

SUBCOMMITTEE NO. 5

Agenda

Senator Laura Richardson, Chair
Senator María Elena Durazo
Senator Kelly Seyarto
Senator Aisha Wahab



Thursday, February 27, 2025
9:30 a.m. or Upon Adjournment of Session
State Capitol – Room 112

Consultants: Nora Brackbill and Eunice Roh

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Public Comment

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ITEMS FOR DISCUSSION

0250 JUDICIAL BRANCH

Issue 1: Overview and Trial Court Operations

Proposal. The proposed budget includes:

- Restoration of \$42 million of the \$97 million ongoing General Fund reduction to trial court operations that was included in the 2024 Budget Act. The restoration would be funded by excess Trial Court Trust Fund (TCTF) balance in 2024-25, and General Fund thereafter.
- \$40 million ongoing General Fund to account for increased expenses for the trial courts.
- \$28.7 million ongoing General Fund increase for trial court employee health benefits and retirement costs.
- Budget bill language authorizing the Department of Finance (DOF) to transfer any unrestricted TCTF fund balance monies to the General Fund in consultation with Judicial Council.

Panelists

- Michelle (Shelley) Curran, Administrative Director, Judicial Council
- Zlatko Theodorovic, Director, Judicial Council Budget Services
- Judge Ann Moorman, Mendocino Superior Court and Chair of the Judicial Branch Budget Committee
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Henry Ng, Staff Finance Budget Analyst, Department of Finance

Background.

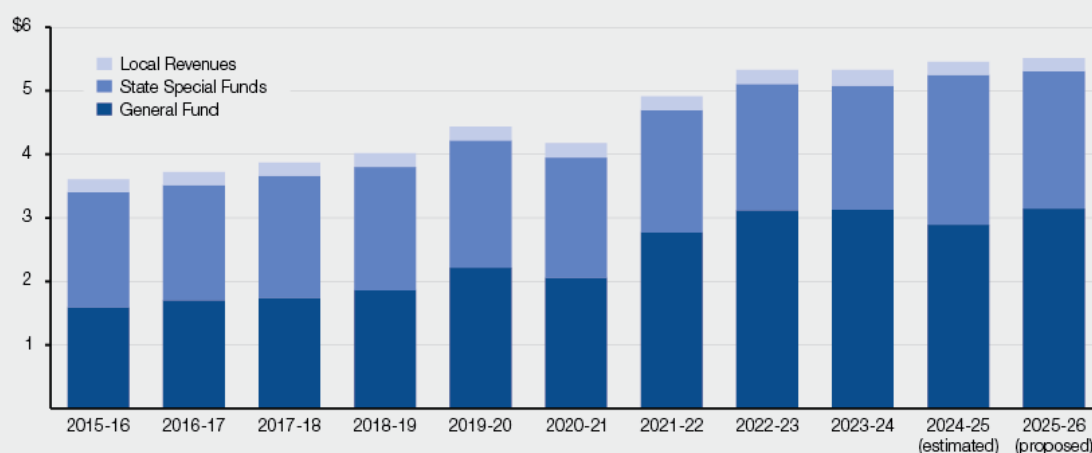
The Judicial Branch is responsible for the interpretation of law, the protection of people's rights, the orderly settlement of all legal disputes, and the adjudication of accusations of legal violations. The branch consists of statewide courts (the Supreme Court and Courts of Appeal), trial courts in each of the state's 58 counties, and statewide entities of the branch (Judicial Council, the Judicial Council Facility Program, and the Habeas Corpus Resource Center).

The branch receives support from several funding sources including the state General Fund, civil filing fees, criminal penalties and fines, county maintenance-of-effort payments, and federal grants. Total operational funding for the judicial branch has steadily increased from 2015-16 through 2024-25. The percent of total operational funding from the General Fund has also steadily increased during this period, from 44 percent in 2015-16 to 59 percent in 2023-24. Since 2019-20, most of the judicial branch budget has been supported by the General Fund. This growth is generally due to increased operational costs and decreases in fine and fee revenue.

For 2025-26, the Governor's budget includes \$5.5 billion from all fund sources to support the judicial branch. This amount includes \$5.3 billion from all state funds (General Fund and special funds), an increase of \$62 million (1 percent) above the revised amount for 2024-25. (These totals do not include expenditures from local revenues or trial court reserves.) Of this amount, about \$3.1 billion (59 percent) is from the General Fund. This is a net increase of \$254 million (9 percent) from the revised 2024-25 General Fund amount. This net increase reflects various changes—including the expiration of a one-time reduction in General Fund support included in the 2024-25 budget to help address the state's budget problem.

Total Judicial Branch Funding^a

(In Billions)



^a State law requires excess property tax revenues collected by county offices of education beyond their annual funding allotment be used to offset state General Fund support of trial courts. This chart reflects these revenues as state special funds.

LAO

Judicial Branch Budget Summary—All State Funds

(Dollars in Millions)

	2023-24 Actual	2024-25 Estimated	2025-26 Proposed	Change From 2024-25	
				Amount	Percent
State Trial Courts	\$3,840	\$3,957	\$3,985	\$28	0.7%
Supreme Court	50	59	57	-2	-3.4
Courts of Appeal	284	291	297	6	2.1
Judicial Council	310	328	292	-36	-11.0
Judicial Branch Facility Program	576	596	662	66	11.0
Habeas Corpus Resource Center	19	20	20	—	-0.1
Totals	\$5,078	\$5,251	\$5,313	\$62	1.2%

Source: LAO¹

¹ <https://lao.ca.gov/Publications/Report/4959>

Reserves. Trial courts have a limited ability to keep and carry over any unspent funds (also known as “reserves”) from one fiscal year to the next. Specifically, trial courts are only allowed to carry over funds equal to three percent of their operating budget from the prior fiscal year under current law. However, certain funds held in the reserve—such as those that are encumbered, designated for statutory purposes, or funds held on a court’s behalf by Judicial Council for specific projects—are not subject to this cap, meaning they also can generally be carried over. At the end of 2023-24, trial courts reported having \$478 million in reserves. Of this amount, \$389 million (81 percent) is not subject the cap. This amount consists of funds that are encumbered (\$204 million), statutorily excluded (\$118 million), designated for prepayments or other purposes (\$43 million), or held by Judicial Council on behalf of the trial courts for specific projects (\$24 million). This leaves \$88 million (19 percent) in reserves subject to the cap. This is less than the \$105.9 million the trial courts could have retained under the current three percent cap.

Trial Court Operations Funding. While a portion of trial court operations funding is provided for specific programs or purposes (such as court interpreters), a significant portion of the funding is provided on a discretionary basis with little to no restrictions on its use. Upon receiving its allocation, each trial court has significant flexibility in determining how its share of discretionary funding from the state is used. This can result in significant difference in the programs or services offered and the level of service provided across trial courts. For example, some trial courts may choose to use a greater proportion of their funding to increase employee compensation, while others might allocate more funding to provide additional services, such as self-help services. The Judicial Council is generally responsible for allocating funding to individual trial courts.

TCTF Is the Primary Special Fund Supporting Trial Court Operations. The TCTF is the major special fund supporting trial court operations. It receives revenues from various sources—including the state General Fund, civil filing fees, criminal penalties and fines, as well as county maintenance-of-effort payments—for various purposes. Unspent funds allocated for specific purposes are typically returned to the General Fund or kept in the TCTF but restricted to the original specific purpose. However, generally, unspent funds that are not restricted to specific purposes are kept in the TCTF, and may be used for other trial court related purposes.

Recent Budget Action. The 2024-25 budget package decreased General Fund support for trial court operations by \$100 million on a one-time basis and used unrestricted TCTF fund balance monies to fully offset this reduction. The 2024-25 budget package also included an ongoing reduction of \$97 million, consistent with the 7.95 percent statewide operations reductions. Prior to 2024-25, the trial courts received several increases to their general operations budgets, including a \$72 million increase in 2021-22, \$184 million increase in 2022-23, and \$74 million increase in 2023-24.

Operations and Vacancy Reductions. The Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government. Control Section 4.05 authorizes the Department of Finance to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and requires DOF to notify the Joint Legislative Budget Committee how the reduction in state operations expenditures was achieved. Control Section 4.12 authorizes DOF to adjust items of appropriation to achieve savings associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26. The

trial courts were not included in Sections 4.05 and 4.12. The Judicial Branch statewide operations budget was reduced by \$15.8 million ongoing General Fund, and no positions were removed. The trial courts faced a corresponding reduction of \$97 million.

Governor's Budget Proposals. The proposed budget includes:

- Restoring \$42 million of the \$97 million ongoing General Fund reduction to trial court operations that was included in the 2024 Budget Act. The restoration would be funded by excess TCTF balance in 2024-25, and General Fund thereafter.
- \$40 million ongoing General Fund to account for increased expenses for the trial courts.
- \$28.7 million ongoing General Fund increase for trial court employee health benefits and retirement costs.
- Budget bill language authorizing DOF to transfer any unrestricted TCTF fund balance monies to the General Fund in consultation with Judicial Council.

LAO Comments.

Administration Likely Overestimates Excess Property Tax Available for General Fund Offset. Each of California's 58 counties has a County Office of Education (COE). A primary source of funding for COEs is the Local Control Funding Formula (LCFF). This formula provides an allotment based on (1) the number and size of the school districts in the county and (2) the number of students attending COE alternative schools. A COE's annual LCFF allotment is supported first with local property tax revenue (which can fluctuate from year to year), with the remainder covered by state Proposition 98 General Fund. Some COEs collect more in property tax revenue than their LCFF allotment. This amount collected above the LCFF allotment is known as excess property tax. State law requires any excess property tax be used to offset state General Fund support of trial courts in the year after the taxes were collected. For example, excess property taxes collected in 2023-24 offset the state's General Fund support of trial courts in 2024-25.

The Governor's budget estimates that \$247.6 million in excess property tax will be available to offset state General Fund support of trial courts in 2024-25 and in 2025-26. The Legislative Analyst's Office's (LAO's) preliminary analysis of property tax revenues projects less excess property tax revenues being available than assumed in the Governor's budget. Specifically, the LAO estimates that roughly \$100 million less—about \$70 million in 2024-25 and at least \$30 million in 2025-26—will be available to offset General Fund support of trial court operations. Under the LAO's estimates, the Legislature would have higher General Fund costs than assumed in the Governor's budget. The LAO will review updated property tax data that will become available in the spring and provide updated estimates at the time of the May Revision.

Requires Trade-Off With Other Budget Priorities. In total, the Governor's budget proposes an \$82 million augmentation to ongoing General Fund spending compared to what was agreed upon in the 2024-25 budget agreement. As discussed above, these additional funds would likely help improve court service levels. However, this approach comes with significant trade-offs for other

parts of the state budget. Given the state's current fiscal position—with a budget that is roughly balanced in 2025-26 and notable deficits projected in the out-years—the state does not have capacity for new ongoing commitments. As a result, in future years, this proposed ongoing spending will likely require trade-offs with other areas of spending and potentially require even further budget solutions, such as reduced spending for other existing state programs.

