

The 2022-23 Budget:

Governor's Office of Emergency Services Proposals

Summary

Governor Proposes \$239 Million in Augmentations for Governor's Office of Emergency Services (OES). The Governor proposes \$239 million (largely from the General Fund) and 163 positions to augment the operations of OES in 2022-23 and to continue three capital outlay projects. While some of these proposals implement existing federal or legislative requirements, such as a proposal to implement the federally mandated 988 mental health hotline, most others are intended to more generally enhance the state's emergency response capacity.

Strategic Plan for Enhancing Emergency Response Capacity Needed to Guide Future Budget Decisions. Given the possibility of a continued increase in the number and severity of emergencies, it is reasonable to enhance the state's emergency response capacity. However, it is difficult to determine whether the Governor's specific proposals reflect the most effective and efficient approach to doing so because they are not tied to specific emergency response goals and objectives. We find that the development of a strategic plan to enhance emergency response capacity would be valuable in assessing future proposals.

Recommend Development of Strategic Plan and Review of OES Base Budget. In order to ensure the Legislature has better information to make decisions in the future, we recommend requiring the administration to develop a strategic plan for enhancing emergency response capacity no later than January 1, 2024. Such a plan should include (1) goals for emergency response capacity, (2) an assessment of existing capacity, (3) identification of gaps or weakness in current capacity, and (4) an assessment of the level of staffing needed to support capacity goals. We also recommend that the OES base budget be reviewed to determine whether existing resources are meeting strategic plan goals, some resources should be reallocated to higher-priority uses, and recent augmentations have already provided the necessary resources.

Recommendations on Specific Proposals. Despite the lack of a strategic plan for enhancing the state's emergency response capacity, the Legislature will need to take actions on the Governor's various proposals. As such, we offer recommendations on the Governor's specific OES proposals. Specifically, we recommend the Legislature (1) approve those that appear reasonable (funding for review of county emergency plans consistent with Chapter 744 of 2021 [AB 580, Rodriguez], the California Disaster Assistance Act grant program, as well as capital outlay facilities and facilities support proposals), (2) require OES to provide more information on potential federal funds available for the 988 hotline, (3) approve proposals that are difficult to assess without a strategic plan with three-year limited term funding so that they can be reassessed once the plan is available, and (4) reject the two proposals that are not justified.

BACKGROUND

Responsibilities of Governor’s Office of Emergency Services (OES). The California Emergency Services Act establishes OES as the state entity responsible for overseeing the state’s response to emergencies. To accomplish this mission, OES develops emergency preparedness plans and tasks other state departments with specified response activities (commonly referred to as “mission tasking”). OES is also responsible for coordinating with local and federal emergency responders at active emergency sites and assisting them in various ways. For example, OES maintains certain emergency response equipment (such as mutual aid fire engines and swift water rescue boats) that are used by local emergency responders. In addition, OES operates the state operations center (SOC)—the state’s emergency response hub where response activities are coordinated during significant state emergencies—as well as a headquarters and three regional offices.

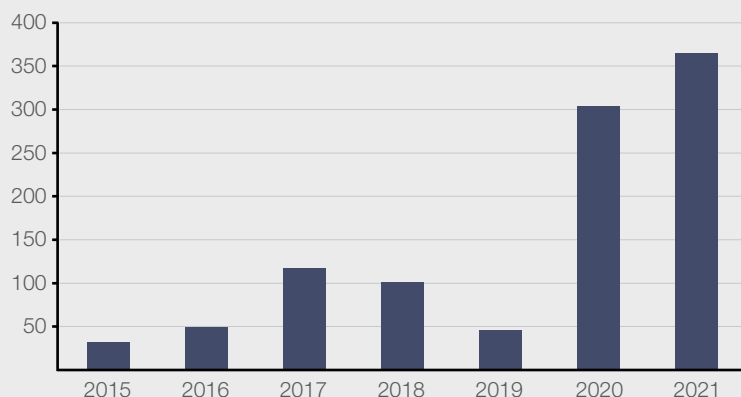
OES is also responsible for emergency recovery activities, including administering California Disaster Assistance Act (CDAA) grants to local governments for various disaster-related purposes, such as to fund the repair or replacement of publicly owned property damaged by a disaster and reimburse local governments for their share of cost for certain federal emergency assistance programs. In addition, OES administers various state and federal grant programs unrelated to emergencies, including programs that provide assistance to victims of crime.

State Has Recently Experienced More Frequent and Severe Emergencies. In recent years, both the number and severity of emergencies experienced by the state has increased. As a result, the

number of days OES has activated the SOC has increased, as shown in **Figure 1**. The primary reason for the major increase in SOC activation days in 2020 and 2021 is the state of emergency that has been in place since March 4, 2020 due to the COVID-19 pandemic. This emergency is the longest continuous activation of the SOC in OES history. We note that emergencies unrelated to the pandemic have also increased in severity. Most significantly, the state has experienced a notable increase in the severity of wildfires in recent years. While wildfires are a natural part of California’s ecosystems, when exacerbated by other factors, such as unhealthy forests, development in fire-prone areas, and the effects of climate change (including hotter temperatures and droughts), they are more problematic and represent a greater threat to lives and property. As shown in **Figure 2**, most of California’s largest and most destructive wildfires have occurred in recent decades. The last few years have also seen emergencies declared for drought, civil unrest, the Ridgecrest earthquake, storms, and a potential energy shortage.

