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INFORMATIONAL HEARING: 2017 WILDFIRES AND MOVING FORWARD

Thursday, March 1, 2018
John L. Burton Hearing Room (4203)
10:00 a.m. or Upon Adjournment of Session

AGENDA

- I. Overview of the state's duties and costs in wildfire response and recovery efforts
 - Helen Kerstein, Principal Fiscal & Policy Analyst, Legislative Analyst's Office
 - Mark Ghilarducci, Director, Office of Emergency Services
 - Ken Pimlott, Director, CalFire
- II. The Local Perspective: Wildfire impacts on local communities.
 - Mark Lorenzen, Chief, Ventura County Fire Department
 - Anthony Gossner, Chief, Santa Rosa Fire Department
 - John Robertson, Sheriff, Napa County
 - Randy Hanvelt, Supervisor, Tuolumne County
- III. Moving Forward: How should the state prevent and prepare for future wildfires?
 - Pedro Nava, Chairman, Little Hoover Commission
 - Craig Thomas, Conservation Director, Sierra Forest Legacy
 - Scott Stephens, Professor, University of California, Berkeley
- IV. Public Comment

Biographies



Helen Kerstein, Principal Fiscal and Policy Analyst, Legislative Analyst's Office (LAO). As Principal Fiscal and Policy Analyst, Ms. Kerstein focuses on occupational and business licensing, infrastructure, state debt, and emergency services. Prior to joining the LAO, Ms. Kerstein served as a Management Analyst with the City of Culver City. She has also held various other government and private sector positions, including serving as a California Assembly Fellow, an auditor with the California State Auditor, and a consultant with Navigant Consulting. Ms. Kerstein holds a Master in Public Policy from the University of California at Los Angeles and a Bachelor of Arts in Economics from Pomona College.



Mark S. Ghilarducci, Director of the California Governor's Office of Emergency Services (Cal OES). Director Ghilarducci was appointed July 1, 2013 by Governor Edmund G. Brown Jr. He previously served as Secretary of the California Emergency Management Agency (Cal EMA), appointed in February 2012 by Governor Brown. As a member of the Cabinet, Director Ghilarducci serves as the Governor's Homeland Security Advisor (HSA) and oversees statewide public safety, emergency management, emergency communications, counter-terrorism efforts and the State Threat Assessment System (STAS). His duties include serving as chair of numerous boards and committees and he sits on several state and national commissions and work groups. In 2000, he was appointed as Deputy Director of the California Governor's Office of Emergency Services (OES) by Governor Gray Davis, where he oversaw statewide emergency operations, planning and training.



Ken Pimlott, Director of the California Department of Forestry and Fire Protection. Chief Pimlott was appointed on July 12, 2011 by Governor Edmund G. Brown Jr. as the Director of CAL FIRE, after serving as the Acting Director since November of 2010. He is also California's State Forester.

Chief Pimlott began his fire service career 30 years ago as a reserve firefighter with the Contra Costa Fire Protection District. His subsequent years of service include 29 years with CAL FIRE. Prior to being appointed, Pimlott was the Deputy Director of Fire Protection, responsible for CAL FIRE's statewide fire protection programs, including Command and Control Operations, Cooperative Fire Protection, Conservation Camps, Fleet Management, Aviation Management, Training and Safety. During Chief Pimlott's career, he has risen through the ranks, beginning as a seasonal fire fighter in the Tulare Unit in 1987. He has held a variety of resource management and fire protection positions within the department, including Pre-fire Management Division Chief, Fire Chief for the City of Moreno Valley and program manager for CAL FIRE's Cooperative Fire Protection Programs. He served as co-chair of the 2010 Strategic Fire Plan Steering Committee within the Board of Forestry and Fire Protection and represents CAL FIRE on the California Fire Fighter Joint Apprenticeship Committee Board of Directors. He also served as past chair of the Council of Western State Foresters. Chief Pimlott has well rounded experience in fire protection at the operational and program levels within CAL FIRE. He holds an Associate of Arts Degree in Fire Technology from American River College, a Bachelor's Degree in Forest Resource Management from Humboldt State University and is a registered professional forester.

Biographies



Mark Lorenzen, Fire Chief, Ventura County Fire Department. Chief Lorenzen has been with the Ventura County Fire Protection District for 27 years. He has worked his way up through the ranks of the organization and in March of 2012, the Board of Supervisors appointed Chief Lorenzen to serve as Ventura County's 11th Fire Chief.

