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Thursday, March 14, 2019
9:30 a.m. or upon adjournment of session
State Capitol - Room 112

Consultant: Joanne Roy

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VOTE-ONLY CALENDAR

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)

Issue 1: Regulation of Power Tool Use in Tolerance Zones (AB 1914)

Governor's Proposal. The Governor's budget proposes \$139,000 in Safe Energy Infrastructure and Excavation Fund on a two year limited-term basis to implement AB 1914 (Flora), Chapter 708, Statutes of 2018.

Background. AB 1914 created the California Underground Facilities Safe Excavation Board (Dig Safe Board) to improve excavation safety around buried utilities. AB 1914 requires the Dig Safe Board to adopt regulations by July 1, 2020 to limit the type of power-operated or boring equipment excavators may use prior to determining the exact location of subsurface installations in conflict with the excavation. AB 1914 also authorize the Dig Safe Board to set other conditions on the use of power-operated or boring equipment within the tolerance zone.

Staff Recommendation. Approve as budgeted.

Issue 2: Stewardship Council Lands: Acquisition

Governor's Proposal. The Governor's budget proposes \$425,000 General Fund one-time for the acquisition of five properties from the Pacific Gas and Electric Company: Pit River/Tunnel Reservoir, Battle Creek, Cow Creek, Lake Spaulding and Bear River. The acquired properties will serve to enhance CalFire's existing network of Demonstration State Forests.

Background. Established in 1946, CalFire's Demonstration State Forest System has been a center for long-term monitoring activities, research, and demonstration of best forest management practices.

Staff Recommendation. Approve as budgeted.

Issue 3: Technical Adjustments – Various Projects

Governor's Proposal. The Governor's budget proposes the reversion of the existing funding authority, and approval of new appropriations (resulting in a net-zero cost), for the following projects to provide for the continued encumbrance of funds throughout the life of the projects without requesting additional reappropriations.

Project Name	ID	Phase	Amount
Bieber Forest Fire Station - Helitack Base: Relocate Facility	167	WC	\$23,691,000
Baker Forest Fire Station: Replace Facility	166	WC	\$10,213,000
Cayucos Forest Fire Station: Relocate Facility	170	C	\$9,584,000
Parkfield Forest Fire Station: Relocate Facility	182	PWC	\$7,794,000
Pine Mountain Forest Fire Station: Relocate Facility	185	WC	\$9,612,000
Rincon Forest Fire Station: Replace Facility	188	WC	\$12,943,000
Soquel Forest Fire Station: Replace Facility	192	WC	\$9,976,000
Mount Buillon Conservation Camp: Emergency Sewer System Replace	975	C	\$727,000
San Luis Obispo Headquarters Replacement	712	WC	\$35,012,000

Project Name	ID	Phase	Amount
Paso Robles Fire Station - Replace Facility	0000678	C	\$7,057,000
Westwood Fire Station - Replace Facility	0000200	W	\$362,000
Westwood Fire Station - Replace Facility	0000200	C	\$4,915,000
Westwood Fire Station - Replace Facility	0000200	C	\$1,335,000

Staff Recommendation. Approve as budgeted.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

Issue 4: Corpsmember Educational and Employment Outcome Reporting

Governor's Proposal. The Governor's budget proposes \$358,000 one-time (\$208,000 General Fund, \$150,000 Collins Dugan Reimbursement Account) and \$108,000 ongoing starting 2020-21 (\$63,000 General Fund, \$45,000 Collins Dugan Reimbursement Account) to fund one position and one-time programming costs (\$250,000 in 2019-20) to implement new reporting requirements in SB 854 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2018.

Background. SB 854 requires the CCC to provide an annual report to the Legislature by December 31 of each year, commencing January 1, 2020, demonstrating the specific educational and employment outcomes of the cohort of corps members who permanently separated from the CCC during the state fiscal year that ended 18 months before the date the report is due.

Staff Recommendation. Approve as budgeted.

3125 CALIFORNIA TAHOE CONSERVANCY

Issue 5: Conceptual Feasibility Planning

Governor's Proposal. The Governor's budget proposes \$322,000 one-time (\$222,000 Proposition 40 and \$100,000 Lake Tahoe Conservancy Account) for conceptual and feasibility planning for future capital outlay projects. The Conservancy also requests the reversion of \$325,000 from a 2015 Budget Act Prop 40 appropriation to free up funding for this request.

This will provide a blanket of funds needed for initial conceptual and feasibility planning, involving both outside contractors and Conservancy staff time, for new Conservancy project proposals and opportunities. This will allow investigation of project opportunities for a number of Conservancy ownerships in key watersheds at several potential lakefront access points, and other sites requiring restorative treatments and improvements. There will likely be future funding proposals for preliminary planning, working drawings, and construction phases as individual projects further identified.

Staff Recommendation. Approve as budgeted.

Issue 6: Minor Capital Outlay

Governor's Proposal. The Governor's budget proposes \$1 million (\$204,000 Tahoe Conservancy Fund, \$322,000 Habitat Conservation Fund, and \$480,000 Proposition 84) for various capital outlay projects to secure previously acquired property, and complete upgrades on developed facilities to meet Americans with Disability Act requirements.

Total project costs are estimated at \$1.006 million (\$646,000 professional services contracts, \$290,000 agency retained items, and \$70,000 other project costs). The current project schedule estimates construction activities will begin July 1, 2019 and will be completed in June 2020.

Staff Recommendation. Approve as budgeted.

3840 DELTA PROTECTION COMMISSION

Issue 7: National Heritage Area Management Plan

Governor's Proposal. The Governor's budget proposes \$200,000 one-time from the Environmental License Plate Fund for consultant work to prepare several full Project Management Plans that will facilitate a Delta National Heritage Area Management Plan in support of the Delta Plan.

Background. The Delta Plan is a long-term management plan for the Delta and provides guidance to state and local actions in managing the Delta while furthering the state's coequal goal to: 1) improve statewide water supply reliability, 2) protect and restore a vibrant and healthy Delta ecosystem, and 3) enhance the unique agricultural, cultural, and recreational characteristics of the Delta.

Staff Recommendation. Approve as budgeted.

ISSUES FOR DISCUSSION

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CALFIRE)

Issue 8: Enhanced Fire Protection Resources

Governor's Proposal. The Governor's budget proposes \$96.9 million (offset by \$1.8 million in reduced reimbursement authority for CCC) and 228 positions to implement the proposals described below. Under the proposals, this funding for CalFire would increase to over \$120 million in subsequent years.

