

**SUBCOMMITTEE NO. 5**

**Agenda**

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



**Thursday, March 20, 2025**  
**9:30 a.m. or Upon Adjournment of Session**  
**State Capitol – Room 112**

Consultant: Nora Brackbill

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## ITEMS FOR DISCUSSION

### 8140 STATE PUBLIC DEFENDER

#### Issue 1: Overview and Public Records Act Workload

**Proposal.** The Governor’s budget includes \$21.4 million General Fund and 99 positions for the State Public Defender. The proposed budget includes an increase of \$148,000 and one position to address workload related to Public Records Act requests.

**Background.** The Office of the State Public Defender (OSPD) provides representation to persons in post-conviction proceedings following a judgment of death. OSPD also provides assistance and training to public defender offices and appointed private counsel, and engages in related efforts for the purpose of improving indigent defense. OSPD also produces statewide guidance on various sentencing changes and pieces of legislation that affect all defense counsel.

OSPD was originally created in 1976 to represent indigent criminal defendants in appellate cases. In 1997, with a rise in death penalty sentences, OSPD began to focus primarily on death penalty appeals. For the past 25 years, OSPD attorneys have largely represented men and women sentenced to death on the appeal of their convictions in the California Supreme Court. OSPD appellate attorneys continue to represent over 100 people in fulfillment of that responsibility. Since 2016, OSPD has also taken a larger state-wide role in death penalty defense and has assumed responsibilities for litigating issues that affect multiple death penalty cases across the state. Additionally, OSPD has assisted other state entities in assessing problems related to the administration of the death penalty.

The mission of OSPD was expanded in 2020 to include assisting counties in the provision of constitutionally mandated public defense services, through the Indigent Defense Improvement Division. OSPD now has the responsibility to train and offer technical assistance to county level public defenders and other private attorneys representing the indigent. OSPD has assisted the Board of State and Community Corrections in the administration of several grants related to this mission.

In recent years, OSPD has had an increase in Public Records Act requests, from three in 2020-21 to a projected 160 in 2024-25. These requests are largely driven by recent legislation, including the Racial Justice Act, which prohibits discrimination against racial, national and ethnic groups in charging and sentencing. This has driven requests for charging and sentencing data by race within specific locations and time periods. The requested staff position will receive, track, compile, and respond to records requests.

**Staff Recommendation.** Hold open.

**0820 DEPARTMENT OF JUSTICE****Issue 2: Department Overview and Efficiency Reductions**

**Proposal.** The Governor’s budget includes \$1.3 billion (\$496 million General Fund) to support the Department of Justice (DOJ), an increase of 0.4 percent over the 2024-25 revised amount. The proposed budget would provide DOJ with a total of 6,185 positions in 2025-26, an increase of 107 positions (or 2 percent) from the revised 2024-25 level.

**Background.** Under the direction of the Attorney General, DOJ provides legal services to state and local entities; brings lawsuits to enforce public rights; and carries out various law enforcement activities, such as ensuring lawful ownership or possession of firearms and ammunition. DOJ also provides various services to local law enforcement agencies, including providing forensic services to local law enforcement agencies in jurisdictions without their own crime laboratory. Finally, DOJ manages various databases, including the statewide criminal history database.

A little more than half of the proposed funding supports DOJ’s Division of Legal Services (\$690 million), while the remainder supports the Division of Law Enforcement (\$344 million) and the California Justice Information Services Division (\$284 million). The activities of the divisions are outlined below:

- The Division of Legal Services is made up of the following subdivisions:
  - Division of Civil Law: This division is made up of nine sections, including Business Litigation; Cannabis Control; Correctional Law; Employment and Administrative Mandate; Government Law; Health, Education and Welfare; Health Quality Enforcement; Licensing; and Tort and Condemnation. This division provides legal services to state agencies and officials in trial and appellate litigation.
  - Division of Criminal Law: This division is made up of four sections including Appeals, Writs and Trials; Correctional Writs and Appeals; Cybercrime; and Special Prosecutions Section. This division upholds the Attorney General’s constitutional responsibility to represent the people of California in criminal cases.
  - Division of Public Rights: This division is made up of twelve sections including Antitrust, Charitable Trusts, Civil Rights Enforcement, Consumer Protection, Corporate Fraud, Environment, Healthcare Rights and Access, Native American and Tribal Affairs, Land Use and Conservation, Natural Resources, Police Practices, and Worker Rights and Fair Labor. This division safeguards the states’ environment, lands, and natural resources; prevents fraudulent business practices; protects consumers; monitors Indian and Gaming Practices; preserves charitable assets, and protects the civil rights of Californians.
- The Division of Law Enforcement includes sworn peace officers and other law enforcement staff involved criminal investigations that range from white collar crime, narcotics enforcement, gambling control, etc. This section includes the Bureau of Firearms,

the Bureau of Gambling Control, the Bureau of Forensic Services, and the Bureau of Investigation.

- Administration is made up of the Division of Operations and Directorate Programs, which includes units such as the Public Inquiry Unit, the Office of Legislative Affairs, and the Local Assistance Unit.
- California Justice Information Services Division provides criminal history and analysis and supports the DOJ's information technology infrastructure. CJIS includes six sections: the Executive Office, the Justice Data and Investigative Services Bureau, the Bureau of Criminal Information and Analysis, the Enterprise Services Bureau, the Application Development Bureau, and the Technology Services Bureau.

*Operations and Vacancy Reductions.* The Budget Act of 2024 included two control sections aimed at improving government efficiencies across state government: Control Section (CS) 4.05, which authorizes the Department of Finance (DOF) to reduce state operations expenditures up to 7.95 percent in fiscal year 2024-25 and ongoing, and CS 4.12, which 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.

On January 10, 2025, the DOF provided a letter outlining reductions taken under these control sections. According to this letter, the DOJ has ongoing reductions of \$18.9 million (\$4.6 million General Fund) and 137 positions related CS 4.12, and \$42.1 million (\$14.2 million General Fund) related CS 4.05.

