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*Senate Budget and Fiscal Review—Holly Mitchell, Chair*

## **SUBCOMMITTEE NO. 5**

## **Agenda**

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**Senator Nancy Skinner, Chair**  
**Senator John Moorlach**  
**Senator Jim Beall**



**Thursday, May 16, 2019**  
**9:30 a.m. or upon adjournment of session**  
**State Capitol - Room 113**

Consultant: Yong Salas

### **PART A**

#### **ITEMS PROPOSED FOR VOTE-ONLY**

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**ITEMS PROPOSED FOR VOTE-ONLY****0690 OFFICE OF EMERGENCY SERVICES****Issue 1: Mutual Aid System**

**Governor's Budget.** The Governor's Office of Emergency Services (Cal OES) requests ongoing \$25 million General Fund for prepositioning of existing Cal OES and local government resources that are part of the statewide mutual aid system with the goal of enhancing disaster response readiness. Prepositioning occurs in areas of identified potential fire threat, which is determined through various means such as weather modeling, high wind zones, low humidity, and dense fire load.

The subcommittee heard this item at its March 28, 2019 hearing.

**Background.** The state reimburses costs that are related to pre-positioning requests activated through the mutual aid system that were requested by the local agencies, and approved by Cal OES. The 2016 Budget Act provided one-time \$10 million General Fund for investments in the mutual aid system. The 2017 Budget Act provided one-time \$25 million Greenhouse Gas Reduction Fund (GGRF) for local fire response assistance. The 2018 Budget Act provided: (1) one-time \$25 million GGRF to Cal OES for the procurement and maintenance of fire engines as well as to support the mutual aid system, and (2) one-time \$25 million General Fund for equipment and technology that improves the mutual aid system. This request is ongoing from the General Fund, and would fund reimbursements for prepositioning resources in advance of possible fires and other disaster events.

**Staff Recommendation.** Approve the \$25 million ongoing General Fund for pre-positioning activities, with placeholder budget bill reporting language on the activities funded from this appropriation.

**Issue 2: California Disaster Assistance Act Funding**

**Governor's Budget.** The Governor's Office of Emergency Services (Cal OES) requests one-time \$28.75 million General Fund to increase the amount of funding available through the California Disaster Assistance Act.

**Background.** When a local government or eligible private non-profit is impacted by an emergency or disaster that is beyond their capabilities, Cal OES provides services and funding assistance under the provisions of the California Disaster Assistance Act (CDAA) for recovery. The CDAA is used to repair, restore, or replace public real property damaged or destroyed by a disaster, and to reimburse local governments for costs associated with certain emergency activities undertaken in response to a state of emergency. Many events are considered "state-only events" meaning they do not receive any federal funding because they do not meet the threshold for a Presidential Disaster Declaration. Funding for CDAA includes a General Fund

match for federally-declared disasters, and General Fund for state-only events, which are funded exclusively by the General Fund.

The 2018 Budget Act provided a one-time augmentation of \$88.1 million General Fund for the CDAA, which brought its total funding to \$127.2 million in 2018-19. The 2017 Budget Act provided a one-time augmentation of \$73.6 million General Fund for the CDAA. This request will bring the total funding for CDAA in 2019-20 to \$88.2 million General Fund.

**Staff Recommendation.** Approve as requested.

### Issue 3: Fire Fleet Vehicle Acquisition Extension of Liquidation

**May Revision.** Cal OES requests to extend the liquidation date of approximately \$6.9 million in funding from the Budget Act of 2016, from June 30, 2019 to June 30, 2020 to complete the acceptance and deployment of 12 fire engines and 2 incident support vehicles.

**Background.** Cal OES owns a fleet of firefighting engines, vehicles, and other apparatus, and is entered into agreements with local fire agencies throughout the state to staff the vehicles. Pursuant to these agreements, local government agencies that host CAL OES mutual aid equipment provide 24/7 accessibility when required to respond under the mutual aid system. The assignee agreement further requires, when assigned apparatus are utilized locally, that the assignee pay the costs of fuel, repair of any damage, replacement of lost or damaged equipment, and any consumables used during the local response.

Cal OES entered into contracts to purchase 23 fire engines and four incident support vehicles. To date, CAL OES has received and accepted 11 Type I Fire Engines and two Incident Support Vehicles. The vendor experienced an issue regarding the power steering specifications, which, although already resolved, delayed the delivery and acceptance of the remaining 12 fire engines. In addition, the remaining two incident support vehicles are currently undergoing final inspections at the Department of General Services (DGS). Cal OES anticipates delivery and acceptance of remaining fire engines and the remaining two incident support vehicles within the 2019-20 fiscal year.

The liquidation date extension will allow Cal OES to complete the procurement of these vehicles.

**Staff Recommendation.** Approve as requested.

### Issue 4: Grant Programming

**May Revision.** Cal OES requests one-time funding for the following programs:

1. *Student, Teachers, and Officers Preventing (STOP) School Violence Act of 2018* – Cal OES requests \$1 million one-time federal fund for the STOP School Violence Act, which

supports efforts by state and local units of government and federally recognized tribal governments to prevent and reduce school violence.

