

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE No. 5 ON PUBLIC SAFETY

ASSEMBLYMEMBER REGINALD BYRON JONES-SAWYER SR., CHAIR

**WEDNESDAY, MAY 8, 2013
1:30 P.M. - STATE CAPITOL ROOM 437**

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VOTE ONLY**0820 DEPARTMENT OF JUSTICE**

ISSUE 1: FIREARMS BACKGROUND CHECKS

Governor's Proposal. The issue before the Subcommittee is the Governor's proposed increase of \$3.2 million from the Dealers' Record of Sale (DROS) account to address increasing firearm eligibility background check workload and to establish a DROS Customer Support Center.

BACKGROUND

The DOJ's Division of Law Enforcement is organized into five elements: (1) Bureau of Firearms; (2) Bureau of Forensic Services; (3) Bureau of Gambling Control; (4) Bureau of Investigation; and, (5) the Office of the Director.

The Bureau of Firearms provides oversight, enforcement, education, and regulation of California's firearms/dangerous weapon laws by conducting firearms eligibility background checks and administering over thirty different state-mandated firearms-related programs. The Bureau conducts firearms dealer and manufacturer inspections and provides training as needed. Special Agents conduct investigations on armed and prohibited persons and other investigations resulting in the seizure of weapons. Agents also conduct firearms investigations to prevent illegal gun trafficking at in-state and out-of-state gun shows in accordance with state and federal law.

Pursuant to CA Penal Code Section 28220, the DOJ is charged with performing background checks on individuals attempting to purchase firearms. Upon receiving firearm purchaser information, DOJ examines the personal history of the purchaser to determine if they are legally prohibited by state or federal law from possessing, receiving, owning, or purchasing a firearm. CA Penal Code Section 26815 mandates that this process be completed within ten-days of the initial request and before the firearm is delivered.

According to DOJ reports, through this program, the DOJ has prevented over 27,000 firearms from being transferred to violent criminals, domestic batteries, and other dangerous individuals.

The DOJ has reported a significant and steady increase in the number of firearm purchases initiated statewide since 2003. Further, the DOJ expects this trend to continue through 2013.

Staff Recommendation: Approve as Budgeted.

ISSUE 2: GOVERNOR'S REORGANIZATION PLAN - GAMBLING CONTROL COMMISSION

Governor's Proposal. The issue before the Subcommittee is the Governor's proposed transfer of \$4.778 million and 33 positions from the Gambling Control Commission (Commission), on July 1, 2013. This request is consistent with the Governor's approved reorganization plan.

BACKGROUND

The Governor's Reorganization Plan Number 2 moved some activities related to gaming regulation from the independent Commission to the Gambling Control Bureau within the DOJ. Support, auditing and some licensing functions currently performed by the Commission will be transferred to the DOJ. The Commission will retain its role as a policy-making entity and also will retain its responsibility for the establishment of regulations, license approval, and monitoring revenues to the funds for which it is responsible.

Effective July 1, 2013 the Gambling Control Bureau (Bureau) within the DOJ will assume responsibility for the following job functions that have been performed by the Gambling Control Commission; Compliance, Licensing and certain functions performed by the Legal Division. The Compliance Division has responsibilities associated with the compacts and executive orders and monitors tribal compliance with the compacts' obligations for implementing gaming operations. Within the Compliance Division, there is a Tribal Audits Team that regularly performs audits to ensure that required contributions are made in accordance with the terms of the compacts. The Compliance Division also included a Technical Inspection Program that conducts field-testing of electronic gaming devices regularly and a support team that maintains tribal information in the Licensing Information System. The Bureau will also assume responsibility over the Licensing Division which is responsible the receipt and processing of all applications for licenses and licensing-related documents and legal responsibility for the review of purchase agreements, loan transactions, transfer of shares, and processing registrations.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: AB 391 - PAWNBROKERS AND SECONDHAND DEALERS ELECTRONIC REPORTING SYSTEM

Governor's Proposal. The issue before the Subcommittee is the proposal to fund AB 391 (Pan), Chapter 172, Statutes of 2012. The proposal includes a one-time appropriation of \$1.31 million from the Secondhand Dealer and Pawnbroker's Account to develop a single, statewide uniform electronic reporting system. Additionally, the Attorney General's office is requesting ongoing authority of \$497,000 from the Secondhand Dealers and Pawnbrokers fund to support for three positions to maintain the new system.