**Staff Recommendation.** Hold open.

**Issue 3: Firearms Workload**

**Proposal.** The Governor’s budget proposes \$19.2 million in 2025-26 (\$18.6 million General Fund and \$640,000 from various special funds)—declining to \$6.4 million ongoing (\$5.8 million General Fund and \$519,000 from the Fingerprint Fees Account) in 2027-28 to support 11 budget proposals related to DOJ’s firearm workload, outlined in the table below.

Workload	Proposed Resources	Description
<b>Recently Enacted Legislation</b>		
Chapter 527 of 2024 (AB 2629, Haney)	\$198,000 General Fund in 2025-26.	Prohibits people found mentally incompetent to stand trial in a post release community supervision or parole revocation hearings from possessing or receiving a firearm. DOJ seeks additional resources to update its existing databases to reflect such requirements.
Chapter 529 of 2024 (AB 1252, Wicks)	5 positions and \$1 million General Fund in 2025-26, declining to \$952,000 annually in 2026-27.	Establishes the Office of Gun Violence Prevention within DOJ, which advises the Attorney General on gun violence prevention-related issues. By July 2026, the office is required to issue a public report on achieving sustained gun violence reduction.
Chapter 538 of 2024 (AB 2907, Zbur)	\$165,000 General Fund in 2025-26.	Requires the courts and law enforcement take additional actions to ensure that a person subject to a protective order relinquishes any firearm in their possession. These include querying a DOJ database, and providing a copy of the results to prosecutors. DOJ seeks resources to increase the number of results displayed for each query.
Chapter 539 of 2024 (AB 2917, Zbur)	1 position and \$138,000 General Fund in 2025-26, declining to \$125,000 annually in 2026-27.	Expands factors a court must consider when determining whether to issue a gun violence restraining order. DOJ seeks additional workload this will generate for its Armed Prohibited Person System.
Chapter 540 of 2024 (AB 3064, Maienschein)	\$489,000 (\$398,000 General Fund and \$91,000 Firearms Safety Account) in 2025-26 and \$156,000 (\$78,000 General Fund and \$78,000 Firearms Safety Account) in 2026-27.	Authorizes DOJ charge fees, beginning January 2026, to cover certain costs related to approving devices for its firearm safety devices roster and requires DOJ to manage the roster.
Chapter 542 of 2024 (SB 53, Portantino)	\$212,000 (\$181,000 General Fund; \$16,000 Gambling Control Fund; \$15,000 Indian Gaming Special Distribution Fund) in 2025-26 and \$80,000 (\$67,000 General Fund; \$7,000 Gambling Control Fund; \$6,000 Indian Gaming Special Distribution Fund) in 2026-27.	Adds gun storage requirements and requires DOJ to (1) inform the public of the requirements and (2) comply with the requirements itself.
Chapter 544 of 2024 (SB 899, Skinner)	\$43,000 General Fund in 2025-26.	Extends firearm and ammunition relinquishment procedures that currently apply to domestic violence restraining orders to various restraining or court protective orders. Requires DOJ to add ammunition relinquishment language to some of these orders.

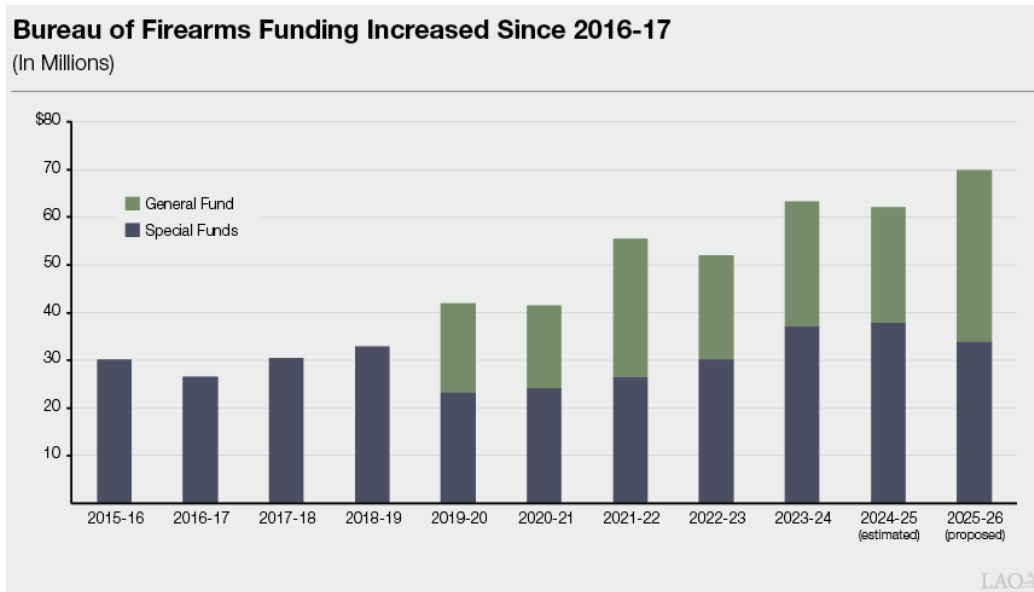
Chapter 546 of 2024 (SB 965, Min)	1 position and \$180,000 General Fund in 2025-26, declining to \$161,000 annually in 2026-27.	Requires DOJ to annually report on staffing levels for conducting firearm dealer and ammunition vendor inspections, information about each inspection conducted, and specified information about the roster of handguns DOJ maintains.
<b>Other Proposals</b>		
Firearms IT Systems Modernization Project (FITSM)	17 positions and \$11.4 million General Fund in 2025-26.	Resources to continue development of FITSM, including solution planning, development, procurement, evaluation, and selection for the project which replaces 17 existing firearm and ammunition databases and systems.
Carry Concealed Weapon Program	26 positions and \$3.2 million (\$2.7 million General Fund and \$519,000 Fingerprint Fees Account) annually beginning in 2025-26.	Permanent funding to address increased carry concealed weapon license workload from the elimination by the federal courts of the requirement to show good cause for such a license.
Firearms Clearance Section Workload	14 positions and \$2.2 million General Fund in 2025-26, declining to \$1.9 million annually in 2026-27.	Resources to ensure the timely completion of firearm and ammunition eligibility check workload.