Figure 1

Number of Days State Operations Center Activated Has Increased



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Increased Level of Emergencies May Persist. It is possible that the increased number and severity of emergencies seen in recent years will persist or even grow in the future due to various reasons. First, a few key factors that have contributed to the recent increase in large and destructive wildfires are likely to persist, including climate change, unhealthy forests, and development in fire-prone areas. Furthermore, climate change will result in numerous conditions that will cause other types of emergencies, such as more droughts, extreme heatwaves, and coastal flooding. The state also faces a continued threat from COVID-19 and potentially more virulent variants of the disease. In addition, the potential for large infectious disease outbreaks—which could turn into pandemics—could be more likely in the future due to numerous factors, such as human development in animal habitats providing more opportunities for diseases to spread from animals to humans, population growth, international travel, and trade.

OES Base Budget Has Significantly Increased in Recent Years. In recognition of the increased level of emergencies, OES has received numerous augmentations to its base budget, as well as additional positions, in recent years. From 2017-18 to 2021-22, the state operations budget for OES increased by \$237 million, which represents a 109 percent increase. **Figure 3** summarizes the ongoing augmentations that the state has recently provided OES, which were largely supported by the General Fund.

Figure 2

Most of the Largest and Most Destructive Wildfires Have Occurred in Recent Decades

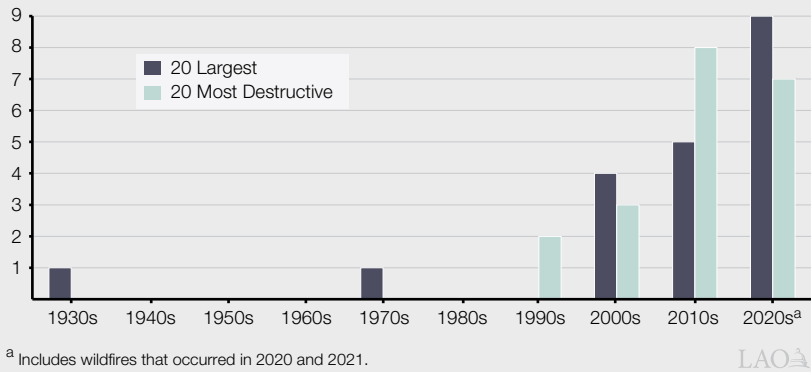


Figure 3

Recent Augmentations to OES Base Budget

- ✓ **Strengthening Capabilities.** \$60.6 million and 114 positions in 2021-22 to (1) augment emergency capacity and capabilities to respond to increasingly complex disasters, security threats, and emergencies; (2) maximize federal funds for disasters; (3) modernize technology and data analytics; and (4) strengthen equity and connections with vulnerable populations.
- ✓ **Long-Term Recovery Support.** \$37.8 million and 214 positions—110 new positions and 104 positions previously funded on a limited-term basis—in 2021-22 to support recovery efforts, increase federal disaster cost reimbursements for the state and local governments, and enhance programs intended to mitigate the impacts of future disasters.
- ✓ **Mutual Aid Prepositioning.** \$25 million in 2019-20 to preposition existing OES and local resources in areas with identified wildfire threat.
- ✓ **Disaster Planning, Preparedness, and Response.** \$7.4 million and 88 positions in 2019-20 for activities related to disaster planning, preparedness, and response.
- ✓ **Regional Hazardous Materials Response.** \$3.6 million for five positions and vehicles in 2021-22 to respond to emergencies involving hazardous materials.
- ✓ **Transfer of Seismic Safety Commission.** \$2.4 million and six positions in 2020-21 for costs associated with transferring the Seismic Safety Commission to OES.
- ✓ **Wildfire Forecast and Threat Intelligence Center.** \$2 million and five positions in 2020-21 for OES to participate with other state agencies in operating the Wildfire Forecast and Threat Intelligence Center.
- ✓ **Emergency Response Operations.** \$1.6 million and eight positions in regional offices in 2018-19 to support local agencies and coordinate emergency response activities.

OES = Governor’s Office of Emergency Services.

GOVERNOR'S PROPOSALS

The Governor's budget for 2022-23 includes a series of proposals to increase funding to support the operations of OES and several capital outlay projects.

Operations Proposals. The Governor proposes a total of \$227 million (largely from the General Fund) and 163 positions to augment various OES programs in 2022-23. (We note that a few of the proposals are part of larger packages proposed by the Governor related to wildfire resilience and response.) These proposals include:

- **CDAА Augmentation (\$114 Million).**

The Governor proposes a \$114 million General Fund augmentation for the CDAА grant program—bringing total CDAА funding to \$176.7 million in 2022-23. Under the proposal, \$37.4 million of the augmentation would be ongoing, bringing total ongoing funding for CDAА to \$100 million in 2023-24.

