

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 5
PUBLIC SAFETY****ASSEMBLYMEMBER REGINALD BYRON JONES-SAWYER SR., CHAIR****WEDNESDAY, MARCH 9, 2016
1:30 P.M. – CALIFORNIA STATE CAPITOL ROOM 437**

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ITEMS TO BE HEARD

5227 BOARD OF STATE AND COMMUNITY CORRECTIONS

ISSUE 1: PROPOSITION 47 (2014) IMPLEMENTATION AND SAVINGS CALCULATIONS

The Legislative Analyst's Office (LAO) will open this issue with a brief overview of Proposition 47.

PANELISTS

1. Panel 1 - Overview, implementation, and impacts

- Legislative Analyst's Office
- California State Association of Counties
- Councilmember Marqueece Harris-Dawson, L.A. City Council
- Catherine Clay, Mental Health Advocate for L.A. County
- Prophet Walker, The Anti-Recidivism Coalition
- Eliza Hersch, Director, Clean Slate East Bay Community Law Center

2. Panel 2 - Fiscal

- Department of Finance (Methodology Utilized to Calculate Savings)
- Legislative Analyst's Office (Options for Calculating Savings)

3. Public Comment

BACKGROUND

Proposition 47, passed by California's voters in November 2012, requires misdemeanor, rather than felony, sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing.

As of September 9, 2015, approximately 4,420 inmates had been released under Proposition 47.

Proposition 47 also requires state savings resulting from the proposition to be transferred into a new fund, the Safe Neighborhoods and Schools Fund (SNSF). The new fund is intended to fund efforts targeted at reducing truancy, supporting drop-out

prevention programs in K-12 schools, increasing victim services grants, and supporting mental health and substance use disorder treatment services.

The Director of Finance is required, on or before July 31, 2016, and on or before July 31 of each fiscal year thereafter, to calculate state savings for the previous fiscal year compared to 2013-14. Actual data or best estimates are to be used. The calculation must be certified to the State Controller's Office no later than August 1st of each fiscal year. The first transfer of state savings to the SNSF is set to occur in August 2016.

The Administration's Savings Calculation

For the 2016-17 fiscal year, The Department of Finance estimates net state savings to be \$29.3 million (available for expenditure in the 2016-17 fiscal year) when comparing 2015-16 to 2013-14. This estimate assumes savings from a reduction in the state's adult inmate population, and increased costs due to a temporary increase in the parole population and trial court workload increases associated with the resentencing of previously convicted offenders. The estimate also takes into consideration the savings associated with fewer felony filings, more misdemeanor filings, and the number of offenders resentenced and released from the Department of State Hospitals. The Department of Finance estimates ongoing annual savings to be approximately \$57 million.

Proposed allocation of \$29.3 million savings in 2016-17 as required by Proposition 47:

- Mental Health Treatment, Substance Use Disorder Treatment, and Diversion Programs \$19,039,487 (65% of total allocation).
- Improve Outcomes for K-12 Students, Reduce Truancy and Support Students at Risk of Dropping Out of School or who are Victims of Crime \$7,322,879 (25% of total allocation).
- Support Trauma Recovery Centers that Serve Crime Victims \$2,929,152 (10% of total allocation).

LAO's Comments On the Administration's Savings Calculation

Prison Savings Likely Underestimated. The administration's estimate that Proposition 47 will reduce the number of state inmates by about 4,700 in 2015-16 appears reasonable. However, our analysis indicates that the administration has underestimated the savings associated with this inmate population reduction. One key assumption that the administration needed to make in order to estimate the prison savings from the population reduction is how much CDCR saved in 2015-16 from housing fewer inmates in state prisons and in contract beds. The administration assumes that the department was able to reduce the number of contract beds by about 400 due to Proposition 47 and that the balance of the population reductions from the measure—about 4,300 inmates—resulted in a reduction in the inmate population in the state's 34 prisons. In other words, the administration's approach implies that, had Proposition 47 not passed, CDCR would have otherwise accommodated the 4,700 inmates in 2015-16 by placing (1) 400 inmates in contract beds and (2) 4,300 inmates in the state's prisons.

While we acknowledge that it is impossible to know precisely how many contract beds CDCR would be using in 2015–16 had Proposition 47 not passed, we find that the administration’s assumptions are unrealistic. This is because CDCR is currently housing just 900 inmates less than the federal court–ordered limit on the prison population. (In recent years, the state has been under a federal court order to reduce overcrowding in CDCR’s 34 prisons. Specifically, the court found that prison overcrowding was the primary reason the state was unable to provide inmates with constitutionally adequate health care and ordered the state to reduce its prison population to 137.5 percent of design capacity.) As such, adding 4,300 inmates to the state’s prisons would have resulted in the state exceeding the population cap by 3,400 inmates. In our view, it is more realistic to assume that had Proposition 47 not passed, CDCR would have attempted to maintain a similar population level in the state prisons—along with a similar cushion below the population limit—and thus accommodated the additional inmates by contracting out for an additional 4,700 beds. In other words, we estimate that Proposition 47 allowed CDCR to avoid the need for 4,700 contract beds in 2015–16. This alternative assumption yields a prison savings estimate for 2015–16 that is \$83 million higher than the administration’s estimate—bringing total prison savings to \$135 million.

Court Savings Likely Underestimated. By reducing certain offenses from felonies to misdemeanors, Proposition 47 results in cases being filed as misdemeanors in the courts rather than as felonies. To estimate how this would affect the courts, the administration made two key assumptions. First, the administration projected that 80,000 fewer felony cases would be filed and 74,000 additional misdemeanor cases would be filed, resulting in an total decrease of 6,000 cases in 2015–16. (Fewer overall cases would be filed to the extent locals choose not to pursue misdemeanor charges for cases that would have been previously charged as felonies.) Second, the administration assumed that these misdemeanor cases would take the same amount of time to process as they would have if they were felony cases. As a result the administration’s estimate of \$1.7 million in savings is due solely to their projection that 6,000 fewer cases will be filed and does not reflect any savings in workload from converting a felony case to a misdemeanor case. We note, however, that the judicial branch’s existing workload studies show that misdemeanors take significantly less time on average to process than felonies. Specifically, felony cases require approximately six times more judicial time and approximately three times more staff time than misdemeanor cases. We acknowledge that these averages may not apply directly to Proposition 47 cases as these cases represent the least serious felony cases and the most serious misdemeanor cases. However, the administration has not accounted for any cost difference between these cases. Thus, it is likely that the administration’s court savings are underestimated—potentially by \$10 million or more.

Recommend Judicial Branch Provide Updated Calculation of Savings. While we acknowledge that average case processing times for felonies and misdemeanors specific to Proposition 47 may not exist, the judicial branch can use the data underlying their existing workload studies, as well as data collected from trial courts, to provide estimates of average case processing times for these filings. We believe this is a more reasonable method for calculating the savings generated from cases being filed as misdemeanors instead of felonies. Accordingly, in order to obtain a more accurate

understanding of Proposition 47 impacts on trial court workload, we recommend the Legislature direct the judicial branch to provide an updated calculation of savings by April 1. Specifically, the judicial branch should recalculate estimated savings by using adjusted average case processing times for felonies and misdemeanors to account for differences in the staffing resources needed to process these different case types. We also recommend that the Legislature direct the judicial branch to report the level of savings experienced due to Proposition 47 separately for 2014–15 and 2015–16.