Chief Lorenzen has a Bachelor's degree in Business Economics from the University of California at Santa Barbara and a Master's degree in Public Administration from California State University at Dominguez Hills. He is also a licensed Certified Public Accountant.



Anthony Gossner, Fire Chief, Santa Rosa Fire Department. Chief Gossner was appointed Fire Chief August 28, 2014. He previously served as Interim Fire Chief December 28, 2013, and previous to that as the Department's Deputy Fire Chief and City Fire Marshal. Chief Gossner has been a member of the Santa Rosa Fire Department for 25 years.



John Robertson, Sheriff of Napa County, California. Sheriff Robertson started his law enforcement career with the San Mateo, (California) Police Department in 1981. He moved to the Napa Sheriff's Office in 1991, where he worked his way through the ranks and was appointed Sheriff by the Napa County Board of Supervisors, on April 6th, 2012. John holds a Bachelor's Degree in Criminal Justice from San Diego State University and is a graduate of the Sherman Block Supervisory Leadership Academy, Leadership Napa Valley and the Senior Management Institute for Police (SMIP - Boston, Mass). He is a member of the California State Sheriff's Association, California Peace Officers Association, Police Executive Research Forum and Leadership Napa Valley.

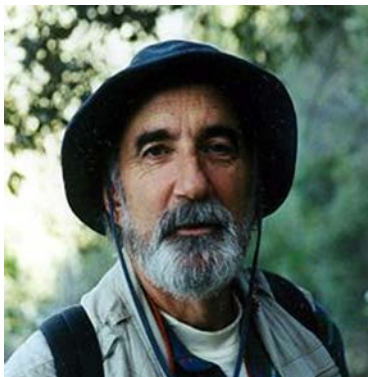
Biographies



Randy Hanvelt, Supervisor, District #2 of Tuolumne County. Supervisor Hanvelt was re-elected to the Tuolumne County Board of Supervisors in 2014. He is certified by the California State Association of Counties (CSAC) Institute and has also earned the distinction of being recognized as an Institute Fellow. Supervisor Hanvelt is the Tuolumne County Representative to RCRC where he serves as the 1st Vice Chairman and member of the executive Committee. He was also appointed as one of two CA voting representatives to the National Association of Counties (“NACo”) Western Interstate Region (“WIR”) Board of Directors. He serves on a large number of committees local and at the State level including the Governor’s Task Force on Tree Mortality. In 2017 he was awarded the title of “Conservationist of the Year” by the California Forestry Association and was named given the Excellence in Government award by our local Chamber of Commerce in 2014. Supervisor Hanvelt also has a long history, more than 50 years of Community Service everywhere he has been, with his church and community organizations like Habitat for Humanity, Bear Valley Music Festival and a whole lot more. Supervisor Hanvelt retired in 2001 after 36 years with major industrial company as a global executive and a professional engineer.



Pedro Nava, Chairman, Little Hoover Commission. Mr. Nava is serving his fourth consecutive term as chair of the Little Hoover Commission. He was first elected chair of the Commission on March 27, 2014. Mr. Nava serves as a government relations adviser. He served in the California Assembly from 2004 to 2010 representing the Ventura and Santa Barbara area. In 2011, he was appointed to the California Department of Fish & Game Blue Ribbon Commission to assist in the development of the Wildlife Strategic Vision. Previously, he worked as a civil litigator after serving as a deputy district attorney in Fresno and Santa Barbara Counties. He also served on the California Coastal Commission. While in the Legislature, Mr. Nava chaired the Assembly Committees on Transportation, Banking and Finance, Environmental Safety and Toxic Materials, the Select Committees on California’s Green Economy and the Joint Committee on Emergency Management. He also served on the Assembly Committees on Appropriations, Higher Education, Health, Judiciary, Insurance, Business and Professions, Joint Legislative Audit, the Little Hoover Commission, Ocean Protection Council and California Transportation Commission. Mr. Nava was appointed to the Commission by the Assembly Speaker Emeritus John Pérez in April 2013, and was reappointed to the Commission in January 2017 by Speaker of the Assembly Anthony Rendon.



Craig Thomas, Conservation Director and Co-Founder of the Sierra Forest Legacy. Mr. Thomas has been involved in the protection and restoration of the forests of the Sierra Nevada for over twenty-five years and continues working to find solutions to the threats facing Sierra Nevada forests and communities today. Mr. Thomas has a degree in cultural ecology, economic and spiritual relationship of people to their landscapes. He has led Sierra Forest Legacy’s efforts to not only defend the Sierra from excessive logging, but to also protect Sierra communities from wildfire and to find environmentally suitable solutions to reducing wildfire hazard, such as the utilization of small diameter trees and brush removed in forest thinning efforts. Before founding Sierra Forest Legacy Mr. Thomas was a small-scale organic farmer and often lectured at local universities on sustainable farming practices and holistic agriculture.

