



March 13, 2024

The Honorable Bill Dodd
Chair, Senate Committee on
Governmental Organization
1020 N Street, Room 584
Sacramento, CA 95814

The Honorable Freddie Rodriguez
Chair, Assembly Committee on
Emergency Management
1020 N Street, Room 360B
Sacramento, CA 95814

Mr. Gabriel Petek, Legislative Analyst
Legislative Analyst's Office
925 L Street, Suite 1000
Sacramento, CA 95814

**Subject: Report to California Legislature Regarding Fiscal Year 2021-22
Expenditures Under the State and Local Cybersecurity Grant Program**

Dear Senator, Assemblymember and Legislative Analyst:

Pursuant to SB 844 (Min, Chapter 505, Statutes of 2022) the California Cybersecurity Integration Center (Cal-CSIC) is transmitting this report describing all expenditures made by the state within state fiscal year 2021-22 pursuant to 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). This Act is also known and commonly referred to as the State and Local Cybersecurity Grant Program (SLCGP)

Should you have any questions, please contact Legislative and External Affairs Coordinator, Chris Hacker at (916) 845-8929 or chris.hacker@caloes.ca.gov.

Sincerely,


NANCY WARD
Director

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



**REPORT TO CALIFORNIA LEGISLATURE
REGARDING SLCGP EXPENDITURES REQUIRED BY SB-844**

**EXPENDITURES MADE BY THE STATE WITHIN A SINGLE FISCAL YEAR PURSUANT TO
THE FEDERAL STATE AND LOCAL CYBERSECURITY IMPROVEMENT ACT (AKA SLCGP)**

December 31, 2023

Contents

1. Executive Summary.....	2
2. Background	3
3. Current Status Of SLCGP In California	3

1. EXECUTIVE SUMMARY

SB 844 (Min, Chapter 505, Statutes of 2022) which added section (f)(1) to Government Code section 8586.5. Government Code section 8586.5(f)(1) requires that beginning December 31, 2023 through December 31, 2026, the California Cybersecurity Integration Center (Cal-CSIC) will submit to the Legislature annual reports that describe all expenditures made by the State within the State fiscal year. This is pursuant to 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).

The reports shall be delivered to the Legislature according to the following schedule:

- The first report for the 2021–22 fiscal year shall be delivered no later than December 31, 2023.
- The second report for the 2022–23 fiscal year shall be delivered no later than December 31, 2024.
- The third report for the 2023–24 fiscal year shall be delivered no later than December 31, 2025.
- The fourth report for the 2024–25 fiscal year shall be delivered no later than December 31, 2026.

The federal grant program established by the State and Local Cybersecurity Improvement Act is the State and Local Cybersecurity Grant Program (SLCGP) and will be referred to as SLCGP throughout this report.

2. BACKGROUND

SLCGP funds are administered in each state by the designated State Administrative Agency, which in California is the Governor's Office of Emergency Services (Cal OES). After federal grant funds are awarded each year to the state, Cal OES must distribute these funds in accordance with federal grant program requirements and state law. Funds awarded for each federal fiscal year (FFY) have the full four-year period of performance (POP) to be spent down. For example, the POP for FFY22 funds for California began on December 1, 2022 and those funds must be disbursed by November 30, 2026.

Along with receiving budget authority from the Legislature to distribute grant funds, Cal OES must also comply with several additional requirements unique to SLCGP in order to "unlock" the awarded funds: 1) form a Cybersecurity Planning Committee, 2) develop a Cybersecurity Plan in accordance with the Notice of Funding Opportunity (NOFO) published by FEMA, 3) submit the Plan to FEMA and receive approval from DHS, 4) once the funds are unlocked, the state must expend the funds in accordance with the approved Cybersecurity Plan. While those steps are being completed and prior to Plan approval, the state is only authorized to use the Management and Administration portion of the grant (up to 5% of the total award).

3. Current Status of SLCGP In California

As of November 15, 2023, 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 NOFO was published by 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. 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 DHS.
- 3) Cal OES submitted the completed Cybersecurity Plan to FEMA on September 26, 2023 and received approval from DHS on September 29, 2023.

- 4) Currently, Cal OES, the Cal-CSIC, 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).

SLCGP Expenditures Made Within CA FY 2021-22

For California fiscal year 2021–22, Cal OES distributed the following SLCGP funds:

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