- ***Additional Fire Engines (\$40.3 Million).*** The budget supports adding 13 new fire engines to CalFire's fleet, as well as 131 additional positions to staff those engines. This would bring the total size of the fleet to 356 fire engines. Under the proposal, these 13 new engines would be operated on a year-round basis bringing the total number of fire engines operated on a year-round basis to 65 engines.
- ***Increased Staffing (\$15.1 Million).*** The budget includes two proposals to increase CalFire's fire response staffing. First, the budget includes \$10.6 million and 34 heavy equipment operator positions in order have a total of three heavy equipment operators for each of CalFire's 58 bulldozers to provide 24 hours a day, seven days a week staffing. Second, the budget includes \$4.5 million to support 13 positions to provide situational awareness staffing—dedicated staff to provide real-time intelligence to decision makers during a wildfire.
- ***CCC Crews Dedicated to CalFire (\$13.6 million).*** The budget proposes to add five CCC crews dedicated to CalFire for fire response and prevention activities. This includes converting four existing CCC reimbursement crews into crews dedicated full-time to CalFire work and creating one new crew dedicated to CalFire work. Under the proposal, the total number of CCC crews dedicated to CalFire will increase to 12.
- ***C-130 Air Tankers and Related Capital Outlay (\$13.1 million).*** The budget includes funding and six positions to implement the first year of a plan to accept seven used C-130 air tankers from the federal government to replace CalFire's existing fleet of aircraft, with the first air tanker scheduled to be received in 2020-21. The state will receive the aircraft for free, but the department's costs will increase over the next several years for operating and maintenance costs. CalFire estimates annual costs will rise steadily over the next five years reaching \$50 million in increased annual costs by 2023-24. In addition, the proposed 2019-20 funding level includes \$1.7 million for the first phase of three capital outlay projects to construct barracks to accommodate the new larger flight crews needed to operate the C-130 aircraft. These three projects along with a fourth barracks project expected to be initiated next year are estimated to cost a total of \$26 million over several years.
- ***Employee Wellness (\$6.6 million).*** The budget proposes to expand two employee wellness programs. First, the budget would expand an existing health and wellness pilot program to a statewide program. The health and wellness pilot program involves conducting voluntary wellness screenings to test for health conditions common to firefighters, such as heart disease and certain types of cancer. Second, the budget increases staffing for CalFire's Employee

Support Services program that provides mental health support to CalFire employees and family members. The proposal would allow CalFire to provide more services to firefighters at the location of major fires and provide additional education and information related to post-traumatic stress disorder.

- ***Fire Detection Cameras (\$5.2 million).*** The Administration proposes to join an existing network of wildfire detection cameras and to expand the network by 100 additional cameras in locations determined by CalFire. Specifically, the funding will support a contract between CalFire and ALERTWildfire—a consortium of the University of Nevada, Reno; the University of California, San Diego; and the University of Oregon—to allow CalFire to access and control ALERTWildfire’s existing network of wildfire detection cameras.
- ***Mobile Equipment Replacement (\$3 million).*** The budget proposes to continue on an ongoing basis a one-time 2018-19 funding augmentation to CalFire’s budget for replacement of mobile equipment, such as bulldozers and fire engines. Funding would be used to replace additional mobile equipment that has experienced additional wear and tear from the extended fire seasons in recent years.

Legislative Analyst’s Office (LAO) Comments. *Increasing Fire Response Resources Is Reasonable in Concept.* The magnitude and severity of recent fire seasons suggest that severe wildfires could be a worsening problem. Moreover, ongoing impacts from the drought, bark beetle infestations, tree mortality, climate change, and effects of decades of fire suppression activities all contribute to increased risks of severe wildfires. Given the recent fire conditions and the likelihood that conditions persist or even worsen, it is reasonable to increase the state’s fire response resources.

C-130 Air Tanker Proposal Lacks Detail. The Administration typically submits detailed budget documents that provide background, justification, and fiscal details for each budget proposal. While the Administration submitted these budget documents for the proposals to increase CalFire’s fire response resources, the documents lack certain details necessary to evaluate specific components of the proposals and to fully understand future costs and expected outcomes. This is particularly the case for the proposed C-130 air tankers. For example, it is unclear why funding for maintenance and operations contracts is needed in 2019-20 when the state is not scheduled to receive the first C-130 air tanker until 2020-21. Similarly, it is unclear whether current costs related to operating and maintaining CalFire’s existing air fleet (which will be decommissioned) are being netted out from the total amount of funding being requested for the new air tankers. Given the significant cost, especially in future years, to operate and maintain the C-130 air tankers, it is important for the Legislature to have the detail necessary to understand all of the components and costs of the proposal and why each component is needed. While CalFire staff have been helpful and responsive in providing additional details on the proposals, questions regarding the air tanker proposal remain outstanding.

Administration Has Not Conducted Assessment to Inform Future Budget Decisions. In light of the state’s increasingly severe fire seasons and the trend of increasing wildfire response resources in recent budgets, we expect there will be continued pressure to expand fire response funding in the future. Having more information on existing fire response capacity and gaps in capacity would help the Legislature in its consideration of future budget proposals to increase fire response resources. However, the Administration has not completed a recent assessment of state, mutual aid, and federal wildfire response capacity; potential gaps; and where additional resources would be most beneficial. Without such an assessment it is difficult to know the extent to which the specific fire response augmentations proposed address the highest priorities, fill the most critical gaps in response coverage, and take the most cost-effective approach to addressing fire response challenges. In addition, an

assessment of response capacity, gaps, and benefits could help inform future budget decisions, as well as better allow the state to develop longer-term funding plans for the deployment of future resources to ensure that additional resources approved in the future are used in the most beneficial and cost-effective manner.

LAO Recommendations. *Approve Most of the Governor's Budget Proposals.* The LAO recommends that the Legislature approve the Governor's requests for additional fire response resources in CalFire, with the exception of the proposal to support additional C-130 air tankers. The LAO finds these proposals reasonable given the recent severe fire seasons and ongoing wildfire risks in many areas of the state.