Biographies



Scott Stephens, Professor, Department of Environmental Science, Policy, and Management at the University of Berkeley. Professor Stephens has a Ph.D. in Wildland Resource Science from the University of California, Berkeley. A Bachelor's Degree in Electrical Engineering from Sacramento State University.

Professor Stephen is interested in the interactions of wildland fire and ecosystems including how prehistoric fires once interacted with ecosystems, how current wildland fires are affecting ecosystems, and how future fires and management may change this interaction. Additionally, interested in wildland fire and forest policy and how it can be improved to meet the challenges of the next decades. How fire will be affected by climate change is a new area of research.

Disaster Assistance Funding

BACKGROUND

With 39 million residents, California is the most populous state in the nation. The state is home to over 800 miles of coastline, dozens of fault lines, and thousands of square miles of forest. Unfortunately, the extensive coastline, fault lines, and forestry in the state combined with the large population base create a recipe for costly man-made and natural disasters. Potential disasters include hazardous material spills, civil unrest, flood, fire, earthquake, energy disruption, cyber-attack, severe weather, food and/or agricultural emergency, pandemic/epidemic, and dam or levee failure.

The role of the California Governor's Office of Emergency Services (Cal OES) is to address risks and threats, maintain a state of readiness, and plan for and mitigate impacts. The office coordinates the state agency response to major disasters in support of local governments, and homeland security activities throughout the state. Cal OES provides leadership, assistance, training, and support to state and local agencies; and coordinates with federal agencies in planning and preparing for the most effective use of resources in emergencies.

California Disaster Assistance Act (CDAA). The CDAA was established to provide financial and other assistance to local governments for the repair and restoration of public property in the event of natural disasters, acts of terrorism, or health epidemics. When a local government is overwhelmed by an emergency it can apply to the state for funds from the CDAA program. Funds are disbursed when the Director concurs with a local emergency proclamation requesting state disaster assistance or in response to a state of emergency proclaimed by the Governor. Cal OES serves as the grantor of the CDAA program. The application process for the CDAA program requires that a local agency submit an application to OES within 60 days of the date of the local proclamation. Additionally, the applicant must have incurred a minimum aggregate total damage of \$3,340 in order for costs to be eligible under CDAA. The process for requesting CDAA funds is listed below:

- Initial damage estimate conducted by local authorities.
- State assessment of initial damage estimate.
- Governor's Proclamation or notice of concurrence issued by the Director of OES.
- Application submission and a briefing provided by applicant.
- Kickoff meeting, project formulation, and cost estimates are conducted.
- Project review and validation.
- Obligation of funds.
- Project completion.
- Final claim process and closeout.

California Disaster Assistance Funding. The 2018-19 Governor’s budget provides a \$33.1 million General Fund augmentation for CDAA funds. The amount funded each year varies, depending on how much local agencies are seeking and the occurrence of recent natural disasters. CDAA funding is typically done on a reimbursement basis so costs are often lagged. For example, some funding proposed in the 2018-19 budget is for costs associated with the 2005-06 winter storms. Bear in mind that this is not the total amount that the state is contributing to disaster assistance. (Some disaster assistance costs are captured in other departmental budgets and through various other means.) Local agencies are typically responsible for 25 percent of project costs. The state share for eligible projects may not exceed 75 percent, unless specified in statute. The CDAA is not the only source of Cal OES funding made available in times of emergency and recovery. The office also manages the state private nonprofit organizations assistance program which provides assistance to qualified nonprofits that incur extraordinary costs while assisting at the request of local agencies.

Other Agencies also provide assistance. Cal OES is not the only state agency to provide assistance to local governmental entities during a disaster. For example, the Department of Education can provide schools relief from the loss of state average daily attendance funding during a disaster. In the 2017-18 budget the Department of Forestry and Fire Protection, along with Cal OES, provided local assistance funding to specified counties for tree mortality programs. A sampling of the programs deployed during the recent wildfires, and managed by agencies other than Cal OES, is listed in the table below. These programs, and similar ones, are often utilized in times of emergency.