Provides Judicial Council With Full Allocation Discretion. Both components of the Governor's proposed augmentation provide Judicial Council with complete discretion over (1) what the funds are used for and (2) how the funds are allocated to the trial courts. As noted above, it appears that the workload formula will be used to allocate the \$42 million ongoing funding restoration. However, it is unclear at this time how the \$40 million for increased costs will be allocated. Providing Judicial Council with full discretion on the allocation of such funds limits the Legislature's ability to ensure that the funding is in line with legislative priorities. For example, the Legislature could prioritize using the funding to specifically restore phone or counter hours over filling all vacant positions.

Proposed Budget Bill Language Is Vague, Limiting Legislative Oversight. The proposed budget bill language authorizing the transfer of unrestricted TCTF fund balance monies to the General Fund is a reasonable proposal as such monies would be available for other budget priorities. However, the language is vague as the exact amount would be determined by DOF in consultation with Judicial Council. First, it does not specify what monies are being considered for transfer. For example, it is unclear whether only excess General Fund backfill monies accumulated from prior years would be considered for transfer, or if General Fund savings from judicial salaries or other areas will be considered. This makes it difficult for the Legislature to determine whether it agrees with what monies are being considered for transfer back to the General Fund. Second, the proposed language does not include any requirements for legislative notification. As a result, if a transfer is made (even with more detailed guidance from the Legislature on what should be considered as part of the calculation), the Legislature lacks the opportunity to review how the specific amount was calculated and whether the calculation met its desired parameters. This makes it difficult for the Legislature to ensure that the maximum amount it desires is being transferred back to the General Fund to be used for its budget priorities. The need for such oversight is even more critical given the multiyear deficits facing the state.

LAO Recommendations.

Direct Judicial Branch To Report on Process for Seeking Midyear Adjustments. While the judicial branch eventually sought legislative input before moving ahead with implementing the restoration of the \$42 million reduction in 2024-25, it is concerning that it had first moved to act without legislative oversight. Accordingly, the LAO recommends the Legislature direct the judicial branch to report at budget hearings on its process for making midyear budget adjustments and how it will ensure the Legislature has had the opportunity to weigh in on them.

Consider Trial Court Augmentations in Context of Broader Budget Challenges. The proposed \$82 million augmentation comes with significant trade-offs that the Legislature will need to weigh. On the one hand, the increased trial court funding would likely help improve court service levels, which is a notable benefit. On the other hand, the multiyear deficits facing the state in the coming

years leave no capacity for new ongoing commitments. This means that any approved ongoing funding would likely require the Legislature to reduce spending on other existing state programs or activities. As such, the Legislature should carefully consider the degree to which it prioritizes this funding over its other budget priorities. For any additional funding that is ultimately provided, the Legislature should also consider whether it has certain priorities for how such funding is used. This is particularly important if any ongoing reduction must still be operationalized. For example, the Legislature could determine that the increased General Fund support should be prioritized for the restoration of phone and counter hours or self-help services. Such priorities could be documented in budget bill language and would ensure that the funding is used consistent with legislative priorities.

Modify Proposed Budget Bill Language Authorizing Transfer of Unrestricted TCTF Monies to General Fund. The LAO recommends the Legislature modify the proposed budget bill language authorizing the transfer of unrestricted TCTF fund balance monies to the General Fund in two key ways to increase legislative oversight. First, the LAO recommends the Legislature modify the language to provide guidance on which specific unrestricted TCTF fund balance monies it believes should be considered for transfer or how the calculation should be determined. For example, the language could specify that any excess General Fund backfill monies be returned to the General Fund. This would be reasonable as the funding was provided specifically to maintain trial court operation levels if insufficient fine and fee revenue was deposited into the TCTF. Accordingly, if sufficient fine and fee revenue is available, the excess General Fund monies should be immediately available for other legislative priorities. This same rationale could also apply to savings from General Fund provided for specific purposes (such as trial court judge salaries). Second, the LAO recommends the Legislature modify the language to require that notification be provided to JLBC 30-days before a transfer is made and that such notification include information on how the final transfer amount was determined. These changes would enhance legislative oversight and potentially benefit the General Fund, which will be particularly important given the multiyear deficits facing the state.

Staff Recommendation. Hold open.

Issue 2: Capital Outlay and Facilities

Proposal. The Governor’s budget includes the following resources to the courts for capital outlay and facilities:

- \$23.3 million General Fund in 2024-25 and reappropriation of \$81.8 million General Fund for seven ongoing capital outlay projects.
- \$5.4 million General Fund to continue expanding access to lactation rooms to members of the public (e.g. attorneys and their clients) in addition to courthouse employees.
- \$500,000 ongoing General Fund for statewide planning and studies.

Panelists.

- Tamer Ahmed, Director, Judicial Council Facilities Services
- Zlatko Theodorovic, Director, Judicial Council Budget Services
- Presiding Judge Gus Barrera, San Joaquin Superior Court
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Phil Osborn, Staff Finance Budget Analyst, Department of Finance
- Koreen van Ravenhorst, Principal Program Budget Analyst, Department of Finance
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Henry Ng, Staff Finance Budget Analyst, Department of Finance

Background.

The Judicial Branch currently manages around 450 facilities across all 58 counties. Its facility program is responsible for various activities including maintaining these facilities, managing leases, and constructing new courthouses to replace outdated facilities. In a November 2019 assessment of its facilities², the judicial branch identified a need for a total of 80 construction projects—56 new buildings and 24 renovations—totaling \$13.2 billion. These projects were categorized into five groups—and ranked within each group—in the following descending priority order: 18 immediate need projects (\$2.3 billion), 29 critical need projects (\$7.9 billion), 15 high need projects (\$1.3 billion), 9 medium need projects (\$1.6 billion), and 9 low need projects (\$100 million). The status of these projects is listed in the table below. Additionally, in August 2024, the judicial branch identified 22,673 deferred maintenance projects totaling around \$5.2 billion. Of this estimated cost, the state would be responsible for around \$3.8 billion (74 percent). (The remaining amount would generally be the responsibility of counties that share space in court facilities.)³.

² https://courts.ca.gov/system/files/file/lr-2019-jc-reassessment-trial-court-capital-outlay-projects-gov70371_9.pdf

³ <https://courts.ca.gov/system/files/file/deferredmaintenance-fy2025-26.pdf>

SB 847 (Committee on Budget and Fiscal Review), Chapter 45, Statutes of 2018, required the judicial council to reassess its facility needs, and laid out specific criteria. These include:

- The general physical condition of the building;
- Needed improvement to the physical condition of buildings to alleviate the totality of risks associated with seismic conditions, fire and life safety conditions, Americans with Disabilities Act (ADA) requirements, and environmental hazards;
- Court security features within buildings;
- Access to court services;
- Overcrowding; and,
- Projects that replace or renovate courtrooms in court buildings where there is a risk to court users due to potential catastrophic events.

The new courthouse projects proposed for funding ranked in the Immediate Need priority group. See the table below for more information about individual projects.

Proposal	Description
Lactation Rooms Request: \$5.4 million General Fund Total Project Cost: \$20.4 million	The proposed budget includes \$5.4 million General Fund to complete the requirements of AB 1576 (Committee on Judiciary, Chapter 200, Statutes of 2022), as amended by SB 133 (Committee on Budget and Fiscal Review, Chapter 34, Statutes of 2023). AB 1576 required courts to expand access to lactation rooms to members of the public (e.g. attorneys and their clients) in addition to courthouse employees. The 2022 budget included \$15 million for facility modifications related to this requirement, which will cover 104 projects (including 32 that have already been completed). The Judicial Council is requesting an addition \$5.4 million to complete 22 remaining projects.
Statewide: Budget Packages and Advanced Planning Request: \$500,000 General Fund	The proposed budget includes \$500,000 ongoing General Fund for statewide planning and studies. The proposed funding will allow the completion of planning studies and budget packages for capital outlay projects. The planning studies will inform and validate scope, schedule, and budget for projects by developing budget packages, assessing the number of courtrooms needed, and supporting preliminary site searches.

<p>Butte County: Juvenile Hall Addition and Renovation</p> <p>Request: \$5.2 million General Fund Total Project Cost: \$5.8 million</p> <p>Preliminary Plans: Aug 2021 - July 2022 Working Drawings: July 2022 - March 2026 Construction: June 2026 - March 2027</p>	<p>The proposed budget includes \$163,000 for working drawings and \$5.0 million for construction. The project will increase the court space in the existing Butte County Juvenile Hall in the City of Oroville to 2,100 square feet, including renovating 1,500 square feet of existing court space and adding an additional approximately 600 square feet. The project uses the design-bid-build delivery method.</p>
<p>Fresno County: New Fresno Courthouse – Performance Criteria and Reappropriation of Acquisition</p> <p>Request: \$18.1 million new General Fund and reappropriation of \$11.2 million General Fund Total Project Cost: \$946 million</p> <p>Acquisition: July 2022 - June 2025 Performance Criteria: July 2025 - June 2026 Design-Build: July 2026 - January 2032</p>	<p>The proposed budget includes \$18.1 million General Fund for the Performance Criteria phase of the New Fresno Courthouse in Fresno County, and the reappropriation of \$11.2 million from the Acquisition phase. The proposed 36-courtroom courthouse will consolidate three facilities and provide two additional courtrooms, totaling approximately 413,000 square feet. The project will use a design-build delivery method. The project would enable the termination of two county joint-occupancy agreements and one private-entity lease.</p>
<p>Plumas County: New Quincy Courthouse - Reappropriation</p> <p>Request: Reappropriation of \$1.5 million Total Project Cost: \$130.4 million</p> <p>Acquisition: July 2022 - June 2026 Performance Criteria: July 2026 - July 2027 Design-Build: July 2026 - August 2030</p>	<p>The project consists of the construction of a new, three-courtroom courthouse of approximately 54,000 square feet in the town of Quincy, to replace the existing court-occupied space in the historic Quincy Courthouse.</p>