Require CalFire to Provide Additional Information on C-130 Air Tankers. The proposal for the C-130 air tankers lacks important details, including the rationale for funding maintenance and operations contracts before the new air tankers are delivered. Accordingly, the LAO recommends that the Legislature require CalFire to provide additional details on the air tanker proposal at spring budget hearings before determining what action to take on the proposal. While the overall concept of replacing CalFire's air fleet with the C-130 air tankers is reasonable, the LAO thinks the Legislature will want to fully understand the costs of implementing this proposal before taking action on this item. To the extent, the department is unable to provide sufficient justification for some components of this proposal, the LAO would recommend the Legislature reject those components of the proposal in 2019-20. Doing so would not impede the department's ability to accept the C-130s in future years or to begin the related capital projects proposed.

Require an Assessment to Inform Future Budget Decisions. In order to guide potential increases in fire response resources in future years, the LAO recommends that the Legislature adopt supplemental reporting language to require CalFire, in coordination with the Governor's Office of Emergency Services, to provide an assessment of existing state, mutual aid, and federal fire response capacity; gaps in capacity; and where additional resources would be most beneficial. Such an assessment should evaluate state and local responsibilities, and include all types of fire response including fire engines, air attack, and other resources. The assessment should evaluate the cost-effectiveness of increasing CalFire resources compared to increasing other resources, appropriate funding sources, goals for fire response, and expected outcomes and benefits from addressing gaps in capacity. In addition, the assessment should identify potential capital outlay needs, such as adding fire stations or helitack bases. Lastly, the assessment should prioritize identified gaps in coverage or identified demands for additional resources. The LAO recommends that the Legislature require CalFire to submit this assessment by April 1, 2020, in order to inform potential future budget decisions related to increasing fire response capacity.

Staff Recommendation. Hold open.

Issue 9: Emergency Medical Services: Data and Information Systems (AB 1129)

Governor's Proposal. The Governor's budget proposes \$3.2 million General Fund and 7.8 positions ongoing to comply with AB 1129 (Burke), Chapter 377, Statutes of 2015.

Background. *AB 1129 (Burke).* AB 1129 requires emergency medical care providers to use an electronically transmissible data collection system that is compliant with the California Emergency Medical Services Information System standards, compliant with the National Emergency Medical Services Information System (NEMSIS) standards, and capable of integrating with the local emergency medical services agency's data system.

AB 1129 also required the Emergency Medical Services Authority to first promulgate regulations, which then allowed CalFire to determine its business needs and which technology could best meet the new requirements. These steps needed to be completed before a required Stage/Gate deliverables could be developed, which delayed the submission of a request for resources related to AB 1129 implementation.

NEMSIS Standards. NEMSIS establishes the national standard for emergency medical services data collection for state, territories, and federal agencies. All agencies have signed a Memorandum of Understanding to provide the NEMSIS with the required data to evaluate patient and emergency medical services outcomes to identify unmet needs, determine effective treatments, and improve the emergency medical services system throughout the United States and its territories.

NEMSIS also provides data collection parameters that emergency medical services agencies must follow to integrate emergency medical services patient care data with electronic medical records at hospitals, allowing emergency medical services providers, hospitals, and government agencies to exchange patient information securely and in real-time.

Collecting statewide patient care data will enable CalFire to implement a comprehensive continuous quality improvement program that will ensure that CalFire emergency response personnel provide a high level of quality patient care, identify areas for performance improvement and training needs, and provide reliable patient statistical data for identifying trends in EMS response consistent with state regulations.

Staff Recommendation. Hold open.

Issue 10: Enhanced Industrial Disability Leave (SB 334 and SB 1144)

Governor's Proposal. The Governor's budget proposes \$4.2 million General Fund one-time for the estimated increase in workers' compensation and overtime costs. This request also included budget bill language authorizing an augmentation of up to \$3.5 million if expenditure data shows that costs related to SB 334 (Dodd), Chapter 857, Statutes of 2017, and SB 1144 (Dodd), Chapter 897, Statutes of 2018, exceed the \$4.2 million budgeted for SB 334.

Background. *Worker's Compensation at CalFire.* CalFire pays for injured workers' compensation benefits and medical expenses on a dollar for dollar basis. The State Compensation Insurance Fund (SCIF) provides claims administration services for CalFire, as overseen by the California Department of Human Resources. CalFire also pays SCIF a service fee for administrative services on each open case.

SB 334 (Dodd), Increases Worker's Compensation Cost for CalFire. SB 334 provides that CalFire firefighters may receive enhanced industrial disability leave (EIDL) benefits if they are temporarily (22 consecutive days) disabled in the course of state employment regardless if it is on a scene of a fire or during training. The bill also entitles those eligible to receive an amount equivalent to their net salary for a period not to exceed 52 weeks.

SB 1144 (Dodd), Increases Worker's Compensation Cost for CalFire. SB 1144 removes the requirement for 22 consecutive days of disability before the member becomes eligible for the EIDL benefit and provides for salary increases during the period of disability. By removing the 22-day wait and providing salary increased during leave, SB 1144 broadens the scope of SB 334 and potentially increasing the cost to CalFire.

Budget Act of 2018 Provided One-Time Funding While CalFire Gathers Data on Funding Needs. The Budget Act of 2018 provided \$4.2 million on a one-time basis to address anticipated increases in workers' compensation costs related to SB 334. The budget request indicated that SB 334 expenditures and related funding requests will be reviewed on an annual basis until three years of data is available to demonstrate the incremental increases in costs directly related to the legislation, at which time CalFire's ongoing funding needs will be assessed. Aggregating three years of data is important because (1) the EIDL benefit can extend up to three years, and (2) the expenditure data will be more representational of actual costs.

Staff Recommendation. Approve as budgeted.

Issue 11: Facilities Repairs and Maintenance

Governor's Proposal. The Governor's budget proposes \$9.5 million General Fund and 22.3 permanent positions in 2019-20, with additional staff in subsequent years, to build capacity in its Technical Services Unit to undertake projects and effectively repair and maintain over 2,000 structures across its 530 facilities statewide.

This proposal includes trailer bill language (TBL) to establish the CalFire Infrastructure Projects Revolving Fund to enhance its ability to undertake agency-retained infrastructure improvement projects.

Background. *CalFire's Facility Inventory Includes Approximately 2,600 State-Owned Structures.* Collectively, CalFire's facility inventory exceed 3.5 million square feet in total. Most of these facilities were constructed between 1930 and 1970, with over 80 percent having been built prior to 1970. Under the Americans with Disabilities Act (ADA), state and local governments are required to follow specific architectural standards in new construction and alterations of existing buildings to ensure equal access. The requirements of ADA are not met in any CalFire facility over 20 years old.

