and capabilities through a partnership with California Military Department.

STAFF COMMENTS

Given the 33% growth in CalFIRE's General Fund base fund proposed in this year's budget and the significant ongoing commitments, the Subcommittee may wish to ask:

- When will we see the required assessment that was due April 1, 2020?
- When will we see details of the \$400 million for firefighter staffing resources?
- Does the \$400 million include the \$215 million ongoing ask from multiple legislators to increase staffing ratios consistent with the federal government?
- Will this cover staffing for the Conservation Corp?
- Is the FIRIS system duplicative of other investments this Subcommittee has made, including remote sensors or work with the wildfire threat intelligence center and aerial contracting with the military? What is the gap that this investment will fulfil? How often will this equipment be used solely for law enforcement purposes?
- Why is the CAD/AVL hardware updated every five years? Can CalFIRE use that technology longer? How often do other departments, like CalOES, update their CAD/AVL systems? Why does every CalFIRE vehicle need CAD/AVL?

Staff Recommendation: Hold Open.