San Diego Hall of Justice - Facility Modification	<p>The proposed budget includes \$9.5 million one-time General Fund to supplement previously approved funding of \$29.9 million in FY 2022–23. This additional funding is necessary to address cost increases for an in-progress facility modification at the San Diego Hall of Justice. The building is owned by the County of San Diego, and is a shared-occupancy building. The state and the county will share the cost of this modification project based on their occupancy percentages. The state is responsible for paying 40 percent of the costs of this modification project. The county-led project has experienced delays and cost escalation, with the project's estimated cost increasing from \$67.3 million to \$87.3 million. This request also includes a \$2.5 million contingency portion in case there are additional cost increases.</p>
Los Angeles County: New Santa Clarita Courthouse - Reappropriation Request: Reappropriation of \$34.2 million Total Project Cost: \$675.4 million Acquisition: July 2022 - June 2026 Performance Criteria: July 2026 - June 2027 Design-Build: July 2027 - October 2031	<p>The proposed budget includes funding for the construction of a new 24-courtroom courthouse of approximately 278,000 square feet (SF) in the City of Santa Clarita. It requires acquisition of a site of approximately 4.5 acres. The project will replace three existing buildings (two in Santa Clarita and one in Sylmar) and allow for relocation of dockets from other courthouses. The Acquisition phase has been delayed due to an extended site selection process, and is anticipated to be completed in June 2026.</p>
Solano County: New Solano Hall of Justice (Fairfield) - Performance Criteria and Reappropriation of Acquisition Request: \$5.2 million General Fund and Reappropriation of \$12.1 million Total Project Cost: \$333.4 million Acquisition: July 2022 - June 2025 Performance Criteria: July 2025 - June 2026 Design-Build: July 2026 - January 2031	<p>The proposed budget includes \$5.2 million General Fund for the Performance Criteria phase and a reappropriation of \$12.1 million for the Acquisition phase of the New Solano Hall of Justice (Fairfield) in Solano County. The project will provide construction of a new, 12- courtroom courthouse of approximately 141,000 square feet (SF) in the City of Fairfield. The project will require acquisition of a site of approximately three acres. The project will use a design-build delivery method. The project will replace the court space in the existing Solano County Hall of Justice.</p>

<p>San Luis Obispo County: New San Luis Obispo Courthouse - Performance Criteria and Reappropriation of Acquisition</p> <p>Request: \$7.9 million General Fund and Reappropriation of \$22.9 million Total Project Cost: \$352 million</p> <p>Acquisition: July 2022 - June 2025 Performance Criteria: July 2025 - July 2026 Design-Build: July 2026 - January 2031</p>	<p>The proposed budget includes \$7.9 million General Fund for the Performance Criteria phase and a reappropriation of \$22.9 million for the Acquisition phase of the New San Luis Obispo Courthouse in San Luis Obispo County. The project will provide construction of a new, 12 -courtroom courthouse of approximately 145,000 square feet (SF) in the City of San Luis Obispo. The project will require acquisition of a site of approximately 2.5 acres. The project will use a design-build delivery method. The project will replace two facilities.</p>
<p>San Joaquin County: New Tracy Courthouse</p> <p>Request: \$2.9 million General Fund Total Project Cost: \$65.1 million</p> <p>Performance Criteria: July 2025 - November 2026 Design-Build: November 2026 - September 2030</p>	<p>The proposed budget includes \$2.9 million General Fund for the Performance Criteria phase of the New Tracy Courthouse in San Joaquin County. The proposed new courthouse project will provide construction of a new, two-courtroom courthouse of approximately 28,000 square feet (SF) in the City of Tracy. The project will use the design-build delivery method. The project will replace four existing court facilities on the Judicial Council-owned site. The Superior Court of San Joaquin County currently uses a decentralized model, with full-service operations in Stockton and branch locations in Manteca, Lodi, French Camp, and Tracy (which has been closed since 2011 due to budget restraints, and has not been reopened due to the needed replacement). Stockton and Lodi serve north county communities, while Manteca has served the south county communities. French Camp is a juvenile court that serves the entire county.</p>

LAO Comments on the San Joaquin County: New Tracy Courthouse Project.

Proposed Project Generally Reasonable... The selection of the new Tracy courthouse is generally reasonable as it is the next project in line to be funded when following the judicial branch's 2019 ranked list of facility project needs. This project is an immediate need project (highest-priority category) that would replace four vacant, outdated, and unsafe facilities. Additionally, the identified scope and cost of the project seem reasonable.

...But Would Expand Service Back to Tracy... During the Great Recession, trial courts—along with other state entities—received budget reductions. Trial courts took various actions to operationalize the budget reductions, including closing courtrooms or courthouses as well as reimagining how to deliver services (such as centralizing certain services). The judicial branch indicates that all Tracy branch facilities have been closed since 2011 due to budget constraints from the recession and the poor condition of the existing facilities. Because services are not

currently being provided in Tracy, approval of this new construction project would effectively be expanding service back to Tracy. The San Joaquin Superior Court indicates that it estimates \$1.2 million would be needed annually to operate the new courthouse and believes it has the budget capacity to do so. The new courthouse would provide a benefit to people in San Joaquin County by improving court access for those living in Tracy and shifting workload from other courthouses back to Tracy, which could reduce wait times for services in other parts of the county.

...Rather Than Addressing Needs at Currently In-Use Facilities. As noted above, the judicial branch has extensive need for new or renovated trial court facilities as well as for deferred maintenance projects. Despite the benefits of a new Tracy courthouse, there are no facilities in the immediate needs category that are currently being actively used in San Joaquin County. In contrast, there are still other facilities elsewhere in the state—such as in Kern and Placer Counties—that are being used despite their condition being so poor that they have projects in the immediate needs category. It would be reasonable to consider redirecting this funding to such projects or pressing deferred maintenance needs to address unsafe conditions faced by current staff and court users in such facilities. A new Tracy courthouse could be funded instead at a later date.

LAO Recommendation on the San Joaquin County: New Tracy Courthouse Project.

Consider Redirecting Funding to Other Trial Court Projects. The proposed new Tracy courthouse is next in line to be funded according to the judicial branch’s ranked priority list of facility need and would be provide benefits to those in San Joaquin County. However, service is not currently being provided in the area. Given the extensive unmet facility needs elsewhere, the Legislature could consider whether the proposed funding should be redirected to projects that are next in line to be funded and that address needs at facilities that are currently in use—rather than expanding service back to Tracy—or to address pressing deferred maintenance needs. This would focus resources on facilities with the most pressing unsafe conditions for current staff and court users.

Staff Recommendation. Hold open.

Issue 3: CARE Act Process and Proceedings (SB 42)

Proposal. The Governor’s budget includes \$1 million ongoing General Fund for new trial court operations costs authorized by Senate Bill 42 (Umberg), Chapter 640, Statutes of 2024, which requires changes to the Community Assistance, Recovery, and Empowerment (CARE) Act.

Panelists.

- Don Will, Deputy Director Center for Families, Children & the Courts, Judicial Council
- Audrey Fancy, Principal Manager, Center for Families, Children & the Courts, Judicial Council
- Zlatko Theodorovic, Director, Judicial Council Budget Services
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Henry Ng, Staff Finance Budget Analyst, Department of Finance

Background. SB 1338 (Umberg), Chapter 319, Statutes of 2022 created the CARE Program—a new civil court proceeding that will allow specific people to seek assistance for certain adults with severe mental illness. In order to be admitted to the CARE Program, individuals must be over the age of 18 and currently experiencing both a severe mental illness and having a diagnosis of schizophrenia or other psychotic disorders. People in other civil and criminal proceedings—specifically assisted outpatient treatment (AOT, also known as Laura’s Law), conservatorship, or misdemeanor proceedings in which the person has been determined to be incompetent to stand trial—could also be referred by courts to the program. SB 1338 also included requirements for the California Health and Human Services Agency (CalHHS) or Department of Health Care Services (DHCS) to collect data, contract with an independent entity to evaluate the program, and submit reports to the Legislature.

The CARE process begins when a petition is filed to admit a person to the program. The petition can be filed by the individual themselves, or a family member, first responder, county behavioral health provider, or a licensed behavioral health professional who has provided treatment to the person within the past 30 days. The court reviews the petition to assess whether the person clearly and convincingly meets the criteria for admission. If so, the court orders an individualized treatment plan, which can include behavioral health care, stabilization medications, housing, and other supportive services. These services are expected to be delivered by the counties. Participants are entitled to legal counsel for assistance and representation throughout the process. Participants are also permitted to have a “supporter,” an adult providing the participant with decision-making and other assistance throughout the process. The court-ordered CARE plan lasts up to one year, but may be extended one time for up to one additional year under certain conditions.

The CARE Act was implemented in phases, with all counties required to implement the CARE Act by December 1, 2024. The seven counties in Cohort 1 (Glenn, Orange, Riverside, San Diego, San Francisco, Stanislaus, and Tuolumne) began implementation on October 1, 2023. Los Angeles County began implementation on December 1, 2023. Three other counties implemented early: San Mateo on July 1, 2024, Kern on October 1, 2024, and Mariposa on November 1, 2024.

As of October 31, 2024, preliminary reports indicate that 869 petitions have been filed statewide⁴. DHCS, in consultation with the Judicial Council of California, recently published an early implementation report on Cohort 1 and Los Angeles that covers three quarters: October 2023 through June 2024⁵. During those nine months, 557 petitions were submitted to the court. Of those, 217 petitions (39 percent) were dismissed, 240 petitions (43 percent) were in progress, and 100 petitions (18 percent) resulted in CARE participation (i.e. the respondent was deemed eligible, and a CARE plan or a CARE agreement was approved by the court). In addition, 362 individuals were connected to services through CARE-related outreach. 782 court hearings were held, growing from 104 in the first quarter to 361 in the third quarter of implementation. The preliminary report indicated that families are the leading source of petitioners, and that the CARE Act may also be used to provide structure and accountability to help individuals transition out of involuntary treatment or institutional settings into the community. CalHHS is piloting CARE Act petitions with people who are transitioning out of more restrictive care and into the community. A more complete Annual CARE Act Report is expected by July 2025.

CARE Act Funding. The proposed 2025-26 budget includes \$35 million ongoing for court operations and \$19.3 million ongoing for legal representation for participants. Additional funding is provided to DHCS and CalHHS, as outlined in the table below.

Summary of Total CARE Program Funding

General Fund (In Millions)

Entity	Purpose	2022-23	2023-24	2024-25	2025-26	2026-27 and Ongoing
Judicial Branch						
Judicial Branch	Court Operations	\$5.9	\$15.2	\$28.6	\$35.0	\$35.0
Judicial Branch	Legal Representation	0.3	22.9	18.8	19.3	19.3
Totals, Judicial Branch		\$6.1	\$38.1	\$47.4	\$54.3	\$54.3
Health Entities						
CalHHS	Training	\$5.0	—	—	—	—
DHCS	Training, Data Collection, and Other Activities	20.2	\$6.1	\$6.1	\$6.1	\$6.3
DHCS	County Grants	57.0	27.2	37.8	46.5	47.0
Totals, Health Entities		\$82.2	\$33.3	\$43.9	\$52.6	\$53.3
Total CARE Program Funding		\$88.3	\$71.3	\$91.3	\$106.9	\$107.6

CARE = Community Assistance, Recovery, and Empowerment; CalHHS = California Health and Human Services Agency; and DHCS = Department of Health Care Services.

