

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 5 ON PUBLIC SAFETY

ASSEMBLYMEMBER MIA BONTA, CHAIR

MONDAY, MARCH 20, 2023
2:30 P.M., STATE CAPITOL – ROOM 437

All are encouraged to watch the hearing from its live stream on the Assembly's website at <https://www.assembly.ca.gov/todaysevents>.

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: BudgetSub5@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](tel:877-692-8957), access code: [131 54 37](tel:1315437)

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8950 CALIFORNIA MILITARY DEPARTMENT (CMD)

ISSUE 1: OVERVIEW OF THE DEPARTMENT AND VARIOUS YOUTH PROGRAMS

The California Military Department will provide an overview of their department and their various youth programs.

PANELISTS

- Major General Matthew P. Beevers, California Military Department
- Colonel Darrin Bender, California Military Department
- Anthony Franzoia, Department of Finance
- Emma Jungwirth, Department of Finance
- Jared Sippel, Legislative Analyst's Office

BACKGROUND

The Military Department is responsible for the command, leadership, and management of the California National Guard, which includes both the Army and Air National Guard, Youth and Community Programs, which includes total resident and non-resident educational programs, and the California State Guard. The CMD organizes, resources, and trains its 17,852 total National Guard forces and 1,236 State Guard and Naval militia to serve the community, state, and nation with unique military capabilities. The CMD's Youth and Community Program serves California communities and families by delivering national level, high quality educational support programs, in partnership with the educational community, within a military, academic structured environment.

Proposed Funding

1. Grizzly Youth ChalleNGe Program. The Governor's Budget proposes 12 positions and \$2 million (\$1.5 million Federal Trust Fund authority and \$500,000 General Fund) in 2023-24 and ongoing to administer the Youth ChalleNGe Program expansion of 100 cadets in budget year to 200 cadets two years later at the Grizzly Youth Academy in Camp San Luis Obispo. To combat the societal strain upon the nation when students drop out of high school, the United States Congress established the Youth ChalleNGe Program in 1993 under United States Code, title 32, section 509, where it tasked the National Guard Bureau (NGB) to develop an educational program for the thousands of at-risk youths who were dropping out of high school daily. The CMD participates in this program through a cooperative agreement with NGB.

Data from the California Department of Education for 2020-21 indicated that more than 47,000 high school students dropped out of school that year. The CMD Youth ChalleNGe Program provides an alternative educational opportunity set in a quasi-military environment for students, ages 16-18, who have dropped out of school or are not progressing towards graduation. In partnership with the San Luis Obispo County Office of Education, the program consists of two phases—a 5.5-month residential phase, followed by a 12 month post-residential phase involving screened and trained mentors

who provide guidance and support to students. The residential phase is focused on increasing education and life skills crucial for personal, professional, and civic growth, and emphasizes eight core components: Academic Excellence, Life Coping Skills, Job Skills, Health and Hygiene, Responsible Citizenship, Service to Community, Leadership/Followership and Physical Fitness.

2. STARBASE Porterville and Camp San Luis Obispo. The Governor's Budget proposes 4 positions and \$1.3 million Federal Trust Fund authority in 2023-24, and \$1.5 million in 2024-25 and ongoing, to establish and operate STARBASE programs at Porterville Military Academy and Camp San Luis Obispo.

STARBASE is a 100-percent federally reimbursed educational program, sponsored by the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs. STARBASE's primary focus is the program for fifth graders and to motivate them to explore STEM opportunities as they continue their education. Students who live in inner cities or rural locations, those who are socio-economically disadvantaged, low in academic performance, or have a disability are in the target group. The STARBASE program is experiential, exploratory learning with a direct tie to district educational standards. Nationwide, there are 74 STARBASE programs. Of the four in California, CMD currently runs two STARBASE programs, one in Sacramento and one in Los Alamitos Joint Forces Training Base. The other two are operated by the United States Air Force. The Department of Defense believes that California can support two additional STARBASE programs at the Porterville Military Academy and Camp San Luis Obispo, and it has obligated resources to establish the new programs upon approval of this proposal.

Staff Recommendation: Hold Open.

8120 COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING (POST)**ISSUE 2: OVERVIEW OF THE DEPARTMENT AND UPDATE ON IMPLEMENTATION SB 2 (PEACE OFFICER CERTIFICATION) AND RELATED BUDGET PROPOSAL**

The Commission on Peace Officer Standards and Training will provide an update of SB 2 implementation efforts and an overview of their budget proposal.

PANELISTS

- Manny Alvarez, Executive Director, POST
- Annemarie Del Mugnaio, Assistant Executive Director, Peace Officer Standards and Accountability Division, POST
- Sarah Tomlinson, Department of Finance
- Allison Hewitt, Department of Finance
- Jared Sippel, Legislative Analyst's Office

BACKGROUND

POST is an 18-member commission responsible for overseeing standards and training for certain California peace officers, including city police and county sheriff's deputies. Specifically, POST is responsible for setting minimum selection and training standards, developing and running law enforcement training programs, improving law enforcement management practices, and reimbursing local law enforcement for training. About 600 law enforcement agencies employing roughly 90,000 peace officers participate in POST's programs and abide by the commission's minimum standards. The Governor has proposed \$109.18 million (\$60.91 million General Fund, \$46.3 million State Penalty Fund, and \$1.96 million reimbursements) and 263 total positions to support POST in 2023-24.

SB 2 (Chapter 409, Statutes of 2021) requires POST to establish the Peace Officer Standards Accountability Division within the Commission to review serious misconduct investigations conducted by law enforcement agencies, conduct follow up investigation if necessary, and make findings on matters that may lead to grounds for suspension or revocation of an individual's peace officer certification. SB 2 also requires the creation of a nine-member Peace Officer Standards Accountability Advisory Board no later than January 1, 2023 to make recommendations on peace officer decertification.