Proposed Allocation of Funds

Grants Based on Recent Legislation. Chapter 438 of 2015 (AB 1056, Atkins) provides direction to BSCC regarding the allocation of grant funds from the SNSF for recidivism reduction programs. Specifically, the legislation directs BSCC to allocate the funds through a competitive grant process to recipients with proposals that meet all of the following requirements: (1) are designed to serve people who have been arrested, charged with, or convicted of a criminal offense and have a history of mental health or substance use disorders; (2) offer mental health treatment, substance use disorder treatment, misdemeanor diversion programs, or some combination of the three; and (3) have a public agency as the lead applicant. The legislation also requires BSCC to form an executive steering committee that includes relevant stakeholders (such as representatives of state and local governments, community-based treatment providers, and formerly incarcerated individuals) to make recommendations regarding criteria for evaluating grant proposals. Under the legislation, BSCC could use up to 5 percent of the SNSF funding for administration of the grant program.

Grants Aimed at Reducing School Dropouts and Truancy. The administration does not propose a specific plan for how the SNSF funds would be awarded to schools. Instead, the administration indicates that it will work with the Legislature to develop a grant program consistent with the requirements of Proposition 47. The administration does propose that SNSF funding count towards the Proposition 98 funding guarantee. (Proposition 98 is the state's constitutional school funding obligation that generally requires a certain portion of state General Fund revenues go to schools.)

Trauma Recovery Centers (TRC) Grants. The Victims Compensation and Government Claims Board currently awards around \$2 million in grants annually to TRCs, which are programs that directly assist victims in coping with a traumatic event (such as by providing mental health care and substance use treatment). To date, six TRCs statewide have received such grants. VCGCB indicates that it plans to distribute Proposition 47 monies through their existing grant process.

Staff Recommendation: Hold Item Open.

ISSUE 2: STRENGTHENING LAW ENFORCEMENT AND COMMUNITY RELATIONS GRANT PROGRAM

The Board of State and Community Corrections will open this item with a brief summary of the grant program's parameters and update the Subcommittee on the current status of the program.

PANELISTS

- Board of State and Community Corrections
- California Police Chief's Association
- Chauncey Smith, Legislative Advocate, American Civil Liberties Union
- Department of Finance
- Legislative Analyst's Office
- Public comment

BACKGROUND

The Budget Act of 2015 allocated \$6 million to the BSCC to administer the Strengthening Law Enforcement and Community Relations Grant Program. The Budget Act provides, in pertinent part:

The Board of State and Community Corrections shall provide grants to local law enforcement for programs and initiatives intended to strengthen the relationship between law enforcement and the communities they serve, including, but not limited to, providing training for front-line peace officers on issues such as implicit bias; funding for research to examine how local policing services currently are being delivered; assessing the state of law enforcement-community relations; comparing the status quo with the best practices in the policing profession; and receiving recommendations for moving forward, including the identification of policing models and operational options to improve policing; problem-oriented policing initiatives such as Operation Ceasefire; restorative justice programs that address the needs of victims, offenders, and the community; behavioral health training and any one-time costs associated with implementing, expanding, and maintaining a program designed to capture peace officer interactions with individuals in the community.

The establishment of this grant program mirrors recent efforts at the federal level. On December 18, 2014, President Barack Obama signed Executive Order 13684 establishing the Task Force on 21st Century Policing. In establishing the task force, the President spoke of the distrust that exists between too many police departments and too many communities—the sense that in a country where our basic principle is equality under the law, too many individuals, particularly young people of color, do not feel as if

they are being treated fairly (*The President's Task Force on 21st Century Policing, May 2015*).

The Strengthening Grant is intended to fund collaborative law enforcement-community approaches that aim to improve, strengthen, establish or reestablish positive meaningful relationships between law enforcement and the communities they serve. Consistent with the statutory language, this grant was established in part to raise awareness about the existence of implicit bias and its impact on interactions between law enforcement and the community.

Grant Eligibility

Eligible applicants are limited to:

- Municipal police departments in partnership with the communities they serve;
- County sheriff's departments in partnership with the communities they serve; and
- Cities that contract for law enforcement services in partnership with the communities they serve.

For the purposes of this RFP, municipal police departments, county sheriff's departments, and cities that contract for law enforcement services are considered "Lead Agencies."

Lead Agencies must:

- Collaborate and partner with members, organizations and/or representatives of the communities they serve in the planning, development and implementation of the proposed approach. Partnerships between Lead Agencies and these members, organizations and/or representatives must be formalized via Letters of Agreement. (See Community Engagement section.)
- Pass through a minimum of **30 percent** of the total grant award to one or more of those community partner(s) identified in the proposal, in order to demonstrate a shared partnership rooted in community engagement and economic equity.

To be eligible, Lead Agencies must also self-certify that they are in compliance with Penal Code Section 11108, which is a requirement to report certain stolen, lost and found property.

President's Task Force on 21st Century Policing: Six Pillars

The President's Task Force on 21st Century Policing was created to strengthen community policing and trust among law enforcement officers and the communities they serve. The task force included a cross section of law enforcement, academia, civil rights organizations and non-profit organizations, with support from the U.S. Department of Justice, among many others.

The task force conducted hearings, reviewed research and made recommendations to the President. Data and information gathered from this process are captured in *The Final Report of the President's Task Force on 21st Century Policing*. The report can be

viewed in its entirety at:
http://www.cops.usdoj.gov/pdf/taskforce/TaskForce_FinalReport.pdf.

The report captures key themes under six “Pillars.” These Pillars include: 1) Building Trust and Legitimacy, 2) Policy and Oversight, 3) Technology and Social Media, 4) Community Policing and Crime Reduction, 5) Training and Education and 6) Officer Wellness and Safety. Each Pillar provides background on how it was developed and includes recommendations and action items.

All proposals (whether individual or joint) must address some aspect of Pillar One (Building Trust and Legitimacy). In addition to Pillar One, Applicants must identify at least one other Pillar the project will address. There is no limit on the number of Pillars a proposal may address. In the proposal, Applicants must be able to show a link between proposed activities or strategies and the Pillars listed in Table 1 below.

A summary of each of the six Pillars is provided in Table 1 below. Note that these summaries are intended as high-level synopses only and are not a substitute for reading each Pillar in its entirety.

Table 1. President’s Task Force on 21st Century Policing: Six Pillars	
Pillars	Pillar Summary
Pillar One: Building Trust and Legitimacy	Building trust and nurturing legitimacy on both sides of the police/citizen divide is the foundational principle underlying the nature of relations between law enforcement agencies and the communities they serve. Decades of research and practice support the premise that people are more likely to obey the law when they believe that those who are enforcing it have authority that is perceived as legitimate by those subject to the authority.
Pillar Two: Policy and Oversight	If police are to carry out their responsibilities according to established policies, those policies must reflect community values. Law enforcement agencies should collaborate with community members, especially in communities and neighborhoods disproportionately affected by crime, to develop policies and strategies for deploying resources that aim to reduce crime by improving relationships, increasing community engagement and fostering cooperation.
Pillar Three: Technology and Social Media	The use of technology can improve policing practices and build community trust and legitimacy, but its implementation must be built on a defined policy framework with purposes and goals clearly delineated. Implementing new technologies can give police departments an opportunity to fully engage and educate communities in a dialogue about their expectations for transparency, accountability and privacy.