Source: LAO⁶

⁴ This data is subject to final validation and change by DHCS prior to the Annual Report; note that most counties had not begun implementation as of this date.

⁵ <https://www.dhcs.ca.gov/Documents/CARE-Early-Implementation-Report-10-31.pdf>

⁶ <https://lao.ca.gov/Publications/Report/4924>

Initial CARE Act Funding and Adjustments. The 2022-23 budget package provided \$5.9 million in 2022-23 (increasing to \$37.7 million ongoing in 2023-24) for judicial branch preparation to implement the CARE Program and \$250,000 one-time in 2022-23 for legal-aid planning and preparation. Of the amount provided to the judicial branch in 2022-23, \$2.8 million was allocated directly to the trial courts in Cohort 1 to support their administrative and other costs related to planning for CARE Program implementation. The budget also included additional funding for DHCS and CalHHS.

The 2023-24 budget package provided ongoing funding to support implementation of the CARE Act. The budget includes \$55.5 million General Fund in 2023-24, \$106.9 million General Fund in 2024-25, and \$133.0 million General Fund in 2025-26 and ongoing for the Judicial Branch to implement the CARE Act pursuant to SB 1338 (Umberg), Chapter 319, Statutes of 2022. Of this amount, \$32.7 million in 2023-24, \$55.3 million in 2024-25, and \$68.5 million ongoing is for the judicial branch to administer the program. The remaining \$22.8 million in 2023-24, \$51.7 million in 2024-25, and \$64.5 million ongoing will support public defender and legal service organizations that will provide legal counsel to CARE participants.

The 2024-25 budget package included a reversion of \$17.6 million in savings from the 2023-24 fiscal year, and adjusted ongoing funding for implementation of the program down by \$59.1 million in 2024-25 and \$78.2 million in 2025-26 and ongoing.

Changes to the CARE Act and Proposed Additional Resources. SB 42 (Umberg), Chapter 640, Statutes of 2024 requires courts to provide ongoing notice of CARE Act proceedings to the original petitioner throughout the CARE Act proceedings, with some exceptions, and clarifies other requirements for the CARE process and for interactions with and referrals from AOT courts and Lanterman-Petris-Short Act conservatorship proceedings. The proposed budget includes \$525,000 annually for the courts to produce and mail the additional notices, and \$475,000 annually for additional workload for referrals from AOT courts or LPS proceedings.

Staff Recommendation. Hold open.

Issue 4: Treatment Court Standards (SB 910)

Proposal. The Governor’s budget includes three positions and \$1.7 million General Fund in 2025–26 and \$1.6 million General Fund in 2026-27 and ongoing to administer treatment court programs and provide support to trial courts through technical assistance, educational training, and consultation with subject matter experts pursuant to SB 910 (Umberg), Chapter 641, Statutes of 2024.

Panelists.

- Francine Byrne, Director, Criminal Justice Services, Judicial Council
- Zlatko Theodorovic, Director, Judicial Council Budget Services
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Henry Ng, Staff Finance Budget Analyst, Department of Finance

Background. Collaborative courts help individuals with criminal charges pursue treatment and rehabilitation outside of a carceral setting, while still under the supervision of a court and with potential criminal consequences for failing to participate. California currently has more than 400 collaborative courts in all but two jurisdictions (Alpine and Colusa), with many jurisdictions having four or more types of collaborative courts⁷. The most numerous types of collaborative courts include adult drug courts (83), adult mental health courts (61), veterans’ courts (47), dependency drug courts (32), juvenile drug courts (23), DUI courts (20), reentry courts (18), homeless courts (19), community courts (11), and juvenile mental health courts (12).

California's first adult drug court began in Alameda County in 1991⁸. Adult drug courts, or treatment courts, are evidence-based court programs that provide an alternative to traditional criminal justice case adjudication for high risk/high need individuals struggling with substance use disorders. These collaborative justice court models take a team based, less adversarial approach to case processing and combine close judicial oversight and monitoring with intensive supervision and substance abuse treatment services in lieu of incarceration.

The goals of these programs are to:

- reduce drug usage and recidivism.
- provide court supervised treatment.
- integrate drug treatment with other rehabilitation services to promote long-term recovery and reduce social costs.
- reduce the number of children in the Child Welfare System.
- access federal and state support for local drug courts.

48 of 58 counties in California have some form of adult drug court(s). Most adult drug courts in California are post-adjudication models in which participants are placed in drug court after entering a guilty plea. Charges can often be reduced after successful completion of the drug court program. Graduation requirements vary but typically involve completion of educational and job

⁷ https://courts.ca.gov/system/files/file/collaborativcourts_factsheet.pdf

⁸ <https://www.dhcs.ca.gov/individuals/Pages/Drug-Courts-Overview.aspx>

training requirements in addition to sobriety. Diversion and pre-pleas model courts work similarly, but do not require an initial guilty plea.

In California, each program operates independently by county. All are funded through a patchwork of local funds and some one-time state and federal competitive and discretionary grants. Because each operates separately, and reports to a variety of different funders and stakeholders, there is no one, centralized, reporting repository with data on participation and outcomes statewide. Studies have shown that drug courts lead to reduced recidivism, but that the impact varies depending on the programming offered and the particular judge assigned⁹.

The Judicial Council has previously recommended that drug courts follow the best practices outlined in All Rise's Adult Treatment Court Best Practices Standards¹⁰ and Family Treatment Court Best Practice Standards. SB 910 (Umberg), Chapter 641, Statutes of 2024 made this a requirement. There are standards included for the following categories:

- *Target Population.* Treatment courts are most effective and cost-efficient when they serve high-risk and high-need persons who require an intensive combination of treatment and supervision. This finding has been reported in all treatment court models examined to date.
- *Equity and Inclusion.* Ensuring equitable access, services, and outcomes for all sociodemographic and sociocultural groups is a critical obligation of treatment courts. Research conducted in the past decade provides substantial guidance for treatment courts to monitor and rectify unwarranted cultural disparities. Examples of effective practices include removing invalid eligibility restrictions that needlessly exclude some cultural groups, engaging in proactive and culturally congruent outreach efforts, delivering culturally proficient treatments and complementary services, and avoiding monetary or other resource requirements that do not improve outcomes or protect public safety.
- *Roles and Responsibilities of the Judge.* Research underscores the critical impact of the judge in all treatment court models and for all sociodemographic groups examined thus far. Although biweekly court status hearings (every two weeks) produce superior outcomes in the first phase of adult drug courts, new evidence suggests that weekly hearings may be required in the first phase for participants needing greater structure and consistency, such as persons with a co-occurring mental health and substance use disorder or those lacking stable social supports.
- *Incentives, Sanctions, and Service Adjustments.* Delivering fair, effective, and safe responses for participant performance is critical for successful outcomes in treatment courts and one of the most difficult challenges for staff.
- *Substance Use, Mental Health, and Trauma Treatment and Recovery Management.* Treatment courts serve high-need persons with serious and persistent substance use, mental health, and/or trauma disorders. Achieving successful outcomes for these individuals

⁹ <https://nij.ojp.gov/topics/articles/do-drug-courts-work-findings-drug-court-research>

¹⁰ https://allrise.org/wp-content/uploads/2023/12/All-Rise-Adult-Treatment-Court-Best-Practice-Standards-2nd-Ed.-I-VI_final.pdf

requires treatment courts to deliver services that are desirable and acceptable to participants and adequate to meet their validly assessed treatment needs.

- *Complementary Services and Recovery Capital.* Complementary services are strengths-based and help participants to develop the personal, familial, social, cultural, financial, and other recovery capital needed to help them sustain indefinite recovery and enhance their overall quality of life. Examples of complementary services may include assisted housing, family or significant other therapy, and vocational, educational, or life skills counseling. Treatment courts should routinely assess participants' recovery capital and deliver desired complementary services to enhance their long-term adaptive functioning and life satisfaction.

Some of these standards have been adjusted in recent years to account for changing societal conditions and new research. For example, the opioid crisis and infiltration of fentanyl, xylazine, and other dangerous substances into illicit or unregulated drugs require treatment courts to recruit eligible persons as soon as possible after arrest or detention and offer them immediate voluntary pre-plea services. Previous benchmarks providing for entry within one to two months of an arrest are no longer tenable given the substantially increased risk of overdose and death pending evidentiary discovery, plea bargaining, and case disposition.

Requested Resources. To implement the standards and ongoing training requirements, the proposed budget includes three positions (one Senior Analyst and two Analysts), and funding to support training logistics and training content expenses. The estimated cost to implement this bill is \$1.7 million in 2025-26 and \$1.6 million annually thereafter. This includes \$860,000 annually for training costs, including curriculum development and travel costs, \$779,000 in 2025-26 and \$726,000 ongoing for the three positions, and \$54,000 in 2025-26 and \$52,000 ongoing for indirect administrative costs.

Staff Recommendation. Hold open.

Issue 5: Supreme Court and Courts of Appeal Court-Appointed Counsel Programs

Proposal. The proposed budget includes \$6.3 million ongoing General Fund in 2025-26 to support the Supreme Court Capital Court-Appointed Counsel and the Courts of Appeal Court-Appointed Counsel Programs. This request includes:

- \$4.4 million for an hourly rate increase for appointed counsel.
- \$1.9 million for a seven percent increase in the annual contracts for the project offices.

Panelists.

- Justice Stacy Boulware Eurie, Associate Justice of the Court of Appeal, Third Appellate District; Chair Legislation Committee; and member of Appellate Indigent Defense Oversight Advisory Committee
- Zlatko Theodorovic, Director, Judicial Council Budget Services
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Henry Ng, Staff Finance Budget Analyst, Department of Finance

Background.

In capital and appeals cases, counsel for indigent defendants is appointed by the state, rather than through county-provided public defenders. Capital appeals are handled by the Supreme Court, and non-capital appeals are handled by the six Appellate District Courts. Representation for indigent clients is provided through Court-Appointed Counsel (CAC) programs, which are managed by the California Appellate Projects.

The California Appellate Projects are nonprofit legal corporations that are contracted by the state to provide legal services to indigent clients and manage private panel attorneys. There are five projects that contract with the Courts of Appeal for non-capital cases, and one project (California Appellate Project – San Francisco, or CAP-SF) that contracts with the Supreme Court for capital cases. Each project office oversees a panel of private attorneys who receive appointments in their respective courts, and are responsible for working with the panel attorneys to ensure that effective legal assistance is provided. CAP-SF also monitors capital cases without appointed counsel.