BACKGROUND

Per existing statute, pawnbrokers must complete a DOJ form (DOJ Form JUS- 123) for every pawn or secondhand dealer purchase transaction. This form includes information regarding the item being either sold or pawned and the individual either pawning or purchasing the item. Prior action taken by the Legislature has mandated that the DOJ develop a single, statewide, uniform electronic reporting system to be used to enter secondhand dealer reports, and to make this information available to law enforcement entities. The funding for this system will be drawn from a \$300 increase to the biennial application and renewal fees currently being paid by pawnbrokers and secondhand dealers.

According to the DOJ, ongoing costs associated with this request will be \$497,000 for the maintenance of the system. According to DOJ calculations, the fund will generate \$720,000 annually, which will be sufficient to ensure there is adequate funding to pay for maintenance and the current costs associated with the processing of applications.

Staff Recommendation: Approve as Budgeted.

0690 CALIFORNIA OFFICE OF EMERGENCY SERVICES**ISSUE 1: CALIFORNIA DISASTER ASSISTANCE ACT REDUCTION**

Governor's Proposal. The issue before the Subcommittee is the Governor's proposal to permanently reduce General Fund support for the California Disaster Assistance Act (CDAA) by \$10 million.

BACKGROUND

The Governor's 2013-14 Budget includes a request of \$39.1 million for the Office of Emergency Services to support CDAA. The funds are utilized to pay the matching portion of either a state or federally declared local disaster. The state pays 75 percent of local project costs when a disaster proclamation is made by the Governor, and pays roughly 18 percent in the event of a federal disaster proclamation. This reduction should not negatively impact the CDAA program as this request merely aligns expenditure authority with projected needs. Further, the Governor has broad authority to increase funding, as necessary, in the event of a disaster.

Staff Recommendation: Approve as budgeted

ISSUE 2: ANTITERRORISM FUND

Governor's Proposal. The issue before the Subcommittee is the Governor's proposed reduction of \$500,000 in General Fund for the California Specialized Training Institute, and a corresponding increase of \$500,000 in Antiterrorism Fund support to the California Specialized Training Institute. This request includes trailer bill language specifying that administrative costs associated with funding local antiterrorism efforts are capped at five percent.

BACKGROUND

The 2012-13 Budget allocated \$750,000 General Fund for the California Specialized Training Institute. This proposal would reduce General Fund support for the California Specialized Training Institute to \$250,000.

Existing law authorizes the Department of Motor Vehicles, in conjunction with the California Highway Patrol, to issue memorial license plates. The revenue generated from the fees charged for the issuance, renewal, transfer, and substitution of the memorial license plates is deposited into the Antiterrorism Fund for use on terrorism fighting activities.

The Antiterrorism Fund is stable and has the capacity to absorb costs associated with this proposal.

Staff Recommendation: Approve as budgeted.

ISSUE 3: PUBLIC SAFETY COMMUNICATIONS OFFICE

Governor's Proposal. The issue before the Subcommittee is the Governor's proposed transfer of the Public Safety Communications Office (PSCO) from the Department of Technology to the Office of Emergency Services. This is a cost neutral proposal as all existing positions and funding would be transferred with the associated duties.

BACKGROUND

The PSCO serves the State of California by providing and supporting public safety communications to the State's first responders and oversight of the 9-1-1 system to the People of California. The PSCO is dedicated to the preservation and protection of human life and public safety by delivering reliable and dependable communication services keeping the public connected during times of crisis. The PSCO has 50 offices located throughout California supporting the public safety agencies. PSCO staff are required to be on standby and respond to radio communications outages at all times.

The PSCO has been a part of the Department of Technology (formerly the Technology Agency) since early 2009. The Department of Technology's primary function is technology. The Department of Technology achieves this by working with the Agency Information Officers, Departmental Chief Information Officers, Information Security Officers, and the Information Technology Industry. PSCO's mission as identified above does not align to the Department of Technology's primary function, but aligns as one of the many state programs that benefit from the Department of Technology's endeavors.

The Office of Emergency Services (OES, formerly the California Emergency Management Agency) is responsible for the coordination of overall state response to major disasters in support of state and local government. OES is responsible for protecting lives and property by effectively preparing for, preventing, responding to, and recovering from all threats, crimes, hazards, and emergencies. Emergency and public safety communication is critical to carry out this mission.