- **Wildfire Response Package: Fire Integrated Real-Time Intelligence System (FIRIS) (\$24 Million).**

The Governor proposes \$24 million ongoing General Fund and 11 positions for OES to take over direct responsibility for the FIRIS software from Orange County and contract for two surveillance aircraft. (The proposed budget also includes additional resources for the California Department of Forestry and Fire Protection, or CalFire, to work jointly with OES.) The FIRIS software—which has been piloted by the state through an agreement with Orange County—uses real-time aerial data provided by surveillance aircraft along with the software's predictive models to inform the state's response to wildfires and other hazards.

- **California Earthquake Early Warning System (\$17 Million).**

The Governor proposes \$17 million ongoing General Fund and three positions to operate and further expand the California Earthquake Early Warning System. Key activities that would be funded include the development of additional seismic stations as well as research, development, education,

and outreach. This proposal would provide roughly the same level of funding that has been provided in recent years on a one-time basis to continue the operation and expansion of the system.

- **Wildfire Resilience Package: Home Hardening Retrofit Program (\$13 Million).**

The Governor proposes \$13 million in 2022-23 and \$12 million in 2023-24 from the General Fund to OES to expand the state's existing home hardening retrofit pilot program. The pilot program—established by Chapter 391 of 2019 (AB 38, Wood)—requires OES and CalFire to provide grants to fund cost-effective building retrofits and structure hardening to create fire-resistant homes and buildings. The program was first funded with \$25 million in April 2021 as part of a package of early action wildfire proposals.

- **Wildfire Response Package: Mutual Aid Fire Fleet Enhancement (\$11 Million).**

The Governor proposes \$11 million ongoing General Fund and 11 positions to support additional costs associated with the maintenance and replacement of the existing fleet of 260 mutual aid fire engines. These mutual aid fire engines and apparatus (such as rescue boats and water tankers) are provided to local governments to maintain surge capacity during major emergencies.

- **Mission Tasking (\$10 Million).**

The Governor's budget includes \$10 million ongoing General Fund that would be available for state departments being mission-tasked by OES to support associated costs that are not funded through other emergency funding sources. This proposal would replace \$20 million in one-time funding available over three years for this purpose that will expire at the end of the current year.

- **Support Capacity (\$9 Million).** The Governor proposes \$9 million ongoing (\$5 million General Fund with the remaining from various federal and special funds) and 71 positions to provide increased administrative and program

support for OES. The proposed positions include executive, finance, legal, and audit staff, as well as additional staff for certain programs, such as emergency response, planning, and preparedness programs.

- **988 Hotline Implementation (\$7.5 Million).** The Governor proposes \$7.5 million General Fund (decreasing to \$6 million annually in 2023-24) and ten positions to implement the federally required 988 suicide and mental health hotline and develop integration between the 988 and 911 systems. The 988 hotline will provide an easier number for callers to remember than the existing 1-800 phone number for the National Suicide Prevention Lifeline and will continue to connect callers with trained counselors to help people suffering from a mental health crisis or suicidal thoughts.
- **Enhanced Partnerships for Addressing Heightened Risks—Regional Office Staffing (\$5.8 Million).** The Governor proposes \$5.8 million largely from the General Fund (decreasing to \$5.1 million annually in 2023-24) and 20 positions to (1) increase staffing at the three OES regional offices and (2) support staffing and funding for lease costs for a new satellite office in San Diego that was initially started with one-time COVID-19 emergency response funds.
- **Headquarters Modernization Project Support (\$5.2 Million).** The Governor proposes \$5.2 million in 2022-23 and \$2 million in 2023-24 from the General Fund to lease a temporary facility while the SOC modification and headquarters lobby security capital outlay projects are underway. This amount includes the moving expenses for temporarily relocating OES staff and the SOC. (We discuss the Governor’s proposed funding for the SOC modification and headquarters lobby security capital outlay projects below.)
- **Logistics Management—Facilities and Infrastructure Management Staffing (\$4.9 Million).** The Governor proposes \$4.9 million ongoing General Fund and 21 positions for the logistics division within OES, which is responsible for facilities procurement, including contracting for staging areas and base camp sites during emergencies.
- **Search and Rescue Teams and Training (\$4 Million).** The Governor proposes eight positions and (1) \$2 million for OES to take sole responsibility for a search and rescue training program that it currently operates for a cost of \$360,000 with the City of Sacramento and the Sacramento Metropolitan Fire District, (2) \$1 million to support local urban search and rescue teams, and (3) \$1 million to align reimbursements provided to local governments with their current actual costs of participating in mobile training exercises for urban search and rescue teams.
- **County Emergency Plans—Vulnerable Populations (\$1.4 Million).** The Governor proposes \$1.4 million ongoing General Fund and six positions for OES to review county emergency plans to determine whether they are consistent with best practices for vulnerable populations (such as persons with disabilities), as required by Chapter 744 of 2021 (AB 580, Rodriguez).
- **Military Equipment Verification (\$418,000).** Chapter 406 of 2021, (AB 481, Chiu) requires local law enforcement agencies to obtain approval from their local governing body before accepting excess military equipment from the federal government. The Governor proposes \$418,000 ongoing General Fund and two positions for OES to verify that local law enforcement agencies have such approval before accepting military equipment.
- **Headquarters Security Project Support (\$200,000).** The Governor proposes \$200,000 ongoing General Fund to increase an existing contract for security services at the OES headquarters to provide additional security while the existing parking lot security checkpoint is under construction and to operate the enhanced security checkpoint once the project is completed. (We discuss the Governor’s proposed funding for the security checkpoint capital outlay project below.)