State Programs for Disaster Assistance During the October/December 2017 Wildfires

Support Type	Resource/Program	Provider Agency/ Department	Intended Recipients
Individuals	Disaster Unemployment Assistance	Employment Development Department	Business owners or self-employed individuals ineligible for state unemployment benefits and those whose unemployment benefits have run out, but are still unemployed due to the disaster.
Individuals	Tax Relief; Calamity Property Tax Reassessment	Affected county tax assessor	Homeowners of property that has been destroyed or damaged as a result of a Governor-declared disaster.
Individuals, Households	State Supplemental Grant Program	Department of Social Services	Eligible individuals and households who are unable to meet disaster-related necessary expenses and serious needs.
Individuals, Local Governments	Debris Removal	Department of Resources Recycling and Recovery and Department of Toxic Substances Control	Homeowners with destroyed structures/home over 120 square feet on their property.

Individuals, Businesses, Non-Profits, Tribal Governments	Legal Services for Disaster Relief	The California State Bar Association	Disaster survivors
Individuals, Businesses	Emergency Tax Relief for Business Owners	Department of Tax and Fee Administration	Business Owners
Businesses, Non-Profits	Disaster Assistance for Employers	Employment Development Department	California businesses

Federal Disaster Assistance. When the state is overwhelmed by an emergency, it can apply to the Federal Emergency Management Agency (FEMA) for disaster assistance. The Governor must submit a request for a declaration disaster to the President within 30 days of the event in order to receive federal funding. The process for requesting FEMA disaster relief funds is listed below:

- Preliminary damage assessment (conducted in coordination with FEMA)¹.
- Governor submits declaration request within 30 days of incident.
- Declaration of disaster by the President.
- Cal OES holds applicant briefings with local entities.
- Applicants submit requests for public assistance to Cal OES within 30 days of declaration.
- Kickoff meetings with applicants, Cal OES, and FEMA are held within 21 days of request approval.
- Project scope of work and costs are determined.
- Obligation of funds to Cal OES from the federal Disaster Relief Fund².
- Funding is disbursed through Cal OES to applicants.
- Applicants provide quarterly status updates.
- Work is completed, recipient certifies completion, and closeout process with FEMA and Cal OES begins.

¹ Generally, the preliminary damage assessment is completed prior to the submission of the Governor's request for a major disaster declaration. However, when an obviously severe or catastrophic event occurs, the Governor's request may be submitted prior to completion of the assessment.

² FEMA may lend a state the portion of assistance for which it is responsible for under specific circumstances outlined in Title 44 of the Code of Federal Regulations.

There are three types of federal disaster declarations. Emergency declarations can be declared in any circumstance in which the President determines federal assistance is needed. These declarations supplement state and local government efforts in providing emergency services, or to lessen the threat of a catastrophe. The amount provided in response to an emergency declaration may not exceed \$5 million unless Congress gives authorization to exceed that amount. Only assistance for debris removal, emergency protective measures, and individual and household assistance (such as for housing, clothing, etc.) are available for emergency declarations. Public assistance is commonly provided on a 75 percent federal, 25 percent non-federal cost sharing basis. The state and locals typically split that 25 percent share, with the state paying approximately 19 percent of the total costs, and locals paying the remaining six percent. Housing assistance for individuals is provided at a 100 percent federal share and all other individual assistance programs require a 25 percent non-federal cost share.

The second type of federal declaration is a Major Disaster declaration. These can be declared in the occurrence of any natural event, and can provide assistance for both individuals and public infrastructure. The particular types of assistance available are specific to the individual event, and are determined by the information in the Governor's request, and needs identified during the preliminary damage assessment. The federal share of costs depends on the type of assistance provided. However, funding for major disasters is commonly provided on a 75 percent federal, 25 percent non-federal cost sharing basis. Note that, in general, more types of assistance are available for major disasters than in emergencies. Infrastructure repair and replacement, crisis counseling, and unemployment assistance are just a few examples of the types of assistance available in major disasters but not necessarily in emergencies.

The third type of declaration is the Fire Management Assistance Declaration. The process for requesting a fire management assistance declaration significantly differs from the process for the other two types of declarations. The process is expedited and initiates upon the submission of a request for assistance from the state to the FEMA regional director. FEMA renders a decision within hours. The federal government provides a 75 percent cost share and the state pays the remaining 25 percent. While the other two declarations mentioned are focused on recovery after disasters, the Fire Management Assistance Declaration focuses more on first response and protective measures, so larger fires do not graduate to become major disasters. The state spends a significant amount of funds on fire response each year, mostly from the Department of Forestry and Fire Protection. This type of declaration, while not directly relevant to the topic of this piece, is worth mentioning since the state spends a substantial amount of funding on fire response each year.