**Background.**

The Bureau of Firearms (BOF) within the DOJ is responsible for the regulation and enforcement of the state’s firearm and ammunition laws. This includes conducting background checks for individuals seeking to purchase firearms and ammunition, licensing firearm and ammunition vendors, conducting vendor compliance investigations, ensuring lawful possession of firearms and ammunition, and administering various other firearm and ammunition programs. California Justice Information Services (CJIS) also supports BOF’s activities by maintaining and updating various databases, such as the Automated Firearms System, which tracks firearm serial numbers.

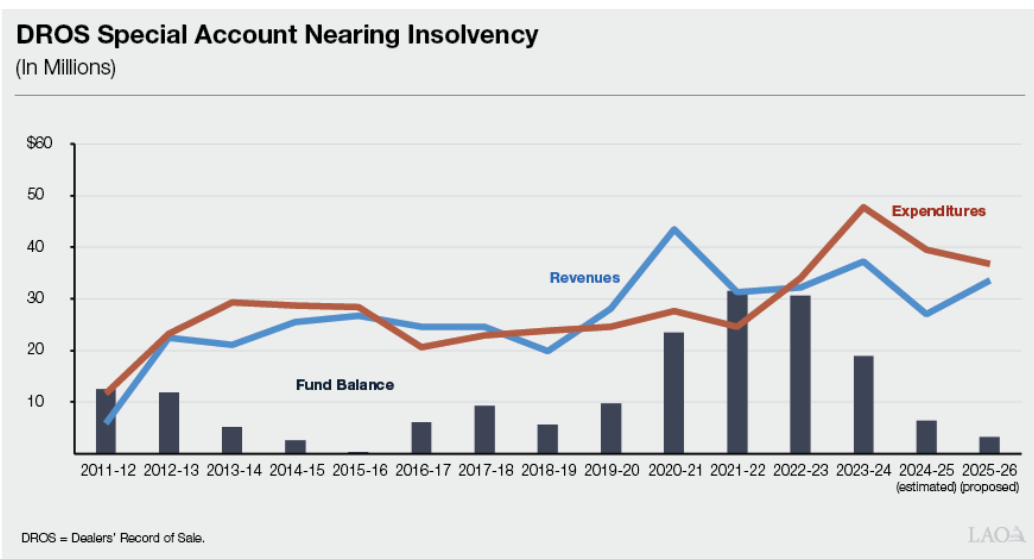
The budget for BOF has increased over the past decade, from \$30.2 million in 2015-16 to \$62.1 million in 2024-25. The share of General Fund has also increased in that time, largely to support the Armed and Prohibited Persons System enforcement teams, which seize firearms from individuals prohibited from owning or possessing them. State law authorizes DOJ to charge various fees related to firearms and ammunition that are deposited into these funds to support BOF programs and activities. There are also five firearm and ammunition-related special funds support BOF workload:

- (1) Dealers’ Record of Sale (DROS) Special Account,
- (2) Firearms Safety and Enforcement Special Fund,
- (3) Firearm Safety Account,
- (4) Ammunition Safety and Enforcement Special Fund, and
- (5) Ammunition Vendors Special Account.



Source: LAO<sup>1</sup>

**DROS Special Account.** The DROS Special Account is the primary special fund supporting BOF activities, as it receives the most fee revenue and has broad statutorily permissible uses. The DROS Special Account may generally be used to offset DOJ’s reasonable costs of firearm-related regulatory and enforcement activities pertaining to the sale, purchase, manufacturing, lawful or unlawful possession, loan, or transfer of firearms. As shown below, DROS Special Account revenues often fluctuate from year to year, generally reflecting changes in fee levels and the number of firearms sold. The DROS fee was increased in 2019 to ensure sufficient funds, although in recent years the fund balance has decreased again. The Governor’s budget estimates \$33.5 million in DROS Special Account revenues in 2025-26 and expenditures of \$36.7 million, resulting in a fund balance of \$3.2 million at the end of the year. The DROS Special Account may reach insolvency by 2027-28, but various changes affecting firearm purchase may impact that.



<sup>1</sup> [https://lao.ca.gov/Publications/Report/4972#Funding\\_for\\_Firearm.2011Related\\_Workload](https://lao.ca.gov/Publications/Report/4972#Funding_for_Firearm.2011Related_Workload)

**Firearms IT Systems Modernization Project (FITSM).** The DOJ has 17 firearms information technology systems (see table below). These systems support the education, regulation, and enforcement actions regarding the manufacturing, sale, ownership, safety training, and transfer of firearms. Many have been implemented in a piecemeal fashion over the past four decades, largely in response to specific legislative mandates. However, this has resulted in a complicated set of databases that are not compatible and require extensive reprogramming for even minor changes. The DOJ has begun planning to update and consolidate its firearm data systems into two systems: one external and publicly accessible and one internal DOJ-only.

The FITSM project received \$2.4 million DROS Special Account in 2020-21, \$5.2 million DROS Special Account in 2022-23, \$7.5 million DROS Special Account one-time in 2023-24 and \$2.6 million ongoing, and \$3.9 million General Fund and eight positions in 2024-25 and \$1.2 million in 2025-26 and ongoing. This has resulted in ongoing resources of \$3.8 million and 23 positions (18 internal and 5 external consultant). The proposed 2025-26 budget includes \$11.4 million General Fund and 17 one-year positions in 2025-26.

Count	Firearms System Name
1	Automated Firearms System (AFS)
2	Dealer Record of Sale Entry System (DES)
3	Armed and Prohibited Persons System (APPS)
4	Dealer Record of Sale (DROS)
5	California Firearms Information Gateway (CFIG)
6	California Firearms Application Reporting System (CFARS)
7	Centralized List (CL)
8	Consolidated Firearms Information System (CFIS)
9	Firearms Certificate System (FCS)
10	Mental Health Reporting System (MHRS)
11	Mental Health Firearms Prohibition System (MHFPS)
12	Carry Concealed Weapon System (CCW)
13	Assault Weapon Registration (AWR)
14	California Firearms License Check (CFLC) System
15	Prohibited Applicant
16	Firearms Employment Application File (FEAF)
17	Ammo Processor

**Concealed Carry Licenses.** Since June 2022, DOJ has experienced a 34 percent increase in applications and a 15 percent increase in renewals for licenses to carry a concealed weapon (CCW license). This is primarily due to the United States Supreme Court’s decision in *New York State Rifle & Pistol Association v. Bruen*, which found that laws requiring individuals provide “good cause” to carry a concealed weapon, which California had, were unconstitutional. As part of the 2023 Budget Act, BOF received resources to support 22.0 two-year limited-term (LT) positions and CJIS with to support 5.0 one-year LT positions and 4.0 two-year LT positions to address the anticipated increase in workload. The Administration is proposing to extend the 22 BOF positions and 4 CJIS positions.