Capital Outlay Projects. The Governor proposes a total of \$11.5 million to continue three previously approved capital outlay projects. The proposals include:

- **SOC Modification Project (\$9.9 Million).** The Governor proposes \$9.9 million General Fund for equipment and the construction phase of a project to modify the OES SOC in various ways, such as by reconfiguring it to include more collaborative workspaces and to make the SOC compliant with accessibility requirements. The project is estimated to cost a total of \$17.5 million and be completed in August 2024.
- **Headquarters Lobby Security Enhancement Project (\$1.3 Million).** The Governor proposes \$1.3 million General Fund for the working drawings and construction phases of a project

to enhance the security in the lobby and entrance of the OES headquarters building to limit visitor access to private offices. The project is estimated to cost a total of \$1.4 million and be completed in November 2023. (A total of about \$100,000 for preliminary plans was previously provided.)

- **Headquarters Security Checkpoint Enhancement Project (\$351,000).** The Governor proposes \$351,000 General Fund for the working drawings phase of a project to enhance the parking lot security checkpoint at the OES headquarters. The project will install security kiosks and anti-ram barrier control arms at each of the entrances to the parking lot. The project is estimated to cost a total of \$2.8 million and be completed in July 2024.

OVERARCHING COMMENTS ON GOVERNOR’S PROPOSALS

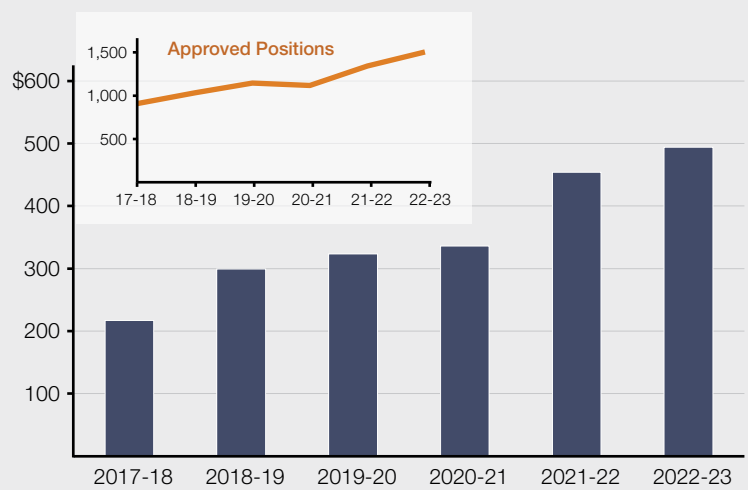
In this section, we identify some overarching issues for the Legislature to consider as it evaluates the Governor’s various budget proposals for OES.

Governor’s Proposals Would Further Increase Base Budget of OES. As discussed earlier in this brief, the state operations budget for OES increased significantly in recent years following the occurrence of major state emergencies—from \$217 million in 2017-18 to \$454 million in 2021-22. If the Legislature were to approve all of the Governor’s operations proposals for OES, the base budget would increase by an additional \$40 million (9 percent) from 2021-22 to 2022-23, as shown in **Figure 4**. (We note that the above numbers and those shown in Figure 4 exclude funding provided over the course of the year to address specific emergencies.)

Figure 4

OES Base Budget and Staffing Have Grown Following Recent Emergencies

State Operation Budget (Dollars in Millions)



OES = Governor’s Office of Emergency Services

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OES Staffing Levels Would Also Further Increase. As also shown in Figure 4, the base staffing levels for OES have also increased since 2017-18. The Governor’s proposed staffing level for 2022-23 of 1,507 positions is 598 positions (66 percent) higher than the level approved in the 2017-18 Budget Act.

Positions Requested Each Year for Similar Purposes, but Overall Staffing Plan and Needs Remain Unclear. OES has often requested resources for similar purposes year after year. For example, the 2019-20 budget provided \$7.4 million to support 88 additional positions for disaster planning and preparedness, recovery workload, logistics, administration, and grants management. Similarly, the 2021-22 budget provided a \$60.6 million augmentation to support 114 additional positions for many of the same purposes. As shown in Figure 5, OES is requesting staffing increases in 2022-23 for the same or similar functions that it has received staffing augmentations for in prior years. While the additional positions provided in recent years, and proposed by the Governor for the budget year, assist in the operations of OES, the overall staffing needs of the department in both the near and long term are not clear. Moreover, OES lacks a staffing plan that outlines a strategy for addressing identified staffing needs. The absence of clearly identified staffing needs and plan is evident in the department requesting positions for similar functions each year.

