

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 27, 2008
POSITION: Oppose unless amended

BILL NUMBER: SB 1227
AUTHOR: D. Hollingsworth

BILL SUMMARY: Disaster Assistance: Disaster Response Account

This bill would extend the sunset date for the Disaster Response-Emergency Operations Account (DREOA) until January 1, 2014, and would redefine "state of emergency".

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 extending 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 is opposed to this bill unless it is amended, as this bill would limit the Administration's flexibility to deal with unanticipated state disasters by redefining "state of emergency". We would note that extending or eliminating the current sunset date of the DREOA is critical due to the potential threat of disasters in California. 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.

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

This bill would extend the current January 1, 2009 sunset date for the DREOA to January 1, 2014, and would redefine "state of emergency" to exclude conditions in the state's prisons, medical facilities, or youth correctional facilities that are the result of action or inaction on the part of the Department of Corrections and Rehabilitation.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								
	SO	(Dollars in Thousands)							
	LA	PROP		2008-2009		2009-2010		2010-2011	Fund
	CO	98	FC	FC	FC	FC	FC	FC	Code
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								

Analyst/Principal (0212) J. Osborn	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)

Suggested Amendments
SB 1227 (As amended May 27, 2008)

SECTION 1. Section 8558 of the Government Code is amended to read:

8558. Three conditions or degrees of emergency are established by this chapter:

(a) "State of war emergency" means the condition that exists immediately, with or without a proclamation thereof by the Governor, whenever this state or nation is attacked by an enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that such an enemy attack is probable or imminent.

(b) "State of emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease; the Governor's warning of an earthquake or volcanic prediction; an earthquake, other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat; or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission. ~~"State of emergency" does not include conditions in the state's prisons, medical facilities, or youth correctional facilities resulting solely from the action or inaction of the Department of Corrections and Rehabilitation in administering those facilities.~~

(c) "Local emergency" means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by - conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, sudden and severe energy shortage, plant or animal infestation or disease; the Governor's warning of an earthquake or volcanic prediction; an earthquake, other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requiring extraordinary measures beyond the authority vested in the California Public Utilities Commission.