2. ***California State Nonprofit Security Grant Program*** – Cal OES requests \$15 million one-time General Fund for the state Nonprofit Security Grant Program, which supports security efforts to nonprofit organizations that are at high risk of a terrorist attack, particularly from hate crimes based on ideology and beliefs. The federal counterpart for this program limits participation to urban areas; the state program would support organizations that are otherwise eligible but not located in the federally-designated urban areas.

**Staff Recommendation.** Approve as requested.

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**Issue 5: California Earthquake Early Warning System**

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**Budget.** The Governor's Office of Emergency Services (Cal OES) requests one-time \$16.3 million General Fund to further the build out of the California Earthquake Early Warning (CEEW) System based on findings in a recent business plan. Additionally, Cal OES requests to extend the liquidation date from June 30, 2019 to June 30, 2020, for approximately \$3 million in funding from the Budget Act of 2016 for the California Earthquake Early Warning Program, to complete the installation of seismic stations.

**Background.** Chapter 803, Statutes of 2016 (SB 438, Hill), established the CEEW program and the CEEW Advisory Board. This requires Cal OES, in collaboration with a variety of stakeholders, to develop a comprehensive statewide earthquake early warning system in California through a public private partnership.

By completing the CEEW system network build out, Cal OES will be able to leverage future additional federal and private funding to realize the full benefit of the system. The Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program provides funding to state and local jurisdictions to install technology to reduce seismic risk at individual sites. FEMA has stated that once the network build out is complete, the requirements necessary to compete for this grant program will be satisfied and local entities will be able to leverage this funding stream to install end-user applications, such as earthquake alerts in classrooms for schools, automated shut off valves for waste management, and automated rollup doors at fire stations. The CEEW system has previously benefited from other federal grants. The United States Geological Survey (USGS) funded the installation of some of the existing sensor stations. Additionally, USGS awarded \$3.7 million in 2016-17 and \$4.9 million in 2017-18 to support the development of ShakeAlert, a prototype earthquake early warning technology utilized by the CEEW system.

The 2016 Budget Act included a one-time appropriation of \$10 million General Fund and four positions for Cal OES to install and upgrade stations to the CEEW system. With this funding, Cal OES purchased and installed 183 seismic stations, created a connection for the CEEW System to the state microwave network, and ran an initial public service announcement campaign. In 2017-18, these positions were funded through savings in the 2016 Emergency Management Performance Grant. This grant provides federal funding to assist state, local, tribal, and territorial governments in developing emergency preparedness systems. The 2018 Budget Act provided \$15.8 million General Fund with \$750,000 General Fund ongoing to support the buildout of the remaining sensor stations and continuing the position authority.

This request will include the installation of GPS stations, funding a complete public service announcement and outreach campaign, upgrading telemetry components, and administrative support. Below is a breakdown of the costs:

TABLE 1: ESTIMATE OF UNFUNDED CAPITAL AND ONE-TIME COSTS FOR CALIFORNIA EEW Capital/One-Time Costs for 2019-20	
CEEW Components	(Millions)
Seismic stations	\$2.4
GPS stations	\$2.1
Backbone telemetry	\$2.0
Outreach and education	\$6.9
<i>Subtotal</i>	<i>\$13.4</i>
Contingencies	\$2.9
<i>TOTAL</i>	<i>\$16.3</i>

**Ongoing Funding.** The original Business Plan outlined \$16.4 million in ongoing funding to support operations and maintenance, telemetry, outreach and education, research and development, and program management. Cal OES states that it is working with the Public Utilities Commissions and the investor-owned utilities, the California Transportation Commission and local transportation boards, and considering the State Emergency Telephone Number Account, to identify necessary mechanisms to invest in ongoing operations and maintenance of the CEEW system.

**Staff Recommendation.** Approve as requested.

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## ITEMS PROPOSED FOR DISCUSSION/VOTE

### 0690 OFFICE OF EMERGENCY SERVICES

#### Issue 6: Disaster Preparedness and Response

**May Revision.** Cal OES requests ongoing \$7.316 million General Fund, \$874,000 Federal Trust Fund, and 94 positions to support activities related to disaster planning, preparedness, and response. In addition, Cal OES requests one-time \$20 million General Fund to establish a Mission Tasking Fund to provide funding to state agencies that have been mission tasked to perform response and recovery activities for declared disasters.

**Background.** Over the past five years, Cal OES processed almost 4,000 mission task assignments for multiple state entities. To address the response efforts, staff are redirected from their daily workload to respond to disasters as they occur. This results in delays to daily work, much of which has strict timeframes and penalties for non-compliance. Cal OES states that increases in workers' compensation claims, employee fatigue, and retention are major issues that state agencies and Cal OES face.