Staff Recommendation: Approve as budgeted.

2720 CALIFORNIA HIGHWAY PATROL

ISSUE 1: AUGMENTATION FOR NEW LEASE

Governor's Proposal. The issue before the Subcommittee is the Governor's proposal to increase funding to accommodate expenses associated with the department's Bakersfield office. The requested increase is for \$2.1 million in 2013-14 and \$2.4 million beginning in 2014- 15 from the Motor Vehicle Account. The request is pursuant to a 2008-09 California Highway Patrol (CHP) request to replace the Bakersfield area office, which was approved by the Legislature. The budget year funding is largely for moving expenses, with occupancy lease payments constituting the major component in the out-years.

BACKGROUND

The CHP requested project approval in 2008-09 to replace the Bakersfield Area office using a lease-purchase option. Subsequently, the department's estimate of occupancy cost was approved and construction of the facility has been scheduled. This proposal is consistent with the department's five-year infrastructure plan and the CHP anticipates occupying the new facility in 2013-14.

Staff Recommendation: Approve as budgeted.

ISSUE 2: REDUCTION IN REIMBURSEMENT AUTHORITY

Governor's Proposal. The issue before the Subcommittee is the Governor's proposal to reduce reimbursement authority for CHP to more accurately reflect actual need. Reimbursement authority would be reduced by \$17.8 million from \$112.5 million in 2012-13 to \$94.7 million in the 2013-14 budget.

BACKGROUND

Reimbursements from other departments constitute about five percent of the funding for CHP. A review in recent years indicates that CHP's reimbursement authority is regularly in excess of actual expenditures. The proposal would thus improve the transparency of the budget by bringing its reimbursement authority to more closely align with anticipated spending levels.

Staff Recommendation: Approve as budgeted.

ISSUE 3: STATEWIDE ADVANCE PLANNING AND SITE SELECTION

Governor's Proposal. The issues before the Subcommittee are the Governor's proposals to provide:

- 1) \$1.5 million from the Motor Vehicle Account (MVA) for statewide advance planning and site selection activities; and,
- 2) Provisional language authorizing a mid-year budget augmentation of up to \$10 million (MVA) should it be determined that any parcel's acquisition cannot wait until the next fiscal year.

BACKGROUND

The CHP operates 103 area offices across the state including office space for CHP staff, CHP vehicle parking and service areas, and dispatch centers. According to the Department of General Services (DGS), about 80 of the CHP's 103 area offices are seismically deficient and require costly upgrades or replacement. Additionally, the CHP has indicated that many area offices are experiencing workspace issues. One example of this is the fact that many area offices were not designed to accommodate female officers. Thus, female officers have been forced to use make-shift locker rooms to ensure privacy. Another example of an ongoing workspace issue is CHP's lack of proper facilities to inspect commercial vehicles as required.

Area office replacements can be procured in one of a few ways. Two of the more common methods are "build-to-suit" leases and "design-bid-build." With the build-to-suit procurement method, CHP contracts with a private developer to construct a facility and agrees to lease the facility from the developer for a predetermined number of years. This procurement method typically includes a purchase option at one or several points during the lease.

Under the design-bid-build system, the public agency first awards an architect/engineer contract to design the project based on subjective criteria of qualifications and experience of the architect/engineer. This contract generally accounts for a relatively small portion of the project's total costs—about 5 percent to 10 percent. After detailed project plans and drawings are completed, a contractor is selected to perform the construction work, which accounts for 90 percent to 95 percent of the project's costs. In almost all cases, contracts for construction work are awarded objectively based on competitive bidding. Under this method of procurement, the state owns the facility and does not have ongoing lease payments.

In the fall of 2012, the Director of the Department of General Services (DGS) notified the Joint Legislative Budget Committee (JLBC) of his intent to execute three separate build-to-suit lease agreements on behalf of the CHP to replace existing area offices. Although the JLBC did not request that the Administration delay or cancel these three projects, the committee raised several issues, including the (1) absence of an updated CHP facilities plan that outlines its facility needs and priorities; and, (2) lack of an assessment of the relative benefits of financing projects with the build-to-suit process as compared to the design-bid-build process.