CalFire's Deferred Maintenance Backlog. The accumulated deferred maintenance at CalFire has grown from \$126 million in 2015-16 to over \$140 million in 2019-20. Much of this is due to increased capacity and use of facilities for longer periods during the fire season. After one-time deferred maintenance funding expires, the existing facility repair budget of \$1.7 million annually is inadequate to protect the state's investment in CalFire's facilities or slow the increase of deferred maintenance costs.

Previous Funding for CalFire to Address Deferred Maintenance Needs. The budget Act of 2015 provided CalFire with \$3 million General Fund to address deferred maintenance needs, which was used to address drought exacerbated water supply issues at fire protection facilities. The Budget Acts of 2016 and 2018 allocated one-time appropriations of \$8 million and \$2 million, respectively, to CalFire for deferred maintenance projects. However, the backlog of repairs is growing year over year.

Proposed Trailer Bill Language. The proposed TBL is anticipated to improve CalFire's operational stability and streamline its processes for agency-retained infrastructure projects. According to CalFire, the TBL requested is intended to provide CalFire the ability to more efficiently and effectively complete agency-retained infrastructure projects ranging from construction to facility improvements. The proposed Infrastructure Projects Revolving Fund would also reduce workload and remove barriers for CalFire's Technical Services Unit staff by providing flexibility to extend timelines when necessary to complete all stages of complex projects.

The proposed Fund is consistent with other department-specific revolving funds that has been authorized so support the completion of mission critical agency-retained projects.

Staff Recommendation. Hold open (BCP and TBL).

Issue 12: Fireworks Management and Disposal

Governor's Proposal. The Governor's budget proposes \$3.6 million General Fund ongoing to increase the state's overall fire prevention efforts and to reduce the influx of illegal fireworks within the state.

Background. *The Office of the State Fire Marshal Regulates Fireworks.* Under state law, the Office of the State Fire Marshal (OSFM) within CalFire is responsible for the management and disposal of seized illegal fireworks. The OSFM is required to destroy dangerous and illegal fireworks once they are seized by local fire departments or law enforcement agencies.

Types of Fireworks. Fireworks are classified through laboratory analysis, field examinations, and the test firing of firework devices. Firework classifications include: "safe and sane" or consumer fireworks; agricultural, wildlife, emergency signaling devices; party poppers and snap caps; and model, high-power, and experimental rocket motors.

Regulation of Fireworks Varies Across California. Fireworks may be declared illegal by federal, state, or local governments. California law only allows certain fireworks that are designated as "safe and sane" by OSFM to be sold in California. Many local jurisdictions in California choose to ban the sale or use of all fireworks within their borders. Consequently, illegal fireworks seized by law enforcement agencies include those that are illegally made in or transported into the U.S., as well as fireworks that are legally purchased in one jurisdiction (including parts of California, in some cases) and brought into another jurisdiction where they are illegal. There are three broad types of illegal fireworks that are seized by local enforcement agencies:

- Dangerous fireworks as defined in HSC section 12505.
- Consumer fireworks that are approved for sale at the federal level but are not approved for sale in California ("federally legal" fireworks).
- "Safe and sane" fireworks that are legal for sale in California annually between June 28 and July 6, but are sold or possessed outside of this period or in an area where the local permitting entity has not approved their use.

The seized illegal fireworks are stockpiled for eventual collection and disposal by the OSFM.

Seized Illegal Fireworks are Deemed Hazardous Waste. The seized illegal fireworks are classified as hazardous waste and must be disposed as such. The approach for disposal has previously taken two forms: (1) burning of unpackaged fireworks under an emergency burn permit issued by the Department of Toxic Substances Control (DTSC), and (2) out-of-state shipping of fireworks in their original federally-approved packaging for disposal through a federally-approved waste hauler.

Only Way to Dispose of Illegal Fireworks is to Transport Out of State. In 2013, the DTSC notified CalFire that the burn facility previously utilized for disposal purposes could no longer be used for the open burn of fireworks. Additionally, since illegal and dangerous fireworks are seized on a recurring annual basis, DTSC determined that the seized fireworks no longer met the eligibility criteria to qualify for emergency burn permits. The lack of an approved burn facility and the inability to obtain emergency permits eliminated one of the two available options for the treatment of seized illegal fireworks. Thus, all seized illegal fireworks must now be transported to an approved out-of-state hazardous waste facility by a federally approved waste hauler.

Multiple Attempts to Establish Sustainable Funding for Disposal. SB 839 (Calderon), Chapter 563, Statutes of 2007, created the Fireworks Fund and required that moneys collected from increased fines and penalties from the seizure of illegal fireworks be deposited into the Fireworks Fund for enforcement and disposal of illegal fireworks. However, since its establishment, the Fireworks Fund has failed to provide a stable source of funding.

In 2013-14, the Governor's budget proposed ongoing funding of \$500,000 in General Fund to dispose of seized illegal and dangerous fireworks stockpiled throughout the state. The Legislature only approved the funding on a one-time basis so that the policy committees could find a long-term solution to the problem. A solution did not materialize.

In 2014-15, the Governor's budget proposed trailer bill language to establish a fee at the retail point of sale collected by the wholesalers of safe-and-sane fireworks in order to fund the ongoing fireworks problem. The proposal also included one-time funding of \$1.5 million from the Toxic Substance Control Account until the fees were assessed and collected to fund the program. The budget request was approved, however, the trailer bill failed passage.

In 2015-16, the Governor's budget proposed one-time funding of \$5 million from the Toxic Substance Control Account to fund disposal of seized illegal and dangerous fireworks in anticipation of discussions with stakeholders on the development of a long-term solution. This one-time funding was approved.

In 2018-19, a May Revision proposal included one-time funding of \$3.6 million from the Environmental License Plate Fund and \$2.1 million in ongoing reimbursement authority for the Fireworks Fund. The proposal included trailer bill language to establish the Fireworks Stewardship Program. The funding generated by the program would support OSFM in overseeing fireworks management and disposal activities. The budget request was approved, however, the trailer bill language failed passage.