FEMA is not the only source of federal aid in times of disaster, as other federal agencies can provide assistance. For example, the Small Business Administration is able to provide loans to businesses that suffer damage in certain events. A small sample of federal disaster aid programs managed by agencies other than FEMA is described in the next table.

Federal Programs for Disaster Assistance

Support Type	Resource/Program	Provider Agency/ Department	Intended Recipients
Individuals	Forbearance and Loan Modifications Programs and Immediate Foreclosure Relief	U.S. Department of Housing and Urban Development	Federal Housing Administration Loan Borrowers.
Individuals	Disaster Assistance for Students	U.S. Department of Education	Financial aid recipients and students seeking financial aid assistance.
Individuals	Public Safety Officers' Benefit Program	U.S. Department of Justice	Law enforcement officers, firefighters, other first responders.
Individuals	Disaster Unemployment Assistance	U.S. Department of Labor	Individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster and who are not eligible for regular unemployment insurance benefits.
Individuals, Households	Multi-Family Housing Program	U.S. Department of Agriculture Rural Development	Individuals and families whose property was destroyed by a declared disaster.
Individuals, Businesses, Local Governments	RestoreYourEconomy.org	U.S. Economic Development Administration	Economic development and chamber of commerce professionals, and community leaders, working on economic recovery efforts for disaster-impacted communities.
Local Governments, States, Territories	Federal Highway Administration Public Transportation Emergency Relief Program	U.S. Department of Transportation, Federal Highway Administration	Public transportation systems to prepare or respond to a disaster event.

Federal Disaster Relief Fund (DRF). The DRF is the account used to fund disaster assistance programs to state, local, and tribal governments, as well as certain nonprofit entities. The fund acts as a reserve for future incidents as well as an account to pay for ongoing projects to recover from previous disasters. Congress funds the DRF through regular annual appropriations; however, unused funds at the end of a fiscal year carry over to the next year. Each year Congress routinely provides two appropriations to the DRF. The first, known as base funding, is for FEMA operations and routine events. The second is for major declarations; the amount is calculated based on how much was spent on disaster relief in the past decade. When recovery efforts surpass FEMA funding, Congress can authorize more.

Determination of Assistance. While there are a number of factors taken into consideration, cost plays a major factor in determining if assistance is needed. FEMA utilizes a per-capita cost threshold as one of the determining factors in providing assistance. The estimated cost of public assistance is evaluated against the statewide population to give a measure of the per capita impact within the state. For California, the damage estimate would need to exceed \$57 million before assistance can be requested.

In the event that local first responders are not adequately resourced to address an emergency they can seek assistance from the state. The state is then able to provide state resources. Meanwhile, a preliminary damage assessment is conducted by state, local, federal, and volunteer agencies. Upon completion of the preliminary damage assessment, the Governor may issue a state disaster declaration. The declaration commits funds and resources to the long-term recovery effort. After a declaration has been made, CDAA funds may be made available to eligible applicants. If the disaster exceeds the state's capacity the Governor may seek federal assistance. FEMA then assesses the request and provides a recommendation to the President as to whether or not federal support shall be provided.

GOVERNOR'S PROPOSAL

The Governor's budget proposes total expenditures of \$1.39 billion (\$1 billion federal trust fund, \$221 million special funds, \$166.3 million General Fund, and \$4.6 million reimbursements) for Cal OES. Approximately \$1.2 billion of total expenditures is proposed for local assistance (i.e., grants for victim services, mitigation efforts, and criminal justice) and the remainder is to be used for Cal OES operations.

\$72.2 million General Fund of the Cal OES budget is planned for CDAA costs. The base budget for the CDAA is \$39.1 million, and the 2018-19 budget proposes a \$33.1 million augmentation for CDAA funding. Note that about \$10.7 million for recovery costs are also included in budget item 9901.

ISSUES TO CONSIDER

More detail on disaster assistance funding is needed. As mentioned above, not all disaster related expenditures are provided via CDAA funds. Departmental budgets sometimes capture these costs, and other times disaster related costs are budgeted in other line items. With various means of providing disaster funding it is often difficult to ascertain just how much the state is spending on disasters. It would be useful to have this information for planning purposes in future budgets. The proposed budget also does not contain specific proposals for disaster costs, but instead lists costs with unclear

descriptors (see table below). It is uncertain as to what the funding will be specifically used for. Without more details it is difficult to determine the merits of the funding. The Legislature may wish to consider directing the Administration to use a consolidated approach to documenting disaster costs, and to request funding for disaster assistance in detailed budget proposals.