**LAO Comment and Recommendation.** The LAO raises no concerns with the Governor’s proposal for \$19.2 million in 2025-26 (mainly from the state General Fund)—declining to \$6.4 million ongoing beginning in 2027-28—to support 11 firearm and ammunition budget proposals as they implement legislative proposals or address increased workload. While some of the General Fund costs may statutorily be supported by the state’s firearm and ammunition special funds, the special funds are unlikely to be fiscally able to do so. Additionally, the legal landscape for what level of firearm regulatory fees are allowable is in flux and the General Fund has a limited capacity for ongoing commitments. As such, the LAO recommends the Legislature direct DOJ to provide a potential framework for determining what firearm and ammunition workload should be funded by fee revenues. Such a report could help inform legislative decision-making on how such workload could be supported in the future—including what fee levels would be appropriate and how costs should be addressed in the absence of sufficient fee revenues.

**Staff Recommendation.** Hold open.

**Issue 4: Implementation of Legislation**

**Proposal.** The proposed budget includes \$3.8 million in 2025-26 (\$1.3 million General Fund and \$2.6 million Special Fund) declining to \$3.5 million ongoing (\$1.1 million General Fund and \$2.5 million Special Fund) for the implementation of 13 bills chaptered in 2024.

**Background.** The details of the proposals are outlined below.

***Chapter 287, Statutes of 2024 (SB 611, Menjivar).***

- *Legislation.* This bill changed how landlords charge and disclose fees to tenants of residential rental properties, and prohibits landlords from charging certain fees.
- *Resources.* The proposed budget includes one position and \$116,000 (\$43,000 General Fund and \$73,000 from 14 special funds) in 2025-26, declining to \$106,000 (\$35,000 General Fund and \$71,000 special funds) annually beginning in 2026-27, to provide increased resources to DOJ's Public Inquiry Unit to receive and address increased workload related to members of the public seeking assistance from DOJ.
- *Comment.* This bill was keyed as non-fiscal and does not contain specific new duties for the Department of Justice. DOJ has requested a permanent position to support inquiries directed to the Public Inquiry Unit (PIU), which provides information and referrals, related to this legislation. The DOJ has not provided information about how many individuals it expects to contact PIU on issues specific to SB 611.

***Chapter 782, Statutes of 2024 (SB 1161, Becker).***

- *Legislation.* This bill makes more juvenile records eligible to be sealed.
- *Resources.* The proposed budget includes one position and \$340,000 General Fund in 2025-26, declining to \$217,000 annually beginning in 2026-27. The DOJ reports a need to modify existing database systems and is asking for a permanent position to provide server and operating system support.
- *Comment.* The final Senate Floor Analysis (dated 8/26/24) and the final Assembly Floor Analysis (dated 8/23/24) for this bill cited the Assembly Appropriations Committee and included the following specific sentence: "DOJ reports no fiscal impact."

***Chapter 617, Statutes of 2024 (SB 1414, Grove).***

- *Legislation.* This bill requires a person who is 18 years of age or older, on or after January 1, 2025, is convicted of, and who has a prior conviction for, soliciting a minor, as specified, to annually register as a sex offender for a term of 10 years if, at the time of the offense, the person was more than 10 years older than the solicited minor.
- *Resources.* The proposed budget includes \$135,000 General Fund and 1.0 position in 2025-26 and \$125,000 in 2026-27 and ongoing. CJIS maintains the California Sex and Arson Registry and requests additional resources to implement the changes to the Sex Offender Registration Act.
- *Comment.* DOJ based their workload estimates on 211 registrations annually under this bill. However, that estimate was based on all convictions under Penal Code Section 647(b), but SB 1414 only applies to a subset of those. Specifically, SB 1414 requires the registration of those charged under Penal Code 647(b)(3) who also meet additional criteria. DOJ states there were 19 people in the last five years that would have to register after meeting all criteria.

***Chapter 662, Statutes of 2024 (AB 2695, Ramos).***

- *Legislation.* This bill requires specified data collected by law enforcement and reported to DOJ to be disaggregated by whether an incident occurred in Indian Country, as defined.
- *Resources.* The proposed budget includes \$138,000 General Fund and 1.0 position in 2025-26, \$142,000 in 2026-27, \$129,000 in 2027-28, and \$115,000 ongoing, for both establishing the data collection system and managing the ongoing data submissions.

***Chapter 849, Statutes of 2024 (AB 3218, Wood).***

- *Legislation.* This bill requires the DOJ to create and maintain an Unflavored Tobacco List, using information about brand styles that manufacturers are required to provide. This bill also authorizes the DOJ to charge a fee for submission and renewal of brand styles.
- *Resources.* The proposed budget includes 4.0 positions and \$872,000 California Unflavored Tobacco List Fund in 2025-26 and \$786,000 and 4.0 positions in 2026-27 and ongoing to support the implementation and enforcement of Chapter 849, Statutes of 2024 (AB 3218). Additionally, the proposed budget includes a one-year loan of \$872,000 from the Public Rights Law Enforcement Special Fund to support the 2025-26 expenditures. This will be repaid as fees are collected, which should begin in late 2025.
- *Comment.* Manufacturers must submit the information under penalty of perjury. This proposal includes funding for 95 hours of overtime annually to process an increase in arrest fingerprints related to this bill. The DOJ did not provide information on the estimate of that workload.

