

May 16, 2025

The Honorable Steve Padilla
Chair, Senate Committee on
Governmental Organization
1021 O Street, Suite 7630
Sacramento, CA 95814

The Honorable Rhodesia Ransom
Chair, Assembly Committee on
Emergency Management
1021 O Street, Suite 6340
Sacramento, CA 95814

The Honorable Laura Richardson
Chair, Senate Subcommittee on
Corrections, Public Safety, Judiciary,
Labor, and Transportation
Capitol Office, 1021 O Street,
Suite 7340
Sacramento, California 95814

The Honorable James C. Ramos
Chair, Assembly Subcommittee on
Public Safety
Capitol Office, 1021 O Street, Suite 8310
Sacramento, California 95814

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Legislative Analyst's Office
925 L Street, Suite 100
Sacramento, California 95814

**Subject: Report to the California Legislature Regarding Fiscal Year 2022-2023
Expenditures Under the State and Local Cybersecurity Grant Program (SB 844)**

Dear Senators, Assemblymembers, and Mr. Patek:

Please find the closed "Report to the California Legislature Regarding Fiscal Year 2022-2023 Expenditures Under the State and Local Cybersecurity Grant Program (SB 844)," pursuant to Government Code Section 8586.5(f)(1)(B). This report is to be submitted to the following committees of the Legislature, Senate Committee on Governmental Organization, Assembly Committee on Emergency Management, Senate Subcommittee No. 5 on Corrections, Public Safety, Judiciary, Labor, and Transportation, and the Assembly Subcommittee No. 6 on Public Safety.



If you have any questions, please contact the Office of Legislative and Governmental Affairs, Deputy Director Yvonne Dorantes at (916)364-4525 or Yvonne.Dorantes@CalOES.ca.gov.

Sincerely,



NANCY WARD
Director

Enclosure: 1
Report to the California Legislature Regarding Fiscal Year 2022-2023
Expenditures Under the State and Local Cybersecurity Grant Program (SB
844)

**REPORT TO THE CALIFORNIA LEGISLATURE
REGARDING SLCGP EXPENDITURES REQUIRED BY SENATE BILL 844**

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

December 31, 2024

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1. EXECUTIVE SUMMARY

Senate Bill 844 (Min, Chapter 505, Statutes of 2022) added section (f)(1) to Government Code Section 8586.5 which requires the California Cybersecurity Integration Center (Cal-CSIC) to submit to the Legislature four annual reports, describing all expenditures made by the State within the state fiscal year (FY). This is pursuant to the 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 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 (SAA). For California, the Governor's Office of Emergency Services (Cal OES) acts as the SAA for the SLCGP. After federal grant funds are awarded to the state each year, 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 FFY 2022 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 State Legislature to distribute grant funds, Cal OES must also comply with several additional requirements unique to SLCGP to maintain eligibility. These requirements are enumerated in the Notice of Funding Opportunity (NOFO) and listed below.

- 1) Formation of a Cybersecurity Planning Committee;
- 2) Develop a Cybersecurity Plan in accordance with the Notice of Funding Opportunity (NOFO) published by the Federal Emergency Management Agency (FEMA);
- 3) Submit the Plan to the FEMA and receive approval from the Department of Homeland Security (DHS); and
- 4) Once eligibility is met through the aforementioned requirements, the state must expend the funds in accordance with the approved Cybersecurity Plan.

During the state FY 2022-2023, Cal OES was able to satisfy requirements one, two, and three using the authorized management and administration (M&A) funds of up to five percent of the total award.

3. UPDATE OF SLCGP FROM DECEMBER 2023 REPORT

Since the approval of the Cybersecurity Plan from DHS in September of 2023, Cal OES, the Cal-CSIC, and the California Department of Technology (CDT) finalized the sub-recipient monitoring process. The process included,

- 1) Issuing a notice of the competitive funding opportunity to potential subaward applicants;
- 2) Processing applications, score proposals, and announce subawards to subrecipients;
- 3) Submit Investment Justification and Project Worksheets for subaward amount to FEMA for approval; and
- 4) Receive approval from FEMA and transfer remaining funds to the state Federal Trust Fund.

In July of 2024, Cal OES announced two competitive funding opportunities for the SLCGP. The announcement covered the award for FFYs 2022 and 2023 with \$19,085,028 available for distribution. The application period for the funding opportunity closed on September 27, 2024, with a total of 425 applications.

4. CALIFORNIA FY 2022-2023 SLCGP EXPENDITURES

The SLCGP NOFO published in September 2022 was the first opportunity for any state to apply for this federal grant program. Expenditures made by the state during FY 2022-23 are detailed in the table below. It is important to note that at the time of this report, the remaining award funds have not yet been released by FEMA for Cal OES, the SAA, to draw down and distribute to awardees.

	Amount Allocated	Expenditures in FY 2022-2023
California Share (Total Federal Award)	\$7,976,788	\$0
Cost Share % (of Total Project Cost)	0%	\$0
Total Cost Share \$ (Statewide)	\$0	\$0
State Gov't Allocation (20%)	\$1,595,358	\$0
Management & Administration (M&A) Portion (5%)	\$398,839	\$6,793
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

5. CONCLUSION

This first of its kind federal cybersecurity grant program will help entities across California address cybersecurity risks and threats to information systems. Communities throughout California face unique cybersecurity challenges with varying levels of preparedness in defending against increasingly sophisticated and ever-changing cyber threats. The SLCGP is a step towards helping stakeholders throughout the state understand the severity of their local cyber threats and cultivate vital partnerships to mitigate related risks.