Disaster Assistance Costs Associated with the October and December 2017 Wildfires

	Estimated 2017-18	Proposed ¹ 2018-19	Purpose
Northern California Wildfires (October 2017)			
Governor's Office of Emergency Services	\$203,254	\$0	Debris removal
Governor's Office of Emergency Services	21,250	0	Fire response
Governor's Office of Emergency Services	307	0	Field operations
Governor's Office of Emergency Services	3,199	10,663	Public assistance
Department of General Services	13,000	-10,400	Miscellaneous
Department of Social Services	6,550	-1,670	Shelter support
California Military Department	5,000	-4,000	Fire response
Department of Public Health	1,424	-1,139	Field operations
Department of Housing and Community Development	652	212	Public assistance
Emergency Medical Services Authority	315	-252	Field operations
Costs Captured in Departmental Budgets (non-add to 9901)			
Department of Forestry and Fire Protection ²	(169,300)	-190,894	Fire response
Department of Resources Recycling and Recovery	(17,500)	0	Debris removal
Department of Social Services	(5,000)	0	Public assistance
Department of Toxic Substances Control	(750)	0	Debris removal
Backfill of Local Property Tax	0	(23,700)	Public assistance
Backfill of Local Property Tax (Proposition 98)	(11,400)	(13,000)	Public assistance
Subtotal Northern California Wildfires (October 2017)	\$254,951	-\$197,480	
Southern California Wildfires (December 2017)			
Costs Captured in Departmental Budgets (non-add to 9901)			
Department of Forestry and Fire Protection ³	(\$300,000)	-\$180,000	Fire response
Department of Toxic Substances Control	(950)	0	Debris removal
Subtotal Northern California Wildfires (October 2017)	\$0	-\$180,000	
Total Estimated Expenditures: Item 9901-503-0001	\$254,951	-\$377,480	
Total Estimated Expenditures: all Departments and 9901	\$759,851	-\$340,780	

¹ 2018-19 negative figures represent estimated federal abatements on reimbursable costs that are not anticipated to be received until 2018-19.

² 2018-19 federal abatement exceeds the 2017-18 augmentation because the abatement is based on total wildfire Emergency Fund expenditures of \$238.6 million. Federal abatement is budgeted in 9901.

³ Federal abatement is budgeted in 9901.

March 1, 2018

2018-19 Fire Response and Recovery

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Senate Budget and Fiscal Review
Hon. Holly J. Mitchell, Chair





Key Features of State's Disaster System



Standardized Emergency Management System (SEMS) Provides Emergency Response Framework

- ***Designates Responsibilities.*** Provides an organizational structure that is consistent across state and local governments using SEMS. Provides a process for designating who is in charge in the field (“incident commander”) and allocating responsibilities, such as for management, operations, planning, logistics, and finance.
- ***Takes Bottoms-Up, Scalable Approach.*** Framework can be used for small disaster events, and scaled up as necessary for large disaster events. As needed, local, regional, state, and federal assistance is requested.
- ***Uses Mutual Aid System.*** Communities can request assistance from other communities directly, through regions, or through the state.



Various Types of Disaster Declarations, Which Affect Funding

- ***Disaster Declarations Depend on Type and Severity of Disaster.*** For example, the Governor can proclaim a State of Emergency when local resources have been exceeded. Additionally, the President can declare an Emergency or Major Disaster for certain types of disaster events beyond the state's capacity.
- ***Disaster Assistance Typically Varies Depending on Type of Declaration.*** There are various disaster assistance programs offered by the state and federal government. Some are available without a disaster declaration (such as mutual aid for fires), but many are only available if a state or federal disaster declaration is made.



Various State Agencies Involved in Fire Response and Recovery



Coordination

- **Office of Emergency Services (OES).** Monitors and coordinates disaster response and recovery activities, including tasking other agencies with carrying out specific activities and coordinating mutual aid. Also administers the California Disaster Assistance Act (CDAA) program, which funds the repair of local infrastructure.



Fire Response

- **Department of Forestry and Fire Protection (CalFire).** Main state entity involved in fire response. (Local and federal fire agencies also assist in fire response.) Primarily responsible for protecting state responsibility areas (SRAs), which cover about one-third of the state's acreage and include primarily privately owned timberlands, rangelands, and watersheds.
- **California Military Department.** Provides support—such as additional firefighting aircraft—to assist with combatting large fires.



