

CALIFORNIA LEGISLATURE
2021–22 REGULAR SESSION

ASSEMBLY DAILY JOURNAL

Tuesday, January 4, 2022

**ONE HUNDRED TWENTY-THIRD SESSION DAY
THREE HUNDRED NINETY-FOURTH CALENDAR DAY
AT SACRAMENTO, CALIFORNIA**



NOTE: Official record of rollcall votes. All amendments considered by the Assembly on this day are on file with the Chief Clerk of the Assembly and available on request. All Senate amendments to Assembly measures considered by the Assembly on this day are on file with the Secretary of the Senate and available on request. A list of all measures amended and on which amendments were offered in the Assembly is shown on the final page of this day's Assembly Journal.

PROCEEDINGS OF THE ASSEMBLY

IN ASSEMBLY

Assembly Chamber, Sacramento
Tuesday, January 4, 2022

The Assembly met at 7 a.m.

Hon. Eduardo Garcia, Assembly Member, 56th District, presiding.

Chief Clerk Sue Parker at the Desk.

Reading Clerk David A. Bowman reading.

ROLLCALL

The following were placed upon the morning rollcall—62:

Aguiar-Curry	Cunningham	Kalra	Rivas, R.
Arambula	Dahle	Kiley	Rodriguez
Bauer-Kahan	Daly	Lackey	Rubio
Bennett	Davies	Low	Salas
Berman	Flora	Maienschein	Seyarto
Bloom	Fong	Mathis	Smith
Bonta, M.	Friedman	McCarty	Stone
Bryan	Gabriel	Medina	Valladares
Burke	Gallagher	Nguyen	Voepel
Calderon	Garcia, C.	O'Donnell	Waldron
Carrillo	Garcia, E.	Patterson	Ward
Cervantes	Gipson	Quirk	Weber, A.
Chen	Gonzalez	Quirk-Silva	Wood
Choi	Grayson	Ramos	Mr. Speaker
Cooley	Irwin	Reyes	
Cooper	Jones-Sawyer	Rivas, L.	

Quorum present.

At 12:54 p.m., Hon. Cristina Garcia, 58th District, presiding

REGULAR BUSINESS DISPENSED WITH

By unanimous consent, the regular order of business of the Assembly was dispensed with for this legislative day.

LEAVES OF ABSENCE FOR THE DAY

By unanimous consent, the following Assembly Members were granted leaves of absence for the day:

On legislative business: Assembly Member Ting.

On personal business, and waiving per diem: Assembly Members Bigelow, Mullin, Muratsuchi, and Wicks.

Because of illness: Assembly Members Gray, Lee, Nazarian, and Villapudua.

Because of illness in his family: Assembly Member Holden.

On paternity leave: Assembly Member Mayes.

On medical leave: Assembly Members Boerner Horvath, Levine, Petrie-Norris, and Santiago.

EXPLANATIONS OF ABSENCE

Pursuant to the Assembly Rules, the following explanation of absence was ordered printed in the Journal:

December 28, 2021

*The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol, Room 219
Sacramento, California*

Dear Speaker Rendon: I respectfully request to be excused from Check-in Session on Tuesday, January 4, 2022, due to legislative business. Thank you for your consideration of this request. Please contact me at (916) 319-2019 should you have any questions.

Sincerely,

PHILIP Y. TING, Assembly Member
Nineteenth District

COMMUNICATIONS

The following communication was presented by the Chief Clerk, and ordered printed in the Journal:

January 4, 2022

*Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California*

Dear Ms. Parker: The Committee on Rules grants permission to invoke Assembly Rule 47.1 as it relates to Assembly Bill 328 by former Assembly Member Chiu to allow Assembly Member Bryan to author the bill.

Sincerely,

KEN COOLEY, Chair
Assembly Rules Committee

SPECIAL COMMITTEE MEETINGS

By unanimous consent, the following committees were permitted to meet:

Joint Legislative Committee on Emergency Management, on Thursday, February 3, 2022, at 1 p.m.;

Joint Legislative Committee on Emergency Management, on Thursday, February 17, 2022, at 9 a.m.