Lack of Sustainable Funding for Disposal Has Resulted in Stockpiling. Each year the state seizes on average over 220,000 pounds of fireworks needing to be disposed. Disposal of illegal fireworks is costly. Without a stable funding source for enforcement and disposal, the confiscation of illegal and dangerous fireworks throughout the State has resulted in stockpiles.

Staff Recommendation. Hold open.

Issue 13: Professional Standards Program Continuation

Governor's Proposal. The Governor's budget proposes \$4 million ongoing (\$2.5 million General Fund, \$178,000 Greenhouse Gas Reduction Fund, and \$1.3 million in reimbursement authority) and 14 positions to continue the Professional Standards Program.

Background. *Administrative investigations at CalFire.* CalFire is required to conduct an administrative investigation when a formal complaint is filed against a peace officer pursuant to the Public Safety Officers Procedural Bill of Rights and the Firefighters Procedural Bill of Rights. CalFire is also required to conduct an investigation when a complaint or suspicion of employee misconduct is filed and received via the California Whistleblowers Protection Act.

The most common administrative investigations are conducted in response to citizen complaints and employee behavior. An administrative investigation consists of interviewing the subject(s) of the allegation(s), witnesses to activities, and supervisors of affected employees. Investigations require evidence collection, document review, analysis of gathered information, surveillance, and detailed documentation of all findings and opinions. These investigations typically average between 40 and 80 hours to complete. Complex investigations can require hundreds of hours and a multitude of personnel.

The Professional Standards Program (PSP). The PSP is a centralized dedicated unit that: (1) trains all employees on professional conduct, (2) provides more comprehensive supervisor and manager training, (3) provides guidelines to promote the application of consistent progressive discipline throughout CalFire, and (4) provides additional oversight on administrative investigations.

The PSP was created and funded as part of the Budget Act of 2016. However, the funding and positions were only provided on a three-year limited term basis.

Prior to the PSP, CalFire did not have a centralized process or dedicated staff responsible for performing administrative investigations and preparing adverse actions. Instead, they had to redirect existing staff from other programs, resulting in the delay or deferral of assigned responsibilities. According to the Administration, prior to the establishment of the PSP, the quality of investigation and written adverse actions suffered because temporarily assigned investigators are unable to maintain proficiency in these skills. Further, at that time, the lack of a centralized oversight resulted in inconsistent investigations and execution of adverse actions, penalties, and investigative materials.

Staff Recommendation. Hold open.

Issue 14: Various Capital Outlay Projects
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Governor's Proposal. The Governor's budget proposes \$40.041 million for a number of capital outlay projects. Specifically, this proposal includes for the following:

Project Title	Description
Butte Fire County: Replace Facility (New)	\$2.65 million General Fund one-time for the preliminary plans phase to replace the Butte Conservation Camp, in Butte County. Butte Fire Center was constructed in the mid-1940s and no longer meets current operational requirements.
Davis Mobile Equipment Storage (New)	\$975,000 General Fund one-time for the preliminary plans, working drawings, and construction phases of this project to construct two metal storage buildings. These buildings will replace the existing warehouse at the Davis Mobile Equipment Facility in Yolo County and will house 12 fire engines.
Elsinore Fire Station: Relocate Facility (New)	\$1.8 million General Fund one-time for the acquisition phase to replace the Elsinore Fire Station in Riverside County. The Elsinore Fire Station built in 1946 has functional deficiencies and is not large enough to properly house both equipment and employees. The apparatus building is inadequate to accommodate the larger fire engines currently in use.
Growlersburg Conservation Camp: Replace Facility (New)	\$3.05 million General Fund one-time for the preliminary plans phase to replace the existing Growlersburg Conservation Camp in El Dorado County, which no longer meets programmatic needs.
Hemet-Ryan Air Attack Base: Replace Facility (New)	\$1.931 million General Fund one-time for the preliminary plans phase to replace the existing Hemet-Ryan Air Attack Base in Riverside County, which no longer meets programmatic needs.
Hollister Air Attack/Bear Valley Helitack Base: Relocate Facilities (New)	\$12.15 million General Fund one-time for the acquisition phase to relocate the existing Hollister Attack Base and Bear Valley Helitack Base in San Benito County, which no longer meets programmatic needs.
Humboldt-Del Norte Unit Headquarters - Relocate Facility (New)	\$1.86 million General Fund one-time for the acquisition phase to relocate the Humboldt-Del Norte Unit Headquarters and the Fortuna Fire Station in Humboldt County, which no longer meets programmatic needs.
Ishi Conservation Camp: Replace Kitchen (Continuing)	\$5.38 million General Fund one-time for the construction phase to replace the kitchen/dining facility that was destroyed by fire at the existing state-owned Ishi Conservation Camp in Tehama County.
Minor Projects- Boggs Mountain DSF Administration Building Replacement (New)	\$975,000 General Fund one-time to construct a new administration building at the existing state-owned Boggs Mountain Demonstration State Forest.

Minor Projects- Rohnerville AAB Aviation Fuel System Replacement (New)	\$975,000 General Fund one-time for the Rohnerville Air Attack Base Fuel System Replacement project. This project would remove the current aviation fuel tank and replace it with an upgraded 25,000-gallon aviation fuel tank and it also would remove and replace the fuel distribution system with a system capable of fueling multiple aircraft at the same time.
Minor Projects- Weed Fire Station- Construct Administration Building (New)	\$851,000 General Fund one-time to construct a new administration building at the existing state-owned Weed Fire Station in Siskiyou County to improve Unit operations.
Perris Emergency Command Center: Remodel Facility (Continuing)	\$834,000 General Fund one-time for the construction phase to remodel the Perris Emergency Command Center in Riverside County, which has functional deficiencies.
Potrero Forest Fire Station: Replace Facility (Continuing)	\$981,000 General Fund one-time for the working drawings phase to replace the Potrero Forest Fire Station in San Diego County, which has functional deficiencies.
Prado Helitack Base: Replace Facility (Continuing)	\$1.3 million General Fund for the working drawings phase to replace the existing Prado Helitack Base in San Bernardino County, which no longer meet programmatic needs.
Shasta Trinity Unit Headquarters/ Northern Operations: Relocate Facility (Continuing)	\$4.329 million General Fund one-time for the preliminary plan phase to construct a new joint facility to co-locate the Shasta Trinity Unit Headquarters and several Northern Region Operations - Redding facilities.