Table 1. President's Task Force on 21st Century Policing: Six Pillars	
Pillars	Pillar Summary
Pillar Four: Community Policing and Crime Reduction	Community policing emphasizes working with neighborhood residents to co-produce public safety. Law enforcement agencies should, therefore, work with community residents to identify problems and collaborate on implementing solutions that produce meaningful results for the community.
Pillar Five: Training and Education	Today's line officers and leaders must be trained and capable to address a wide variety of challenges including international terrorism, evolving technologies, rising immigration, changing laws, new cultural mores and a growing mental health crisis.
Pillar Six: Officer Wellness and Safety	The wellness and safety of law enforcement officers is critical not only for the officers, their colleagues and their agencies but also to public safety. . . The support and proper implementation of officer wellness and safety is a multi-partner effort.

Grant Period

The grant period for these funds is July 1, 2016 through June 30, 2018; grantees will have two years to spend the requested funds.

NOTE: The Governor's Proposed Budget for FY 2016-17 includes an additional \$6,000,000 for the Strengthening Grant. While it is not yet known whether that funding will be part of the final 2016-17 budget, **if the funding is approved by the Legislature and included in the final budget**, the BSCC will fund additional grants beginning in 2016. Additional grants will be funded from those candidates remaining on the rank-ordered list that the BSCC approves in connection with this RFP. There will not be a new RFP issued for FY 2016-17 funds.

Joint Proposals

Two or more eligible applicants (see Eligibility section, page 4) may partner to submit a joint proposal, but one must be designated as Lead Agency for contracting purposes. Joint proposals must comply with the eligibility criteria listed above in the planning, development and implementation of the proposed approach. A Lead Agency may not submit both an individual and a joint application.

Funding Thresholds

The Strengthening Grant is a state-funded grant established in FY 2015-16. The BSCC will retain five percent of the FY 2015-16 allocation to administer the grant. Approximately \$5,700,000 will be available through a competitive process.

Applicants are encouraged to request only the amount of funds needed to support proposals.

- The maximum allowable grant amount for an individual application is up to **\$600,000**.

- The maximum allowable grant amount for a joint application is up to **\$850,000**.

Required Local Match

A local match totaling a minimum of **20 percent** of the grant funds requested must be identified in the proposal budget. This obligation may be met through cash or in-kind matching funds, or a combination of both. Cash match, also known as hard match, is income from a source other than grant funds that is budgeted for the project. When used to augment the project, cash expenditures for items such as personnel, facilities and supplies may be considered cash match. In-kind match, also known as soft match, is the project's contribution of non-cash outlay of materials or resources to support grant award activities. It may include non-cash outlay contributed by other public agencies, private organizations and individuals. Examples include donated office supplies, equipment, professional services and volunteer time. Both cash and in-kind match must be specifically identified by line-item in the budget. This requirement must be met in both individual and joint applications.

Work Plan

Each applicant must develop a Work Plan as part of this application process. A Work Plan identifies measurable goals and objectives, a timeline for the project, as well the processes and responsible parties necessary to accomplish the goals and objectives.

Community Engagement

Community engagement has been identified as a critical component of the Strengthening Grant. Inherent in the development of this RFP is an acknowledgement that the success of any effort to strengthen law enforcement/community relations depends on strong support, communication and collaboration between both parties. Law enforcement cannot problem solve without help from its communities; likewise communities cannot understand the complexities of police work without engaging its law enforcement partners. As stated in the Eligibility section, a formalization of this partnership is a requirement of this grant.

Community partners could include community-based organizations, faith-based organizations, non-profits, service providers, advocacy groups or justice-involved individuals and their families. Each Lead Agency will be responsible for determining which and how many community partners are included in the grant proposal, but should be able to articulate why they selected certain partners in relation to the make-up and culture of the community and the need that will be addressed.

Lead Agencies are required to engage these community partners in the identification of the needs facing the community, the development of a plan for how to best address those needs and the selection of activities or strategies to implement that plan. The discussions that take place could be guided by the following questions:

- *What outreach was done by the Lead Agency to engage the community in planning for the Strengthening Grant?*

- *How did the Lead Agency ensure that it reached out to those communities most impacted by the need, including system-involved individuals and their families?*
- *How did the Lead Agency and community partner(s) develop a partnership that would be mutually beneficial?*
- *How did the Lead Agency and community partner(s) decide on the approach that would be used in the Strengthening Grant?*
- *What steps will the Lead Agency and community partner(s) take to ensure mutual involvement in all stages of the planning, development and implementation of the proposed approach?*

a. Letter(s) of Agreement

Formalized agreements between the Lead Agency and all community partners are required for the Strengthening Grant. The Letter(s) of Agreement shall serve as an acknowledgement of the partnership that will exist between the Lead Agency and community partners. A sample Letter of Agreement can be found in Appendix B.

b. Community Partners List

Applicants must include a list of all community partners that are formally participating on the grant. Applicant must list their community partners in Appendix C.

Promising, Data-Driven and Innovative Approaches to Strengthening Law Enforcement/Community Relations

Applicants seeking funding through this grant process will be required to demonstrate that they will adhere to the basic principles of evidence-based practice (e.g., using data and research to drive decision-making) in the development, implementation and evaluation of their overall projects.

The concept of evidence-based practice was developed outside of criminal justice and is commonly used in other applied fields such as medicine, nursing and social work. In criminal justice, this term marks a significant shift by emphasizing measurable outcomes and ensuring that services and resources are actually effective in achieving the desired outcomes.

The BSCC is committed to supporting this focus on better outcomes for the entire criminal justice system and for those involved in it. For the purpose of this RFP, applicants should focus on the following three basic principles:

- 1. Is there evidence or data to suggest that the intervention or strategy is likely to work, i.e., produce a desired benefit?** *For example, was the intervention or strategy you selected used by another jurisdiction with documented positive results? Is there published research on the intervention you are choosing to implement showing its effectiveness? Is the intervention or strategy being used by another jurisdiction with a similar problem and similar target population?*

2. **Once an intervention or strategy is selected, will you be able to demonstrate that it is being carried out as intended?** *For example, does this intervention or strategy provide for a way to monitor quality control or continuous quality improvement? If this intervention or strategy was implemented in another jurisdiction, are there procedures in place to ensure that that you are following the model closely (so that you are more likely to achieve the desired outcomes)?*

3. **Is there a plan to collect evidence or data that will allow for an evaluation of whether the intervention or strategy worked?** *For example, will the intervention or strategy you selected allow for the collection of data or other evidence so that outcomes can be measured at the conclusion of the project? Do you have processes in place to identify, collect and analyze that data/evidence?*

Applicants are encouraged to develop an overall project that incorporates these principles, but is tailored to fit the needs of the communities within which they serve. Innovation and creativity are encouraged, but with an eye toward using existing data and research on best practices in this field. Plans to measure the effectiveness of a project should include the use of both qualitative and quantitative research. While quantitative research is based on numbers and mathematical calculations, qualitative research is based on written or spoken narratives. The purpose of quantitative research is to explain, predict and/or control events through focused collection of numerical data, while the purpose of qualitative research is to explain and gain insight and understanding of events through intensive collection of narrative data.