REPORTS

The following letter of transmittal was presented by the Speaker and ordered printed in the Journal:

California State Auditor

2021-039
January 4, 2022

*The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 3196
Sacramento, California*

Members of the Assembly: This report follows up on significant concerns raised in our previous assessments on the development and implementation of the Financial Information System for California (FI\$Cal). In December 2019, we issued a report that raised concerns about how a revised project plan risked reduced functionality and obscured project costs. In January 2021, we issued another report in which we noted that the FI\$Cal project office, which oversees development of the FI\$Cal system, had missed yet another planned project completion date in June 2020. Consequently, the project's governing entities—which we describe in the text box—had to extend the project timeline by two years. This report highlights the following concerns with the FI\$Cal project and provides an update on the status of recommendations we made in prior reports:

- The project office will not complete the project by its scheduled end date of June 2022. A final step involves the State Controller's Office (State Controller) comparing the data produced by FI\$Cal for the State's annual comprehensive financial statements to its legacy system and verifying the data's accuracy. However, this verification process has fallen behind schedule, and the project office had not released a new schedule as of December 2021.
- The Department of FI\$Cal (department), which maintains and operates the FI\$Cal system, will need to ensure that it has sufficient staff resources to perform these support functions after the project ends. The vendor that has been developing the system will transition resources off of the project, and department staff must assume a portion of the workload the vendor previously performed. However, the project has had a vacancy rate of more than 15 percent for the past five years, and the department may struggle to successfully manage this transition.
- For the third consecutive year, the State will issue late financial statements, resulting in part from state agencies' challenges in using FI\$Cal. Timely financial reports are important for the State to maintain a high credit rating and access to federal funding.

The Project Office Will Not Complete the Project by Its Scheduled End Date

In September 2020, the governing entities issued a ninth SPR that set the project's completion date for June 2022. According to this new timeline, between December 2020 and June 2021, the project office was to issue three releases of additional functions, such as a particular interface between FI\$Cal and the State Controller's legacy system. The interface would allow the State Controller to import year-end accruals for those agencies whose transition to using FI\$Cal is either deferred or

exempted. The project office was then to provide 12 months of support while the State Controller verified the data for the State's fiscal year 2020–21 comprehensive financial statements by comparing the data from FI\$Cal to its legacy system.

Although the project office successfully completed and released the additional functions as scheduled in December 2020 and March and June 2021, the data verification process is encountering delays. In July 2021, the State Controller was scheduled to begin verifying the data for fiscal year 2020–21 with support from the project office. However, this effort is behind schedule. According to the project office's former chief deputy director, who left the project office in November 2021, a resource shortage at the State Controller is the primary reason for the delay. In its role of providing project oversight, CDT had raised concerns since October 2020 about resource shortages at the State Controller endangering the project's timeline. The team leader for the State Controller staff assigned to the project confirmed that staff shortages, as well as the delay in closing the State's fiscal year 2019–20 financial statements, had caused the data verification to fall behind schedule. She stated that the State Controller received budget authority at the start of the fiscal year in July 2021 for six new staff positions that will be dedicated to the data verification. As of November 2021, four of those positions had been filled. The project office had not released a revised time line for the data verification process as of December 2021. The data verification is the final step in finishing the project. As Figure 1 shows, this will be the latest of many completion dates that the project office has missed.

Even when the project office officially declares the project done, it will not have implemented all promised functionality, and doing so will likely incur significant expense. As we described in our two most recent reports, the project office postponed the development of some features, thus reducing the number of key features the system will have when the project formally ends. Some of these features are large and play an important role in the functionality of FI\$Cal, such as a feature for statewide loan accounting. Until these features are complete, the State Controller will continue using its legacy system—a concerning fact given that one of the original goals of the project was to replace stand-alone systems with a single, integrated system. The former chief deputy director confirmed that there is currently no schedule for completing these features, although in June 2021, the department entered into two new contracts with the vendor that, according to the former chief deputy director, are intended to support the postponed features' development. The contracts extend to December 2022, at a total cost of \$6 million. However, with no schedule for developing the postponed features, it is possible the two vendor contracts will need to be extended. In our January 2021 report, we noted that the 2020 SPR obscures the full cost of FI\$Cal. As these new contracts demonstrate, the department will incur significant expenses related to FI\$Cal's development long after the project's official end date.