Background. *CalFire Operates Over 500 Facilities Statewide.* Collectively, CalFire's facility inventory exceed 3.5 million square feet in total. CalFire facilities include forest fire stations, telecommunication sites, fire/conservation camps, ranger unit headquarters, air attack bases, helitack bases, state forests, administrative headquarters, and miscellaneous facilities.

Main Drivers of Capital Outlay Needs. The main driver of capital outlay needs is the replacement of aging facilities with structural and space deficiencies. Further, changes in technology, equipment, and emergency response techniques renders a majority of the older facilities no longer provide adequate space. Although the age of a facility does not directly drive infrastructure need, there is a strong correlation between the age of a facility and structural and spatial deficiencies. For example, some of the older fire stations are not big enough to accommodate new fire trucks and other modern fire-fighting equipment. In addition, years of constant use have degraded the quality and safety of some of the older structures. As a general rule, facilities in excess of 50 years, which is the maximum amount of time these facilities are currently designed to last, are the most likely to require replacement.

In addition to aging facilities, urban encroachment on rural areas also drives capital outlay needs. As rural areas become more populated and incorporated by cities, the land surrounding or nearby some fire stations is no longer SRA. Urban encroachment also brings traffic congestion, which can further increase response times. Because initial response times are critical, especially in preventing major fire

events, as certain stations become less strategically located within SRAs it is sometimes necessary to move these stations closer to the areas over which they have responsibility.

Site lease expirations also drive the need for some relocation projects. A large number of CalFire's facilities were built between 1930 and 1960, when it was common for the state to acquire low-cost, long-term leases in lieu of land purchases. Many of the leases had 50 to 60-year terms that are now expiring. Although negotiations result in some lease extensions, some owners are unwilling to extend their leases with the state or request lease terms that the state finds unacceptable. In such cases, the only option is to relocate the facility.

Proposed Capital Outlay Projects Were Part of CalFire's Five-Year Infrastructure Plan. Many of the proposed projects are listed as new proposals. However, these projects at one point in time received funding for early capital outlay stages such as a study or a preliminary plan. Due to funding constraints of both General Fund and General Fund supported bond financing, these projects were placed on hold.

Staff Comments. CalFire has significant capital outlay and maintenance needs due to the age of their facilities. Nearly three-fourths of CalFire's facilities were built prior to 1950. In addition, many facilities were not designed for the amount and type of use required of them today.

Staff Recommendation. Hold open.

Issue 15: Contract County Capital Outlay

Governor’s Proposal. The Governor's budget proposes \$3.3 million General Fund ongoing to restore proportional capital outlay funding to the six Contract Counties.

Background. *Contract Counties.* CalFire contracts with six counties (Kern, Los Angeles, Marin, Orange, Santa Barbara, and Ventura) to fulfill its responsibilities related to wildfires on state responsibility areas (SRAs) within each county. These six counties are known as the “contract counties.”

The annual budget includes General Fund resources—about \$79 million in 2018-19—to support contract counties’ wildfire operations. Prior to 2012-13, CalFire also provided funding to the contract counties for capital outlay. This capital outlay funding was determined by a formula based on a percentage—about 19 percent—of annual state expenditures on CalFire capital outlay projects. Capital outlay funding for contract counties was eliminated beginning in 2012-13 due to General Fund budget constraints. Since that time, the annual budget has not included capital outlay funding for contract counties with the exception of \$250,000 provided on a one-time basis in 2016-17.

LAO Comments. *Providing Funding for Contract County Capital Outlay Is Reasonable in Concept.* In LAO’s view, the concept of providing some funding for capital outlay for contract counties is reasonable. Contract counties are providing a service to CalFire, and counties have to build and maintain infrastructure, such as fire stations, in order to provide this service effectively.

Funding Formula Proposed Likely to Result in Planning Challenges. The proposed funding formula is linked to annual spending on state capital outlay projects. State expenditures on CalFire projects can vary considerably from year to year based on the number, type, and phase of capital projects funded in a particular year. Consequently, the proposed formula is likely to result in significant fluctuations in the annual funding level provided to contract counties for capital outlay. For example, if this funding had not been removed from the budget in 2012-13, the annual amount provided since then would have fluctuated from a low of \$97,000 in 2018-19 to a high of \$9.3 million in 2013-14. Fluctuations of this magnitude could make it difficult for counties to plan for how they would use the funds.

Funding Formula Not Based on Specific Capital Outlay Needs. The formula that the Governor proposes to reinstate is based on two factors (1) the annual spending level for CalFire capital outlay projects, and (2) the ratio of contract county fire stations to CalFire fire stations. However, these two factors do not account for actual capital outlay needs for contract counties. Instead, the factors that are most likely to affect local costs to build and maintain wildland fire protection facilities are the age of existing facilities and changes in demands on facilities. In addition, counties sometimes operate fire stations that serve both their wildland fire protection responsibilities, as well as their responsibilities to respond to local structure fires, making it more challenging to determine what share of capital costs should be attributed to the SRA responsibilities. Currently, the state does not have data on actual local capital outlay needs associated with wildland fire protection. Moreover, obtaining such accurate information and updating it regularly could be relatively expensive compared to the total level of funding proposed.

LAO Recommendation. *Select Different Approach to Determining Funding Level if Funding Is Reinstated.* The concept of providing funding to contract counties for capital outlay is reasonable. However, because this funding generally has not been provided in several years, the Legislature may wish to weigh whether reinstating this funding is as high of a priority for the General Fund as other programs.

If providing this funding is a legislative priority, the LAO recommends that the Legislature simply designate the funding amount for this program in the 2019-20 budget and ongoing based on its General Fund priorities. This would provide counties with a more consistent level of funding for counties than under the Governor's proposal. It would also be simpler to administer than the proposed formula.

The LAO notes that there is probably not a "right" level of funding to provide contract counties for capital outlay. Therefore, the LAO offers a couple of different approaches the Legislature could consider. One approach would be to establish the Governor's proposed level of \$3.3 million as the ongoing annual funding level. Alternatively, the ongoing funding level could be based on the average amount that would have been provided over the last decade—about \$2.2 million. Additionally, the Legislature could consider mechanisms for adjusting the level of funding over time to account for factors such as inflation or changes in the share of SRA contract counties, such as if an additional county became a contract county. In the future, if better information were available about actual capital outlay costs associated SRA responsibilities, the Legislature could revisit the funding level provided.

Staff Recommendation. Hold open.