This request includes three components:

- ***Steady State Planning and Preparedness.*** \$5.073 million General Fund, \$874,000 Federal Trust Fund, and 76 positions to enhance situational awareness of natural and human-caused threats; mobilize fire and rescue resources ahead of emerging threats; expand the department's capability to manage the logistical requirements of major events; provide a greater level of planning capacity for statewide community resiliency efforts; maintain and enhance a robust statewide hazard mitigation program; and increase capacity to ensure timely processing of post disaster reimbursement claims. Of the 76 positions, 36 are currently limited-term positions that are supporting ongoing workload, and will be converted to permanent positions.
- ***Mission Tasking.*** \$1.532 million General Fund and 12 positions to monitor and track a new \$20 million General Fund mission tasking appropriation with Cal OES' budget. This funding will be for state agencies that have been mission tasked by Cal OES to perform response and recovery activities for declared disasters. When state entities are mission tasked, some staffing costs associated with those activities are not absorbable within existing budgets, nor are these costs eligible for the California Disaster Assistance Act or Disaster Response-Emergency Operations Act funding. This new appropriation will provide funding to efficiently and transparently fund those costs. Cal OES will be responsible for coordinating and tracking the use of these funds as well as anticipated federal reimbursements, as applicable. This funding provides departments with the necessary resources to respond to disasters, and provides Cal OES with an efficient way to track expenditure of the funds in real time, which will assist in the collection of necessary data for submission to the federal government and help maximize federal reimbursements. To receive full recovery of the federal cost share, all expenditure

information and supporting documentation to be gathered timely and uploaded into the federal grants management system through a web-based portal.

- **Disaster Reserve Corps.** \$711,000 General Fund and 6 positions to develop and implement a Statewide Disaster Reserve Corps resource pool, including the potential development of a personnel database to address continuity and surge capacity. Such a system would be used to identify and track prescreened and qualified personnel willing to deploy as part of incident support teams or to temporarily assist by fulfilling workload regularly completed by deployed state personnel. This Reserve Corps would support the necessary response to a disaster, and also maintain continuity of government by assisting the daily workload of other state departments. Cal OES will need to ensure the appropriate information is being collected so the potential staff are appropriately placed based on their interest, training, experience, expertise, and availability. Once the program is developed, there may be a need to develop a database to house the information. Should that be necessary, testing and refinement of the system will be vital to ensure appropriate access is granted to those who will be using the system and to ensure it can withstand the surge of information placed on it during a disaster.

**Staff Comment.** The proposal for steady state planning and preparedness brings the staffing resources commensurate to the workload demand that resulted from the various disaster incidents that has occurred over the last several years. Additionally, the Mission Tasking Fund and positions will help Cal OES accurately track resources the state is dedicating to each disaster, and allow the state to secure the federal share of costs resulted from disasters.

However, staff believes that approving permanent positions and funding for the Disaster Reserve Corps, of which the specific need seems unclear, is pre-mature at this time. If the mission tracking proposal allows Cal OES to track the surge staffing resources that are used per incident, then it could also track the deficit staffing needed to continue the day-to-day needs of a particular state entity where staffing resources were re-directed.

Should the subcommittee approve the state planning and preparedness and mission tasking proposals, an assessment should be made by the Department using its mission tasking resources to determine the need of a Disaster Reserve Corps, and the potential impacts of establishing such a team.

**Staff Recommendation.** Approve \$5.894 million General Fund, \$874,000 federal fund, 88 positions, and one-time \$20 million General Fund for mission tasking activities, with placeholder budget bill reporting language requiring Cal OES to report, along with the submission of the 2020-21, on its use of funds for mission tasking provided in 2019-20. Reject \$711,000 General Fund and 6 positions to establish the Disaster Reserve Corps.



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**Issue 7: Public Safety Power Shutdown Resiliency**

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**May Revision.** Cal OES requests \$75 million one-time General Fund for activities to respond to investor-owned utility (IOU)-led Public Safety Power Shutdown (PSPS) actions.

**Background.** IOUs have signaled their intent to increase the use of PSPS on their energized power lines to prevent wildfires during high wind or other severe weather events. A consequence of this action is that affected areas may potentially be without power for several hours, days and, in some cases, weeks.

IOU-led implementation of PSPS could have a significant impact on regions of the state, especially critical services and the state's most vulnerable populations, some of whom depend on a steady, reliable power supply to operate life-sustaining equipment. In addition, implementation of PSPS will coincide with the hotter summer months. Extreme heat conditions will likely exacerbate health risks to affected populations in general, and especially to vulnerable populations, such as the elderly and health compromised. Cal OES is working with the California Public Utilities Commission (CPUC), CALFIRE, and the IOUs to coordinate public education, information and community preparedness activities to improve community awareness and resiliency in response to IOU-initiated PSPS events.

This funding would provide resources to maintain an alternative power supply for critical infrastructure, as the majority of CALFIRE stations and several Cal OES Regional Centers do not have back-up power. Additionally, vulnerable populations who depend on power supplies to operate life-sustaining equipment are affected by IOU-initiated PSPS events, and could compromise their health and safety. Additionally, the department stated that a portion of the \$75 million proposed would be provided to local governments as planning grants to improve local preparedness for IOU-driven PSPS events to: (1) convene regional stakeholders to discuss PSPS preparedness efforts and local response actions; (2) update emergency plans to include an addition for PSPS events; and (3) hold trainings, discussions, and exercises to reinforce planning assumptions.

**Staff Recommendation.** Approve as requested, with placeholder budget bill language reporting on the uses of this funding.