Proposed Funding

The Governor's Budget proposes \$4.5 million from the General Fund in 2023-24 and \$3.9 million ongoing to fund the Office of Administrative Hearings' (OAH) costs associated with implementation of Senate Bill 2 (Chapter 409, Statutes of 2021). POST anticipates receiving thousands of allegations and cases of serious misconduct monthly under the provisions of SB 2 and estimates approximately 3,500 cases of serious misconduct will result in decertification action annually. Of those cases, POST estimates approximately 10-15% will be appealed and administrative adjudication proceedings will be initiated to set those cases for a hearing. It should be noted that while some cases settle prior to the actual hearing, there is still administrative work associated with the intake and

management of the case, including an analysis of the case to determine the duration of the hearing and setting the hearing calendar for the case.

The 2022 Budget Act provided \$22.7 million General Fund in 2022-23, \$20.6 million in 2023-24 and ongoing, and 127 positions to support implementation of Chapter 409, Statutes of 2021 (SB 2). As part of 2022 budget discussions, the LAO identified several issues including the need for additional workload estimates, and how POST will hire sufficient staff and house them in its existing office space to implement SB 2 in a timely manner.

LEGISLATIVE ANALYST'S OFFICE (LAO)

The LAO provides the following analysis and recommendations:

Number of Decertification Cases That Will Be Referred to OAH Is Uncertain. POST took several steps to estimate the number of cases that will reach OAH, including reviewing the number of complaints received by the California Department of Justice on peace officer misconduct and surveying law enforcement agencies to estimate the number of investigations that might rise to the level of misconduct. Based on this research, POST estimated that 3,500 serious misconduct cases may rise to the level of decertification annually, with approximately 300 to 350 being contested and a hearing set with OAH. Further, POST estimates that there could be a higher caseload in the first year given that law enforcement agencies are initially required to report allegations of serious misconduct that have occurred since January 1, 2020. By the end of January 2023, POST reported receiving approximately 1,200 cases from law enforcement agencies and 6 public complaints. The Peace Officer Standards and Accountability Division was in the process of reviewing these cases, prioritizing them based on public safety considerations, and processing them for serious misconduct actions.

Several factors make it difficult to predict how many cases will actually reach OAH because there are multiple points in the decertification process where a case may not proceed. For example, the officer may choose to voluntarily surrender their certificate when the Peace Officer Standards Accountability Division finds that their case rises to the level of revocation or suspension. Further, in the event that the officer requests a hearing, either the Peace Officer Standards Accountability Advisory Board or the POST commission could decide to reject the division's decertification decision after reviewing the facts and circumstances of the case.

In addition, it is difficult to predict what the trends in cases will be over time, especially in the early years. POST's expectation of an influx of cases in the first year because law enforcement agencies are required to report serious misconduct cases that have occurred since January 1, 2020 is reasonable, but it is difficult to estimate how large this influx will be. Conversely, it is reasonable to expect that POST could observe a reduction in cases over time if suspensions and revocations through the decertification process change behavior in peace officers and thus reduce the number of serious misconduct cases. Again, however, the precise size of the reduction is also difficult to estimate.

OAH Billable Hours Could Vary Widely by Case. It is also difficult to predict the number of billable hours charged for each decertification case. While POST estimates an average

of 36 hours per case, the complexity of the cases could vary significantly, leading to a wide range of hours billed to POST.

POST Is Still Building Its Capacity to Process Cases. The 2022-23 Budget Act roughly doubled POST's staffing to implement SB 2, and POST is still in the process of filling many of the positions responsible for reviewing and investigating misconduct cases. As of January 2023, POST had filled roughly one-third of its 16 positions in the Intake and Disposition bureau, which is responsible for analyzing and evaluating complaints received from the public and serious misconduct allegations received from law enforcement agencies. Further, as of January 2023, POST had filled nearly half of the 51 positions across its four Decertification Unit bureaus that are responsible for conducting the decertification investigations, prosecutions, and administrative proceedings against peace officers. Given this, POST's limited staffing could initially reduce the number of cases reaching OAH until POST fills more of its positions.

Recommendations

1. Approve Funding on Limited-Term Basis, Require POST to Report on OAH Hearing Costs. We recommend that the Legislature approve the requested funding on a three-year, limited-term basis (rather than on an ongoing basis as proposed by the Governor). This will give POST more time to build capacity, monitor trends in its caseload, and track costs from its OAH hearings. In addition, we recommend that the Legislature require POST to report data on its annual OAH hearing costs—such as the number of cases scheduled for OAH hearings and the number of billable hours—to the Legislature by January 10, 2026. After this time and with this data, POST's ongoing funding needs should become clearer. The administration can then submit a request for ongoing resources for legislative consideration as part of the Governor's 2026-27 budget proposal.

2. Require Unspent Funds to Revert to General Fund. Because POST is still building its staffing capacity to review cases and the number of cases that will reach OAH is uncertain, it is possible that POST may have overestimated the amount of funding needed for OAH to hear decertification cases. Accordingly, we recommend that the Legislature adopt provisional language limiting the use of the funds to OAH hearing costs and requiring any unspent funds revert back to the General Fund. This will ensure that, if the OAH hearing costs are less than estimated, the unused funds could not be redirected by POST to other priorities, but would instead return to the General Fund.

Staff Recommendation: Hold Open.

0690 OFFICE OF EMERGENCY SERVICES

ISSUE 3: OVERVIEW OF THE DEPARTMENT AND CURRENT DISASTER RESPONSE EFFORTS

The Office of Emergency Services (OES) will provide an overview of their department and current disaster response efforts impacting the state.