Data Collection and Evaluation

Projects selected for funding will be required to submit a Local Evaluation Plan (at the conclusion of the first quarter) and a Final Local Evaluation Report (at the conclusion of the grant) to the BSCC. Additional information on these components can be found in Appendix E.

Required Set-Aside for Evaluation Efforts

Grantees are required to set aside **a minimum of 5 percent but not less than \$20,000** of the award toward development of the Local Evaluation Plan, Final Local Evaluation Report and related data collection efforts. Applicants are encouraged to partner with state universities or community colleges in the development and implementation of its evaluation plan.

Local Evaluation Plan

The purpose of the Local Evaluation Plan is to ensure that projects funded by the BSCC can be evaluated. Selected projects will be expected to submit a detailed description of how the applicant will assess the effectiveness of the proposed program, including all individual project components. A relationship between the goals and objectives identified in the Work Plan should be apparent in the Local Evaluation Plan.

The Local Evaluation Plan should describe the evaluation design or model that will be used to evaluate the effectiveness of the project component(s), with the project goals and the project objectives clearly stated. Applicants should also address process and outcome evaluations.

Final Local Evaluation Report

The purpose of the Final Local Evaluation Report is to determine whether the overall program (including each project component) was effective in meeting the goals laid out in the Local Evaluation Plan. To do this, the grantee must assess and document the effectiveness of the activities that were implemented within each individual project component. These activities should have been identified in the previously submitted Local Evaluation Plan.

The Final Local Evaluation Report must also describe the evaluation design or model as laid out in the Local Evaluation Plan. Most importantly, the Final Local Evaluation Report will describe the final outcomes of the program (for each individual project component), including a determination of the degree of effectiveness and/or ineffectiveness.

Evaluation Dissemination

In addition to providing the Local Evaluation Plan and Final Local Evaluation Report to the BSCC, projects selected for funding are encouraged to make public (e.g., post on line, disseminate, etc.) the Final Local Evaluation Report to the community and the grantee's Governing Body (e.g., Board of Supervisors or City Council).

Eligible Applicants:

- Municipal Police Departments*
- County Sheriff's Departments*
- Cities that Contract for Law Enforcement Services*

**In Partnership with the communities they serve.*

Important Dates:

Request For Proposals Released: February 5, 2016

Notice of Intent to Apply: March 18, 2016

Proposal Due Date: April 1, 2016

Fiscal Year: 2015-16

Grant Period: July 1, 2016 - June 30, 2018

LAO COMMENTS

Providing police services is one of the primary functions of local governments. In 2011-12, the most recent year of data available, cities spent a total of about \$9.5 billion statewide to provide police services to California's 482 cities. Most of these funds come from local sources, such as local taxes and fees.

As part of the 2012–13 budget, the Governor proposed and the Legislature approved a three-year grant program (from 2012–13 through 2014–15) to provide state General Fund support to city law enforcement, primarily police. The funds were initially approved at \$24 million each year, then were increased to \$27.5 million in 2013–14, and again to \$40 million in 2014–15.

The *2015–16 Budget Act* included funding to extend the local law enforcement grant program for one additional year, as well as targeted the funding for specific purposes. Specifically, the budget provided \$26 million from the General Fund on a one-time basis for the program in 2015–16. This amount includes \$20 million to increase positive outcomes between city police and the homeless, persons with mental health needs, and high-risk youth. Agencies are required to provide data on their use of force in order to receive funding. The remaining \$6 million is for strengthening the relationship between communities and law enforcement. The BSCC is responsible for determining recipients of grants to strengthen relationships between communities and law enforcement. According to the administration, the BSCC is currently determining what measures will be required to be reported to the state to assess the effectiveness of the program.

LAO RECOMMENDATION

Reject Proposed Funding. In view of the above, we recommend that the Legislature reject the Governor's proposal to provide \$6 million in local law enforcement grants in 2016–17.

Staff Recommendation: Hold Item Open.

ISSUE 3: \$250 MILLION GENERAL FUND JAIL CONSTRUCTION PROPOSAL

The Board of State and Community Corrections will open this item with a brief overview of the proposal to provide \$250 million from the General Fund for counties that have either (1) not received any of the previous \$2.2 billion provided for this purpose or (2) received less funding than previously requested. Based on this criteria, there are 20 counties eligible to receive the proposed funding.

PANELISTS

- Board of State and Community Corrections
- Cory M. Salzillo, Legislative Director, California State Sheriffs' Association
- Lizzie Buchen, Statewide Advocacy and Communications Coordinator, Californians United for a Responsible Budget
- Department of Finance
- Legislative Analyst's Office
- Public comment

BACKGROUND (PROVIDED BY LAO)

As part of the 2011–12 budget package, the state enacted legislation to realign to counties the responsibility for certain felony offenders. For example, certain lower-level felony offenders with no current or prior serious, sex, or violent crimes are no longer eligible for prison and now serve their sentences in the county jail, in the community under the supervision of county probation departments, or a combination of the two. These changes increased the number of inmates coming to county jail. The average statewide jail population increased from about 70,000 in 2011 to about 82,000 in 2014.

In addition, the 2011 realignment changed the type of offenders in jail. Prior to realignment, jails generally held defendants awaiting trial or arraignment and individuals sentenced to serve less than one year in jail. After realignment, however, certain felony offenders began serving all or a portion of their sentence in county jail, rather than in state prison—typically for more than a year.

Since existing jails were not generally designed to house long-term offenders, the longer sentences resulting from realignment create challenges for counties. For example, jails often have only limited space for rehabilitative programs that serve long-term offenders. Jails also often have limited medical facilities to effectively treat long-term inmates with health problems, which can frequently result in inmates being transported to local medical facilities at a significant cost.

Recent Funding Provided for Jail Construction. Given the impact of the 2011 realignment on jails, the state has provided in recent years a total of \$2.2 billion in lease revenue bonds to fund the construction and modernization of county jails. Specifically, the state has provided:

- \$1.2 billion in lease revenue bonds authorized by Chapter 7 of 2007 (AB 900, Solorio) to increase housing capacity by adding over 9,000 beds to county jails.
- \$500 million in lease revenue bonds authorized by Chapter 42 of 2012 (SB 1022, Committee on Budget and Fiscal Review) to primarily increase program and health care space in jails. Funds could also be used to add housing capacity.
- \$500 million in lease revenue bonds authorized by Chapter 37 of 2014 (SB 863, Committee on Budget and Fiscal Review) for the same purpose as Chapter 42.

These jail construction grants are administered by the Board of State and Community Corrections (BSCC). For each of the above funding allocations, the chart below shows the amount that has been awarded at this time to each county. As shown in the chart, jail capacity is expected to increase by a total of about 10,600 beds. We note that some projects are intended to construct or modify health care and program space rather than add bed capacity.