Fire Recovery Assistance

- **Department of Toxic Substances Control (DTSC).** Cleans up hazardous waste, such as paint, heavy metals, and asbestos.
- **California Department of Resources Recycling and Recovery (CalRecycle).** Cleans up other types of debris, such as ash.
- **California Department of Social Services (DSS).** Administers a program that provides temporary shelter to victims of disasters and the State Supplemental Grant Program (SSGP), which provides up to \$10,000 to individuals that have experienced disaster losses beyond those covered by other sources such as the federal government or private insurance.



State Funding for Fire Response and Recovery

- Budget Provides Base Funding for Fires and Other Disasters.*** Most notably, the Governor proposes close to \$1 billion from the General Fund for CalFire's base budget in 2018-19 for state fire control-related activities. (This base funding has increased significantly in recent years.) CalFire's budget also includes over \$400 million for the Emergency Fund (E-Fund), which is used when incidents have surpassed the initial 24 hours of response and require additional resources beyond CalFire's base budget. Additionally, the Governor's budget proposes \$72 million in 2018-19 to OES for the CDAA program.
- Statute Allows Midyear Augmentations for Fires.*** Statute provides mechanisms for the administration to access additional funding during a given fiscal year for fires and other unanticipated disasters. Two main ways the administration can make midyear adjustments include:

 - ***CalFire's E-Fund.*** The Director of the Department of Finance (DOF) can augment the level of the E-Fund from the General Fund, as needed.
 - ***Disaster Response-Emergency Operations Account.*** Statute allows DOF to allocate state agencies funding from the budget reserve—known as the Special Fund for Economic Uncertainties—to pay for unanticipated costs that occur associated with state-declared emergencies.



Federal Funding for Fire Response and Recovery



Federal Government Often Pays for Large Share of State and Local Government Costs. The federal government provides various types of assistance to state and local governments in the event of a large-scale disaster, such as a fire that triggers a federal disaster declaration. This assistance includes reimbursements for a variety of activities such as fire response, debris removal, rebuilding of public infrastructure, and activities to reduce the likelihood and severity of future disasters. (The federal government also has various programs that assist individuals and businesses.) In general, the following cost shares apply when an event is declared a federal disaster:

- ***Typically Federal Government Covers 75 Percent of Costs.*** The state and local governments pay the remaining 25 percent. When related to state costs, the state pays the remaining 25 percent. In the case of local government-related costs, the remaining costs are typically shared between the state (19 percent) and the local government (6 percent).
- ***But Federal Cost Share Can Be Higher or Lower.*** Sometimes the federal government provides a greater cost share, such as for initial response activities. Not all activities are eligible for federal reimbursement. For example, not all debris cleanup activities are eligible.
- ***Timing of Reimbursements Can Vary.*** Some reimbursements may come in the current year, while others may not come until the budget year or a few years later because it takes time to complete projects.



Response and Recovery Funding Assumed in 2017-18

Estimated 2017-18 Expenditures on Major Fires and Associated Reimbursements

(In Millions)

Department	Purpose	Estimated Expenditures in 2017-18
State Expenditures		
Northern California Wildfires		
Office of Emergency Services	Fire response, debris removal, field operations, infrastructure repair	\$1,144.6
Forestry and Fire Protection	Fire response	238.6
Resources Recycling and Recovery	Debris removal	35.0
General Services	Field operation support	13.0
Social Services	Transitional shelters, individual assistance	11.6
Backfill of Local Property Tax (Proposition 98)	Backfill of school property tax losses	11.4
Military Department	Fire response	5.0
Toxic Substances Control	Debris removal	1.5
Public Health	Field operations	1.4
Housing and Community Development	Local recovery plans and housing assistance identification	0.7
Emergency Medical Services Authority	Field operations	0.3
Subtotal Northern California Wildfires		<u>(\$1,463.1)</u>
Southern California Wildfires		
Forestry and Fire Protection	Fire response	\$300.0
Toxic Substances Control	Debris removal	1.9
Subtotal, Southern California Wildfires		<u>(\$301.9)</u>
Total, State Expenditures		(\$1,765.0)
Offsets and Reimbursements in 2017-18		
Federal Reimbursements		-\$931.5
Base E-Fund Budget Expenditures		-69.3
Local Cost Share		-4.3
Subtotal, Offsets and Reimbursements in 2017-18		<u>(-\$1,005.1)</u>
Total, General Fund Budget Augmentation in 2017-18		(\$759.9)
Federal Reimbursements in 2018-19		<u>-\$388.5</u>
Total, Net General Fund Augmentation for Activities in 2017-18		(\$371.4)



Estimated \$1.8 Billion in State Costs for Northern and Southern California Fires in 2017-18, Mostly Offset by Reimbursements.