PANELISTS

- Nancy Ward, Director, OES
- Eric Swanson, Deputy Director of Finance and Administration, OES
- Jared Sippel, Legislative Analyst's Office
- Tess Scherkenback, Department of Finance
- Stephen Benson, Department of Finance

BACKGROUND

The California Emergency Services Act establishes OES as the state entity responsible for overseeing the state's response to various emergencies. OES develops emergency preparedness plans and tasks other state departments with specified response activities (referred to as "mission tasking") and is responsible for coordinating with local and federal emergency responders at active emergency sites and assisting them in various ways, such as providing certain emergency response equipment (for example, mutual aid fire engines and swift water rescue boats, which OES maintains and provides to local emergency responders). OES, in addition to regional offices, also operates the state operations center which serves as the state's emergency response hub where response activities are coordinated during significant state emergencies. OES is also responsible for emergency recovery activities, including administering federal grants and the California Disaster Assistance Act (CDAA) grants to local governments for various disaster related purposes, including funding the repair or replacement of publicly owned property damaged by a disaster and reimbursing local governments for their share of cost for federal emergency assistance programs. In addition, OES provides oversight over emergency communication systems, including the 9-1-1 system and the public safety radio system. Finally, OES also administers various programs that provide assistance to victims of crime.

Proposed Funding

The Governor's proposed 2023-24 budget provides \$3.28 billion and 1,876.8 positions. Of this total, \$2.65 billion is proposed for Special Programs and Grant Management which includes the administration of various federal homeland security, emergency management, and victim service grants.

STAFF COMMENT

The 2022 Budget Act included a requirement for OES to submit a report to the Legislature by February 1, 2024 that outlines the department's emergency preparedness and

response planning for the state, including the department's operational framework for determining the appropriate resource capabilities and necessary capacity to carry out its duties. Specifically, the report will include, at minimum, the following:

- 1) A description of the department's existing emergency response capacity and resources, including a description of how federal, other state, and local resources are deployed to support the state's emergency response and how those resources are considered when determining the Department's resource and capacity needs;
- 2) State emergency response goals, objectives, and metrics where appropriate, including, but not limited to, response capacity for emergencies, multiple simultaneous emergencies, and prolonged emergencies;
- 3) A description of the state's ability to meet the identified emergency response goals, objectives, and metrics where appropriate, including, but not limited to, regional response capabilities to handle all hazard emergency situations and for key emergency response activities;
- 4) A description of any gaps in the Department's current response capacity that prevent or delay meeting its emergency response goals,
- 5) An assessment of how the resources approved in the Budget Act of 2022 support the Department's ability to meet its emergency response capacity goals and gaps identified in this report; and,
- 6) A description of the existing programs dedicated to mitigation of disaster related risks and how they align with the core mission of OES.

Staff Recommendation: Hold Open.

ISSUE 4: DISASTER RELATED FEDERAL FUNDING REALIGNMENT

OES will provide an overview of its administration of disaster related federal funding and an overview of their proposal.

PANELISTS

- Ryan Buras, Deputy Director, OES
- Eric Swanson, Deputy Director of Finance and Administration, OES
- Tess Scherkenback, Department of Finance
- Stephen Benson, Department of Finance
- Jared Sippel, Legislative Analyst's office

BACKGROUND

In addition to the administration of the California Disaster Assistance Act (CDAA) program, which funds the repair of public infrastructure and reimbursements to local governments for costs associated with certain disaster response activities, OES also funds various federal funds. Federal funds typically cover 75 percent of eligible costs and state and local governments pay the remaining 25 percent, but can also vary depending on the program. Federal funds are provided to local and state governments when a federal disaster declaration is made triggered by a large scale disaster. Some of the available federal grant programs include:

- The **Hazard Mitigation Grant Program** is administered by the Federal Emergency Management Agency (FEMA). After a major disaster has been declared, states can apply for this funding on behalf of other entities such as local governments, individuals, and businesses. These grants assist with the cost of mitigation measures such as strengthening buildings to withstand future earthquakes, fire risk reduction programs, etc. The amount available under this program is 20 percent of the total federal disaster assistance provided in the relevant disaster. It should be noted that Congress may appropriate additional funding for these types of activities. For example, the state received \$88 million from the Community Development Block Grant's Disaster Recovery program for various preparedness and mitigation activities.
- **Building Resilient Infrastructure and Communities (BRIC)** program is an annual, nationally competitive hazard mitigation grant program focused on consistent, research supported, proactive investment in strengthening community resilience, rather than reactive disaster spending. BRIC was launched in 2020 with \$500 million and has been increased since, totaling \$2.3 billion in 2022.
- The **Flood Mitigation Assistance (FMA) program** provides annual funding for activities that protect properties insured by the National Flood Insurance Program through a competitive grant program that provides funding to states, local communities, and federally recognized tribes and territories. Funds can be used for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program.

- The **Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act** was enacted on January 1, 2021, authorizing FEMA to provide capitalization grants for eligible entities to make funding decisions and award loans directly to local communities which include states, eligible federally recognized tribes, territories, and the District of Columbia. Applicants are required to have a hazard mitigation plan and capitalization grant recipients are required to deposit an amount that is at least 10% of the amount of the grant into the revolving loan fund. Funding may be used for mitigation projects and activities to increase resilience and mitigate the impacts of events such as drought, extreme heat, severe storms, wildfires, floods and earthquakes.
- The **Public Assistance Program**, also administered by FEMA, includes supplemental grants for activities after a major disaster or emergency, for activities such as debris removal, life-saving emergency protective measures, and restoring public infrastructure. The federal government typically pays 75 percent of eligible state and local government costs. In the case of state costs, the state pays the remaining 25 percent. In the case of local activities, the remaining cost is typically shared between the state (19 percent) and the local government (6%). At times, the federal government has covered an even greater share. For example, the federal government covered 90 percent of eligible debris removal costs after the 2017 fires that affected Northern and Southern California. The four components of eligibility are: applicant, facility work, and costs.
 - **Applicant:** a state, territory, tribe, local government, or certain type of private nonprofit organization.
 - **Facility:** a building, public works system, equipment, or improved and maintained natural feature.
 - **Work:** categorized as either “emergency” or “permanent” and must be required as a result of the declared incident, located within the designated disaster area, and is the legal responsibility of the eligible applicant.
 - **Costs:** expenses tied directly to eligible work, and must be adequately documented, authorized, necessary and reasonable. Eligible costs include labor, equipment, materials, contract work, and management costs.

