

ATTACHMENT 1

ECONOMIC IMPACT STATEMENT

A. Estimated Private Sector Cost Impacts

The Department has determined that California law enforcement agencies that currently participate in the CalGang database, the only existing shared gang database in California, typically rely on in-house instructors to conduct training related to the database. It is expected that the same would be true of any new shared gang database created in the future. As such, these regulations would not result in new costs or benefits to private sector businesses that provide training.

FISCAL IMPACT STATEMENT

A. Fiscal Effect on Local Government

1. Additional approximate expenditures ranging from \$2,395,100 to \$4,082,600 in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and sections 17500 et seq. of the Government Code because this regulation.

These regulations could result in additional costs to local government to the extent that California law enforcement agencies choose to participate in a shared gang database. However, it is difficult to approximate the potential fiscal effect these proposed changes may have, due to the fact that participation would be voluntary and there the CalGang database is currently the only shared gang database in California. It is unknown how many, if any, California law enforcement agencies would choose to participate if a shared gang database other than the CalGang database was created. As of April 4, 2019, there 187 user agencies participating in the CalGang database. The Department is using this number to estimate potential costs to local agencies that may result if a new shared gang database was created.

Such agencies could incur costs as a result of some of the requirements outlined in these regulations, most of which would be related to staff time. For example, agencies that want to begin participating in the CalGang database would be required to designate a point of contact. This individual would be responsible for facilitating training, retrieving source documents, and updating CalGang records, as necessary. The extent of the staff time that would need to be dedicated to this role would depend on the number of individuals who will require direct access to the CalGang database and the records therein, the level of suspected gang activity in the area, and the level of participation in the database, among other factors. The Department estimates that these activities would occupy no more than 10% of the designated individual's time. Many of the existing users of the CalGang database are employed at the Detective classification, so the Department is using that as the basis for estimating the cost of additional staff hours. According to the California Employment Development Department, the median salary for a Detective in California was approximately \$98,000 annually, or \$47 hourly, in 2018 (Retrieved April 26, 2019, from

<https://www.labormarketinfo.edd.ca.gov/OccGuides/Detail.aspx?Soccode=333021&Geography=0604000073>). Assuming the responsibility would be assigned to a Detective, the Department estimates that a new user agency could incur a cost of approximately \$9,800 annually for the performance of the point-of-contact duties. This would result in local agencies incurring a cost of \$1,832,600 annually.

Pursuant to Penal Code section 186.36, any individual with access to the CalGang database or the records contained therein are required to undergo the comprehensive training. The Department estimates that required training hours could range from four to 16, depending on the method of instruction and length of each component instituted by the System Administrator. Based on the number of existing user agencies (187) and active users (3,000) of the CalGang database, the Department estimates that approximate 16 individuals per new user agency would need to participate in training. The Department estimates that local agencies could incur approximate costs ranging from \$562,500 to \$2,250,000 in staff time as a result of attending training.

As noted above, the training is typically provided by node or user agencies; however, the agencies could also choose to work with an outside vendor to provide some specific components of the required training, such as database security or implicit bias. The costs resulting from contracted training would depend on the components being taught, the number of participants, and the length of the class(es), and would vary widely. As such, the Department cannot estimate the potential cost to local agencies.

Pursuant to Penal Code sections 186.34, user agencies are required to notify an individual prior to designating him/her as a gang member or gang associate in a shared gang database. It also authorizes an individual to request information from a law enforcement agency as to whether s/he is designated in a shared gang database, requires the agency receiving the request to respond, except as specified, and outlines a process by which an individual can contest his/her designation in the database. While the specific information that must be contained in the designation notifications and information request responses are delineated in Sections 753.6, 754, and 754.2 of the regulation, the statute implements the requirements on local agencies. As such, the associated costs are not a result of the regulations. In an effort to alleviate impact to user agencies, the Department has made every attempt to enact performance standards rather than prescribing actions, as often as possible.

In summary, the Department estimates that local agencies could incur approximate costs ranging from \$2,395,100 to \$4,082,600 annually as a result of a new shared gang database being implemented in California.

B. Fiscal Effect on State Government

1. Additional expenditures of approximately \$2,431,000 in the current State Fiscal Year and ongoing.

These regulations could result in additional costs to State government, specifically the Department. The Department received an ongoing appropriation and position authority for 11.0

new positions, beginning in the Fiscal Year 2017-2018, in relation to an audit conducted by the California State Audit regarding the CalGang database and Assembly Bill 90 (2017), which requires the CalGang regulations. This appropriation, based on input from the Department, was designed to enable the Department to address the following areas of responsibility:

- Drafting regulations to establish parameters for usage, data governance, etc.
- Providing administrative support to the technical advisory committee.
- Overseeing the review of the approximately 200,000 individual records currently in the system.
- Developing marketing materials such as Information Bulletins to increase both agency usage and knowledge and understanding of regulations.
- Developing, implementing, and maintaining training and audits.
- Conducting system user outreach to discuss enhancements and additional features to better meet agency needs.
- Creating and publishing quarterly and annual reports.
- Ensuring implementation of audit recommendations and legislative mandates.
- Building safeguards to protect against entry of incomplete and unverified records, as well as those for which criteria for entry has not been met.
- Ensuring that individuals are notified prior to being designated in the CalGang system.
- Generating relevant CalGang statistics.
- Facilitating coordination between the California Gang Node Advisory Committee, technical advisory committee, and technical and administrative teams within the Department, as well as all associated meeting.

In developing the regulations, the Department has determined that it will need one Associate Governmental Program Analyst (AGPA) in addition to the resources already appropriated. The AGPA is needed to address the expanded audit and training responsibilities of the Department, as outlined in these regulations. There are currently three positions dedicated to performing the administrative functions outlined above; however, the demand for training has exceeded their capabilities, as has the need to conduct back-end audits of new and existing data within the CalGang database.

The Department is not currently pursuing a Budget Change Proposal for the necessary position, but may do so in the future. The estimate provided above is based on the salary and benefits of one AGPA position.