3600 DEPARTMENT OF FISH AND WILDLIFE (DFW)**Issue 16: Wildfire Prevention and Recovery Legislation: Timber Harvest Plan Exemption Review (SB 901)**

Governor's Proposal. The Governor's budget proposes 15 positions and \$3.483 million (\$1.483 million General Fund and \$2 million Timber Regulation and Forest Restoration Fund (TRFRF)) in 2019-20, \$3.042 million annually through 2023-24, and \$1.042 million annually thereafter to implement SB 901 (Dodd), Chapter 626, Statutes of 2018.

Background. *SB 901 (Dodd).* SB 901 increases the number of projects that improve forest health, vegetation management activities, and the frequency and scale of defensible space or fuel break projects. SB 901 requires DFW to review notices of exemption prior to the commencement of timber operations to assess impacts to species or natural resource, areas of concern, and proper permitting.

Timberland Conservation Program (TCP). DFW's TCP reviews proposed timber harvesting plans and exemptions on private and state-owned land for consistency with the Forest Practice Act/Rules and the Fish and Game Code, including California Endangered Species Act (CESA). While CalFire is the lead agency for timber harvesting activities, DFW participates as an official review team agency and as a trustee agency as defined by the California Environmental Quality Act (CEQA). DFW is also responsible for issuing regulatory authorizations such as Incidental CESA Take Permits (ITP) and Lake and Streambed Alteration Agreements if activities proposed in a timber-harvesting plan would result in impacts to resources within the Department's statutory jurisdiction.

DFW is funded to participate in the review of a portion of the timber harvesting plan reviews and currently engages on prescribed burning projects in a limited capacity.

DFW's role as a review team agency, coinciding with other agencies (CalFire, California Geological Survey, and State/Regional Water Quality Control Boards), is to review timber harvesting plans for their conformance with the California Forest Practice Rules and to ensure potential adverse, significant impacts to the environment are avoided or mitigated to less than significant. Registered Professional Foresters often consult with the Department regarding proposed stream crossings and water diversions and how to avoid or minimize significant impacts or take of special status species related to timber operations.

DFW's TCP is currently engaging in most of the statewide fire policy and prevention issues that have arisen in the last 3-5 years. The TRFRF currently funds DFW staff who are required to engage in the timber harvesting review process in the state. Fully engaging with CalFire, the California Board of Forestry and Fire Protection, and local communities on matters of fire prevention policy and activities is outside of the current funding structure of any DFW program.

Staff Recommendation. Hold open.

3340 CALIFORNIA CONSERVATION CORPS (CCC)

Issue 17: Various Capital Outlay Projects

Governor's Proposal. The Governor's budget proposes \$9.3 million one-time in General Fund for the working drawing phases to replace several residential centers. Specifically, this proposal includes:

- \$808,000 for working drawings to renovate the existing Fortuna Residential Center in Humboldt County.
- \$3.745 million for working drawings to replace the existing Greenwood Residential Center in El Dorado County.
- \$1.194 million for working drawings to renovate the existing Los Piños facility located in Orange County.
- \$3.55 million for working drawings to replace the existing Ukiah Residential Center in Mendocino County.

Background. CCC Facilities. The CCC operates 24 facilities in urban and rural areas statewide, eight residential centers and 16 nonresidential facilities known as satellite facilities. The typical residential center includes a dormitory, dining room and kitchen, administrative offices, recreational facilities, classroom space, and warehouse space. The residential centers normally house between 80 and 100 corpsmembers. About 644 corpsmembers (44 percent) live in residential centers. About 806 corpsmembers (56 percent) report to nonresidential centers.

The Administration Asserts that the Proposed Expansion Will Achieve Multiple Goals. First, residential centers allow access to the CCC program for young adults from all parts of the state, not just those that live within commuting distance of a nonresidential center. Corpsmembers must find affordable housing within commuting distance of a nonresidential center. This can present a barrier in regions where the cost of living is relatively high.

Second, CCC states that residential centers offer an enhanced level of service than its nonresidential centers by (1) providing a structured environment offering full immersion in work projects and educational programs, (2) offering stability and security, (3) providing many opportunities for community engagement and personal development, and (4) allowing CCC to respond more quickly to requests for emergency assistance. According to CCC, residential centers also provide more time for corpsmembers to dedicate to academics, in part, because they spend less time commuting. CCC has provided some limited data to show that corpsmembers in school at residential centers achieved greater gains in math and reading levels than their counterparts in nonresidential centers. The department also states that residential center corpsmembers are more likely to participate in community service projects than nonresidential center corpsmembers.

Third, CCC states that the proposed expansion would allow it to better meet the needs of the local communities by having more corpsmembers and offering a residential center program in additional areas of the state.

Budget Act of 2016 Approved the Initial Phase of Three New Residential Centers. The Governor's budget in 2016-17 proposed a major expansion of the CCCs' residential centers. The plan at the time proposed a combined total of \$171 million over the next five years from the General Fund and lease-revenue bond funds to design and construct the new CCC residential centers.

The Budget Act of 2016 included \$400,000 for the acquisition phase of residential centers in Napa (\$200,000), Pomona (\$100,000), and Ukiah (\$100,000). Acquisition phase costs include an investigation of the condition of a property, surveys, title costs, appraisal fees, and staff time.

Acquisition of the Ukiah Residential Center is currently underway. The sites in Napa and Pomona are no longer being pursued for CCC residential centers.

Budget Act of 2018 Approved the Preliminary Plans Phase of the Proposed Expansion. The Governor's budget in 2018-19 proposed a total of \$8.463 million for the preliminary plans phase of all four projects.

The Budget Act of 2018 approved: \$1.052 million General Fund for the new Multi-Purpose Building at the Fortuna Residential Center, \$2.866 million General Fund for the replacement of the existing Ukiah Residential Center, \$1.373 million General Fund for the renovation of the existing Los Pinos facility, and \$3.172 million General Fund for the replacement of the existing Greenwood Residential Center.

Staff Recommendation. Hold open.

3125 CALIFORNIA TAHOE CONSERVANCY

Issue 18: Alta Mira Public Access Project

Governor's Proposal. The Governor's budget proposes \$600,000 from the Proposition 68 funds for a study of proposed alternatives, environmental review, and better understand the costs associated with improving public access and site resilience to climate change.