Proposed Funding

The Governor’s Budget proposes \$1 billion federal trust fund authority, including creation of a new local assistance Item of appropriation, to realign funding authority with the amount of Federal Emergency Management Agency (FEMA) reimbursements received in recent years and anticipated going forward and better track these disaster-related reimbursements. In addition, OES is requesting budget bill language to provide provisions similar to those included for Item 0690-006-0890 that exempts augmentations to this new item from Control Section 28.00 because the funding that will flow through both items is strictly federal reimbursements to be provided back to the General Fund, another state agency, or a local government for disaster-related expenditures. These provisions also include a requirement for written notification to the Legislature whenever an augmentation is approved to maintain transparency related to any increase in the amount of reimbursements received.

OES currently has both state operations and local assistance authority tied to reimbursements received from the Federal Emergency Management Agency (FEMA) for federally declared disasters. In the 2021 Budget Act, a new item of appropriation was included in the OES budget to track all state agency and OES reimbursement funding, Item 0690-006-0890. Currently, all local assistance disaster reimbursements flow through Item 0690-101-0890, which means disaster grants are comingled with non-disaster grants such as Hazard Mitigation Grant Program, Emergency Management Program Grant, Homeland Security Grant Program, etc. OES is requesting to establish a new Item of appropriation and create baseline authority levels to delineate disaster grants for both state agencies and locals from non-disaster grants. Similar to the establishment of Item 0690-006-0890 in the 2021 Budget Act to track all FEMA reimbursements for state agencies, OES is requesting a new local assistance item, Item 0690-106-0890, to track all local assistance FEMA disaster reimbursements. Based on the last four-years of total needed authority, absent COVID-19 to avoid skewing the data, OES is requesting a baseline amount of \$339,000,000 for Item 0690-006-0890 and a baseline amount of \$662,516,000 for Item 0690-106-0890. The baseline authority is a combination of realigning existing baseline budget authority as well as increasing authority to reflect average actual expenditures over the last four years.

Staff Recommendation: Hold Open.

ISSUE 5: 988 SUICIDE AND CRISIS LIFELINE (AB 988)

OES will provide an overview of their proposal related to AB 988 implementation.

PANELISTS

- Budge Currier, Assistant Director of Public Safety Communications, OES
- Eric Swanson, Deputy Director of Finance and Administration, OES
- Tess Scherkenback, Department of Finance
- Stephen Benson, Department of Finance
- Jared Sippel, Legislative Analyst's Office

BACKGROUND

OES has provided a handout for the Subcommittee that provides an update on 988 implementation. The handout is also available to the public on the Assembly Budget website.

The federal National Suicide Hotline Designation Act of 2020 (NSHD) established 9-8-8 as the new three-digit alternative to 9-1-1 to aid rapid access to suicide prevention and mental health support, and to provide behavioral or mental health crisis response. The FCC issued Report and Order 18-336 and mandated states and telecommunication carriers to implement 9-8-8 by July 16, 2022. Before July 2022, when 9-8-8 was to go live, states were required to create a framework to receive and respond to 9-8-8 calls. On December 20, 2021, the U.S. Dept. of Health and Human Services announced \$282 million in investments to help transition the current ten digit number to 9-8-8. Specifically, \$177 million will be used to strengthen the existing Lifeline network operations and telephone infrastructure and \$105 million to build up staffing across local crisis call centers. Most recently, on March 1, 2022, the Biden Administration announced an additional \$700 million to “staff up and shore up local crisis centers while also building out the broader crisis care continuum.”

Lifeline Call Centers. In California, these calls are answered by 13 existing National Suicide Prevention Lifeline (NSPL) Call Centers, local crisis centers that provide free and confidential support 24/7/365 for people in suicidal crisis or emotional distress. Many of the calls are handled on the line by the person (often a volunteer) at the call center. Lifeline call centers in California set the hours and coverage areas for when they will take calls based on funding and staffing levels. If a crisis center is unable to respond to all callers at any time, calls are diverted to backup centers. When calls are re-routed to centers out-of-state, California callers in crisis often wait two to three times longer, receive fewer linkages to effective local care, and are more likely to abandon their calls. In 2019, the NSPL received nearly 2.3 million crisis calls from across the United States and 290,619 of those calls were from California. Of those calls, 199,192 were connected to crisis centers in the state. Since 2016, California Lifeline call volume has increased 60 percent, and this is expected to rise even higher given the ongoing COVID-19 pandemic and the resultant increase in mental health and substance use disorder crisis needs.