Panel attorney rates have not kept up with market rates, and many panel attorneys are near retirement. For example, the Department of General Services' 2022–23 Price Book lists \$170 per hour for external legal advice, and the rate for federally-appointed counsel is \$175 per hour. As of January 2024, the Courts of Appeal panel consisted of 635 attorneys (83 percent independent panel attorneys (levels 3–5) and 17 percent assisted panel attorneys (levels 1 and 2)). Compared to January 2015, when the panel had 894 attorneys (68 percent independent attorneys and 32 percent assisted panel attorneys). 87 percent of the attorneys in the statewide panel earned under \$100,000 last year; only 13 percent earned over \$100,000. The California Appellate Projects, including CAP-SF, are on fixed contracts with the state that have not kept up with increasing staff and operational costs. A lack of capacity has resulted in 372 individuals on death row with no direct and/or habeas appointments. Many of these capital cases are over 15 to 20 years without appointment.

Proposed Resources. The proposed budget includes a \$10 an hour increase for appointed panel attorneys and a seven percent increase in the annual contracts for the project offices. This amounts to \$708,000 for the Supreme Court Capital CAC (\$274,000 for the hourly increase and \$434,000 for CAP-SF), and \$5.5 million for the Courts of Appeal CAC (\$4.1 million for the hourly increase and \$1.4 million for the project offices). These resources are detailed below.

Supreme Court Capital Court-Appointed Counsel (SCCCAC)

Counsel Rates. The proposed budget includes \$274,000 ongoing General Fund to increase the hourly rate of private counsel appointed through SCCCAC by \$10 an hour, from \$145 to \$155 an hour (6.9 percent increase).

CAP-SF. The proposed budget includes \$434,000 ongoing General Fund to improve services, support increases in operational costs, digitize files and case records and create a new website with a repository, and provide better salaries for hiring, appointing, and retaining counsel for services in CAP-SF. Since 2007–08, CAP-SF has received only one increase: 4.5 percent (\$255,000) in 2017–18.

Resource History
(Dollars in Thousands)

CAP-SF Contract Budget History	18–19	19–20	20–21	21–22	22–23	23–24
Authorized Contract Expenditures	\$5,840	\$5,840	\$5,840	\$5,996	\$5,996	\$6,196
Internal Funding for 5% Salary Increase Staffing (ongoing)				\$156		
Internal Funding Transfer Two-Year One-Time Funding (2023–24 and 2024–25)						\$200
Actual Expenditures	\$5,840	\$5,840	\$5,840	\$5,996	\$5,996	\$6,196

Courts of Appeal Court-Appointed Counsel (COACAC)

Counsel Rates. The proposed budget includes \$4.1 million to raise hourly rates by \$10 per hour. The table below outlines the history of the hourly rates for appointed counsel in non-capital cases. The tiers are based on the complexity of the case, and differentiate between independent and assisted cases.

Statewide Attorney Appointment Rate Increases by Fiscal Year							
	1998	2005	2006	2007	2016	2022	Proposed 2025–26 Rate Request
Rate Increase		\$5	\$10	\$5	\$10	\$15	\$10
Three-Tier Rates	\$65	\$70	\$80	\$85	\$95	\$110	\$120
	\$75	\$80	\$90	\$95	\$105	\$120	\$130
	\$85	\$90	\$100	\$105	\$115	\$130	\$140

Appellate Project Offices. The proposed budget includes \$1.4 million increase requested for the project office contracts so they may meet their obligations to ensure justice through competent and

qualified defense counsel for indigent defendants. The table below outlines the history for the project office resources.

Resource History
(Dollars in Thousands)

COACAC Project Offices Contract Budget History	18–19	19–20	20–21	21–22	22–23	23–24
Authorized Expenditures	\$18,254	\$18,254	\$18,254	\$18,254	\$20,171	\$20,171
Actual Expenditures	\$18,254	\$18,254	\$18,254	\$18,254	\$20,171	\$20,171

Workload History

Workload Measure— Project Offices Workload	18–19	19–20	20–21	21–22	22–23	23–24
New Appointments Received	8,585	8,337	8,853	7,092	6,712	8,961
Number of Claims and Invoices Processed	14,110	15,155	14,558	12,590	11,600	12,234
Number of Active Panel Attorneys	913	790	864	751	708	670

Staff Recommendation. Hold open.

7870 VICTIM COMPENSATION BOARD**Issue 6: Overview and Appeals Workload**

Proposal. The proposed budget includes a total of \$167.5 million for the California Victim Compensation Board (CalVCB). This includes \$4.4 million Restitution Fund and 17 positions in 2025-2026, and \$4.3 million in 2026-27 and ongoing for the Appeals Unit within the Legal Division to provide in-person appeals hearings and increase the timeliness of responding to appeals.

Panelists

- Lynda Gledhill, Executive Officer, California Victim Compensation Board
- Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
- Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
- Mark Jimenez, Principal Program Budget Analyst, Department of Finance
- Anthony Franzoia, Finance Budget Analyst, Department of Finance

Background.

Victim services are currently spread across four state departments with most grants and programs residing in the Victim Compensation Board (Cal VCB) and the Office of Emergency Services (Cal OES). The other two entities are the California Department of Corrections and Rehabilitation (which handles restitution collection and notification) and the Department of Justice (victim assistance and information services).

California created the nation's first victim compensation program in 1965. The Department of Social Welfare administered the program until the Board of Control took responsibility in 1967. In 2001, the state renamed the Board of Control the "Victim Compensation and Government Claims Board" (VCGCB) to reflect its increasing roles and responsibilities more accurately. VCGCB oversaw the California Victim Compensation Program, the Revenue Recovery Program, and the Government Claims Program. In 2016, the Department of General Services assumed responsibility for the Government Claims Program. The state renamed VCGCB the California Victim Compensation Board. Cal VCB is a three-member board comprised of the Secretary of the Government Operations Agency, the State Controller, and a public member appointed by the Governor. Board members set policy for the organization and make decisions on matters, including appeals for victim compensation and claims of persons erroneously convicted of felonies.

Programs and Funding. Cal VCB administers the Victim Compensation Program, which utilizes a reimbursement model for certain expenses to victims who have suffered physical, or the threat of physical, injury related to violent crime. Cal VCB also administers the Restitution Recovery Program, the Good Samaritan Program, the Missing Children Reward Program, the Forced or Involuntary Sterilization Compensation Program, and funds grants for trauma recovery centers, among other duties. The funding sources for Cal VCB are outlined below.

Funding for CalVCB (in thousands)

FUNDING		2023-24*	2024-25*	2025-26*
0001	General Fund	\$45,359	\$29,241	\$38,928
0214	Restitution Fund	38,484	94,193	83,730
0890	Federal Trust Fund	33,097	36,027	36,014
3286	Safe Neighborhoods and Schools Fund	15,119	9,439	8,795
3383	Forced or Involuntary Sterilization Compensation Account	2,955	2,011	-
TOTALS, EXPENDITURES, ALL FUNDS		\$135,014	\$170,911	\$167,467

Source: DOF¹¹

Operations and Vacancy Reductions. Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government. Control Section 4.05 authorizes the DOF to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and requires DOF to notify the Joint Legislative Budget Committee how the reduction in state operations expenditures was achieved. Control Section 4.12 authorizes DOF to adjust items of appropriation to achieve savings associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26. CalVCB reported vacancy savings of \$58,000 General Fund, and state operations reductions of \$788,000 special fund and \$80,000 General Fund in 2024-25 and 2025-26.

Trauma Recovery Centers (TRCs). TRCs are comprehensive centers that provide a variety of services to survivors, such as mental health treatment and legal advocacy. Cal VCB funds TRCs through a competitive grant process, which provides roughly \$17 million annually, largely Safe Neighborhoods and Schools Fund, in funding for 24 TRCs. The 2022 budget also included \$23 million General Fund one-time available over three years to expand TRCs. However, the Safe Neighborhood and Schools Fund revenues, which come from state prisons savings due to sentencing changes in Proposition 47, are expected to decrease by roughly \$70 million from 2025-26 to 2026-27 due to Proposition 36.

Victim Compensation Program. The victim compensation program provides funding for eligible victims of crime. The federal government reimburses 75 percent of eligible compensation expenses. The remainder is funded by fines and restitution orders paid by offenders.

Eligible applicants include:

- California residents, even if the crime occurred out of state.
- Non-residents who are victimized in California.
- Specific members of the victim's family or person in close relationship to the victim.
- Any individual who assumes the obligation of paying a deceased victim's medical, burial, or crime scene clean up expenses.

Applications must be filed within seven years of the crime, seven years after the direct victim turns 18, or seven years from when the crime could have been discovered, whichever is later, with some specified exemptions. Recommendations to approve or deny a claim are generally made within 90 days of receiving the application.

¹¹ <https://ebudget.ca.gov/2025-26/pdf/GovernorsBudget/7500/7870.pdf>

The types of expenses that applicants may apply for include:

- Crime scene clean up
- Funeral and burial expenses
- Home or vehicle modifications for victims who became disabled
- Income loss
- Medical and dental treatment
- Mental health services
- Relocation
- Residential security

Compensation Claims from 2018-2021. The table below provides historical data on application claims processed by the Cal VCB.

	2018	2019	2020	2021
Claims Received	53,400	54,491	43,337	39,718
Total Payments	\$61,570,330.34	\$61,814,544.52	\$55,138,750.74	\$47,226,240.02
Claims Allowed	51,881	47,097	42,393	32,649
Claims Denied	5,046	4,208	5,857	5,180

Source: Cal VCB. All claims are paid from the Restitution Fund.

Most denials were for lack of preponderance of evidence, followed by claims for a crime not covered by VCB. Other potential reasons for denial include potential involvement, lack of cooperation with VCB and/or law enforcement, non-residents, or late applications.

Appeals. Applicants may appeal if their claims were denied. Statue requires appeals to be processed within six months of a claimant filing the appeal, but CalVCB is not currently meeting that timeline. A recent court decision in *Mothers Against Murder (MAM) v. CalVCB*, mandates that CalVCB provide in-person hearings for all appealed denials, which will exacerbate the backlog in the Appeals Unit. Prior to this case, CalVCB relied on a now invalid regulation that allowed for resolution of the majority of appeals on the written record. In addition to this change, the number of appeals has increased, as shown in the table below.

Fiscal Year	Number of Claims/Bills Denied	Number of Appeals/Reconsiderations
2019-20	7,932	1,183
2020-21	9,670	1,588
2021-22	19,128	2,602
2022-23	20,260	2,681
2023-24	25,326	3,541

Proposed Resources. The proposed budget includes \$4.4 million Restitution Fund and 17 positions in 2025-2026, and \$4.3 million in 2026-2027 and ongoing for the Legal Division to provide in-

person appeals hearings and increase the timeliness of responding to appeals to reach the six-month timeframe outlined in statute. The resources will fund 14 attorneys (seven Attorney IIIs for complex appeals and seven Attorneys for less complex appeals), one Attorney Supervisor, and one Office Technician.

Staff Recommendation. Hold open.

