

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Support

BILL NUMBER: SB 1227
AUTHOR: D. Hollingsworth

BILL SUMMARY: Disaster Assistance: Disaster Response Account

This Administration-sponsored bill would repeal the sunset date for the Disaster Response-Emergency Operations Account (DREOA).

FISCAL SUMMARY

The DREOA is an account within the Special Fund for Economic Uncertainties (SFEU). By statute, this fund is appropriated \$1,000,000 General Fund at the beginning of each fiscal year. The funds in this account are continuously appropriated and if the account requires additional funds to meet claims against it, the Director of Finance may transfer funds from the SFEU to the DREOA in an amount sufficient to pay the amount of the claims that exceed the unencumbered balance. By eliminating the sunset date of a continuously appropriated account, this bill would make an appropriation.

General Fund costs to the state that would be incurred by this measure are unknown and would depend on the number of disasters that occur and result in a Governor’s proclamation of a state of emergency and the costs incurred by state agencies as a result of their response to those emergencies.

COMMENTS

The Department of Finance supports this bill because it would ensure that the Administration continues to have the flexibility to pay for unanticipated state disaster response costs as needed.

Existing law establishes the DREOA within the SFEU and appropriates \$1,000,000 annually for state disaster response operation costs resulting from Governor’s proclamation of a state of emergency and continuously appropriates the funds in the account without regard to fiscal year.

This bill would eliminate the sunset date of the DREOA. By eliminating the sunset date of a continuously appropriated account, this bill would make an appropriation.

The potential threat of disasters in California, including acts of terrorism, make it crucial that the DREOA remain operative. The continuance of the DREOA would give the Administration more flexibility and ability to act in a timely manner if California is faced with a major disaster or terrorist attack that exceeds the Office of Emergency Services’ budgeted disaster assistance authority.

Analyst/Principal (0210) J. Carosone	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor’s Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

AMENDMENT DATE

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SB 1227

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0001
9901/Var Depts	SO	No	-----	See Fiscal Summary	-----				0375
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0375	Disaster Response-Emerg Operations Acc								