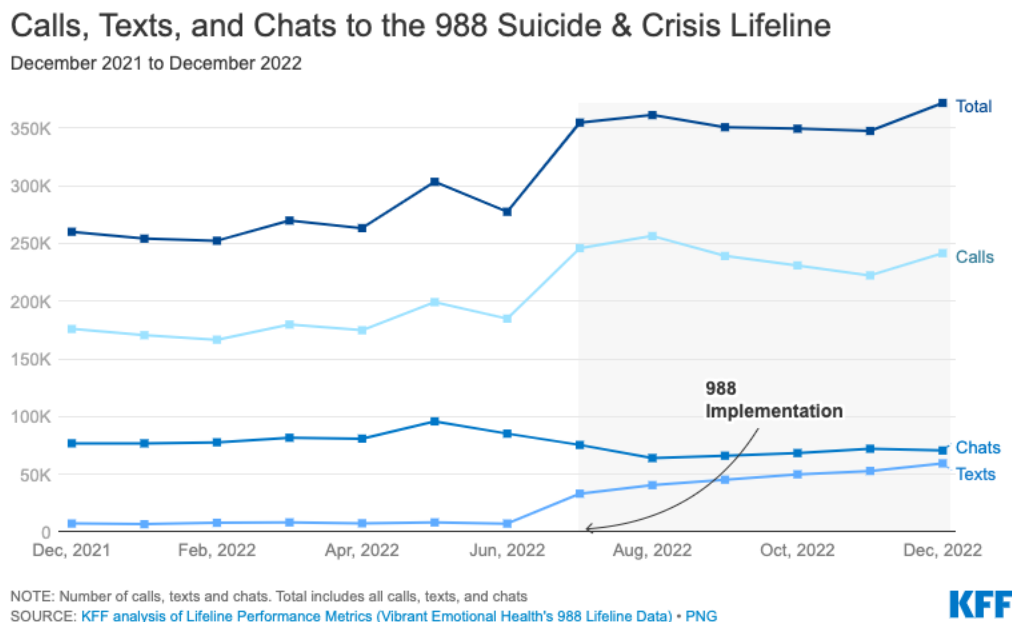
AB 988 and OES' Role. California's 988 system was formalized in the Miles Hall Lifeline and Suicide Prevention Act (Ch. 747, Stats 2022 (AB 988)), which established the 9-8-8 Crisis Hotline Center. In addition to operating the 9-1-1 system, OES is providing the technical support and expertise to set up the infrastructure for these 9-8-8 calls which includes ensuring the Lifeline Call Center call handling equipment can support the new FCC 9-8-8 carrier mandate and ensuring that calls can be transferred from 9-8-8 to 9-1-1 and vice versa. In addition, AB 988 included the following key provisions that affect OES:

- **9-8-8 Surcharge.** AB 988 provided a funding mechanism for the 988 system by a creating surcharge on telephone access lines, mirroring the funding mechanism for 911 operation and as authorized by the NSHD. This surcharge is set at eight cents per line per month through December 2024, which is estimated to generate roughly \$44 million in revenue per year. After that, the fee will be based on need, not to exceed thirty cents per line. The California Department of Tax and Fee Administration (CDTFA) is responsible for coordinating the collection of the fee. The revenue is deposited into the 988 State Suicide and Behavioral Health Crisis Services Fund. The funds will first be used to support the call centers and the technology behind the system, and then may be used for the operation of mobile crisis teams connected to 988, to provide a physical, in-person response where appropriate and possible. OES will develop regulations and administer this fund, including collecting expenditure reports from entities seeking funding from this source.
- **911 and 988 Integration.** AB 988 required OES to develop (by December 1, 2023, in conjunction with Cal HHS) and implement (by July 1, 2024) a plan to ensure that 911 and 988 are integrated and that calls, and all associated data, are transferable. As of February 2, 2023, the state can do basic transfers, including audio and chat, between 911 and 988. To achieve full interoperability, OES indicated that they had released a Request for Proposals and selected a vendor, the required technology would be installed by July 2023, and the entire rollout would be completed by the deadline. Cal OES also planned to meet with all 13 Lifeline centers by the end of February.
- **State 9-8-8 Technical Advisory Board and Director.** As directed by AB 988, OES has appointed a 988 System Director and an Advisory Board, who are charged with developing policies, managing the budget, and creating standards and guidelines for 911 transfer, among other duties. In February, OES indicated that the Board had already met and was planning on meeting again within the month.

Role of OES and Health and Human Services Agency (HHS). As described above, OES indicated that their primarily role is related to infrastructure and providing technical support. OES is part of planning groups with the Health and Human Services Agency, the Department of Health Care Services (DHCS), the federal Substance Abuse and Mental Health Services Administration (SAMHSA), and the call centers. OES indicated that DHCS and SAMHSA are leading on response and outreach and public education, although OES has worked with 911 centers throughout the state to ensure that they understand the new system. AB 988 required this planning group advise on a five-year implementation plan, which would include best practices, integration with the NSPL

network, technological compliance, administration of behavioral health crisis services accessed through 988, response and staffing standards, public awareness campaigns, processes for budgeting and distributing the surcharge funding, and other aspects. Beginning in 2024, HHS will report by the end of each calendar year on the implementation of 988.

Call Volume since 988 Implementation. Data from the Lifeline centers indicates that national call volume increased after the implementation of 988¹ (see figure below). Lifeline data indicates that California received and routed 26,949 calls in December 2022, with an in-state answer rate of 88 percent², compared to 22,378 calls and 86 percent in December 2021³. In December 2022, the average speed to answer was 37 seconds, and the contact time was 12 minutes and 32 seconds.



National Call Volume after 988 Implementation.

Source: Kaiser Family Foundation Analysis of Lifeline Performance Metrics⁴

Proposed Funding

The Governor's Budget proposes 4 positions and \$23,838,000 988 State Suicide and Behavioral Health Crisis Services Fund in FY 2023-24 and ongoing (\$3,558,000 state operations and \$20,280,000 local assistance) to support activities required to implement Chapter 747 Statutes of 2022 (AB 988). OES is also requesting to shift the \$5,975,000 ongoing General Fund authorized in the 2022-23 Budget from the General Fund to the 988 State Suicide and Behavioral Health Crisis Services Fund.

The proposed 2023-24 budget also includes the following resources to HHS and CDTFA to implement the program, including:

¹ <https://www.npr.org/sections/health-shots/2023/01/16/1149202586/988-lifeline-sees-boost-in-use-and-funding-in-first-months>

² https://988lifeline.org/wp-content/uploads/2023/01/FINAL-2022-12_988-State-Report-1.pdf

³ https://988lifeline.org/wp-content/uploads/2022/10/FINAL-2021-12_988-Monthly-State-Report.pdf

⁴ <https://www.kff.org/other/issue-brief/taking-a-look-at-988-suicide-crisis-lifeline-implementation/>

- \$661,000 2.5 positions in 2023-24 and \$617,000 in 2024-25 and ongoing 988 Fund for CDTFA to oversee the surcharge collection.
- \$13.2 million in 2023-24 and \$16 million ongoing to HHS for the implementation of 988.