***Chapter 513, Statutes of 2024 (AB 2426, Irwin).***

- *Legislation.* This bill generally prohibits sellers of a digital good from advertising or offering such a good for sale in particular ways to ensure that false or misleading statements are not being made about the product.
- *Resources.* The proposed budget includes one position and \$337,000 Unfair Competition Law Fund in 2025-26, declining to \$330,000 annually beginning in 2026-27.
- *Comment.* This bill was keyed as fiscal. However, neither the final Assembly floor analysis (8/8/24) nor the Senate Floor analysis (8/26/24) included a reference to potential DOJ costs in the fiscal section that cited the Senate Appropriations Committee.

***Chapter 742, Statutes of 2024 (AB 2780, McKinnor).***

- *Legislation.* This bill requires certain transportation providers provide advance notice and specific information to local governments regarding the disembarkation of passengers (such as whether there are passengers that arrived in the US within the past 30 days that are likely to require emergency shelter or other immediate services).
- *Resources.* The proposed budget includes one position and \$210,000 Unfair Competition Law Fund in 2025-26, declining to \$203,000 annually beginning in 2026-27.
- *Comment.* This bill was keyed as fiscal. However, neither the final Assembly floor analysis (8/27/24) nor the Senate Floor analysis (8/18/24) included a reference to potential DOJ costs in the fiscal section that cited the Senate Appropriations Committee.

***Chapter 817, Statutes of 2024 (AB 2013, Irwin).***

- *Legislation.* This bill requires generative artificial intelligence (AI) system or service developers publicly post certain information regarding the data used to train the system or service.
- *Resources.* The proposed budget includes one position and \$340,000 Unfair Competition Law Fund in 2025-26, declining to \$329,000 annually beginning in 2026-27.
- *Comment.* This bill was keyed as non-fiscal.

***Chapter 321, Statutes of 2024 (SB 976, Skinner).***

- *Legislation.* This bill prohibits operators of internet websites and apps from providing addictive feeds, as defined, and from sending notifications to minors at night and during school hours without parental consent, among other protective measures.
- *Resources.* The proposed budget includes one position and \$210,000 Unfair Competition Law Fund in 2025-26 declining to \$203,000 annually beginning in 2026-27.

***Chapter 291, Statutes of 2024 (SB 942, Becker).***

- *Legislation.* This bill requires businesses that provide generative AI systems to make accessible tools to detect whether specified content was generated by those systems.
- *Resources.* The proposed budget includes one position and \$340,000 Unfair Competition Law Fund in 2025-26 and ongoing.

***Chapter 520, Statutes of 2024 (SB 1061, Limón).***

- *Legislation.* This bill prohibits reporting medical debt to consumer credit reporting agencies, those agencies from including it in their reports, and others from relying on medical debt that appears. This bill also requires hospitals to maintain a specified records and prohibits debt collectors from engaging in certain practices.
- *Resources.* The proposed budget includes one position and \$210,000 Unfair Competition Law Fund in 2025-26 declining to \$203,000 annually beginning in 2026-27.

***Chapter 1006, Statutes of 2024 (AB 1780, Ting).***

- *Legislation.* This bill prohibits an independent institution of higher education from providing legacy or donor preference in admissions decisions, and requires these institutions to report to the Legislature and the DOJ regarding their compliance with the prohibition.
- *Resources.* The proposed budget includes one position and \$128,000 General Fund in 2025-26 declining to \$121,000 annually.

***Chapter 261, Statutes of 2024 (AB 2655, Berman).***

- *Legislation.* This bill requires large online platforms, as defined, to remove materially deceptive and digitally modified or created content related to elections, or to label that content, during specified periods before and after an election, if the content is reported to the platform, as specified.
- *Resources.* The proposed budget includes two positions and \$469,000 General Fund in 2025-26 declining to \$456,000 in 2026-27 and ongoing.

*Unfair Competition Law Fund Condition.* Of the proposed funding outlined below, \$1.6 million is from the Unfair Competition Law Fund. This fund was created to deposit penalties from actions or settlements pursuant to Chapter 5 (commencing with Section 17200) of Part 2 or Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code. The money in the fund can be used by the Attorney General to support investigations and prosecutions of California's consumer protection laws. The Unfair Competition Law Fund has significant revenues and is projected to end 2025-26 with a balance of \$361.8 million.

**LAO Comment and Recommendation.**

The LAO identified five funding requests to implement recently enacted legislation for which no fiscal was identified for DOJ during the policy process or that was keyed as non-fiscal (as noted above; for other bills, requested resources are consistent with resources noted during the policy process). The DOJ indicated that it was a timing issue for all five bills and that a fiscal impact was ultimately provided. The LAO ultimately raises no concerns with these proposals, but noted it given the Legislature's prior and current interest in the alignment of fiscals in the budget and policy process.

**Staff Recommendation.** Hold open.

**Issue 5: DNA Identification Fund Backfill**

**Proposal.** The Governor’s budget reflects an ongoing backfill for the DNA Identification Fund. This includes \$46.1 million in 2025-26 (the last year of three years of limited-term funding), \$37 million in 2026-27, \$36 million in 2027-28, and \$35 million annually beginning in 2028-29. The 2025-26 budget also maintains the budget bill language allowing DOF to augment the backfill amount.

