



May 15, 2024

The Honorable Scott Weiner  
Chair, Senate Committee on Budget and  
Fiscal Review  
1020 N Street, Room 502  
Sacramento, CA 95814

Mr. Gabriel Patek, Legislative  
Analyst  
Legislative Analyst's Office  
925 L Street, Suite 1000

The Honorable Jesse Gabriel  
Chair, Assembly Committee Budget  
1021 O Street, Room 8230  
Sacramento, CA 95814

**Subject: REPORT TO CALIFORNIA LEGISLATURE REGARDING BUDGET ACT OF 2023**

Dear Senator Weiner, Assemblymember Gabriel, and Mr. Patek:

Pursuant to section 39 of Chapter 38 of 2023 (Assembly Bill 102, Ting, Budget Act of 2023), the Office of Emergency Services (OES) shall provide a report to the Legislature on the State and Local Cybersecurity Grant Program (SLCGP). A copy of this report shall be submitted to the chairpersons of the budget committees of both houses of the Legislature and the Legislative Analyst's Office.

Should you have any questions, please contact Deputy Director of Legislative and Governmental Affairs, Bridget Kolakosky at (916) 364-4635 or [bridget.kolakosky@caloes.ca.gov](mailto:bridget.kolakosky@caloes.ca.gov).

Sincerely,

  
NANCY WARD  
Director

cc: Ann Patterson, Cabinet Secretary, Office of the Governor



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**REPORT TO CALIFORNIA LEGISLATURE**

**REGARDING BUDGET ACT OF 2023**

**REGARDING STATE AND LOCAL CYBERSECURITY GRANT PROGRAM EXPENDITURES  
REQUIRED BY ASSEMBLY BILL 102**

**March 1, 2024**

## **CONTENTS**

Executive Summary .....	3
Grant Award Process For Recipients.....	4
SLCGP Approved Cybersecurity Projects.....	5
Criteria to Award SLCGP Funds .....	5
Determination of Funding Award.....	6

## **EXECUTIVE SUMMARY**

Pursuant to section 39 of Chapter 38 of 2023 (Assembly Bill 102, Ting, Budget Act of 2023), the Governor's Office of Emergency Services (Cal OES) shall provide a report to the Legislature on the State and Local Cybersecurity Grant Program (SLCGP). A copy of this report shall be submitted to the chairpersons of the budget committees of both houses of the Legislature and the Legislative Analyst's Office. The report requests the following information:

- (a) grant recipients and the amount awarded to each;
- (b) how the funding provided will be used;
- (c) how it was determined which entities would receive an award, and
- (d) how the amount each recipient would receive was determined.

Strengthening cybersecurity practices and resilience of state, local, and territorial (SLT) governments is a vital homeland security mission and the primary focus of the SLCGP. The SLCGP was established and funded by the federal State and Local Cybersecurity Improvement Act (Subtitle B of Title VI of the Infrastructure Investment and Jobs Act (Public Law 117-58), as specified in Section 665g of Title 6 of the United States Code). One of the requirements of the SLCGP in the federal legislation was that all state and territorial governments receiving the grant establish a cybersecurity planning committee to advise the state on implementation of the grant program.

Cal OES is the State Administrative Agency (SAA) designated to apply for and receive the SLCGP from the federal granting agency. The California Cybersecurity Task Force's Cybersecurity Investment Planning Committee (CCTF-CIPS) serves as the planning committee for the SLCGP.

## **CURRENT STATUS OF SLCGP IN CALIFORNIA**

As of the date of this report, the following steps have been completed or are in progress:

1. In August of 2022, Cal OES and the Cal-CSIC established an Executive Committee and then formed the seventh subcommittee of the California

Cybersecurity Task Force (named the Cybersecurity Investment Planning Subcommittee or CCTF CIPS) to help develop the plan.

2. The Federal Fiscal Year (FFY)22 SLCGP Notice of Funding Opportunity (NOFO) was published by Federal Emergency Management Agency (FEMA) in September of 2022, and the CCTF CIPS developed the Cybersecurity Plan over the following 12 months. Cal OES applied for the FFY22 portion of the grant on November 14, 2022.
3. On December 27, 2022, Cal OES was awarded \$7,976,788, however only 5% for M&A could be utilized until federal approval of the State's Cybersecurity Plan was approved by Department of Homeland Security (DHS).
4. Cal OES submitted the completed Cybersecurity Plan to FEMA on September 26, 2023, and received approval from DHS on September 29, 2023.
5. Currently, Cal OES, and the Department of Technology (CDT) are finalizing arrangements for the sub-recipient application process so that potential sub-recipients can apply for services or funds under the program, in accordance with the approved Cybersecurity Plan. The period of performance is 48 months per FFY award (12/1/2022 to 11/30/2026 for FFY22 award).