Staff Recommendation: Approve the \$1.5 Million appropriation. Adopt supplemental reporting language that requires the department, along with the Department of Finance, to develop criteria for using capital outlay or build-to-suit procurement methods. Reject proposed budget bill language.

ISSUE 4: SANTA FE SPRINGS AREA OFFICE

Governor's Budget Proposal. The issue before the Subcommittee in January was to provide \$21.4 million (MVA) to support the construction phase of the Santa Fe Springs area office replacement project.

May 1st Proposal. The issue before the Subcommittee is to reduce the Governor's Budget Proposal by \$21.4 million (MVA) and to provide reappropriation authority totaling \$4.9 million to support the acquisition/preliminary plans phase of the Santa Fe Springs area office replacement project.

BACKGROUND

The CHP has occupied the Santa Fe Springs area office since 1967. Since occupying this site forty-six years ago, the number of personnel assigned to this office has more than doubled, growing from 65 to 135. Over this time-period, the CHP has been faced with numerous challenges related to the physical plant including:

- Non-compliance with the Essential Services Act of 1986;
- Leaky roof (installed in 1967);
- Office space overcrowding;
- Inadequate facilities for conducting commercial vehicle inspections;
- Inappropriate evidence storage facilities;
- Inadequate facilities for conducting school bus driver testing;
- Inappropriate (outdoor) storage of Emergency Medical equipment;
- Water drainage issues in area surrounding gas pumps;
- Lack of locker room space for female officers;
- Lack of interview and interrogation room;
- Lack of indoor training space;
- No armory for secure storage of firearms;
- Substandard electrical systems due to increased demand in recent years;
- Inadequate backup generator capacity due to increased demand in recent years;
- Substandard plumbing systems due to increased demand in recent years, and,
- Substandard HVAC systems due to increased demand in recent years.

Legislative approval for the replacement of the Santa Fe Springs area office dates back to the 2005 approval of \$3.3 million for preliminary planning and acquisition activities. Since this initial approval of funding, this project has seen complications resulting in numerous delays.

The May 1st Proposal reflects a delay in the project due to unanticipated complications associated with the chosen site.

Staff Recommendation: Approve as Budgeted.

ISSUE 5: CALIFORNIA HIGHWAY PATROL ENHANCED RADIO SYSTEM (CHPERS)

Governor's Proposal. The issue before the Subcommittee is the Governor's proposal to increase funding to reappropriate funding in support of the California Highway Patrol Enhanced Radio System (CHPERS). Specifically, the Governor's proposal requests:

- \$847,000 for design and \$5,908,000 for the construction phase for Phase 1 of the CHPERS Tower and Vault replacement project. Two of the sites comprising this project have faced delays. One site is expected to proceed-to-bid in the current year, but such action is contingent on the United States Forest Service completing a new site lease agreement. At the other site, lease negotiations that will ensure state access are proving more difficult than anticipated. To the extent that the negotiations with the current site owner fail, it may be necessary to relocate.

In addition, one site, Leviathan Peak, will be added back into CHPERS Phase 1. This site was scoped out of the project at the April 2011 State Public Works Board meeting as the state was negotiating with a local government agency for a tower and vault. Had it been successful, CHP would have rented space off of a locally owned tower and vault. However, earlier this year it was determined that the local agency could not provide the improvements necessary at Leviathan Peak. As funding for this site was included in the original project, there will not be a need for supplemental appropriation.

- \$12,784,000 for the acquisition phase of one site, working drawings for three sites and construction phases for the six sites included in the Phase II of the CHPERS Tower and Vault replacement project. Of the six sites, two are expected to start construction in the current year pending completion of the Division of State Architect review. The reappropriation is necessary to ensure these projects can move forward should the review take longer than anticipated. Three sites have been delayed because they are on United States Forest Services (USFS) land, and the USFS must complete the National Environmental Protection Act review process prior to the state entering into the long-term lease agreement with the USFS that is needed to preserve state access to the site. The other site is delayed due to additional time necessary to develop three-dimensional models and to analyze alternative locations presented by the community in order to address their concerns.

STAFF COMMENT

Staff concurs that this reappropriation request is necessary to ensure CHP's ability to move forward with this project and address deteriorating radio communications infrastructure and improve radio interoperability among various public safety agencies.

Staff Recommendation: Approve as budgeted