Previous Resources. The 2022 Budget included \$7.5 million General Fund in 2022-23, \$6 million General Fund in 2023-24 and ongoing, and ten positions for OES to implement the technical side of the 9-8-8 system.

In addition to the resources provided for OES, the 2022 Budget included \$8 million one-time General Fund to support the Lifeline centers and established qualifying mobile crisis interventions services as a Medi-Cal covered benefit through the Medi-Cal behavioral health delivery system. DHCS has also indicated that they have awarded \$150 million General Fund to date in grants to counties to build out crisis care mobile units.

Staff Recommendation: Hold Open.

ISSUE 6: SCHOOL CYBERSECURITY (AB 2355)

OES will provide an overview of their proposal to implement AB 2355.

PANELISTS

- Tom Osborne, Deputy Director, Homeland Security, OES
- Eric Swanson, Deputy Director of Finance and Administration, OES
- Tess Scherkenback, Department of Finance
- Stephen Benson, Department of Finance
- Jared Sippel, Legislative Analyst's Office

BACKGROUND

California Cybersecurity Integration Center (Cal-CSIC). Cal-CSIC is the lead entity for coordinating statewide information security (IS) activities; gathering and disseminating threat intelligence from the federal government, county and other local governments, and private companies to state entities; and responding to cybersecurity incidents. Cal-CSIC is a partnership between four state entities: the California Office of Emergency Services (OES), which administers Cal-CSIC; the California Department of Technology (CDT); the California Highway Patrol; and the California Military Department (CMD).

Local Educational Agency (LEA) Cyberattack Reporting. Chapter 498 of 2022 (AB 2355) requires the following:

- LEAs to report cyber-attacks that impact 500 or more staff or students to Cal-CSIC;
- Cal-CSIC to establish a data-base to track LEA reports of cyberattacks; and,
- Cal-CSIC to annually report on January 1st the number and types of LEA cyberattacks and associated data breaches to the Legislature. The bill did not specify requirements for Cal-CSIC such as responding to each request for assistance from LEAs reporting to it. Assembly Bill 2355 remains in effect until January 1, 2027.

Proposed Funding

The Governor's budget proposes \$5.4 million General Fund and 17 positions (7 positions at OES, 5 positions at California Department of Technology, and 5 positions at the California Military Department) to implement AB 2355 until the repeal date of January 1, 2027. Accordingly, \$3.9 million General Fund and 17 positions also are proposed from 2024-25 through 2026-27.

Appropriations Analysis. The Assembly Appropriations analysis identified minor, absorbable costs to Cal-CSIC and the Attorney General to track reports and share sample copies of data breach notification, respectively. Unknown, potentially significant, costs to Proposition 98 (GF) for LEAs to report cyberattacks to Cal-CSIC. Cost would depend on

the number of reports submitted. If the Commission on State Mandates determines that this bill imposes a state mandated local program, those costs would be reimbursable.

LEGISLATIVE ANALYST'S OFFICE (LAO)

The LAO provides the following analysis and recommendations:

Proposal Exceeds Requirements of AB 2355. Cal-CSIC's preliminary estimate of the resources needed to help LEAs goes beyond the specific requirements of AB 2355 in three key ways. First, the estimate assumes that the addition of requests from LEAs will result in a 100 percent increase in the total number of requests from all entities for assistance from Cal-CSIC and that Cal-CSIC responds to every request. Second, the estimate assumes Cal-CSIC will provide on-site incident response to any LEA, if requested. Third, the estimate assumes Cal-CSIC will establish data sharing agreements and software licensing arrangements with each LEA to integrate at least some LEA data into future automated solutions administered by Cal-CSIC. It is reasonable for Cal-CSIC to consider what additional resources might be needed to help LEAs in the event of a cyberattack or data breach, but none of these additional activities is required by AB 2355.

No Historical Data on Number of LEA Cyberattacks, Requests for Assistance, or Incidents Requiring Response. The new requirements of AB 2355 also mean Cal-CSIC's preliminary estimate is not informed by historical data on how many cyberattacks will be reported, how many requests for assistance will be submitted, and how many incidents will require Cal-CSIC to respond. The absence of these data makes it difficult to know, for example, how the level of support requested from Cal-CSIC will differ as among LEAs. Some LEAs, particularly large LEAs, might first request assistance from their cyber insurance providers and other vendors before requesting Cal-CSIC's assistance. Other LEAs might meet the reporting requirements of AB 2355, but opt not to request any support from Cal-CSIC and instead use their internal information technology staff to respond and remediate any deficiencies and vulnerabilities. Without historical data and/or information about how LEAs will respond to AB 2355, Cal-CSIC's preliminary estimate of the resources needed to assist LEAs is a "best guess."

Incremental Approach to Additional Funding and Positions Warranted. Given the specific requirements of AB 2355, we find the initial \$951,000 and three positions necessary to plan, develop, and implement the database to be reasonable. However, any additional funding and/or positions in 2023-24 and future fiscal years, particularly within the context of the budget problem, should not be considered in the absence of LEAs' demonstrated need for additional assistance from Cal-CSIC.

LAO Recommendations

1. Approve \$951,000 and Three Positions to Meet Requirements of AB 2355. We recommend the Legislature approve \$951,000 and three ITS II positions from 2023-24 through 2026-27 for Cal-CSIC to plan, develop, and implement the database that will allow it to meet the specific requirements of AB 2355.

2. Reject All Remaining Proposed Funding and Positions That Go Beyond Meeting AB 2355 Requirements. Without a basis for assessing the LEAs' need for additional

assistance from Cal-CSIC, we recommend the Legislature reject the remainder of the funding and positions requested by Cal-CSIC to implement AB 2355: \$4.4 million General Fund and 14 positions in 2023-24, and \$2.95 million General Fund and 14 positions from 2024-25 through 2026-27.