**Background.**

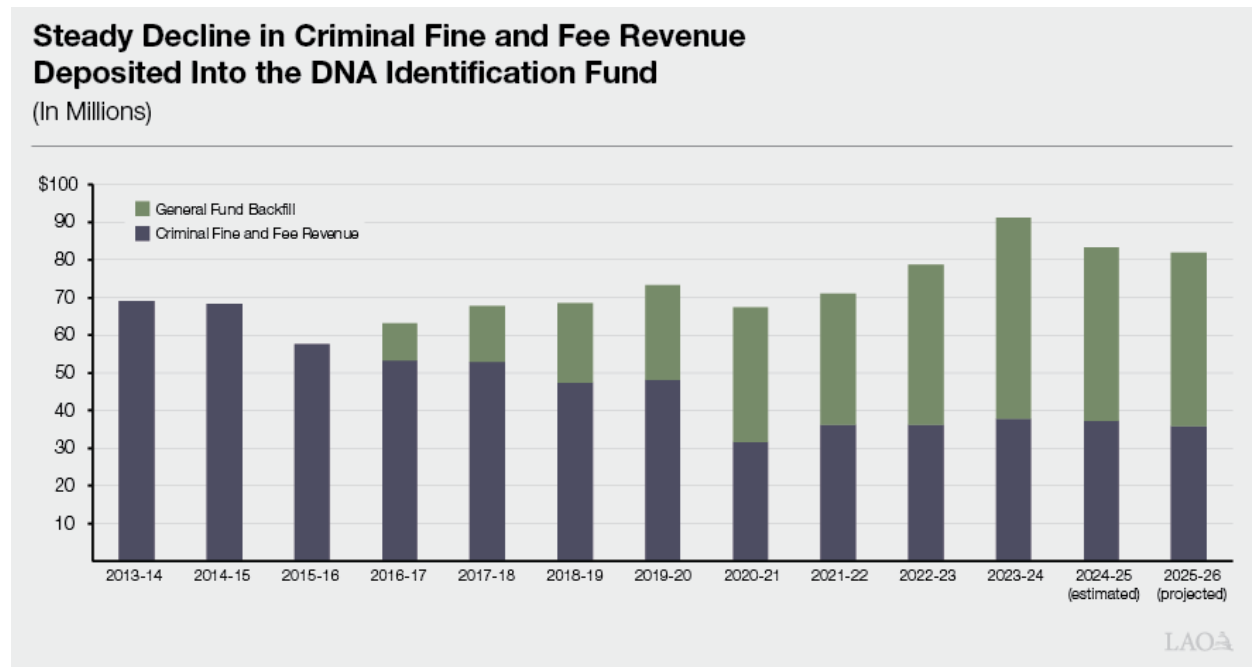
*Bureau of Forensic Services (BFS) Provides Criminal Laboratory Services.* BFS provides criminal laboratory services such as DNA testing, alcohol and controlled substances analysis, and on-site crime scene investigative support. Ten regional laboratories provide services generally at no charge for local law enforcement and prosecutorial agencies in 46 counties that do not have access to those services. BFS also assists the 12 counties and 8 cities that operate their own laboratories where BFS offers services their laboratories lack. (Local agencies also contract with private or other governmental laboratories for services.) Additionally, BFS provides service to various state, federal, and other entities. Finally, BFS operates the state’s DNA laboratory as well as the state’s criminalistics training institute.

*Local Entities Use Most of BFS Services.* In 2023-24, BFS processed 36,422 submissions. Two-thirds of the processed submissions were for county or city local government entities. About 30 percent of the workload was for state entities, with the California Highway Patrol and the California Department of Corrections and Rehabilitation being the two largest users. Additionally, usage of specific types of BFS services varies by entity. For example, state entities proportionately seek a greater share of alcohol or toxicology-related services. In contrast, counties and cities proportionately seek a greater share of controlled substances, latent print, or criminalistics-related services.

*BFS Supported Primarily by DNA Identification Fund, Which Receives General Fund Backfill.* BFS receives support from various sources, but primarily from the DNA Identification Fund—a state special fund that receives criminal fine and fee revenue—and the General Fund. The amount of criminal fine and fee revenue deposited into the DNA Identification Fund has steadily declined from a peak of \$69 million in 2013-14 to \$38 million in 2023-24 (a decline of 45 percent). (This is consistent with the overall trend of decreased criminal fine and fee revenue deposited into the various state and local special funds eligible to receive them. The severity of the decline deposited into a particular fund depends on various factors.)

To help address this steady decline and to maintain the level of services provided by BFS, the state has provided General Fund support to backfill the reduction in criminal fine and fee revenue deposited in the DNA Identification Fund since 2016-17. For example, the 2023-24 budget package included a three-year annual \$46.1 million General Fund backfill of the DNA Identification Fund. The budget also included budget bill language authorizing the Department of Finance to transfer additional General Fund to the DNA Identification Fund if revenues deposited into fund decline further and are insufficient to support BFS. This transfer can only occur 30 days after written notification is provided to the Legislature.

The Governor’s budget reflects an ongoing backfill for the DNA Identification Fund. This includes \$46.1 million in 2025-26 (the last year of three years of limited-term funding), \$37 million in 2026-27, \$36 million in 2027-28, and \$35 million annually beginning in 2028-29. The 2025-26 budget also maintains the budget bill language allowing DOF to augment the backfill amount. Under this language, the General Fund would be permanently responsible for backfilling the DNA Identification Fund to ensure there is sufficient funding to support BFS.



*DOJ Required to Report in 2022 on Potential Funding Options Other Than General Fund.* The 2021-22 budget package required DOJ to provide a report by March 10, 2022 that identified various options—other than the General Fund—to support BFS annually. The budget package specifically directed DOJ to consider an option that would require sharing costs with local agencies that make use of BFS services based on the specific type of forensic services sought, the speed of the service, the size of the agency, and any other factors DOJ chooses to include.

*DOJ Report Included Five Potential Funding Options.* In response to the above requirement, DOJ provided a report to the Legislature on March 10, 2022. The department identified the following options to support BFS operations: (1) a general tax increase, (2) allowing the surcharge added to criminal history background check fees to also cover BFS costs (and adjusting the surcharge accordingly), (3) increasing the specific fee added when individuals are convicted of criminal offenses which generates the revenue deposited into the DNA Identification Fund, (4) requiring the judicial branch to provide funding to support BFS as it similarly is supported by criminal fine and fee revenue and forensic science is important to courts, and (5) requiring nonlocal government entities (such as state agencies) pay for their share of BFS services. Additionally, DOJ discussed the benefits and drawbacks of various methods for implementing a cost-sharing model with local agencies. Such methods included establishing: (1) an hourly rate for services provided, (2) a flat

<sup>2</sup> [https://www.lao.ca.gov/Publications/Report/4972#DNA\\_Identification\\_Fund\\_Backfill](https://www.lao.ca.gov/Publications/Report/4972#DNA_Identification_Fund_Backfill)



fee by type of service provided, (3) a flat fee by county, and (4) a hybrid flat fee-hourly rate model. After its assessment of the cost-sharing model and alternative funding options, DOJ maintained that it believes a General Fund backfill is the best approach for supporting BFS annual operations.