Overview of State–Funded Jail Projects (Dollars in Millions)

County	Award Amounts				Additional Beds
	AB 900	Chapter 42 ^a	Chapter 37 ^b	Total	
Alameda	—	—	\$54	\$54	—
Amador	—	—	17	17	40
Butte	—	—	40	40	38
Calaveras	\$26	—	—	26	95
Colusa	—	—	20	20	4
Fresno	—	\$79	—	79	—
Humboldt	—	—	20	20	44
Imperial	33	—	—	33	228
Kern	100	—	—	100	790
Kings	33	20	—	53	276
Lake	—	20	—	20	79
Los Angeles	100	—	—	100	1,604
Madera	31	—	—	31	145
Merced	—	—	40	40	30
Monterey	80	—	—	80	576
Napa	—	13	3	16	72
Orange	100	80	—	180	896
Placer	—	—	—	10	—
Riverside	100	—	—	100	897
Sacramento	—	80	—	80	26
San Benito	15	—	—	15	60

San Bernardino	100	—	—	100	1,368
San Diego	100	—	—	100	842
San Francisco	—	—	80	80	—
San Luis Obispo	25	—	—	25	155
Santa Barbara	80	39	—	119	576
Santa Clara	—	—	80	80	18
Santa Cruz	—	25	—	25	—
Shasta	—	20	—	20	64
Siskiyou	27	—	—	27	150
Solano	62	23	—	85	362
Sonoma	—	—	40	40	72
Stanislaus	80	40	—	120	456
Sutter	10	—	—	10	42
Tehama	—	—	—	16	64
Trinity	—	—	20	20	19
Tulare	60	33	—	93	414
Tuolumne ^c	13	20	—	33	—
Ventura	—	—	27	27	64
Yolo	36	—	31	67	10
Yuba	—	—	20	20	12
Totals	\$1,211	\$493	\$492	\$2,220	10,588
^a Chapter 42 of 2012 (SB 1022, Committee on Budget and Fiscal Review).					
^b Chapter 37 of 2014 (SB 863, Committee on Budget and Fiscal Review).					
^c Data on the number of beds was unavailable at the time of this analysis.					

Governor Proposes Additional \$250 Million for County Jails

The Governor's budget for 2016–17 proposes one-time funding of \$250 million from the General Fund for jail construction. According to the administration, the proposed funds would be awarded to counties that have either (1) not received any of the above \$2.2 billion or (2) received less funding than they requested. As shown in the chart below, there are 20 counties eligible to receive funding under this criteria. The administration has indicated that the funds are primarily intended to increase program and health care space and would be distributed in a manner similar to the funds awarded pursuant to Chapter 42 and Chapter 37. Under the proposal, counties would be subject to a 10 percent match requirement, except that small counties (populations of 200,000 or less) would be subject to a 5 percent match requirement.

Counties Eligible for Proposed Jail Funding

Received No Prior Funding	Received Only Partial Funding
Alpine	Placer
Contra Costa	Tehama
Del Norte	Ventura
El Dorado	
Glenn	
Inyo	
Lassen	
Marin	
Mariposa	
Mendocino	
Modoc	
Mono	
Nevada	
Plumas	
San Joaquin	
San Mateo	
Sierra	

LAO COMMENTS**Proposal Lacks Adequate Assessment of Need**

The administration has not provided a detailed analysis regarding the magnitude of either programming or capacity needs and the extent to which the Governor's proposal would meet these needs. For example, the administration has not provided an estimate of the number of additional jail beds counties need or the amount of additional rehabilitation program or health service space needed. As we discuss below, such an analysis should take into account (1) the impact of Proposition 47 (approved by the voters in November 2014) on jail workload and (2) the extent to which eligible counties have pursued alternatives that could reduce or eliminate the need for state funding.

Impact of Proposition 47. According to the administration, the proposed \$250 million is needed in part to address continued demands on local jail infrastructure created by the 2011 realignment of low-level felony offenders. While realignment created a need for modifications to jail infrastructure, the administration has not provided an analysis of any unmet needs and how these needs have been mitigated by Proposition 47, which reduced the penalties for certain non-violent, non-serious drug and property crimes. Since offenders convicted of such offenses are now receiving shorter jail terms than they otherwise would have, the proposition has reduced the workload for county jails. For example, the average statewide jail population decreased from about 83,000 inmates in the period from July to September of 2014 to about 73,000 inmates in the period from January to March 2015.

Whether Eligible Counties Have Pursued Alternatives. In addition, the administration has not provided an assessment of whether the counties it has identified as eligible for jail construction funding have pursued alternatives that could reduce or eliminate the need for state funding. In particular, it is unclear whether these counties have:

- **Maximized Alternatives to Increasing Jail Space.** Counties have significant influence over the size of their jail populations. Specifically, counties can use various tools to reduce jail populations, such as probation, alternatives to incarceration, rehabilitation programs, flash incarceration, and aggressive pretrial release. Counties can also take other steps, such as contracting for jail space in other county jails. Counties that have not employed such tools may not necessarily need state funds for jail construction to address their jail capacity needs.
- **Planned to Make Effective Use of Program Space.** Some counties have indicated a need for funding to build facilities that would be used to provide programming. The Legislature will want to ensure that such space would be used to deliver programs that have been demonstrated to be effective.
- **Identified Local Funding Sources.** In addition, it is unclear to what extent counties have attempted to identify local funding sources to address their jail construction needs.

The absence of such analysis makes it more difficult for the Legislature to assess what infrastructure needs counties lack and whether the proposed \$250 million in the Governor's budget for jail construction is needed, or if a different amount would be appropriate.

LAO RECOMMENDATION

Reject Proposed Jail Funding. While it is possible that there may be some need for additional state funding for county jail construction, the administration has not been able to provide a detailed assessment of the current need. Absent such justification, we recommend that the Legislature reject the Governor's proposal to provide \$250 million from the General Fund for jail construction.

Staff Recommendation: Hold Item Open.

ISSUE 4: \$20 MILLION CITY LAW ENFORCEMENT GRANTS

The Board of State and Community Corrections will open this item with a brief summary of the proposal.

PANELISTS

- California Police Chief's Association
- Chauncey Smith, Legislative Advocate, American Civil Liberties Union
- Department of Finance
- Legislative Analyst's Office
- Public comment

BACKGROUND (PROVIDED BY LAO)

The 2016-17 Budget includes \$20 million for municipal police departments to use to increase positive outcomes between city police and the homeless community, persons with mental health needs, and high-risk youth populations.

Needs for funds: A 2014 report from the U.S. Department of Housing and Urban Development states that more than 113,000 homeless live in California. Within this population, 30 percent have severe mental illnesses, a proportion higher than that of the general population. Now, more than ever, municipal law enforcement officers are being called to respond to instances involving individuals who are homeless and/ or have mental health needs. These funds will be used to connect homeless individuals with housing and services, bring medical services and support to individuals with mental health needs, and divert high-risk youth from future interactions with law enforcement.

Use of Funds: Funding shall be used to increase positive outcomes following interactions between municipal law enforcement and high risk populations. Evidence-based models that have been proven effective may be used to guide the use of these funds.

Examples of appropriate use:

1. Homelessness: Homeless outreach teams · increasing capacity of local resources · direct partnerships with mental health clinicians.

2. Mental Health: Crisis Intervention Training (CIT) for officers · direct partnerships with mental health clinicians · increasing capacity of local resources.

3. At-Risk Youth: Gang Resistance Education and Training (GREAT) · resources for drug endangered children · resources for foster youth and transitioning foster youth ·

outreach to high-risk youth · youth diversion programs · gang and violence prevention programs · increase School Resource Officer (SRO) role.