Recovery Funding Proposed in 2018-19



Governor's Budget Proposes \$35 Million (General Fund) in 2018-19 for Northern California Fires

- **Backfill for Lost Taxes (\$23.7 Million).** The administration estimates that local communities in Northern California will experience lower property, sales, and hotel taxes totaling \$23.7 million in 2017-18 and 2018-19 as a result of the fires, and proposes to backfill these losses from the state General Fund. (Additionally, the budget assumes \$13 million in Proposition 98 General Fund to backfill schools in Northern California for lower local property tax revenues.)
- **State and Local Infrastructure (\$10.7 Million).** OES estimates it will incur \$50 million in costs related to repairing state and local infrastructure. Of this amount, \$37.5 million will be reimbursed by the federal government, and \$1.8 million will be covered by local governments, leaving \$10.7 million in net state costs.
- **Housing Assistance (\$212,000).** The Department of Housing and Community Development (HCD) requests \$212,000 in 2018-19 to assist local communities in identifying housing-related grants and develop local recovery plans.
- **SSGP (\$130,000).** DSS requests \$130,000 in 2018-19 for the SSGP.



Cost Estimates Are Preliminary

- Fires occurred recently and it takes time for a full evaluation of disaster costs to be compiled. Notably, there are several categories of expenditures that are not currently included for the Southern California fires due to timing, but will likely be included in May.

Other Fire-Related Proposals in 2018-19



The Governor's budget proposes over \$350 million in 2018-19—funded from the Greenhouse Gas Reduction Fund (GGRF) and General Fund—for other fire and disaster-related proposals, including:

- **CalFire Forest Health (\$160 Million).** CalFire requests \$160 million from the GGRF to support forest improvement, fire prevention, and fuel reduction projects.
- **Helicopters (\$98 Million).** CalFire requests \$98 million from the General Fund for CalFire to purchase 4 helicopters as part of replacing of its 12-helicopter fleet.
- **CDAA (\$33 Million).** OES requests an additional \$33 million from the General Fund in 2018-19 and \$24 million ongoing for CDAA.
- **Ventura Training Center (\$27 Million).** CalFire, California Department of Corrections and Rehabilitation, and the California Conservation Corps request \$9 million from the General Fund in 2018-19 and \$6 million ongoing for a Firefighter Training and Certification Program for parolees at the Ventura Conservation Camp. The budget also proposes \$18 million in capital outlay funding for the proposed center.
- **Local Fire Engines (\$25 Million).** OES requests \$25 million from the GGRF in 2018-19 and \$1 million ongoing to provide local fire agencies with 110 additional fire engines that could be used in the statewide mutual aid system.
- **Conservation Corps Crews (\$10 Million).** CalFire requests \$10 million from the General Fund in 2018-19 and \$7 million ongoing to make temporarily funded Conservation Corps fire crews permanent and increase access to several crews that previously split their time between CalFire and other state departments. These crews would be available for fire activities as well as fire prevention and resource management work.



Other Fire-Related Proposals in 2018-19

(Continued)

- ***McClellan Reload Base (\$4 Million)***. CalFire requests \$4 million from the General Fund to staff and operate the McClellan Reload Base over an extended fire season for the rapid deployment of firefighting tankers.
- ***Disaster Planning and Shelters (\$428,000)***. DSS requests \$428,000 from the General Fund in 2018-19 and \$397,000 ongoing for emergency shelter-related staff.



Key Issues for Legislative Consideration



Proposals Focus Mostly on Short Term, but State Will Also Want to Tackle Longer-Term Issues. One key area to consider is improving the health of the state's forests.

- ***State's Forests Are in Poor Health.*** The state's forests are very dense, which increases the risk and severity of wildfires and makes forests less resilient to other stressors, such as disease and drought.
- ***Consensus That Various Activities Are Needed to Improve Forest Health.*** There is broad agreement that the health of the state's forests would be improved through increased application of forest management practices such as mechanical thinning and prescribed fires.
- ***Barriers Exist to Improving Forest Health.*** Addressing forest health is difficult due to various barriers, including the significant costs involved, the patchwork of ownership of wildland areas, and regulatory requirements.