Background. In 2014, the Conservancy and the California State Lands Commission acquired the former Alta Mira building properties to enhance public lake access. This project will provide equitable access to outdoor recreation and other benefits to the environment such as reducing shoreline erosion and capturing storm water. It will also improve ecosystems, wildlife habitat, and greenhouse gas sequestration through enhanced and stabilized vegetation and shoreline.

Staff Recommendation. Hold open.

Issue 19: Opportunity Acquisitions

Governor's Proposal. The Governor's budget proposes \$7 million (\$5 million Proposition 68, \$1.6 million Reimbursements, and \$397,000 Habitat Conservation Fund) for the acquisition of environmentally sensitive or significant resource areas.

Background. The Lake Tahoe region has a unique system of land ownership and associated development rights. Development rights are entitlements someone has to acquire before they can develop a property. The Conservancy mainly acquires development rights through the purchase of developed properties. Development rights are transferable assets for a property owner and can be sold and transferred to eligible receiving parcels.

Conservancy staff and partner agencies have identified up to 15 properties (apartments, commercial development, and residential lots in local flood areas) for acquisition in both the City of South Lake Tahoe and Kings Beach.

Staff Recommendation. Hold open.

3100 EXPOSITION PARK

Issue 20: Security Contract Augmentation

Governor's Proposal. The Governor's budget proposes \$2.075 million General Fund ongoing to enter into an inter-agency agreement with the California Highway Patrol (CHP) to continue providing personnel for around the-clock public safety support to Exposition Park.

Background.

The Office of Exposition Park Management (OEPM) requests \$2.075 million General Fund ongoing to enter into an inter-agency contract with the CHP to provide around-the-clock public safety support and management at Exposition Park. The new plan is intended to improve the operations and staff management to more efficiently address the daily public safety needs of Exposition Park. Public safety is part of the OEPM's mission and is a service that is required to be provided to various parties across various lease and operating agreements held with joint powers (State of California, County of Los Angeles, City of Los Angeles), County of Los Angeles, City of Los Angeles, University of Southern California (USC), Los Angeles Football Club, and the Lucas Museum of Narrative Art.

The OEPM is responsible for public safety operations, parking services management and overall park maintenance and beautification. In addition, the OEPM supervises and coordinates park-wide events, and facilitates communication between state, city, and county entities represented within the park. For the past four years, the CHP has been providing on-site command staff to help manage the Department of Public Safety, a division of OEPM. Exposition Park has experienced increase notoriety and visibility due to the arrivals of its two newest tenants—Los Angeles Football Club and Lucas Museum of Narrative Art. These two new high-profile tenants have created an increased demand for quality public safety. To help address the growing needs and limit liability, the proposed plan would move towards a combined operational model with CHP management, officers and administrative support along with consolidated team of state museum security officers. The OEPM will also retain the Dispatcher-Clerk positions (BU 4). For special events, where the need is primarily of a monitoring nature, we would still provide the museum security officers the first right of refusal to provide security for those events. If museum security officers are unable or unwilling to work the events, then we would work with the event organizer to contract directly with private security to minimize the cost to the organizer.

This proposal is consistent with the OEPM's mission to provide the highest level of public safety to all park tenants and visitors and efficiently manage state property and resources. The CHP is well suited to provide this service. In addition to a more consolidated Exposition Park Department of Public Safety staffing, this interagency contract would provide CHP personnel to cover public safety operations in Exposition Park 24-7 / 365-days per year. The on-site CHP staff would collaborate and consult directly with the General Manager of Exposition Park to ensure public safety measures are in place for daily operations. Special Event public safety scenarios would be discussed with the CHP and recommendations would be presented to the special event promoter(s) or entities hosting such events. The cost to augment public safety for special events would be a reimbursable cost paid for by the event promoter. A full command staff would consist of one captain, three sergeants, three officers (two regular and one K-9), and two office technicians.

Staff Recommendation. Approve as budgeted.

3100 CALIFORNIA SCIENCE CENTER

Issue 21: Utilities Cost Adjustment

Governor's Proposal. The Governor's budget proposes \$559,000 in 2019-20 and \$639,000 ongoing from a combination of the General Fund and the Exposition Park Improvement Fund to address utility rate increases for the Office of Exposition Park Management (OEPM), the California Science Center (Science Center), and California African American Museum (CAAM).

This request is jointly submitted by OEPM, the Science Center, and CAAM.

Background. *The Los Angeles Department of Water and Power (LADWP) Rate Increases.* The LADWP electricity rate will increase by another 3.7 percent each year or cumulatively, 18.5 percent by end of the year 2020 and, as such, the Department is submitting this BCP for a baseline budget consideration to address this increase.

There are a total of 23 active LADWP Meters located throughout Exposition Park that get read and billed monthly. CAAM is solely responsible for one, OEPM is solely responsible for four, and the Science Center is solely responsible for two. The remaining 16 meters are paid according to a fund split between the Science Center at 78 percent and OEPM at 22 percent.

All three departments have implemented energy saving programs. However, these initiatives do not generate sufficient savings to keep up with the Los Angeles Department of Water and Power (LADWP) rate increases.

Energy Savings. In 2015, The Department of General Services (DGS) with Johnson Control Inc. conducted an investment-grade audit of the Science Center and certain areas under OEPM. In January 2016, DGS entered into a performance contract agreement with Johnson Control, Inc. to implement nine facility improvement measures identified during the audit. The project was substantially completed at the end of February 2017 and was funded through a loan from Johnson Control Inc., which was to be repaid through energy savings resulting from the improvements. The Science Center and OEPM have achieved a cost savings of \$422,210 through this process, exceeding the guaranteed energy savings of \$345,037, which would be applied toward repayment of the loan. However, the success achieved via energy cost savings is instead offset by a significant LADWP rate increase, which means that the departments have to redirect operating funds to repay the loan.

Security Issues. Exposition Park is experiencing a growing homeless population, street vending, vandalism, and graffiti that require the state to take necessary safety precautions. One major deterrent is to ensure that common areas, walkways and interior streets from venues to parking facilities (operated by the state) and to public transportation are well illuminated and directional and traffic signage and emergency call boxes are operating and visible.

Reducing energy use (reducing lighting inside and outside facilities, powering down operating systems, etc.) may attract vandalism and graffiti. Lowering lighting along common areas and pathways may increase crime or injuries (i.e., slip/trip and fall) - potentially posing unnecessary legal exposure to state entities.

Staff Recommendation. Hold open.