0690 OFFICE OF EMERGENCY SERVICES**Issue 7: Department Overview, Emergency Response, and Mutual Aid**

Proposal. The Governor’s budget includes \$3.1 billion (\$562.5 million General Fund) and 1,907 positions for Cal OES in 2025-26. The proposed budget includes various adjustments, including the reappropriation of \$22 million for Law Enforcement Mutual Aid.

Panelists.

- Eric Swanson, Deputy Director of Finance and Administration, Cal OES
- Tabitha Stout, Chief, Disaster Financial Recovery and Reconciliation
- Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Drew Soderborg, Deputy Legislative Analyst, Legislative Analyst’s Office
- Vy Nguyen, Department of Finance
- Tess Scherkenback, Department of Finance

Background. Cal OES serves as the state’s leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating local, state, and federal resources and mutual aid assets across all regions to support the diverse communities across the state. Cal OES also builds disaster resilience by supporting local jurisdictions and communities through planning and preparedness activities, training, and facilitating the immediate response to an emergency through the longer-term recovery phase. During this process, Cal OES serves as the state’s overall coordinator and agent to secure federal government resources through the Federal Emergency Management Agency.

The Governor’s budget includes \$3.1 billion (\$562.5 million General Fund) and 1,907 positions for Cal OES in 2025-26. Of this total, \$2.5 billion is proposed for Special Programs and Grant Management which includes the administration of various federal homeland security, emergency management, and victim service grants. Cal OES identified a total of \$25 million savings from vacancy reductions, including \$15.4 million General Fund and \$10 million other funds, with a total of 204 positions eliminated. Cal OES also identified \$13.8 million in efficiency reductions (\$12 million General Fund, \$1.7 million other funds) in 2024-25 and \$18.8 million (\$13.6 million General Fund and \$5.2 million other funds) in 2025-26.

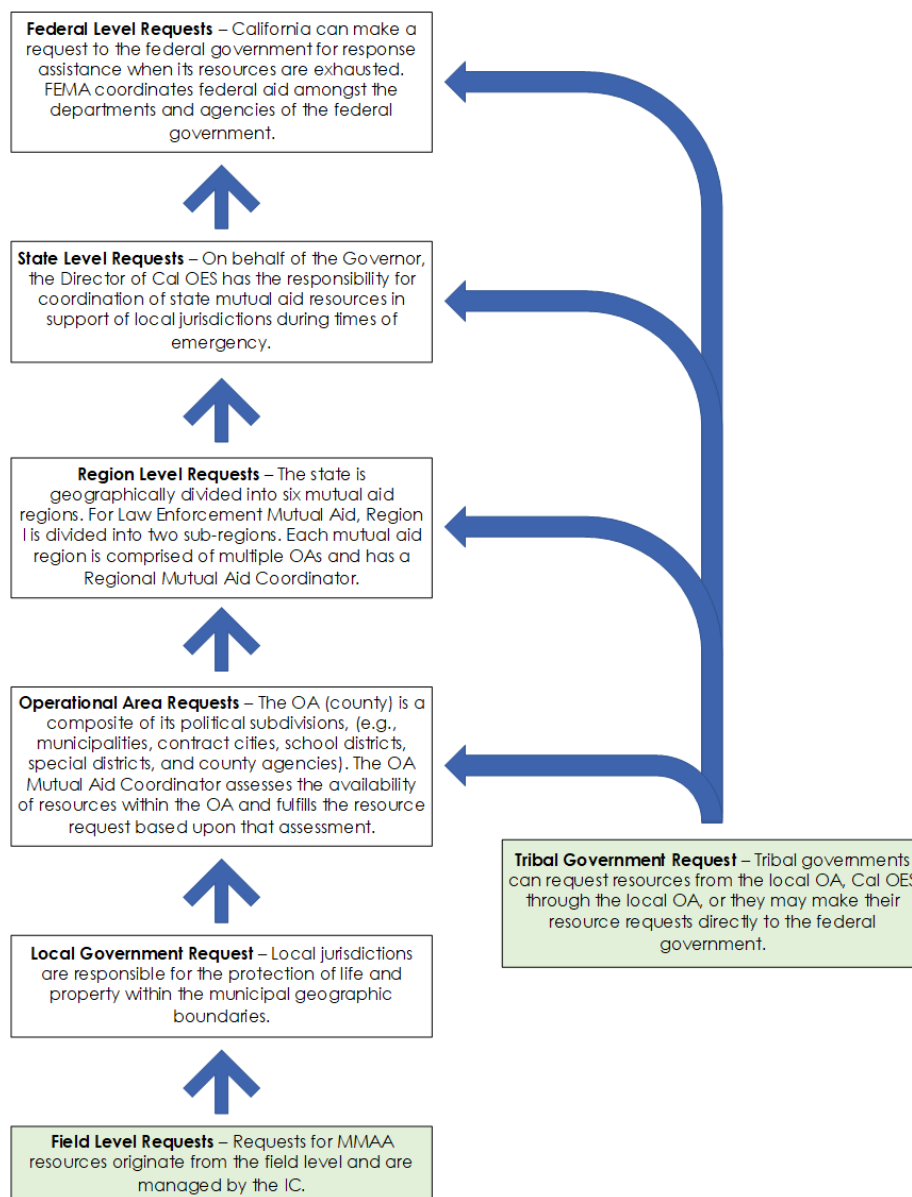
The 2022-23 Budget Act and 2023-24 Budget Act required Cal OES to submit a report on the department’s emergency response and preparedness. The report was submitted and is available on Cal OES’s website¹². Some key points are outlined below.

Disaster Response, Recovery, Mitigation, and Planning. Disaster response refers to the actions taken immediately after a disaster occurs. The next phases include recovery, hazard mitigation, and planning. These steps cover rebuilding, strategies to reduce the risk that a similar disaster would occur again, and planning for potential similar or other disasters in the future. Cal OES also completes After Action Reports to analyze the response and document lessons learned.

¹² <https://www.caloes.ca.gov/wp-content/uploads/Legislative-Affairs/Documents/Emergency-Preparedness-and-Response-Planning-Report.pdf>

The state's system of disaster response typically starts at the local level, with members of the public alerting local government and local first responders about disaster incidents. When disaster incidents are large enough that they overwhelm a local government's capacity to respond, the local government can request additional resources from other governmental entities in its mutual aid region through the state's mutual aid system. Mutual aid refers to the practice of neighboring jurisdictions supporting each other during disasters. If the resources within a mutual aid region are insufficient, regional mutual aid coordinators work with state-level staff to request additional resources from other areas, including local governments in other parts of the state, various state agencies, other states, the federal government, or other countries, as outlined in the chart below.

Resource Determination Process



California operates using a Standardized Emergency Management System (SEMS), which creates a standard, consistent organizational structure and enables coordination between local, regional, state, and federal entities. At the local level, the California Master Mutual Aid Agreement (MMAA) allows cities, counties, and tribal governments to share resources as needed during disaster response. The agreement obligates each signatory entity to provide aid to each other during an emergency without expectation of reimbursement. At the federal level, the Emergency Management Assistance Compact (EMAC) further allows sharing of personnel and equipment between states.

Response. California has a State Emergency Plan (SEP) which outlines how to respond to emergencies in California and is updated every five years. Following the SEP, emergency responders set response-related goals, priorities, and strategies. Core priorities include: saving lives, protecting public health and safety, protecting property, and preserving the environment. Responses to large-scale events are coordinated by a Unified Government Group (UGG) convened and led by Cal OES along with the Governor’s Office, Cabinet Secretaries, Department Directors, and federal agency officials, and tailored according to the nature of the emergency. The pathway for resource determination is outlined in the chart on the following page.

Cal OES Roles and Responsibilities. For state-level disasters, Cal OES coordinates resources through the State Operations Center (SOC). Cal OES also has the authority to mission task any and all state agencies to support activities to prevent, respond to, recover from, and mitigate the effects of disasters. Some state agencies have pre-assigned emergency responsibilities.

California State Warning Center (CSWC). The CSWC is staffed 24 hours a day, seven days a week to identify potential and emerging threats to California and provide alert notification to all levels of government. The CSWC also coordinates the information needed to determine the potential impact of a threat and provides updates and monitors the situation until it is resolved. The 2022 Budget Act included additional resources for the CSWC, including funding to create a mobile, backup unit.

Incident Support. The Budget Act of 2021 provided funding for Cal OES to establish a permanent incident support teams. Cal OES also requires all employees to be available to “activate” to the SOC or deploy to a local Emergency Operations Center (EOC), incident command post, recovery operation, or other disaster sites throughout the state, in response to emergencies. All Cal OES employees, regardless of position or level, participate in these activations as needed.

In addition, Cal OES has specialized response teams, including the following:

- Office of Access and Functional Needs (OAFN)
- Office of Tribal Coordination
- Office of NGO/Public Private Partnerships (including the Business Operations Center and the Utilities Operations Center)
- Public Safety Communications
- Victim Services
- Public Information
- State Threat Assessment Center

Regional Coordination and Support. Cal OES has three regions (Coastal, Inland, and Southern) that work with each of the 58 counties, or Operational Areas (OAs). Region staff maintain relationships with county emergency management day to day and during emergencies.

Fire and Rescue. Cal OES Fire and Rescue coordinates the California Fire and Rescue Emergency Mutual Aid Plan, hazardous materials prevention and response programs, regional urban search and rescue and swiftwater search and rescue teams, among other duties. The Fire Integrated Real-Time Intelligence System (FIRIS) program provides real-time, aerial information, such as fire perimeters, to partner agencies during fires and other disasters, such as landslides.

Law Enforcement. Cal OES Law Enforcement coordinates with local, state, federal, and tribal law enforcement stakeholders in response to incidents and security events throughout California. Cal OES Law Enforcement plans, trains, and coordinates emergency response for Search and Rescue (SAR), Coroners' mutual aid, and other law enforcement emergency activities amongst California's 58 counties and more than 600 law enforcement agencies. More information about the Law Enforcement Mutual Aid Assistance Fund is below.

Warehousing. Cal OES leads the Logistics Task Force, which was formed in response to supply chain disruptions during COVID-19 to manage demands for emergency supplies and equipment, and runs a warehousing program. The warehousing program maintains fluctuating quantities of supplies, including but not limited to: masks and other personal protective equipment, cots, blankets, water, ready-to-eat meals, medical stations, field office kits, staging area kits, and two million sandbags. Cal OES has eight trailers to facilitate the movement of supplies during incidents.

Communications. Cal OES manages a number of public safety communication networks that link emergency requests for assistance to first responders. These systems, which include the Next Generation 9-1-1 system (NG 9-1-1), the 9-8-8 system, the California Public Safety Microwave Network (CAPSNET), and the California Radio Interoperable System (CRIS), are largely funded by through telephone access line surcharges.