The Department Will Need to Ensure That It Has Sufficient Staff Resources to Perform Continuing Maintenance and Support Functions

The likelihood that the volume of work to maintain FI\$Cal will increase in the near future as more agencies use the system, creates the risk that the department will be unable to provide all necessary support and maintenance functions after the project's official end date. As the project nears its scheduled end date, the vendor that the project office contracted with to develop and implement FI\$Cal will transition off the project. As the vendor staff leave, the department's staff must be prepared to assume responsibility for continuing maintenance and support functions. Because FI\$Cal is a large and complex system, the department will need to monitor it, develop enhancements to improve FI\$Cal's usability, and address any technical problems that occur in the software. The department developed plans in December 2020 and January 2021 for transitioning operations and technical knowledge from the vendor resources to its own staff in order to facilitate its independent maintenance and operation of FI\$Cal. The department confirmed that the transition is proceeding on schedule.

However, the volume of work that the department must manage will likely increase as more state agencies transition to FI\$Cal and users require changes to the system. As more agencies use FI\$Cal for their business operations, they identify ways to improve FI\$Cal's usability and the department must then develop such enhancements. These can range from safeguards to prevent common user errors to new features, such as the ability for users to add comments to certain transaction records. According to the department, it currently deploys 12 to 14 of these enhancements each month and has a process for scheduling them based on priority and available staff resources.

The challenges the department has had in hiring and retaining staff may threaten its efforts to independently maintain FI\$Cal and provide all necessary support to users. CDT has for the past year raised concerns about vacancy rates and their effect on transitioning operations away from vendor resources. CDT noted that the project has had a vacancy rate above 15 percent for the past five years. These vacancies include positions in the department as well as in FI\$Cal-related positions at the agencies that partner with the department, such as the State Controller. CDT considered the vacancies a risk to the success of the project as the department assumes operations from the vendor.

Finding staff with the right combination of skills and the current economic climate have both contributed to the department's staffing challenges. The department has stated that filling IT positions is particularly challenging because many of the positions also require in-depth knowledge of financial business processes. The deputy director of the administrative division in the department explained that as the department continues to expand its operations, it addresses the need for additional resources through the normal budget process. She stated that recruitment efforts include advertising on social media and contracting with a company that locates individuals who meet specific job requirements, but she confirmed that there is currently a great deal of competition for positions, particularly in information security. Staffing challenges are not unique to the department—many sectors of the economy are currently struggling to hire and retain staff amid the

ongoing COVID-19 pandemic. However, the department will need to mitigate these challenges as it prepares to fully manage maintenance of FISCAL.

The Transition to FISCAL Has Caused Delays to Critical State Financial Reporting for the Third Consecutive Year

From the beginning, the FISCAL system was meant to improve the State's fiscal controls by enhancing the timeliness of financial management information; however, fiscal year 2019–20 will be the third consecutive reporting cycle in which the State will publish late financial statements. Each year the State Controller prepares a comprehensive set of financial statements, which our office audits for accuracy and compliance with accounting standards. State bond agreements require the State to publish these financial statements, including the audited statements, if available, by April 1 of the year following the end of the fiscal year. Federal funding requirements have typically set this same deadline for publishing financial statements, although the federal government extended the deadline because of the COVID-19 pandemic. Figure 2 shows that the State has failed to meet the April 1 deadline for the past three years.

These financial reporting delays may ultimately prove costly for the State. The State's ability to publish accurate and timely financial statements is important for the State to sustain the trust of financial markets and maintain a high credit rating. A high credit rating helps ensure access to low-interest debt. If the State suffers a downgraded credit rating, it could substantially increase borrowing costs, affecting the State's ability to pay for debt-financed projects such as schools and levees. Publishing late financial statements also creates a risk to the State's access to federal funding. Because it receives billions of dollars in federal funds each year, the federal government requires the State to prepare financial statements and have these statements audited.

State agencies' struggles with using FISCAL have contributed to these delays in publishing the State's annual financial statements. In our October 2020 Internal Controls report, Report 2019-001.1, we described how 12 agencies of significance to the State's overall financial reporting did not perform their fiscal year 2018–19 monthly account reconciliations to the records of the State Controller in a timely manner and many chose to only complete annual reconciliations. Some of the explanations that agencies provided for this lapse included unfamiliarity with the FISCAL system and its complexity.

The department has taken some steps to address agencies' challenges in using the system. For example, in January 2021, the department launched the FISCAL Learning Center, which consolidated all training materials for users into one location. These trainings include web-based training and videos to help users master the skills needed to successfully use FISCAL. In addition, as noted previously, the department develops enhancements to FISCAL as users require changes to the system. While critical, these efforts have not yet resulted in all agencies submitting timely financial reports to the State Controller.