Distribution: Allocations will be distributed to a county's fiduciary city, to be used in a collaborative manner between municipal law enforcement agencies within a county. Distribution is to be formulated by applying a county's mental illness rate per capita and homeless rate per capita to a county's census population.

LAO COMMENTS

Providing police services is one of the primary functions of local governments. In 2011-12, the most recent year of data available, cities spent a total of about \$9.5 billion statewide to provide police services to California's 482 cities. Most of these funds come from local sources, such as local taxes and fees.

As part of the 2012–13 budget, the Governor proposed and the Legislature approved a three-year grant program (from 2012–13 through 2014–15) to provide state General Fund support to city law enforcement, primarily police. The funds were initially approved at \$24 million each year, then were increased to \$27.5 million in 2013–14, and again to \$40 million in 2014–15.

The *2015–16 Budget Act* included funding to extend the local law enforcement grant program for one additional year, as well as targeted the funding for specific purposes. Specifically, the budget provided \$26 million from the General Fund on a one-time basis for the program in 2015–16. This amount includes \$20 million to increase positive outcomes between city police and the homeless, persons with mental health needs, and high-risk youth. Agencies are required to provide data on their use of force in order to receive funding. The remaining \$6 million is for strengthening the relationship between communities and law enforcement. The BSCC is responsible for determining recipients of grants to strengthen relationships between communities and law enforcement. According to the administration, the BSCC is currently determining what measures will be required to be reported to the state to assess the effectiveness of the program.

LAO RECOMMENDATION

Reject Proposed Funding. In view of the above, we recommend that the Legislature reject the Governor's proposal to provide \$20 million in local law enforcement grants in 2016–17.

Staff Recommendation: Hold Item Open.

0690 OFFICE OF EMERGENCY SERVICES**ISSUE 1: 2015-16 HUMAN TRAFFICKING GRANT PROGRAM UPDATE**

The Office of Emergency Services will open this item with a brief overview of the \$10 million Human Trafficking grant program authorized by the 2015 Budget Act.

PANELISTS

- Office of Emergency Services
- Holly Austin Gibbs, Survivor and Patient Care Services Program Director with Dignity Health Department of Finance
- Stephanie Richard, Esq., Policy & Legal Services Director, The Coalition to Abolish Slavery & Trafficking (CAST)
- Department of Finance
- Legislative Analyst's Office
- Public comment

BACKGROUND

Human trafficking has been tagged as the fastest growing criminal enterprise and is estimated to be a \$32 billion-a-year global industry. It is considered to be the world's second most profitable criminal enterprise, falling just after drug trafficking.

Statistics on human trafficking victims and arrests here in California are unreliable because human trafficking is under identified and under reported. Cases that could qualify as human trafficking under Penal Code § 236.1 are often misidentified and investigated and prosecuted under related charges such as prostitution and pimping. In addition, victims are reluctant to come forward out of fear of prosecution, deportation, and/or physical harm to family.

Even with the challenges described above, California's nine regional human trafficking task forces identified more than 1200 human trafficking victims between 2010 and mid-2012. These victims need specialized intensive services to recover and rebuild their lives.

In June 2015 Governor Jerry Brown responded to this need and signed the 2015 Budget Act which included \$10 million dollars of Restitution funds to provide comprehensive services to human trafficking victims in California.

Grant Program Purpose

The purpose of the program is to help human trafficking victims recover from the trauma they experienced and assist with reintegration into society. This will be accomplished by providing safety and supportive services. Services provided include a 24-hour crisis hotline, emergency shelter, temporary housing, emergency food/clothing, counseling, referrals to existing community resources, transportation, and legal assistance.

For the purposes of this program, human trafficking is defined as the control of a person, through force, fraud, or coercion, for the purpose of commercial sex and/or labor.

Program Components

- a. Case Management/Services to Victims Using a trauma-informed, culturally-sensitive approach, Human Trafficking Caseworkers, pursuant to Evidence Code § 1038.2, must provide intensive case management for human trafficking victims and their children. The Human Trafficking Caseworker must do an initial intake assessment to identify the emergency needs of the victim (e.g., food, shelter, and clothing) and any safety concerns. Victims must then receive assistance from an attorney to identify/evaluate any legal needs and receive information to assist the victim on deciding how to proceed. At a minimum, Recipients must offer the following:
 - 1) Twenty-four Hour Crisis Hotline Recipients must provide a 24-hour crisis hotline; 7-days per week. Immediate crisis intervention and assistance to human trafficking victims must be provided through this telephone response by agency staff and/or volunteers who are trained as Human Trafficking Case Workers, pursuant to Evidence Code §1038.2. Agencies may collaborate to provide this service.
 - 2) Emergency Shelter Recipients must provide staffed, confidential emergency shelter services for human trafficking victims or an established referral system for shelter on a 24-hour, seven day a week basis.
 - 3) Temporary Housing Recipients must provide non-emergency housing for a period of up to 24 months. This requirement may be met by the development and implementation of written Operational Agreements (OAs) with appropriate community organizations.
 - 4) Emergency Food/Clothing Recipients must provide a means for responding to the immediate food and clothing needs of human trafficking victims and their children. This requirement may be met by the development and implementation of written OAs with appropriate community organizations.
 - 5) Counseling Recipients must provide individual counseling for human trafficking victims, using a trauma-informed approach. Paid or volunteer Human Trafficking Caseworkers, pursuant to Evidence Code 1038.2, may provide this service. The counseling requirement may also be met by the development and

implementation of written procedures for referrals to qualified professional counselors with experience working with human trafficking victims.

- 6) Referrals to Existing Community Resources Recipients must maintain knowledge of local community resources and connect victims to these resources.
- 7) Transportation Recipients must provide a means for emergency transportation to shelters or other places of safety as appropriate for human trafficking victims. The project should also provide a means for human trafficking victims to receive non-emergency transportation.
- 8) Legal Assistance Recipients must provide legal services to human trafficking victims. These services need to be provided by an attorney and must include, but are not limited to, the following:
 - Establishing eligibility for refugee benefits
 - Filing for T-Visas created specifically for victims of trafficking
 - Preparation for criminal trials
 - Representation in removal proceedings
 - Advocacy to protect rights as victim and/or witnesses
 - Obtaining restraining orders against traffickers
 - Obtaining child custody orders
 - Record Expungement

This may be accomplished through coordination with pro bono attorneys or by attorneys employed by the agency.

b. Emergency Financial Assistance

Recipients may use up to five percent of their total grant funds to provide financial intervention for a victim-related need such as relocation expenses, court/legal fees, or medical care. If funds are provided directly to victims, Recipients must follow the procedure outlined in Recipient Handbook § 2235.2.

c. Evaluation

Recipients must develop a method for evaluating the services provided to human trafficking victims and the impact of the Program.

d. Training of Staff

Recipients must ensure staff working with human trafficking victims qualify as Human Trafficking Caseworkers pursuant to Evidence Code § 1038.2. Documentation verifying the appropriate training has been received must be kept on file for all paid and volunteer Human Trafficking Caseworkers.

e. Operational Agreements

Recipient must have Operational Agreements (OAs) with agencies, in the agency's service area, in the following disciplines:

- Local Law Enforcement
- District Attorney's Office(s)
- Victim/Witness Assistance Program(s)
- Domestic violence service providers
- Sexual assault service providers
- Community-based organizations that work with human trafficking victims and their children
- Existing or new Cal OES-funded projects that serve human trafficking victims

OAs must contain original signatures, titles and agency names for both parties and include dates effective for the proposed grant period. These documents must demonstrate a formal system of networking and coordination with other agencies and the Applicant.