3. Consider Approving Provisional Budget Bill Language That Allows Small Amount of Additional Funding Based on Experience With LEAs. Acknowledging the need for some level of Cal-CSIC funding to help LEAs with cyberattacks and data breaches, we recommend the Legislature consider approving provisional budget bill language that would allow Cal-CSIC to request some small amount of additional funding based on its actual experience with LEAs' response to AB 2355. (The exact amount of additional funding would be the subject of negotiation between the administration and the Legislature.) We also recommend the language require Cal-CSIC to provide data on the number of reported cyberattacks, requests for assistance, responses to requests for assistance, incidents that warranted response, and descriptions of the level of response before the Department of Finance can authorize expenditure of the funding. These data would complement information that is expected to be in Cal-CSIC's first AB 2355 report on January 1, 2024, and provide the Legislature with an opportunity to assess whether additional resources are warranted.

Staff Recommendation: Hold Open.

ISSUE 7: EARLY EARTHQUAKE WARNING SYSTEM OVERVIEW

OES will provide an overview of the Early Earthquake Warning system (EEW).

PANELISTS

- Lori Nezhura, Deputy Director of Planning, Preparedness, and Prevention, OES
- Eric Swanson, Deputy Director of Finance and Administration, OES
- Tess Scherkenback, Department of Finance
- Stephen Benson, Department of Finance
- Jared Sippel, Legislative Analyst's Office

BACKGROUND

Chapter 803 of 2016 (SB 438, Hill) authorized the development of the EEW system through a multi-agency partnership including OES, the University of California, the United States Geological Survey (USGS), and other stakeholders. When fully deployed, the EEW system would use a network of 1,115 sensor stations and other related infrastructure to provide warnings several seconds prior to the arrival of an earthquake. The EEW system builds on the foundation of the state's existing California Integrated Seismic Network (CISN), which is a statewide network of earthquake sensors that provide information on the time, location, and magnitude of earthquakes in the state within 30 to 90 seconds after earthquakes begin. The implementation of the EEW system required upgrading some of the existing CISN sensors to meet the needs of the new, more advanced system planned, as well as the installation of additional sensors and related infrastructure.

These advance warnings would enable individuals, business, and governments to take actions to reduce harm and loss of life from earthquakes. For example, light rail systems could automatically suspend train operations upon receipt of an earthquake warning to minimize the chance of derailments. Earthquake alerts are delivered in three ways under the EEW system:

- In 2019, Governor Newsom announced a partnership with Google to incorporate this early earthquake warning technology into all Android smartphones without needing to download an additional app.
- Individuals can also download the "MyShake App" that provides audio and visual warnings in both English and Spanish. MyShake app launched a new enhancement called "HomeBase" in 2022 which allows users to set a default location where they can receive early earthquake warning alerts, even if location services or temporarily down or turned off.
- Finally, no cost text messages are also available through wireless emergency alerts for various emergency situations.

On October 25, 2022, a magnitude 5.1 earthquake occurred near San Jose. The advanced notification of the earthquake went out to 2.1 million android users (who

received the notification directly without the need to download an additional app) and an additional 95,000 users who have the MyShake alert app downloaded on their phones (Approximately 2 million users have downloaded the MyShake alert app). The notifications provided 19 seconds of warning before the earthquake was felt. As a result of that earthquake and the performance of the EEW system, there were an additional 108,000 MyShake downloads that occurred in a single day.

Funding. The EEW system has received funding for the last several years from a number of budget sources. The 2016-17 budget provided \$10 million in one-time General Fund support for sensor stations, public education and training, the development of a business plan, and four positions to develop and manage the EEW system. In 2017-18, OES utilized one-time savings from other programs supported by the federal Emergency Management Performance Grant to continue funding the four positions provided in 2016-17 for an additional year. The 2018-19 budget included \$15.8 million from the General Fund (and \$750,000 from the General Fund annually thereafter) to support the build-out of the remaining sensor stations and continue funding the four positions on an ongoing basis. The 2019-20 budget included one-time \$16.3 million General Fund and the 2022 Budget Act included ongoing funding of \$17.09 million General Fund and 3 positions. The EEW system has also previously benefited from other federal grants, such as through the Earthquake Hazards Program.

Staff Recommendation: Informational Item Only.

NON-PRESENTATION ITEMS

The Subcommittee does not plan to have a presentation of the items at this time in this section of the agenda but the Department of Finance and the Legislative Analyst's Office are available to answer questions from members. Public Comment may be provided on these items.

8950 MILITARY DEPARTMENT

ISSUE 8: VARIOUS BUDGET CHANGE PROPOSALS

1. CHQC Maintenance Resources—Phase 2. The Governor's Budget proposes \$448,000 General Fund in 2023-24, and \$441,000 in 2024-25 and ongoing, and 3 positions to perform work order clerk duties and to oversee the sustainability objectives of the new building, such as Zero Net Energy (ZNE) and Leadership in Energy and Environmental Design (LEED). The project is targeting LEED Gold certification from the U.S. Green Building Council and will be constructed to achieve a variety of sustainable goals to reduce environmental impact, optimize performance, lower energy and operating costs, conserve resources, and increase occupant satisfaction and productivity.

The CHQC construction started in 2018 and is expected to be completed by March 2023. This building complex will become the CMD's main headquarters. The CHQC is a 31-acre complex consisting of 5 buildings totaling 285,700 square feet that provides workspace for 1,041 state and federal employees. The CHQC utilizes new technologies and building automation systems that will require maintenance and care. These technologies include radiant floor systems and a photovoltaic array of 6,444 solar panels to achieve zero net energy production.

2. State Active Duty Pay Adjustment. The Governor's Budget proposes \$2,244,000 (\$1,021,000 General Fund, \$1,047,000 Federal Trust Fund authority, \$57,000 Mental Health Services Fund, and \$119,000 reimbursement authority) to align the pay of its State Active Duty (SAD) employees to the pay of service members of similar grade in the federal armed forces. Military and Veterans Code (MVC), sections 320 and 321 require that the CMD must pay its SAD employees at the same rate as service members of similar grade in the federal armed forces. Compensation for service members in the federal armed forces is set forth annually by the federal government in the National Defense Authorization Act (NDAA). As of this writing, the NDAA has yet to be ratified by Congress and signed into law. The Military Department will revise this proposal during the Spring Process to reflect the approved increases/decreases.