**LAO Comment and Recommendation.**

*Recommend Rejecting Requested General Fund Backfill and Requiring BFS Users to Partially Support BFS.* The LAO recommends the Legislature reject the Governor’s proposal to provide an ongoing General Fund backfill—\$37 million in 2026-27, declining to \$35 million annually beginning in 2028-29—to the special fund supporting BFS to address declines in fines and fee revenues. Instead, the LAO recommends the Legislature require (1) users of BFS services to partially support BFS beginning in 2026-27 and (2) DOJ develop a plan for calculating each agency’s share of the BFS services it uses. The LAO finds this new funding structure is a better option for maintaining support for BFS as it reflects the importance of such services to state and local agencies, provides greater incentive to prioritize what workload is sent to DOJ, and minimizes the impact on the state General Fund. BFS has sufficient resources in 2025-26 to maintain service levels while this new funding structure is implemented.

**Staff Recommendation.** Hold open.

<b>Issue 6: Background Investigations Unit Workload</b>
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**Proposal.** The proposed budget includes \$1.0 million (\$213,000 General Fund and \$790,000 Special Fund) in 2025-26 and \$931,000 (\$197,000 General Fund and \$734,000 Special Fund) and 6.0 positions in 2026-27 and ongoing to maintain the ongoing workload for the Division of Law Enforcement, Background Investigations Unit.

**Background.** The Division of Law Enforcement (DLE), Background Investigations Unit (BIU) is responsible for pre-employment background investigations for all DLE personnel. This includes sworn personnel (i.e. Special Agent and Security Officer classifications), non-sworn personnel such as Criminalists for the Bureau of Forensic Services, and professional staff across all DLE bureaus. These investigations are statutorily mandated, and a Commission on Peace Officer Standards and Training (POST) requirement for sworn positions. Periodically, allied law enforcement agencies also request BIU services to conduct background investigations of high-ranking officials, or if they do not have resources to conduct their own background investigations.

BIU does not have dedicated positions for this workload, and instead relies on retired annuitants, external contractors, and Special Agents within DLE to conduct background investigations. The POST requirements and DLE hiring guidelines have also expanded these investigations over time, such as requiring a bias assessment and social media checks for all candidates.

DLE is experiencing significant delays in the pre-employment background investigation process due to the lack of dedicated investigators. Currently, the average time to complete a background investigation is approximately 15 weeks, exceeding BIU's target goal of four to six weeks, as shown below. This delay can affect DLE's hiring process, and DLE has a vacancy rate nearing 30 percent. In 2023-24, DOJ had 211 candidates enter the background investigation process. Of these, 21 withdrew during the background investigation, and 35 withdrew before the investigation was initiated. BIU will finish the calendar year with approximately 221 background investigations remaining unfinished in the pipeline, which will rollover into the 2025 calendar year.

**Background Investigation Unit (BIU) Workload History**

YEAR	SWORN RECEIVED	SWORN WITH-DREW	SWORN COMPLETED	AVG TIME FOR COMPLETION (DAYS)	PROFESSIONAL RECEIVED	PROF. WITHDREW	PROFESSIONAL COMPLETED	AVG TIME FOR COMPLETION (DAYS)	TOTAL COMPLETED
2020	79	2	77	92	126	2	124	91	201
2021	134	9	125	123	118	11	107	123	243
2022	77	14	63	147	148	13	135	145	198
2023	44	0	44	106	176	22	154	107	198
2024*	128	5	39	107	237	15	86	111	124

**Requested Resources.** The proposed budget includes \$1.0 million and six permanent Special Investigator positions dedicated to conducting these background investigations. DOJ projects that this staffing will allow them to complete investigations in an average of four weeks.

**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.

### 0820 DEPARTMENT OF JUSTICE

#### Issue 7: California Consumer Privacy Act Enforcement Workload BCP and TBL

**Proposal.** The proposed budget includes \$350,000 Consumer Privacy Fund in 2025-26 and 2026-27 and statutory changes to support consumer privacy enforcement workload. The California Privacy Protection Agency (CPPA) has a related proposal. These will be heard in Subcommittee No. 4.

The California Consumer Privacy Act (CCPA), as amended by Proposition 24 in 2020<sup>3</sup>, established the Consumer Privacy Fund (CPF). All proceeds from enforcement of the CCPA (e.g. administrative fines, civil penalties, and settlements) are deposited into the CPF. The purpose of the fund is primarily to offset enforcement costs. If there are leftover funds at the end of the fiscal year, 91 percent of the leftover is used as an investment, where the principal is not spent and the interest and earnings go to the General Fund. The remaining 9 percent goes to grants to promote and protect consumer privacy, educate children in the area of online privacy, and fund cooperative programs with international law enforcement organizations to combat fraudulent activities with respect to consumer data breaches. Proposition 24 allows for amendments consistent with its intent to improve its operation by a majority vote of both houses and signed by the Governor.

However, the funding for DOJ and CPPA enforcement is available upon appropriation, which the Legislature has not yet done. In addition, the Administration has raised concerns with the enforcement funding being swept into the investment and grant components at the end of each fiscal year, which may not be compatible with the timelines of enforcement action.

The proposed trailer bill language would create three sub-funds: one for CPPA enforcement, one for DOJ enforcement, and one for grants. 95 percent of collected revenues related to enforcement would be deposited into the enforcement fund for the relevant agency, and the remaining 5 percent would be deposited into the grant fund. Interest from the enforcement funds would go into the General Fund. The accompanying BCPs provide appropriations for CPPA and DOJ to access the funds in the enforcement accounts (each department would have expenditure authority of \$700,000 over two years).