Submission of a copy of each OA is not required with the grant application. However, the grant award application must include an Operational Agreements Summary (Cal OES 2-160) form which delineates the agencies and timeframes for each operational agreement in effect to support the required services under the program.

OAs must have an effective period of no more than three years. OAs must be on file with the project and available for review by Cal OES staff during a site, monitoring and/or technical assistance visit.

f. Progress Reports

Progress Reports serve as a record for the implementation of the project. It documents the project's progress in achieving the objectives in accordance with the terms of the Program, enables the Recipient to identify problems encountered in the implementation of the project, and provides the opportunity to request technical assistance from Cal OES regarding the program grant. Statistics for Progress Reports must be collected on a quarterly basis.

Two Program Progress Reports must be submitted throughout the grant period no later than the due dates below:

	Report Period	DUE
1st Progress Report	January 2016 – June 2016	07/31/16
2nd Progress Report	January 2016 – December 2016	01/31/17
3rd Progress Report	January 2017 – June 2017	07/31/17
Final Progress Report	January 2017 – December 2017	01/31/18

Staff Recommendation: Hold Item Open.

ISSUE 2: EMERGENCY OPERATIONS AND CRITICAL INFRASTRUCTURE SUPPORT

The Office of Emergency Services will open this item with a brief overview of the Emergency Operations and Critical Infrastructure Support proposal.

PANELISTS

- Office of Emergency Services
- Department of Finance
- Legislative Analyst's Office

BACKGROUND (PROVIDED BY LAO)

The OES serves as the state's emergency management agency. As such, OES coordinates planning, response, and recovery activities related to a variety of potential disasters, such as fires, terrorist attacks, and earthquakes. As part of its coordination activities, OES works closely with various entities such as federal agencies, other state departments, and local governments. In recent years, OES' mission has expanded to include additional related functions such as public safety communications.

The Governor's proposal requests 77 positions and \$35 million from the General Fund in 2016-17, including \$20 million in one-time spending on fire equipment. As discussed below, the proposal also includes a reduction of federal fund authority of \$3.9 million. The proposal includes 16 different components as reflected in Figure 3 and described below. These components relate to fire response, disaster coordination, facilities, technology, and other activities for the department.

Governor's Proposed Positions and General Fund for Emergency Operations and Critical Infrastructure Support

Program	Ongoing Positions	2016-17	2017-18
Fire Response			
Fire apparatus fleet replacement and augmentation	—	\$20,000,000	—
Fire and Rescue Branch staffing	12	2,528,000	\$2,368,000
Automated Vehicle Location	—	342,000	177,000
Fire apparatus operating costs and maintenance	—	102,000	224,000
Disaster Coordination			

Statewide disaster programs	2	4,987,000	4,987,000
Regional response and readiness	13	1,951,000	1,951,000
Law Enforcement Branch staffing	6	1,661,000	1,533,000
Disaster Logistics Program	3	421,000	421,000
Facilities			
Regional Coordination center	—	700,000	700,000
Fire Maintenance Shop lease	—	94,000	94,000
Technology			
Information technology	—	1,030,000	1,030,000
Cal EOC support	3	495,000	495,000
Other			
Federal Emergency Management Program	—	700,000	700,000
Emergency Operations Incident Support Training	—	169,000	169,000
Public Safety Communications	28	—	—
Administrative support	10	—	—
Totals	77	\$35,180,000	\$14,849,000

Fire Apparatus Fleet Replacement and Augmentation (\$20 Million). The department owns and maintains a fleet of 141 fire apparatus that are placed throughout the state through agreements with local agencies. Apparatus can include engines as well as other related support vehicles. The OES can call on these fire apparatus when the state needs them for emergency response. The department has a budget of \$1.8 million annually to replace these apparatus. Historically, this level of funding has allowed OES to replace apparatus on a 15-year cycle, which OES reports is the industry-standard schedule. The Governor's proposal would provide a one-time augmentation of \$20 million from the General Fund to purchase 62 fire apparatus, increasing the total number of OES fire apparatus from 141 to 203. The OES indicates that the new apparatus are needed to fulfill a recommendation made in a 2004 report by the Governor's Blue Ribbon Fire Commission (Blue Ribbon Report) that OES acquire an additional 150 apparatus. (The OES reports that since the Blue Ribbon Report, it has acquired 44 apparatus.)

Fire and Rescue Branch Staffing (\$2.5 Million). The Fire and Rescue Branch performs various maintenance activities on fire apparatus and coordinates fire-related

mutual aid requests. The branch currently has \$5.7 million (primarily General Fund) and 34 existing positions. The Governor's proposal would provide an additional 12 permanent positions and \$2.5 million annually from the General Fund to support various fire apparatus maintenance and coordination activities associated with the 62 additional proposed fire apparatus, as well as to support the existing fleet.

Automated Vehicle Location (\$342,000). Currently, the OES fire fleet does not have Automated Vehicle Location (AVL), which is a system that provides real-time information on vehicle location and condition. The AVL also provides for alerts if vehicles leave a specified area or are in an accident. The Governor's proposal would provide \$342,000 in 2016-17 and \$177,000 annually thereafter to fund an AVL system on 250 fire vehicles. The OES indicates that the AVL system is needed to better track and monitor vehicles to increase safety, communication, and accountability.

Fire Apparatus Operating Costs and Maintenance (\$102,000). Generally, OES pays for certain operating and maintenance costs—such as fuel and tires—associated with the fire apparatus it owns and provides to local agencies. These operating and maintenance costs total about \$520,000 annually. The Governor's proposal would provide an additional \$102,000 in 2016-17 and \$224,000 annually thereafter from the General Fund to fund operating and maintenance expenses associated with the proposed 62 additional fire apparatus.

Statewide Disaster Programs (\$5 Million). The department administers statewide disaster programs, which provide mitigation, planning, and recovery support to a variety of public entities. This includes various programs with specific purposes. For example, the Hazard Mitigation Program supports the updating of state and local hazard mitigation plans. The Pre-Disaster and Flood Mitigation Program awards planning and project grants and raises public awareness about taking actions before disasters occur in order to reduce future disaster losses. Additionally, the Recovery Public Assistance Program coordinates recovery assistance and administers state and federal funding for disasters. In total, these programs are currently supported by \$6.4 million from the General Fund and \$6.7 million from federal funds.

The Governor's proposal would provide an additional \$5 million in ongoing General Fund support for the statewide disaster programs and reduced federal fund authority of \$3.9 million. The proposed changes largely reflect the intent to alter the funding mix for the three subprograms to make them more reliant on the state's General Fund and less reliant on federal funds. According to OES, such a shift in the funding mix is needed because the department cannot rely on federal funds to support these activities.

