

## Joint Legislative Budget Committee

# CALIFORNIA LEGISLATURE

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April 9, 2020

Ms. Keely Martin Bosler, Director  
Department of Finance  
Room 1145, State Capitol  
Sacramento, California 95814

Dear Ms. Bosler:

In a letter dated April 7, 2020, you notified the Joint Legislative Budget Committee (JLBC), pursuant to Section 36.00, of your intention to augment the *2019 Budget Act* to assist state and local governments in protecting the health and safety of the public and reducing the spread of the COVID-19 outbreak. The Administration has also requested the Legislature waive the 72-hour review period.

Specifically, Item 0690-001-0001 is augmented by a total of \$495,000,000 for the California Office of Emergency Services (Cal OES) to purchase N-95 and surgical masks – critical personal protective equipment (PPE) for healthcare workers and other essential employees. \$188,177,864 will be allocated to Cal OES from the Section 36.00 funds appropriated by SB 89. The remaining amount, \$306,822,136 will be allocated from the Disaster Response-Emergency Operations Account (DREOA). It is expected that the federal government will reimburse the state for 75% of this expenditure.

Masks and other PPEs are critical in preventing the transmission of COVID-19. We must ensure that healthcare workers, first responders, in-home care providers, grocery workers, school employees and teachers, sanitation workers, public safety and corrections personnel and other essential employees who are putting themselves in harm's way have the necessary PPE.

The COVID-19 pandemic has required the state to take aggressive measures to reduce the spread. Under normal circumstances, the Legislature would have had more time to deliberate an expenditure of this magnitude and would have been allowed to thoroughly vet the details of the

contract before proceeding. I understand the Administration feels the need to act quickly due to the worldwide demand for masks and other PPE. However, I request that the Administration provide the JLBC the full details of the contract including the performance standards required of the vendor and the manufacturer, the price per mask, the quality standards the masks are required to meet (such as those established by the National Institute for Occupational Safety and Health), the production and delivery timelines, and the efficacy of the technology utilized to clean the masks that will be reused. I request regular updates regarding the delivery of the masks and other PPE. The Administration should provide the JLBC the details of how it plans to prioritize masks between (1) different jurisdictions within the state and (2) different categories of users (such as health care workers, first responders and grocery workers) within each jurisdiction. Finally, should the Administration determine that it will allocate masks and other PPE to entities outside of California, I request that it provide JLBC with information on (1) how it was determined that such masks would no longer be needed within the state, (2) what out-of-state entities would receive these masks and PPEs, (3) the amount of masks each entity would receive, (4) how it was determined that these entities should receive these masks, and (5) whether the state would be reimbursed for any masks provided to out-of-state entities.

Further, I urge the Administration to get assurances from FEMA that these supplies will remain in California and will not be swept up by the federal government through processes highlighted in recent media reports.

In light of the massive spending commitments made for PPE and other medical equipment, I request that the Administration launch, no later than early next week, a regularly updated webpage that describes the state's inventory of each major type of equipment and the destinations of each outgoing shipment, including quantities shipped by county, city, and categories of users including health facilities and other essential workers. I request this webpage include the percentage of requested equipment that has been fulfilled by county or public health jurisdiction and any state or local guidance specifying a priority order for distribution within each jurisdiction. The Legislature and the JLBC recognize the need to respond quickly during this crisis and we have done so on all of the Section 36 augmentations. I urge the Administration to act quickly and provide more information that tracks the supply and demand of PPE throughout the state.

Given the severity of the COVID-19 crisis and the Administration's desire to act quickly, I waive the remaining time in the review period and concur with the spending request with the understanding that the Administration will provide the Legislature the information it has requested.

Ms. Keely Martin Bosler

3

April 9, 2020

Sincerely,

A handwritten signature in black ink that reads "H. Mitchell". The signature is written in a cursive style and is contained within a thin black rectangular border.

Holly J. Mitchell  
Chair

cc: Members of the Joint Legislative Budget Committee