Disaster Mitigation. Disaster mitigation includes various planning, training, and alert programs that prepare the state to withstand the impacts of disasters. Cal OES prepares a state-level Continuity of Operations Plan, reviews local emergency operations plans, and assists various other state agencies with their disaster planning, and provides training and exercises through the California Specialized Training Institute. Cal OES also leads the Earthquake Early Warning System, in collaboration with numerous entities, to provide rapid alerts of eminent earthquakes, before shaking occurs.

Cal OES also has numerous programs that focus on protecting communities through infrastructure improvements, nature-based risk reduction, and other risk-reduction strategies. After disasters, in addition to funding for the immediate response, the Federal Emergency Management Agency (FEMA) provides funding to the affected communities to invest in mitigation efforts. Cal OES develops and maintains an enhanced State Hazard Mitigation Plan, which qualifies the state to receive additional funding for that purpose. Cal OES helps locals prepare and apply for federal funding for hazard mitigation and manages FEMA's Hazard Mitigation Assistance programs.

Opportunities to Improve Emergency Response Capacity. In the report, Cal OES identified the following gaps and opportunities for improvement in response capacity:

- Ongoing and consistent community outreach
- Local emergency and mitigation planning capacity and resources
- Training and credentialing opportunities for local and state partners
- Public information and warning systems, including in multiple languages and with broad accessibility for individuals with Access and Functional Needs
- Regional support
- Search and rescue capacity and specialty knowledge and equipment
- Mutual aid related to animal care and sheltering needs
- Capacity to respond to large, complex, and concurrent fires year-round
- Logistics
- Hazard mitigation financial support for local communities
- Emergency housing and other basic living needs following disasters

Emergency Funding. In the immediate aftermath of an emergency, the state can access CalFire’s emergency account, the Disaster Response-Emergency Operations Account (DREOA), or, upon the Governor’s declaration of a state of emergency, existing state law also gives the Governor the authority to spend any available state funds to respond. FEMA typically reimburses 75 percent of eligible expenses with a specified time frame after a disaster (typically 90 days), although it varies depending on the program and the level of disaster and need (for example, major (for example, the federal government agreed to reimburse 100 percent for the Los Angeles wildfires for 180 days).

Los Angeles Wildfire Recovery. On January 7, 2025, a series of catastrophic wildfires developed in Los Angeles County, and affected thousands of homes in Altadena, the Pacific Palisades, and other areas. Recovery efforts are underway, and have been focused on debris removal, including hazardous waste management. In response to the fires, the Legislature provided \$2.5 billion through Control Sections 90.00 and 90.01 of the 2024 Budget Act (Ch 2., Statutes of 2025). As required, the Department of Finance provided an update on Los Angeles Wildfire Response and Recovery expenditures¹³. The state has spent \$118 million so far. Much of this funding would typically be reimbursable by the federal government.

Law Enforcement Mutual Aid. Cal OES administers the Law Enforcement Mutual Aid (LEMA) Assistance Fund, designed to reimburse law enforcement agencies that respond to disasters and emergencies outside their jurisdictions for their extraordinary costs that are not reimbursable through other means (for example, before a state of emergency is officially declared). The LEMA Assistance Fund was also intended to front funding that would later be reimbursable, especially for smaller, local entities that may not be able to sustain waiting for large reimbursements.

In 2022-23, Cal OES received an initial \$25 million General Fund and five positions annually for three years to provide LEMA reimbursements on a pilot basis. However, actual reimbursements between 2022-23 and 2023-24 were less than \$2.5 million per year—far less than the nearly \$25

¹³ <https://dof.ca.gov/wp-content/uploads/sites/352/2025/02/Los-Angeles-Wildfire-Response-and-Recovery-Expenditure-Report.pdf>

million budgeted annually. OES indicates that reimbursements have picked up recently as more agencies become familiar with the program. At an estimated \$4.5 million through February 19, 2025—reimbursement rates appear on track to be higher in 2024-25—but still well below authorized levels. According to OES, LEMA Assistance Fund support was provided to 81 police departments and 38 county sheriffs' offices involving 3,623 responding officers across 23 approved incidents between its inception and December 2024.

The proposed budget includes the reappropriation of approximately \$22 million General Fund with an extended encumbrance to June 30, 2029, to continue to support and assist local law enforcement agencies that are deployed through the Law Enforcement Mutual Aid System.

LAO Comment on the LEMA Assistance Fund Reappropriation.

Administration Seeks Additional Time in Pilot Phase. The LEMA Assistance Fund was authorized as a three-year pilot project in 2022-23. As this is the third and final year of funding, typically this year would be when the Legislature would review it, assess performance, and then decide whether or not to provide ongoing funding. Given the slow start—but apparent increase in reimbursements this year—the administration is essentially asking to extend the pilot phase and give the program more time to mature.

Program Structure Might Not Align With Key Problem It Was Designed to Solve. The LEMA Assistance Fund program has minimal statutory guidance on what its goals are, the problems it seeks to address, and how it should be structured. The Governor's two requests for the LEMA Reimbursement Fund—in 2022-23 and the current request—both state that prior to the establishment of the fund, the reimbursement process was lengthy. This created a problem for local law enforcement agencies, particularly those in smaller, rural communities, who found the long wait for reimbursement burdensome. However, the current program does not target funds only to agencies that would face fiscal difficulties from lengthy wait times. This means the Fund could support agencies that may not need it.

No Current Requirement to Provide Data on Outcomes. There are no current requirements for OES to collect and provide data on outcomes the program is achieving. This is problematic as it will make it difficult for the Legislature to determine whether to approve this pilot program on an ongoing basis. For example, if the goal is to reduce the burden of lengthy reimbursement wait times, information on changes in wait times and how this has benefited local law enforcement would be necessary to determine whether these funds were having the intended effects.

LAO Recommendation on the LEMA Assistance Fund Reappropriation.

If Pilot Maintained, Provide Guidance on Legislative Priorities for LEMA Assistance Fund... If the Legislature decides to maintain the LEMA Assistance Fund pilot program, the LAO recommends that the Legislature adopt legislation specifying its goals for the LEMA Assistance Fund. To inform this decision, the Legislature could direct OES and local law enforcement to provide their perspectives in spring budget hearings on the key weaknesses of the LEMA system that are best addressed through state reimbursement. At these hearings, OES should provide information demonstrating (1) the existence of any problems identified and (2) that the LEMA

Assistance Fund can address them. For example, if OES and local law enforcement cite extended reimbursement wait times as a key problem addressed by the LEMA Assistance Fund, OES should provide information on wait times before the program, the negative effects of those wait times, and how the reduction in wait times helped local law enforcement avoid those problems. This will ensure the Legislature can make an informed decision about what the goals for the program should be and help it eventually assess whether the program should be maintained on an ongoing basis.

...Ensure Program Is Structured to Efficiently Achieve Those Goals... After identifying goals for the program, the LAO recommends the Legislature restructure the program in statute as necessary to ensure those goals are efficiently achieved. For example, if the Legislature finds that the central goal of the LEMA Assistance Fund is to ensure that small, rural, or resource-strapped local law enforcement agencies can afford to respond to requests for mutual aid then the Legislature could limit the provision of funds to such agencies.

...And Require Reporting on Outcomes. The LAO recommends the Legislature also adopt budget bill language requiring OES to provide information to help it evaluate the LEMA Assistance Fund pilot program. The information should include actual expenditures, take-up rates, information about requesting and responding local agencies (such as the size of each department served and urbanization level of its jurisdiction), and outcome measures tied to the Legislature's specific program goals, with any future budget request seeking funding for the program. This will allow the Legislature to determine whether to provide additional funding for the program.

If Pilot Not Maintained, Revert All Unspent Funds. To the extent the Legislature does not want to maintain the program, the LAO recommends it reject the proposed reappropriation. This would ensure such funds are available for other budget priorities, a notable benefit given the multiyear deficits facing the state.

Staff Recommendation. Hold open.

2720 CALIFORNIA HIGHWAY PATROL

Issue 8: Department Overview

Panelists

- Robin Johnson, Assistant Commissioner, California Highway Patrol

Department of Finance (DOF) and Legislative Analyst's Office (LAO) are available for questions.

Background. The primary mission of the California Highway Patrol (CHP) is to ensure safety and enforce traffic laws on state highways and county roads in unincorporated areas. The CHP also promotes traffic safety by inspecting commercial vehicles, as well as inspecting and certifying school buses, ambulances, and other specialized vehicles. The CHP carries out a variety of other mandated tasks related to law enforcement, including investigating vehicular theft and providing backup to local law enforcement in criminal matters. The operations of the CHP are divided across eight geographic divisions throughout the state.

The Governor's budget includes \$3.5 billion for CHP in 2025-26. The majority of the department's budget is supported from the Motor Vehicle Account (\$3.1 billion). The proposed budget would support 11,299 positions, of which 7,620 are uniformed personnel.

Operations and Vacancy Reductions. Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government. Control Section 4.05 authorizes the DOF to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and requires DOF to notify the Joint Legislative Budget Committee how the reduction in state operations expenditures was achieved. Control Section 4.12 authorizes DOF to adjust items of appropriation to achieve savings associated with vacant positions in 2024-25 and propose the elimination of vacant positions to achieve ongoing savings beginning in 2025-26.

Department of Finance provided a letter pursuant to Sections 4.05 and 4.12 on January 10, 2025. This letter provided a summary of statewide reductions, including those at the California Highway Patrol. According to the letter, CHP has the following reductions:

- 2024-25
 - Vacant Position Funding Reductions (CS 4.12): \$11,280,000 (Other Funds)
 - State Operations Reductions (CS 4.05): \$4,000,000 (Other Funds)
- 2025-26
 - Vacancy Position Reductions (CS 4.12): \$11,280,000 (Other Funds)
 - State Operations Reductions (CS 4.05): \$-
 - Positions: 82

Wildfire Response. The Budget Act of 2024 included Control Section 90, which authorizes the Director of Finance to augment any state department or agency appropriation from any available source of funding, including but not limited to, the General Fund, not to exceed cumulative augmentations of \$1.5 billion. This is typically used in times of emergency and disaster response.

On January 24, 2025, DOF issued a letter regarding Control Section 90 augmentations in response to the 2025 southern California wildfires. In total, the Director approved augmentations of \$117,822,000 for activities such as emergency protective measures, evacuations, sheltering for survivors, household hazardous waste removal, assessment and remediation of post-fire hazards such as flash flooding and debris flows, traffic control, air quality and water and other environmental testing, and other actions to protect health, protect the safety of persons or property, and expedite recovery.

A significant amount of these costs will be eligible for reimbursement from the Federal Emergency Management Agency. Although an estimate of this amount is not yet available, the Administration will seek maximum available federal reimbursement. The Governor secured a Presidential Major Disaster Declaration on January 8 and President Biden has approved a 100 percent federal cost-share for eligible emergency protective measures and debris removal costs within the first 180-days of the incident period.