Specifically, OES indicates that federal funds are not a guaranteed funding source for the Hazard Mitigation Program, since the federal government distributes funds for this purpose on a competitive basis. The OES also indicates that federal funding for Recovery Public Assistance is not sufficient to meet the department's needs since some projects no longer qualify for federal reimbursement of costs (such as because OES has not processed reimbursements within the required eight-year window) or are related to state-only disasters and thus are not eligible for federal support. The proposal would also provide three years of funding—at \$188,000 annually from the General Fund—to close out a backlog of work related to disasters that do not qualify for federal reimbursement. Finally, the proposal would also provide \$561,000 annually from the General Fund for two additional positions and operating costs for climate adaptation. The OES indicates that these positions are necessary due to growing workload associated with climate adaptation.

Regional Response and Readiness (\$2 Million). The department provides support to local governments for emergency preparedness. In the event of a major disaster, OES also provides disaster response assistance to local governments. Currently, there are 38 positions focused on regional response and readiness across OES' three regional centers (Inland, Coastal, and Southern). These positions are funded by \$6.8 million (roughly evenly split between General Fund and federal funds). The Governor's proposal would provide an additional \$2 million from the General Fund and 13 positions ongoing to support the program. The OES indicates that these positions are needed to enhance the state's preparedness and response activities in response to increases in natural disasters and terrorist activities.

Law Enforcement Branch Staffing (\$1.7 Million). The Law Enforcement and Homeland Security Branch interacts with various federal and other agencies related to homeland security and other threats. The branch has 48 staff supported by \$11.7 million in funding (\$2.5 million from the General Fund and \$9.2 million in federal funds). The Governor's proposal would provide an additional \$1.7 million from the General Fund and six positions on an ongoing basis to increase coordination with federal agencies and other law enforcement entities related to homeland security and other threats. The OES indicates that this increase is needed because there have been increasing threats from both domestic and international terrorist groups, and the security and threat landscape has grown more complex over the past several years.

Disaster Logistics Program (\$421,000). The department supports various emergency planning and response activities, including those related to logistics. For example, the department develops facility use agreements, in coordination with the Department of

General Services, to ensure that the necessary locations are available for use during emergency events. The OES reports that the department does not have any existing staff dedicated to disaster logistics, and this function has been covered by existing staff. The Governor's proposal would provide \$421,000 and three positions to support disaster logistics and address gaps identified in a recent assessment study, the 2012 Logistics Capability Assessment Tool.

Regional Coordination Center (\$700,000). The department operates three Regional Centers: (1) Inland, (2) Coastal Region, and (3) Southern. The OES' regional offices provide space for coordination and communication with local governments to support local emergency response activities. The OES also maintains a Public Safety Communications shop for repair of radios and other equipment. Rent on these existing facilities is currently \$162,000 annually. The Governor's proposal would provide an additional \$700,000 ongoing from the General Fund to consolidate two of the three regional centers—the Inland Center and the Coastal Region Center—as well as the Public Safety Communications shop into one facility. The proposed funding would go towards increased rent for the new facility as well as costs associated with moving and tenant improvements. The OES indicates that the consolidation would provide additional space needed for its operations and also address other deficiencies in its current facilities.

Fire Maintenance Shop Lease (\$94,000). The department has a maintenance shop for fire vehicles as well as a storage warehouse. The maintenance shop is currently leased from the Sacramento Metro Fire District for about \$40,000 annually and the warehouse space is currently leased for about \$50,000 annually. The Governor's proposal would provide an additional \$94,000 annually from the General Fund to lease a new fire maintenance facility to replace the existing shop and warehouse. The department indicates that Sacramento Metro will no longer lease maintenance space to OES.

Information Technology (\$1 Million). The department maintains information technology (IT) hardware and software to support its various functions. For example, OES maintains servers to support its IT needs and also utilizes Geographic Information System (GIS) software licenses to create maps for use in its disaster response activities. The OES indicates that its hardware was purchased with one-time federal funds, and that it has \$540,000 in annual baseline funding to replace hardware. The OES also reports that its existing GIS software licenses have been funded by one-time funding from the General Fund. The Governor's proposal would provide \$1 million annually from the General Fund for IT, including \$660,000 to update hardware on a five-year cycle and \$370,000 for enhanced GIS software licenses. The OES indicates that

these additional IT expenditures are necessary to better incorporate updated information into its maps in order to support its disaster response activities.

Cal EOC Support (\$495,000). Launched in 2013, Cal EOC is an online emergency management system that is available for use by California counties, state agencies, and business partners. The system is interoperable with the emergency management systems operated by 21 counties that have their own systems. The OES reports that Cal EOC is currently managed by one Emergency Management Coordinator/Instructor. The Governor's proposal would provide \$495,000 and three positions ongoing. One position would develop and provide training on Cal EOC to employees of state and local governments. The other two positions would maintain and modify the system, which the department indicates requires enhancements to meet operational needs.

Federal Emergency Management Program (\$700,000). The state receives an annual grant from the Federal Emergency Management Agency for various emergency management needs, including regional response operations, training, and preparedness. The annual federal grant is about \$28 million, of which the state retains about \$12 million and provides the remainder to local governments. This annual grant requires a 50 percent cost share, which can be met with state funds or in-kind contributions. In recent years, the state has provided about half of the match through cash and half through in-kind contributions such as staff time. The Governor's proposal would provide an additional \$700,000 in General Fund ongoing for the state match. The OES indicates that this would allow it to maximize federal funds.

Emergency Operations Incident Support Training (\$169,000). Recently, OES created a California Specialized Training Institute to provide additional training for OES staff. The OES' internal staff training is funded by a variety of sources, such as federal funds, General Fund, and Anti-Terrorism funds. The Governor's proposal would provide \$169,000 in annual General Fund support to cover costs associated with additional specialized training for OES employees.

Public Safety Communications (No Funding Requested). The Public Safety Communications Office was transferred to OES from the California Department of Technology (CalTech) in 2013 and conducts various activities including installing telecommunications equipment and maintaining and repairing radios. Currently, there are 321 Public Safety Communications positions funded by \$63 million—generally from reimbursements from client state agencies. The Governor's proposal would provide 28 positions for the Public Safety Communications section. These positions were eliminated by CalTech during the recession and prior to the transfer of the office to

OES. However, since their elimination, OES reports that they have generally been filled on a temporary basis to continue to support the section's ongoing workload and is requesting that they be reestablished on a permanent basis.

Administrative Support (No Funding Requested). The department's administrative positions provide various support functions for other staff, such as accounting, budgets, human resources, IT, and legal assistance. Currently, there are 124 administrative support positions funded by \$17.2 million annually (these costs are distributed to other programs). The Governor's proposal would provide an additional ten administrative positions to support the other positions requested as part of the proposal.

LOA RECOMMENDATION

The Governor's proposal includes 16 separate components. The proposal generally includes few of the details that would be necessary to assess the merits of the components. Through follow up, the department has provided additional information to substantiate their proposal in some areas. In general, we find, given the additional information provided by the department, there are some portions of the proposal with which we do not have specific concerns. For these portions, we recommend approval. These components include: (1) Disaster Logistics Program, (2) Fire Maintenance Shop lease, (3) IT, (4) Cal EOC support, and (5) Public Safety Communications.

For other components of the proposal we either (1) identify technical concerns and recommend technical modifications or (2) find that they are poorly substantiated—even after substantial follow up with OES—and therefore merit rejection or reduction. Our assessment of these portions of the proposal and our associated recommendations are provided below.

In total, we recommend approving \$3.1 million and 35.5 positions

Staff Recommendation: Hold Item Open.