Proposals Not Tied to Specific Emergency Response Goals and Objectives... Given the possibility that an increase in the number and severity of emergencies continues, it is reasonable for the Governor to propose increasing the state’s response capacity. While the Governor’s proposed approach would provide additional funding to OES for a variety programs and

activities, it is difficult at this time to determine whether the specific proposals reflect the most effective and efficient approach for meeting the state’s emergency response needs. This is because the administration has not provided information on what the state’s emergency response goals are in both the near and long term. Such goals should take into account the number and type of emergencies OES should be prepared to handle at once. Moreover, it is important for the administration to identify clear objectives that are aligned to each goal and provide a list of potential activities and programs that could effectively help meet specific objectives. Such information could then be used to comprehensively assess the state’s existing emergency response capacity and capabilities, such as how emergency response coverage is distributed throughout the state and how current OES capacity fits in with the capabilities of other state departments (such as CalFire), as well as with local and federal emergency responders.

Figure 5

OES Requests Additional Staff For Similar Activities Most Years

	2018-19	2019-20	2020-21 ^a	2021-22	2022-23
Grant Administration	1	1		1	1
Monitoring and Quality Control	1	1		1	
Accounting and Audits		1		1	1
Fiscal and Budget				1	1
Information Technology	1	1		1	1
Emergency Management and Response	1	1	1	1	1
Regional Staffing	1				1
Administration	1	1		1	1
Planning		1	1	1	1
Logistics		1		1	1
Recovery	1	1		1	

^aOES initially requested additional resources in 2020-21 beyond what is shown, however, those requests were withdrawn after the start of the COVID-19 pandemic and projections of a budget deficit.

OES = Governor’s Office of Emergency Services.

...Making It Difficult to Assess Their Effectiveness. Without the above information, it is very difficult for the Legislature to evaluate (1) how each of the Governor’s proposals is aligned to the state’s overall strategy, (2) the extent to which each proposal fills gaps in the state’s response capacity in the most cost-effective way, and (3) how each proposal fits in with the efforts of other state and local emergency responders.

Strategic Plan for Enhancing Emergency Response Capacity Needed to Guide Future Budget Decisions. In view of the above, we find that the development of a strategic plan to enhance emergency response capacity would be valuable in assessing future proposals regarding the operations of OES. Specifically, this plan should include:

- Goals for the level of emergency response capacity the state needs to maintain—such as the number and type of emergencies the state needs to be prepared to respond to simultaneously—and clear objectives for meeting these goals.

- An assessment of existing emergency response capacity, such as how emergency response capacity is distributed throughout the state and how OES capacity fits in with the capabilities of other responders.
- Identification of gaps or weaknesses in current response capacity that prevent the state from meeting its emergency response goals.
- An assessment of the level of staffing necessary to support both base workload and the emergency response capacity goals and a plan for obtaining the needed staffing.

Such a plan would allow the Legislature to determine the extent to which existing OES capacity is insufficient and whether the administration’s goals and priorities for enhancing the state’s capacity align with its own. (As we discuss in the nearby box, the Legislature has requested from the administration an assessment of existing emergency response capacity specifically related to wildfires, which the administration has not yet submitted.)

Legislature Has Requested Wildfire Response Capacity Assessment

In recognition of the increased number of large and destructive wildfires, the Legislature has sought more information about the state’s existing wildfire emergency response capacity. Specifically, as part of the 2019-20 budget package, the Legislature required the Governor’s Office of Emergency Services and the California Department of Forestry and Fire Protection to conduct an assessment of existing wildfire-response capacity through state and mutual aid resources to identify gaps in capacity, cost-effective approaches to addressing those gaps, and fire-response goals. This required assessment was due on April 1, 2020, but has not been provided to date. According to the administration, this is due to competing workload demands and there is no estimated time frame for when the report will be completed.

ASSESSMENT OF SPECIFIC PROPOSALS

The Legislature will need to take action on the Governor's proposals despite the lack of a strategic plan for enhancing the state's emergency response capacity. Accordingly, we provide our assessment of the Governor's proposals for OES below. As we discuss further below, we find that (1) some proposals appear reasonable, even in the absence of a strategic plan; (2) the proposal for 988 hotline implementation, while reasonable, does not account for potential federal funding; (3) some proposals are difficult to assess in the absence of a strategic plan for enhancing emergency response capacity; and (4) some proposals are not justified. (Our analysis of those proposals related to wildfires can be found in our recent briefs on the Governor's proposals on wildfire response and resilience, which we summarize in the box on the next page.)