3. State Comptroller Workload. The Governor's Budget proposes 9 positions and \$1,483,000 General Fund in 2023-24, and \$1,464,000 annually thereafter, to support administrative services within the Military department's accounting section and budget areas. The CMD has grown 58.9 percent in total budget appropriation, 24.8 percent in position authority, and 14 percent in federal trust fund authority over the last five years. The CMD's total expenditure authority has increased from \$171.4 million in 2017-18 to \$272.3 million in 2022-23. The department's total number of authorized positions has also increased from 798.0 employees in 2017-18 to 995.8 in 2022-23.

The additional funding, federal trust fund authority, and employees have resulted in an increased workload for the accounting, budgets, and purchasing and contracting teams. The CMD, sought, in part, to address these requirements with a 2021-22 proposal which granted the CMD a total of 16.0 positions, eight of which were allocated to the accounting section but the positions ultimately focused on the emergency financing and the purchasing and contracting sections, with only one position to support accounting and one position to support budgeting. In addition to department growth, the CMD's accounting team has also been impacted by increased complexity in processing both federal reimbursement agreements and meeting new state accounting requirements. The current workload and complexity of work has resulted in delays in processing invoices, travel expense claims, purchase orders as well as seeking and obtaining reimbursements from the federal government and inaccuracy in budget drill reporting. The CMD currently has one Accounts Payable unit of six personnel responsible for reviewing invoices and processing an average of 10,765 per vouchers per year. The current situation has resulted in a higher employee turnover rate along with frequent overtime for staff and managers.

0690 OFFICE OF EMERGENCY SERVICES

ISSUE 9: VARIOUS BUDGET CHANGE PROPOSALS

1. Mather: Security Checkpoint Enhancements. The Governor's Budget proposes \$1,802,000 General Fund for the construction phase of this continuing project. Total project costs are estimated at \$2,513,000, including preliminary plans (\$360,000), working drawings (\$351,000), and construction (\$1,802,000). The construction amount includes \$1,319,000 for the construction contract, \$92,000 for contingency, \$149,000 for architectural and engineering services, \$117,000 for other project costs and \$125,000 for agency retained items. The current project schedule estimates preliminary plans will be completed by March 2023. Working drawings will begin in March 2023 with expected completion by July 2024. Construction is anticipated to begin July 2024 with completion by May 2025. The project will install two permanent security check points and upgrade the existing entryway gates at the North and West entrances of the OES' main parking lot.

2. Hazard Mitigation Staffing. The Governor's Budget proposes requests 37 positions, \$9,500,000 (\$7,024,000 Federal Trust Fund and \$2,476,000 General Fund) in 2023-24, and \$9,124,000 (\$6,742,000 Federal Trust Fund and \$2,382,000 General Fund) ongoing to support the technical assistance and implementation of the Federal Emergency Management Agency's (FEMA) new Building Resilient Infrastructure and Communities (BRIC) Program and other nationally competitive programs.

3. Next Generation 9-1-1 and California Public Safety Microwave Network. The Governor's Budget proposes \$137,644,000 (\$19,495,000 state operations and \$118,149,000 local assistance) in 2023-24, \$132,780,000 (\$12,100,000 state operations and \$120,680,000 local assistance) in 2024-25, and \$91,440,000 (\$6,195,000 state operations and \$85,245,000 local assistance) ongoing State Emergency Telephone Number Account to support the completion of the California Public Safety Microwave Network buildout, completion of the NextGeneration 9-1-1 system, and the ongoing maintenance and support of these systems. Cal OES began two large scale initiatives in 2018-19 using SETNA funding. One initiative to implement the Next Generation 9-1-1 system and the other to upgrade California Public Safety Microwave Network. Both efforts were to be completed by 2022-23, however, a year deferral resulting from a lack of funding availability in the initial year of funding and further impacted by supply chain issues caused by the COVID-19 pandemic and resource limitations due to wildfires and the drought has pushed the completion date of these initiatives to 2023-24.

4. Food and Agriculture Sector and Water and Wastewater Sector Cybersecurity (SB 892). The Governor's Budget proposes \$531,000 General Fund in 2023-24 and \$280,000 in 2024-25 to implement Chapter 820, Statutes of 2022 (SB 892). SB 892 requires OES and Cal-CSIC to prepare and submit a strategic, multi-year outreach plan to assist the food and agriculture sector and the water and wastewater sector in improving cybersecurity and an analysis of grants or alternative funding sources to improve cybersecurity preparedness.

5. Grants Management Position Authority. The Governor's Budget proposes 55 permanent positions to administer a portfolio of state and federal grants that have increased in overall level, number of sources, and complexity. All requested positions will be funded within existing appropriation authority.

6. SMARTER Plan Expenditures. The Governor's Budget proposes \$4,500,000 one-time General Fund to continue daily COVID-19 testing protocols at multiple department locations to help ensure it is always prepared to continue emergency response and disaster recovery efforts across California. The Governor proclaimed a State of Emergency on March 4, 2020, for the COVID-19 Pandemic. The Budget Act of 2022 provided Cal OES with \$13,500,000 in General Fund to continue response activities. As of July 1, 2023, no funding will be available for Cal OES to continue to any COVID-19 related operations. The current year appropriation has been used to maintain the State Operations Center, purchase personal protective equipment (PPE), provide testing, and support local mutual aid assistance.

7. Validate As You Go Process. The Governor's Budget proposes eight positions, \$1,251,000 Federal Trust Funds, and \$416,000 General Fund to implement the new Federal Emergency Management Agency Validate As You Go (VAYGo) payment process.

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub5hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Jennifer Kim.