**Staff Recommendation.** Hold open.

<sup>3</sup> <https://vig.cdn.sos.ca.gov/2020/general/pdf/top1-prop24.pdf>

**Issue 8: Fingerprint Fees Account Authority Increase and Bureau of Criminal Information and Analysis Unit Workload**

**Proposal.** DOJ is mandated by Section 11105 of the Penal Code to function as the criminal record repository for the state, and to serve as the single point of contact for the Federal Bureau of Investigation (FBI) to provide criminal offender record information to authorized agencies for persons seeking employment, licensure, or certification. The annual volume of fingerprints submitted to DOJ for criminal background check requests has been increasing and is compounded by legislative changes. Examples include the requirement by AB 506 (Lorena Gonzales), Chapter 169, Statutes of 2021 that all administrators, employees, and volunteers of youth service organizations (e.g., Girl Scouts, Little Leagues, etc.) undergo background checks. In addition, Sections 11120 through 11126 of the Penal Code allow individuals to request copies of their own record and submit a request to challenge incomplete or incorrect criminal history information.

*Application Processing.* DOJ is requesting 32 positions, funded by the Fingerprint Fees Account, for the Bureau of Criminal Information and Analysis to handle the increasing volume of requests. This includes 16 positions for application processing, 6 positions to provide oversight and auditing of agencies that request background check information that are not criminal justice agencies, and 10 positions for the Record Quality Services Program, which is responsible for record review and challenge requests and researching missing and/or incomplete criminal history information.

*Federal Background Checks.* Some of these checks only require California-level responses, and some of them require a federal background check. For federal background checks, DOJ collects fees on behalf of the FBI, which are deposited in the Fingerprint Fees Account. The FBI invoices DOJ monthly to collect those fees. DOJ's expenditure authority from the Fingerprint Fees Account no longer covers the volume of federal transactions. In 2021-22, the DOJ received 1.5 million federal level fingerprint submissions. In 2023-24, the DOJ received 1.8 million submissions. In 2025-26, the DOJ is projected to receive over 2 million submissions. Their expenditure authority is \$15.9 million, and the projected expenditures in 2025-26 are \$22.0 million. The proposed budget includes an increase of \$5.2 million Fingerprint Fees Account in 2025-26 and ongoing for processing federal level background check fees.

*Fingerprint Fees Account.* This fund was created for the deposit of fees collected and to pay for expenditures incurred by the Department of Justice for providing state summary criminal history information. The Fingerprint Fees Account has a projected fund balance of \$63.5 million at the end of fiscal year 2025-26. Revenues will continue to increase as the number of transactions increases.

**Staff Recommendation.** Hold open.

**Issue 9: Office of General Counsel Proposals**

**Proposal.** The 2023-24 budget included the creation of the Office of General Counsel (OGC) through a net-zero realignment of \$13.8 million General Fund and 75 positions. This included \$6.2 million and 19 positions from the Civil Law Division and \$7.6 million and 56 positions from the California Justice Information Services Division.

The Governor’s budget includes two net-zero proposals to shift OGC’s legal and executive workload and information security workload from direct funding to indirect funding. These units provide department-wide services that are typically categorized as indirect costs, including mitigating legal and operational risks, supporting the various databases and criminal history records stored by the DOJ, supporting cybersecurity and information security efforts, and handling public records requests, among other duties.

An indirect cost structure means that appropriation authority will be spread across DOJ’s programs, which will then use the resources to collectively support OGC’s work. This allows funding to be more appropriately aligned with the work it is supporting, and it allows expenditures to be made out of special funds when eligible. As shown in the proposed structure tables below, these two proposals shift a total of \$9.4 million from the General Fund to various special funds.

Legal and Executive Workload

2025-26 & Ongoing Existing Funding (Restructured from Direct to Direct & Indirect) <i>(\$s in thousands)</i>	Current Structure	Proposed Structure		
	Direct Only	Direct	Indirect	Total
General Fund	\$7,263	\$0	\$2,513	\$2,513
Special Fund	\$2,298	\$2,298	\$4,750	\$7,048
<b>Total</b>	<b>\$9,561</b>	<b>\$2,298</b>	<b>\$7,263</b>	<b>\$9,561</b>

Information Security Workload

2025-26 & Ongoing Existing Funding (Restructured from Direct to Direct & Indirect) <i>(\$s in thousands)</i>	Current Structure	Proposed Structure		
	Direct Only	Direct	Indirect	Total
General Fund	\$10,358	\$3,150	\$2,558	\$5,708
Special Fund	\$556	\$360	\$4,846	\$5,206
<b>Total</b>	<b>\$10,914</b>	<b>\$3,510</b>	<b>\$7,404</b>	<b>\$10,914</b>

**Staff Recommendation.** Hold open.

**Issue 10: License 2000 System Replacement Project**

**Proposal.** The proposed budget includes \$1.9 million and 3.0 positions ongoing from the Gambling Control Fund and the Indian Gaming Special Distribution Fund to continue the License 2000 System Replacement Project.

DOJ's Bureau of Gambling Control (BGC) and the California Gambling Control Commission monitor the controlled gambling industry and ensure compliance with state statutes and laws, including approving and monitoring gambling licensees. DOJ is currently undertaking an IT project related to tracking BGC enforcement activities, in response to an audit in 2019<sup>4</sup> and requirements imposed by AB 553 (Ramos), Chapter 533, Statutes of 2023 and other legislation.

Currently, the California Department of Technology (CDT) Project Approval Lifecycle (PAL) Stage 2 planning activities have been approved and the project was delegated back to DOJ in March 2024. On June 5, 2024, DOJ successfully awarded a contract. DOJ internally approved the delegated CDT PAL Stage 3 and Stage 4 in June 2024. The full system deployment is planned by June 2025.

This project has received:

- \$724,000 Gambling Control Fund in 2020-21.
- \$902,000 Gambling Control Fund in 2022-23.
- \$3.2 million (\$1.7 million Gambling Control Fund and \$1.5 million Indian Gaming Special Distribution Fund) in 2023-24.
- \$3.1 million (\$1.57 million Indian Gaming Special Distribution Fund and \$1.57 million Gambling Control Fund) in 2024-25.

This proposal includes ongoing funding for support staff and additional software. These resources would support annual software renewals, perform daily ongoing support and maintenance activities for system functions, user access, and changes to address problem resolution/process changes driven by changes to policies.

**Staff Recommendation.** Hold open.

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<sup>4</sup> <https://information.auditor.ca.gov/reports/2018-132/index.html>