



STATE OF CALIFORNIA
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES

OFFICE OF THE DIRECTOR, POLICY AND ADMINISTRATION
DISASTER FINANCIAL RECOVERY AND RECONCILIATION

Supplemental Funding Options

	Disaster Response Emergency Operations Account (DREOA)	Item 9840	Supplemental Appropriation Bill
Intent and Applicability	Provides funding allocation for extraordinary costs that are immediate and necessary for emergency response operations supporting a Governor's State of Emergency (SOE) proclamation.	Provides appropriation authority for unanticipated costs arising from current year contingencies or emergencies. Subject to specified exceptions and augmentation limits.	Provides funding allocation for unanticipated costs, policy or program changes, capital or infrastructure needs.
Approval Level	Department of Finance (DOF), upon notification to the Joint Legislative Budget Committee (JLBC).	DOF approves requests following notification to and review period of the JLBC.	DOF proposes to the Legislature through a Budget Bill Jr or a standalone Supplemental Appropriations Bill. The Legislature reviews and votes in budget or appropriations committees. Budget-related bills can pass with a simple majority.
Availability Timing	Activities that occur within 120 days after a proclamation of emergency by the Governor. That period may be extended pursuant to statute.	A transfer of approved funds from Item 9840 shall not be authorized until 30 days after the Director of Finance provides written notification to the Legislature, or 10 days in cases of an emergency expense.	Timeframe designated by the Legislature.

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Funding Source & Authority	Transferred from the Special Fund for Economic Uncertainties, within the General Fund. Government Code Section 8690.6	Items in the annual budget for three fund types: General Fund (0001), Special Funds (0494), and Non-Governmental Cost Funds (0988). The Budget Act defines the authorized amounts for each item. Appropriation balances are subject to availability and will be distributed on a first-come, first-served basis. See the following items in the appropriate Budget Act for funding limits: 9840-001-0001 9840-001-0494 9840-001-0988	Must be requested through the Legislative process as either a bill related to the budget (e.g., a Budget Bill Jr. or budget trailer bill) or an Urgency measure. The fund source would be identified in the legislation. Authorized in chaptered legislation.
Eligible Activities	Disaster response operations and debris removal costs incurred within the time period and geographic areas set by the State of Emergency (SOE) that the agency is unable to absorb within its budget. Straight staff time is not eligible for DREOA unless funded with a fund source not allowable for disaster response or extraordinary in nature.	Activities not specifically prohibited in the budget bill language of the three Item 9840 appropriations and as detailed in the notification to the JLBC. For disaster efforts, Item 9840 allocations may be allowable for unabsorbable costs not eligible for DREOA funding. This may include, but is not limited to, response costs incurred prior to the SOE or for immediate and necessary activities outside the geographic areas identified in the SOE proclamation.	Activities identified in chaptered legislation. (e.g., LA Wildfires, the 2024 Budget Act was amended to authorize supplemental augmentation authority specific to this proclaimed SOE).

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Categories of Work	FEMA Category A (Debris Removal) and Category B (Emergency Protective Measures)	Any categories of work not specifically prohibited in the budget bill language of the three Item 9840 appropriations and as detailed in the JLBC notification.	Any categories of work defined within legislation.
Required Documents	DFRR Smartsheet Tracker completion based on estimated costs. All pertinent information and documents should be kept available.	DFRR Smartsheet Tracker completion based on estimated costs. All pertinent information and documents should be kept available.	DFRR Smartsheet Tracker completion based on estimated costs. All pertinent information and documents should be kept available.
Funding Allocation	Funding allocation can take up to 1-2 months from request date, to allow time for review. Upon the final determination, DOF prepares the JLBC notification and submits the completed executive order to the State Controller's Office (SCO) to transfer funding. There is no mandatory waiting period after JLBC notification.	Funding allocation can take up to 1-2 months from the request date, to allow time for review and the mandatory 30-day review period after JLBC notification (10 days for emergency expenses). Upon final determination, DOF prepares the 9840 legislative notification and submits an executive order to SCO to transfer funding.	Funding allocation depends on legislative approval, and the legislation may specify process to be followed. Direct funding for agencies will occur upon the Governor signing the bill and normal administrative processing with SCO. Funding authorized for future allocation determinations will follow a similar timeline to DREOA. For control sections pending future allocations, any necessary legislative notification will be identified in the legislation. Upon final determination, DOF prepares the necessary legislative notification and completes the executive order to SCO to transfer funding.

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Final Reconciliation	Expectation is to maximize federal reimbursement for any eligible costs.	Expectation is to maximize federal reimbursement for any eligible costs.	Expectation is to maximize federal reimbursement for any eligible costs.