CHP received \$4,047,000 for staff overtime. This funding went towards patrolling road closures, providing traffic control, positioning personnel at fixed-post closures, patrolling for looting in evacuated areas, assisting with evacuations, and providing general law enforcement support to various state agencies. CHP deployed 829 employees total, who worked 35,820 overtime hours.

Staff Recommendation. Hold open.

0690 OFFICE OF EMERGENCY SERVICES
2720 CALIFORNIA HIGHWAY PATROL**Issue 9: California Internet Crimes Against Children Task Force and Child Sexual Abuse Investigations****Internet Crimes Against Children Task Force**

Proposal. The Governor’s budget includes \$5 million ongoing from the General Fund for the Internet Crimes Against Children Program at Cal OES.

Panelists

- Eric Swanson, Deputy Director Finance and Administration, Cal OES
- Gina Buccieri-Harrington, Acting Assistant Director, Grants Management, Cal OES
- Heather Gonzalez, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Vy Nguyen, Department of Finance
- Tess Scherkenback, Department of Finance

Background. The proposed budget includes \$5 million General Fund ongoing for the Internet Crimes Against Children Program (ICAC). Up to five percent of the \$5 million would be used for administrative costs, and a two-year encumbrance period is requested to manage and provide oversight of the grant and provide technical assistance to subrecipients. The ICAC Program was created in 1998 by the federal Office of Juvenile Justice and Delinquency Prevention (OJJDP), which funded 45 regional task forces throughout the nation, including the four task forces in California (San Diego, Los Angeles, San Jose, and Sacramento). The California State Legislature authorized funding for the first time in 2007 for the four California Task Forces. In fiscal year 2012-13, the Fresno region was added as a subrecipient. These task forces each currently receive approximately \$950,000 General Fund per year. Under this successful initiative, federal, state, regional and local law enforcement agencies, and community-based organizations joined forces to investigate, arrest, and prosecute cyber criminals who prey on children and youth. Funds are used to investigate computer crimes against children by offenders using the internet, on-line communication systems, and other technologies; to provide educational programs aimed at law enforcement officers, teachers, parents, and children; to serve as a forensic resource to law enforcement agencies within California; to prosecute cases at the local and state level; and to participate in coordinated investigations.

In 2022-23, ICAC accomplished the following:

- Conducted 33,456 investigations into computer/technology crimes perpetrated against children and youth.
- Performed 10,964 digital forensic examinations on electronic devices.
- Conducted 11,141 presentations to law enforcement and the broader community.
- Participated in 58 national coordinated investigations.
- Made 1,210 arrests for internet crimes against children and youth.

Child Sexual Abuse Investigations

Proposal. The Governor’s budget includes \$5 million ongoing from the General Fund for twelve positions in the Computer Crimes Investigation Unit within CHP to assist in combatting child sexual abuse material and human trafficking in the state. Specifically, CHP requests twelve positions: one sergeant, nine officers, one Information Technology Specialist I, and one Information Technology Specialist II.

Panelists

- Robin Johnson, Assistant Commissioner, California Highway Patrol
- Kathy McCloud, Finance Budget Analyst, DOF
- Matthew Macedo, Principal Program Budget Analyst, DOF
- Anita Lee, Principal Fiscal & Policy Analyst, LAO

Background. The CHP’s Computer Crimes Investigation Unit (CCIU) is positioned within its Information Management Division. The CCIU responsibilities include investigating unauthorized access to California state computer resources, monitoring threats to state computer infrastructure (as part of the California Cybersecurity Integration Center, or Cal-SCIC), as well as collecting and analyzing digital evidence, such as mobile phones, computers, and vehicles, for CHP’s investigators and allied agencies.

CCIU currently consists of 16 positions, including one lieutenant, one sergeant, 11 officers, two Information Technology Specialist IIs, and one Office Technician. Several officers are assigned to multi-agency task forces, including the Cal-SCIC, a multi-agency collaboration focused on cyber threats within California, the Sacramento Federal Bureau of Investigations Cyber Task Force, and the Sacramento Internet Crimes Against Children Task Force. CCIU is budgeted at \$11.3 million annually, the majority of which comes from the Motor Vehicles Account.

In recent years, CCIU reports an increase in both total workload as well as child sexual abuse material and human trafficking related cases. Specifically, CHP reports that between 2022 and 2024, CCIU’s total caseload increased by 22.5 percent. During the same period, the caseload specifically related to child sexual abuse material and child solicitation increased by 262 percent. This includes both independent investigations conducted by CCIU and assistance provided to other CHP areas and allied agencies.

Due to this increase in workload, CHP requests additional staffing to maintain compliance with statutory responsibilities and accommodate the increasing obligation to provide service and assistance to local, state, and federal partners. According to the department, additional personnel and resources would allow CCIU to expand its investigative capacity and allow for greater proactive enforcement.

Staff Comments. Child sexual abuse material and human trafficking are very important issues that warrant dedicated state resources to prevent, investigate, and enforce against due to the seriousness of the crime. Given that several state agencies are aiming to address these issues, the Legislature may want to consider how these departments are collaborating and communicating with one another so that state resources are being deployed efficiently and effectively, without much duplication.

Staff Recommendation. Hold open.

ITEMS FOR COMMENT ONLY

These items will not be presented, but the Department of Finance and the Legislative Analyst's Office are available to answer questions from the subcommittee members. Public Comment may be provided on these items.

0250 JUDICIAL BRANCH

Issue 10: Streamlining Statutorily Mandated Annual Reports to the Legislature Trailer Bill Language

Proposal. The Governor's budget includes proposed trailer bill language to streamline some of the Judicial Council's required reporting. The proposed trailer bill would eliminate three reports, change the due date of another report, and make a minor clarifying change to another report, as outlined below.

Streamlining Statutorily Mandated Annual Reports to the Legislature (Reports #45, #47, & #55). This trailer bill would eliminate the following three reports:

1. Standards of Timely Disposition¹⁴
2. Standards and Measures That Promote the Fair and Efficient Administration of Justice¹⁵
3. State Trial Court Improvement and Modernization Fund Expenditures¹⁶

Allocations and Reimbursement to Trial Courts (Report #53). This proposed trailer bill would change the due date of the report on Allocations and Reimbursements to the Trial Courts¹⁷ from September 30 to February 1.

Cash-Flow Loans Made to Trial Courts (Report #94). This proposed trailer bill would clarify that the Judicial Council only must submit this report if a loan is actually made during the covered time frame¹⁸.

Staff Recommendation. Hold open.

0690 OFFICE OF EMERGENCY SERVICES

Issue 11: Mather Headquarters Checkpoint Security Enhancements

Proposal. The proposed budget reverts existing authority of \$1.8 million General Fund and replaces it with \$3.2 million General Fund for the construction phase of the Mather: Headquarters Checkpoint Security Enhancements project, a net increase of \$1.4 million. The project will install two permanent security checkpoints and upgrade the existing entryway gates at the North and West entrances of the Cal OES' main parking lot. Additional construction funding is required for

¹⁴ <https://courts.ca.gov/sites/default/files/courts/default/2024-12/lr-2023-standards-of-timely-disposition-2023-court-statistics-report-gov68604.pdf>

¹⁵ <https://courts.ca.gov/system/files/file/lr-2024-standards-measures-promote-fair-efficient-admin-justice-gov-770015-revised.pdf>

¹⁶ <https://courts.ca.gov/system/files/file/lr-2024-jc-state-tc-imf-modernization-fund-23-24-gov-77209i.pdf>

¹⁷ <https://courts.ca.gov/sites/default/files/courts/default/2024-12/lr-2024-jc-allocation-and-reimbursement-to-tc-2023-24-gov-77202.5a.pdf>

¹⁸ <https://courts.ca.gov/sites/default/files/courts/default/2024-12/lr-2024-jc-cash-flow-loans-made-to-courts-2023-24-gov-68502.6d.pdf>

supplemental site work based on a recent geotechnical report, additional escalation to avoid conflicts with other Headquarters projects, and associated soft costs that were recently identified during development of the working drawings. The total project costs are estimated at \$3.9 million, and is estimated to be completed by December 2026. The project was initially funded in the 2021-22 budget, with a total estimated project cost of \$1.75 million.

Staff Recommendation. Hold open.

2720 CALIFORNIA HIGHWAY PATROL

Issue 12: Cannabis Tax Fund Program Staffing

Proposal. The budget includes position authority for one Associate Government Program Analyst (AGPA) position to provide administrative support to the Cannabis Tax Fund Program at the CHP.

CHP receives \$50 million annually from the Cannabis Tax Fund to establish methods for determining impaired driving (particularly from cannabis), conduct training programs for enforcing laws against driving under the influence, and administer grant programs for education, prevention, and enforcement of laws related to driving under the influence.

This proposal requests one AGPA position to provide administrative support to the Impaired Driving Section at the CHP. Specifically, the position will be tasked to monitor and track the progress of high-priority assignments, coordinate activities related to projects involving multiple units in IDS, and assist with the impaired driving programs. Additional administrative support is needed as CHP has received more than double the applications—and hence greater associated workload—in 2024-25 compared to 2021-22.

Staff Recommendation. Hold open.

Issue 13: Security at State Capitol Swing Space, Annex, and Visitor Center

Proposal. The budget includes \$8 million from the Motor Vehicle Account for overtime work in the Capitol Protection Section to provide protection and security at the State Capitol Swing Space and the new State Capitol Annex and Visitor Center. The CHP is required to provide 24-hour safety and security for the State Capitol, New Capitol Annex, the State Capitol Swing Space, the Legislature, Executive Branch, staff, and visitors of the State Capitol. Due to the expansion of the State Capitol Complex, it has become necessary to use overtime for staffing mandatory security posts. The CHP has incurred \$7.2 million in overtime costs in 2023-24.

Staff Recommendation. Hold open.

Issue 14: Capital Outlay Projects

Proposal. The Governor’s budget includes the following capital outlay proposals:

- **Reappropriate Acquisition for Five California Highway Patrol Area Office Replacement Projects.** CHP requests to reappropriate \$9.1 million General Fund for the acquisition phase of five area office replacement projects in the following locations: Redding, Los Banos, Porterville, Antelope Valley, and Barstow. Additional time is needed due to the challenging nature of acquiring appropriate parcels for CHP area offices. Specifically, CHP requires approximately five acre parcels of land that have appropriate freeway access, unhindered by rail crossings, have sufficient telecommunications connectivity, and have adequate site safety.
- **Statewide: Advanced Planning and Site Identification.** CHP requests \$1 million General Fund to identify suitable parcels for replacing up to three additional area offices and to develop studies for those sites. CHP has aging infrastructure that is often space deficient and rates poorly for seismic safety. However, replacing and/or reconstructing area offices is frequently a time-intensive endeavor, given the specific needs of the CHP for their area offices. As such, this initial funding will allow the department to streamline the facility replacement program to continue updating CHP offices to modern day needs.

Staff Recommendation. Hold open.