#### **GRANT AWARD PROCESS FOR RECIPIENTS:**

Prior to the release of award funds to the state, the SLCGP requires that the SAA establish a Statewide Cybersecurity Planning Committee and a Statewide Cybersecurity Plan.

The California Cybersecurity Plan, developed by the CCTF-CIPS with support from OES staff was approved by federal DHS, FEMA, and Cybersecurity and Infrastructure Security Agency in September 2023.

Cal OES, the California Cybersecurity Integration Center (Cal-CSIC), and the CDT are finalizing the development of the sub-recipient application process for both SLCGP funds and services to ensure alignment with the approved Statewide Cybersecurity Plan. This will be followed by a Request for Proposal application period to begin the application process. Applicants will undergo a competitive process to be selected as eligible grant recipients.

## **SLCGP APPROVED CYBERSECURITY PROJECTS**

The funding allocated for the SLCGP will be utilized to fulfill the requirements outlined in the approved 2023 California Cybersecurity Plan, which incorporates elements from the Cal-Secure Roadmap, California Homeland Security Strategy, and California Emergency Support Function 18. To qualify for funding from the SLCGP, proposed projects by state agencies or local jurisdictions must align with these elements.

California will offer readily available in-kind services to address the most critical cybersecurity gaps identified by the CCTF-CIPS. Although the application and allocation procedural processes are still under-development, the following in-kind services are expected to be included: Cal-CSIC DarkWeb Monitoring, CAL-CSIC Threat Intelligence Products Subscription, Cal-CSIC Monthly Cyberthreat Briefing, CDT Security Information and Event Management (SIEM): Microsoft Sentinel and Lighthouse, CDT continuous detection and alerting platforms via its Security Operations as a Service, and CDT's Virtual Chief Information Security Officer Advisory Services.

## **CRITERIA TO AWARD SLCGP FUNDS**

SLCGP requires that 80% of the federal funds must go to local governments, including rural areas, and we must pass through 25% of the total federal funds to rural areas as defined by FEMA to encompass a population of less than 50,000 people. Applicants must meet specific criteria to be eligible for an award. Specific criteria include recognition as a state, local, or tribal government, as defined in the DHS NOFO for the FFY 2022 SLCGP. It should be noted, private non-profit or for-profit organizations are not eligible for the SLCGP under the requirements of this federal grant program. Furthermore, applicants must propose cybersecurity projects that align with the Cal OES Cybersecurity Plan and the required objectives of the federal SLCGP. Due to the complex and far-reaching subject matter that this grant program is to support, additional and more controlled criteria for the evaluation of applicants is required. This will ensure funding is adequately allocated to the applications that stand to make the largest impact on this emerging funding goal. Taking this into consideration, the development of the SLCGP has required additional time to properly meet funding goals.

A collaborative effort between CDT, Cal OES Grants, and the CAL-CSIC Cyber Strategy and Planning Team is underway to establish the criteria for prioritizing the selection of entities to receive SLCGP funds and or services within the next two years.

#### **DETERMINATION OF FUNDING AWARD**

During the federal period of performance Cal OES will distribute the following SLCGP funds as noted below:

Federal Fiscal Year	FFY22	
Federal Award Period of Performance	12/1/2022 – 11/30/2026	
Nationwide Amount	\$200,000,000	
	Amount Allocated	Actual Amount Disbursed by Cal OES
California Share (Total Federal Award)	\$7,976,788	\$0
Cost Share % (of Total Project Cost)	0%	n/a
Total Cost Share \$ (statewide)	\$0	n/a
Total Funds (Fed + SLTT shares)	\$7,976,788	\$0
State Gov't Allocation (20%)	\$1,595,358	\$0
Management & Administration (M&A) Portion (5%)	\$398,839	\$0
Effective State Gov't Portion (20% - M&A = 15%)	\$1,196,518	\$0
Local Government Pass-Through (80%)	\$6,381,430	\$0
Rural Pass Through (at least 25% of total funds)	\$1,994,197	\$0
Non-Rural Pass Through (max 55% of total funds)	\$4,387,233	\$0