Some Proposals Appear Reasonable

We find that some of the Governor's proposals for OES appear reasonable even without the benefit of a strategic plan for enhancing emergency response capacity. This is because the need for these programs is unlikely to change based on an assessment of the state's emergency response capacity and strategic plan for how to enhance that capacity. Specifically, we find that the following proposals appear reasonable:

- **CDA A Augmentation.** The level of funding for this program is adjusted annually based on projections of reimbursement requests for recent disasters. We find that the \$114 million augmentation proposed for 2022-23 appears to be reasonable given recent disasters. Moreover, we find the \$37.4 million ongoing component of the augmentation to be appropriate as it better aligns the program's base budget with the actual amount allocated through CDA A in recent years.
- **County Emergency Plans—Vulnerable Populations.** This proposal appears reasonable for two reasons. First, the proposal would provide adequate resources for OES to complete statutorily required workload. Furthermore, the review of plans

for vulnerable populations could help inform OES of local capacity to assist vulnerable populations, which in turn could assist OES in future emergency response efforts or future efforts to assess gaps in emergency response capabilities.

- **Capital Outlay and Related Support Proposals.** The three proposed capital outlay projects (the SOC modification, headquarters lobby security enhancement, and headquarters security checkpoint enhancement projects) and two related support proposals (headquarters modernization project support and headquarters security project support) appear reasonable as they would continue projects that have been previously approved by the Legislature. In addition, modernizing and improving the functioning of the OES headquarters facility and SOC will benefit the state by providing more appropriate and secure facilities.

988 Hotline Proposal Does Not Account for Potential Federal Funding

While the Governor's 988 hotline proposal appears necessary as the system's implementation is federally required, the proposal does not account for potential federal funding available for this purpose through the federal American Rescue Plan Act that was enacted in March 2021. These federal funds could reduce, or potentially replace, the need for state General Fund support. The administration indicates it is currently looking into the availability of federal funds to support the implementation of the 988 hotline.

Some Proposals Difficult to Assess in the Absence of Strategic Plan

Some of the Governor's proposals are difficult to assess in the absence of a strategic plan for enhancing emergency response capacity. This is because it is not possible to understand how the proposals fit into the state's existing emergency response capacity, address gaps or

Analysis of Governor's Office of Emergency Services (OES) Wildfire Proposals

In our recent briefs, *The 2022-23 Budget: Wildfire and Forest Resilience Package* and *The 2022-23 Budget: Wildfire Response Proposals*, we provide our assessment and recommendations on the Governor's proposals for OES related to wildfires. Below, we summarize our analysis of these proposals, the details of which were described earlier in this brief.

Mutual Aid Fire Fleet Enhancement. OES mutual aid fire engines are an important part of the state's ability to access additional capacity during peak wildfire season and large wildfires. However, at this time, it is unclear how the proposed \$11 million ongoing would be used. Specifically, it is unclear to what extent the funding would be used by OES to replace existing fire engines more frequently or provide a more robust maintenance program for its engines. Without this type of basic information, it is impossible for the Legislature to evaluate what specific improvements to fire response capacity would be expected from this proposal and whether they would justify the additional costs. Accordingly, we recommend withholding action pending receipt of such information.

Fire Integrated Real-Time Intelligence System (FIRIS). Since 2019, the state has been piloting the use of FIRIS—a system that provides real-time aerial data and predictive models to inform the state's response to wildfires and other hazards—through an agreement with Orange County. Under this proposal, OES and the California Department of Forestry and Fire Protection (CalFire) would take over FIRIS from Orange County on a permanent basis and expand the level of service provided to include two planes providing 24-hour coverage each at a total cost of roughly \$30 million annually. (The Orange County pilot included two planes, one that provided 24-hour coverage and one that provided 12-hour coverage.) However, it is unclear whether this additional level of service is necessary. This is because the departments have not provided sufficient justification for why the current level of service is insufficient, particularly given that they have access to similar aerial data and capabilities through a partnership with the California Military Department. Furthermore, while the departments did not evaluate what the cost would be to continue the existing level of service, we would expect it to be significantly lower than \$30 million per year given that the proposal notes that it would cost \$17 million for Orange County to continue providing the existing level of service. (According to OES, Orange County is not interested in continuing to manage this program.) We recommend the Legislature direct OES and CalFire to report at budget hearings on an alternative to their proposal that would fund FIRIS at the current level of service, rather than the higher level of service proposed. This would provide the Legislature with important information on its options for continuing this program and allow it to assess whether there is another approach that would meet the state's needs at a significantly lower cost.

Home Hardening Retrofit Program. At the time this brief was being prepared, only 12 percent of the \$25 million provided in April 2021 to initiate the home hardening retrofit program has been allocated. Given how little of the original funding has been allocated, the Legislature will want consider whether OES and CalFire have capacity to allocate the proposed funds (\$13 million in 2022-23) in a timely manner. We recommend the Legislature consider this proposal in the context of its overall priorities for addressing wildfire risks and defer action until the spring to allow more time to assess additional information on the other proposals in the Governor's wildfire resilience package as many of them lack sufficient details.

weaknesses in existing capacity, or what goals for enhanced capacity they are intended to achieve—making it unclear whether the proposals are justified and reflect the most cost-effective approach for enhancing the state’s emergency response capacity.

California Earthquake Early Warning System.

