

Date of Hearing: May 17, 2023

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Chris Holden, Chair

AB 972 (Maienschein) – As Amended March 23, 2023

Policy Committee: Local Government

Vote: 8 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill requires the Office of Planning and Research (OPR) to convene a statewide, cross-agency Local Assistance and Grant Program Streamlining Workgroup (workgroup).

Specifically, this bill:

- 1) Requires OPR, in consultation with the League of California Cities, to convene the workgroup no later than April 30, 2024, for the purpose of centralizing local assistance and developing a coordinated system to manage available state and federal funding in order to confront the effects of fragmented, decentralized state funding opportunities and in recognition of the importance of state and local partnerships.
- 2) Requires the workgroup to prioritize the unique needs of under-resourced and disadvantaged communities and to take into consideration achieving more equitable distribution of funding.
- 3) Requires workgroup members to be appointed by OPR, and to include representatives from OPR, the California Natural Resources Agency, California Environmental Protection Agency (CalEPA), the Department of Finance (DOF), the Department of Technology, the League of California Cities, and cities of specified populations and designations.
- 4) Requires the workgroup to consider, including but not limited to, developing plans and recommendations that accomplish any of the following:
  - a) Creation, coordination, and implementation of an integrated, statewide, centralized program for assistance and training to local governments in grant application development, project management, implementation, and monitoring.
  - b) Identify substantially similar state climate resiliency and other environmental or natural resources programs to enable the state to implement a single application, with aligned scoring criteria and deadlines, for making coordinated awards under all programs, pursuant to the timeline specified in 6), below.
  - c) Identify information technology solutions to improve processes, support uniform applications, and manage data.

- 5) Requires the workgroup to develop a report that includes the workgroup's findings, plans, and recommendations no later than January 31, 2025. Requires the report to include short-term, medium-term and long-term solutions to be accomplished by January 31, 2027.
- 6) Requires the workgroup to post the report on OPR's internet website and provide the report to DOF and relevant policy and fiscal committees of the Legislature.
- 7) Requires, subject to appropriation by the Legislature, OPR and any other relevant state entities to implement the workgroup's recommendations pursuant to the deadlines specified in 5), above.

**FISCAL EFFECT:**

- 1) OPR estimates one-time General Fund (GF) costs of \$481,000 for two positions to organize and facilitate the workgroup and to produce the report, including recommendations, to the Legislature.
- 2) Costs of an unknown amount, likely minor, to the California Natural Resources Agency, CalEPA, DOF, and the Department of Technology to participate in the workgroup.
- 3) Ongoing GF cost pressures of an unknown amount, potentially substantial, to implement the workgroup's recommendations, pursuant to the deadlines in the bill.

**COMMENTS:**

- 1) **Purpose.** This bill is sponsored by the League of California Cities, who writes:

At the state level, local assistance efforts are largely conducted by individual grant programs, and, although centrally located via the California State Library's Grants Portal, nearly all state grant programs have unique and widely varied procedures for application and scoring. Further, although best practices for local assistance have been developed and published by the Strategic Growth Council, local assistance efforts are not uniformly conducted across state departments, offices, boards, commissions, and agencies. Local municipalities often lack the resources, staff capacity, implementation experience, and technical expertise to apply for and secure competitive statewide targeted grant funding. Streamlined application processes and robust, uniform local assistance from the state is crucial for cities to effectively access state funding opportunities.

- 2) **State Library Grants Portal.** AB 2252 (Limón), Chapter 318, Statutes of 2018, enacted the Grant Information Act of 2018, and required the California State Library (Library) to create a funding opportunities Internet Web portal (Portal) that provides a centralized location for grant seekers to find state grant opportunities. The bill required the Portal to include an interactive website that includes, at minimum, information identifying every grant administered by the state and any incentive opportunities allocated by statute or in the annual budget that will provide local assistance funds.

AB 2252 required the Portal to be accessible and provide helpful information to a diverse set of potential applicants and other entities working to support and benefit disadvantaged and

low-income communities. AB 2252 also required each state agency, by July 1, 2020, to register every grant the state agency administers with the Library before commencing a solicitation or award process for distribution of the grant. Each state agency must also provide a link to the Library's Portal on its website, and provide for the acceptance of electronic proposals for any grant administered by the agency.

According to the Library's Annual Report for 2021-2022, 59 state agencies posted grants on the Portal and 109,501 applications were submitted for opportunities available on the Portal. Beginning July 2023, post-award data will be available for further analysis of the how and where grants are distributed in the state.

Although state grant listings are centralized in the Portal, advocates argue that most grants still have unique applications, program requirements and differing access to technical assistance, making it difficult for many local agencies to effectively apply for and secure grant funding. This bill requires OPR to convene a workgroup to coordinate assistance efforts, create a single application and make other improvements to the application process.

- 3) **Related Legislation.** AB 519 (Schiavo) creates an Affordable Housing Finance Workgroup to streamline the state's application process for affordable housing financing programs. AB 519 is pending in this committee.

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