The Governor proposes to make permanent the level of funding that has been provided previously on a one-time basis to support the development of the California Earthquake Early Warning System. While the system is potentially promising, without a strategic plan, it is unclear how the current approach to building out the system would align with overall emergency response goals. For example, it is unclear whether the current efforts to expand the system would provide the highest-priority benefits or whether alternative strategies, such as increased funding for building seismic retrofits, would better mitigate the potential harm from earthquakes.

Support Capacity. As previously mentioned, this proposal would provide additional staffing for multiple OES functions, including additional executive positions; administration, finance, legal, and audits staff; as well as staff to augment certain programs including emergency response, planning, and preparedness programs. This request is similar to augmentations provided to OES in recent years. Without a strategic plan it is unclear why the resources previously provided were insufficient and what the total level of resources that OES would need to effectively support the state’s emergency response goals is. Such information would assist the Legislature in determining the extent to which OES needs additional staff.

Enhanced Partnerships for Addressing Heightened Risks—Regional Office Staffing.

As previously mentioned, this proposal would (1) increase staffing across all three OES regional offices and (2) support staffing and lease costs for a new Southern Region satellite office in San Diego that OES recently started with emergency COVID-19 response funding. While increasing regional office staffing could be reasonable, without a strategic plan, it is difficult to assess whether it is necessary given the state’s existing response capacity.

The proposal also highlights the need for a strategic plan in other ways. Because OES did not have a strategic plan that included an assessment of how its response capacity is distributed throughout the state, it had not identified a critical gap in geographic coverage near the international border in the San Diego region. OES only identified this issue when it became more acute during the initial response to the COVID-19 pandemic as it took staff from the Southern Regional Office in Orange County a significant amount of time to commute to San Diego. Accordingly, OES was forced to quickly establish a new satellite office while also managing COVID-19 emergency response activities. While the San Diego satellite office appears needed, the process used to create the office forced OES to redirect staff who could have otherwise been engaged in direct emergency response activities.

Logistics Management—Facilities and Infrastructure Management Staffing. Similar to the support capacity proposal described above, it is unclear why the prior augmentations provided to the OES logistics division were insufficient and whether the requested augmentation achieves the total level of resources necessary to support the state’s emergency response goals. For example, the administration indicates that the proposed funding is needed to allow the logistics division to set up multiple staging areas in the case of multiple large-scale emergencies. While this seems reasonable, without a strategic plan, it is unclear whether this proposal supports the number of staging areas that would align with goals for state emergency response capacity and whether other OES emergency response functions have the capacity needed to utilize the multiple staging areas that would be set up by these additional logistics staff.

Search and Rescue Teams and Training. We find that this proposal is difficult to assess in the absence of a strategic plan. First, the proposal would replace an existing state-local partnership with a state-run program at a significantly higher cost. Specifically, under the proposal, OES would spend \$2 million more annually to provide the training. It is unclear whether and to what extent this approach would provide an increased level of service. To the extent the proposal would support an increased level of service, without a strategic plan, it is unclear if such an increase is necessary.

Second, for the \$1 million annually for local urban search and rescue teams, it is unclear whether providing funding for these local teams should be a state responsibility. For example, it is unclear whether the funding would simply replace local funding or increase the capacity of these teams. Moreover, without a strategic plan that outlines a long-term strategy on the use of local search and rescue teams, it is unclear if any increase in capacity is necessary.

Third, the proposal includes funding to align reimbursements provided to local governments for their cost of participating in mobile training exercises for search and rescue teams with their current actual costs. Adjusting the reimbursement rate to better reflect current costs appears reasonable. However, without a strategic plan, it is unclear whether the number of mobile training exercises funded would align with the state's capacity goals.

Some Proposals Are Not Justified

We find that two of the Governor's proposals are not justified. This is because they are unnecessary and raise other concerns, as we describe below.

Mission-Tasking Funding Duplicative of Existing Authority, Circumvents Legislative Oversight. We find the requested \$10 million for mission-tasking funding to be unnecessary for two reasons. First, the proposed funding would allow OES to reimburse departments for costs they incur due to being mission-tasked when other emergency response funding sources are unavailable, such as when a state of emergency has not been declared.

However, the Governor's budget already includes the ability to augment funding for departments for unexpected costs or emergencies. Specifically, Item 9840-001-0001 includes \$40 million to augment departments' General Fund budgets and Item 9840-001-0494 includes \$15 million to augment departments' special fund budgets upon approval of the Director of Finance and no sooner than 30 days after notification to the Joint Legislative Budget Committee. We also note that the proposed level of funding for Item 9840-001-0001 is \$20 million higher in 2022-23 than the amount included in the 2021-22 budget.

Second, the Governor's proposal would allow the administration to transfer the \$10 million from OES to other departments without any legislative notification. Under the proposal, OES would only be required to report by March 1, 2024 on the use of the funds. Thus, such transfers would be subject to considerably less legislative oversight than required by the 9840 items.

Military Equipment Verification Not Justified.

We find the request for two positions to verify whether local law enforcement agencies have approval of their local governing body before accepting military equipment to be unnecessary. First, Chapter 406 does not require OES to verify whether local law enforcement agencies have approval of their local governing bodies to accept military equipment. Furthermore, even if the Legislature wanted OES to perform this task, it is unclear why OES cannot absorb this workload within its existing resources.

RECOMMENDATIONS

Despite the lack of a strategic plan for enhancing the state's emergency response capacity, the Legislature will need to take actions on the Governor's various proposals. In order to ensure the Legislature has better information to make decisions in the future, we recommend below requiring the administration to develop a strategic plan and conduct a review of the OES base budget. We also make recommendations regarding the Governor's specific budget proposals for OES.

Require Development of Strategic Plan and Review of OES Base Budget

Require Administration to Develop Strategic Plan for Enhancing Emergency Response Capacity. To ensure the state is prepared to address a potential ongoing increase in emergencies in an efficient and effective manner, we recommend that the Legislature require the administration to develop a strategic plan for enhancing emergency response capacity and

submit this plan to the Legislature no later than January 1, 2024. The plan should include an assessment of existing capacity and identify specific goals and objectives for emergency response capacity and capabilities, as well as the weaknesses or gaps in the state's current ability to meet those goals and objectives. This includes identifying the overall staffing needs of OES and outlining a strategy for meeting these needs. While there would be benefit in having this information made available in a single strategic plan, the Legislature could also consider having the administration release elements of the plan as they are completed. For example, the Legislature could require OES to identify state response goals and existing response capacity by January 1, 2023. Under this option, the identification of gaps or weaknesses in current response capacity and the assessment of the level of staffing necessary to support both base workload and the emergency response capacity goals could be provided by January 1, 2024.

Ideally, OES would have the ability to develop the strategic plan we recommend. Establishing emergency response goals and assessing current capabilities are integral to the core mission of OES. However, OES has been unable to conduct a similar, more narrowly scoped assessment of wildfire response capacity and goals required as part of the 2019-20 budget package. Given this, we recommend that the Legislature ask OES during budget hearings whether it is able to develop a strategic plan for enhancing emergency response capacity before tasking OES with doing so. This would also provide OES the opportunity to indicate what resources it might need to develop the strategic plan. To the extent OES is unable to commit to developing a plan, the Legislature could ask OES to recommend alternative entities that would be better suited to develop the plan.

Require Review of Base Budget After Completion of Strategic Plan. We recommend that the Legislature also require that the OES base budget be reviewed after the completion of the strategic plan. Such a review would determine the extent to which existing resources are meeting the goals in the strategic plan, whether some resources should be reallocated to higher-priority

uses, and the extent to which recent augmentations have already provided the necessary resources. This base budget review, coupled with the strategic plan, would provide the Legislature the information it needs to determine how to allocate funds to enhance the state's emergency response capacity in the most efficient and effective manner. We note that the Department of Finance has a unit that conducts such budget reviews. One option that the Legislature could consider is requesting this unit to review the OES budget, depending on how such a review would fit into the timing and schedule of other budget reviews that the Legislature has requested.

Approve Proposals That Appear Reasonable

Some of the budget proposals for OES appear reasonable and the rationale for these augmentations are unlikely to be changed by our recommended strategic plan. Accordingly, we recommend the Legislature approve the following proposals: (1) review of county emergency plans consistent with Chapter 744, (2) CDAA augmentation, and (3) the three capital outlay facilities proposals and the two related facilities support proposals.

Request More Information on 988 Hotline Proposal

We recommend that the Legislature direct OES to report on the administration's efforts to secure federal funds for implementation of the 988 hotline. This should include the level of federal funding the state has requested and the potential timing of receiving federal funds if they are awarded to the state. Until the receipt and review of such information, we withhold recommendation the Governor's 988 hotline implementation proposal.

Modify Certain Proposals to Approve Limited-Term Funding

Several of the budget proposals are difficult to assess without a strategic plan and an assessment of the base budget for OES. However, the Legislature will still need to take action on these proposals. In light of the likelihood that OES will need some augmentations in order to enhance

the state's emergency response capacity, we recommend approving these proposals on a three-year, limited-term basis. This will give the administration time to complete a strategic plan for enhancing emergency response capacity and a review of the OES base budget. The continued need for these augmentations could then be considered in three years in the context of a more strategic approach to enhancing emergency response capacity. Specifically, we recommend providing three-year, limited-term funding for the (1) California Earthquake Early Warning System, (2) support capacity, (3) enhanced partnerships for addressing heightened risks (regional office staffing), (4) logistics management, and (5) search and rescue teams and training proposals.

However, for the search and rescue teams and training proposal, absent justification for increasing the cost of training, we recommend providing only the funding for the local search and rescue teams and mobile training exercise reimbursements.

Reject Proposals Not Justified

We recommend that the Legislature reject the mission-tasking appropriation proposal given that there is an existing process for augmenting departments' budgets for such expenses that would provide greater legislative oversight. We also recommend rejecting the military equipment verification proposal given that OES is not required to complete the identified workload and could likely absorb the cost of doing so.

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This report was prepared by Jessica Peters, and reviewed by Drew Soderborg and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature. To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, California 95814.