Agencies' difficulties with using FISCAL, in addition to ongoing concerns about significant project features and processes that will still need to be implemented even after the project is officially considered complete, represent significant risk to the State. Thus, in our August 2021 updated assessment of issues and selected agencies that pose a

high risk to the State, Report 2021-601, we concluded that state financial reporting and accountability remained a high-risk issue due to the transition to FI\$Cal. In addition, our Internal Control report for fiscal year 2018–19, Report 2019-001.1, noted a series of deficiencies in FI\$Cal’s safeguards. These identified deficiencies increase the risk that the State may not be able to rely on the financial reports FI\$Cal generates. Due to these significant concerns, we will continue to report on issues related to state financial reporting and the FI\$Cal project as part of both our state high-risk program and our annual FI\$Cal monitoring mandate.

We prepared this report pursuant to Government Code section 11864.

Respectfully submitted,

MICHAEL S. TILDEN, CPA
Acting California State Auditor

Above report referred to the Committee on Budget.

ENGROSSMENT AND ENROLLMENT REPORTS

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 19
Assembly Bill No. 295
Assembly Bill No. 303
Assembly Bill No. 321
Assembly Bill No. 399
Assembly Bill No. 943
Assembly Bill No. 949

Assembly Bill No. 991
Assembly Bill No. 1067
Assembly Bill No. 1097
Assembly Bill No. 1240
Assembly Bill No. 1369
Assembly Bill No. 1381
Assembly Bill No. 1522

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 1547

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bill re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 91
Assembly Bill No. 111
Assembly Bill No. 227
Assembly Bill No. 243
Assembly Bill No. 248
Assembly Bill No. 249
Assembly Bill No. 365
Assembly Bill No. 467

Assembly Bill No. 607
Assembly Bill No. 704
Assembly Bill No. 727
Assembly Bill No. 820
Assembly Bill No. 834
Assembly Bill No. 952
Assembly Bill No. 1121
Assembly Bill No. 1146

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 1206
- Assembly Bill No. 1249
- Assembly Bill No. 1572

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 353
- Assembly Bill No. 672
- Assembly Bill No. 795
- Assembly Bill No. 1001
- Assembly Bill No. 1068

- Assembly Bill No. 1410
- Assembly Bill No. 1445
- Assembly Bill No. 1501
- Assembly Bill No. 1551
- Assembly Bill No. 1559

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 228
- Assembly Bill No. 659

- Assembly Bill No. 741
- Assembly Bill No. 1406

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 676

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bill re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 58
- Assembly Bill No. 103
- Assembly Bill No. 452

- Assembly Bill No. 682
- Assembly Bill No. 748
- Assembly Bill No. 870

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

- Assembly Bill No. 1355
- Assembly Bill No. 1394
- Assembly Bill No. 1502

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 408

Assembly Bill No. 916

Assembly Bill No. 686

Assembly Bill No. 1120

Assembly Bill No. 702

Assembly Bill No. 1340

Assembly Bill No. 738

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Bill No. 102

Assembly Bill No. 1187

Assembly Bill No. 558

Assembly Bill No. 1241

Assembly Bill No. 902

Assembly Bill No. 1553

Assembly Bill No. 1093

Assembly Bill No. 1554

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above bills re-referred to committee.

Assembly Chamber, January 4, 2022

Mr. Speaker: Pursuant to your instructions, the Chief Clerk has examined:

Assembly Concurrent Resolution No. 109

And reports the same correctly engrossed.

SUE PARKER, Chief Clerk

Above resolution re-referred to committee.

INTRODUCTION AND FIRST READING OF ASSEMBLY BILLS

The following bills were introduced and read the first time:

ASSEMBLY BILL NO. 1604—Holden. An act to amend Sections 11140, 18502, 18931, 18933, 18936, 19402, and 19574 of, and to add Sections 8310.6, 18553, and 18930.1 to, the Government Code, relating to human resources.

ASSEMBLY BILL NO. 1605—Burke. An act to add and repeal Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

ASSEMBLY BILL NO. 1606—Irwin. An act to amend Section 66025.3 of the Education Code, and to repeal Section 896.1 of the Military and Veterans Code, relating to postsecondary education.

ASSEMBLY BILL NO. 1607—Muratsuchi. An act to amend Sections 2574 and 42238.02 of the Education Code, relating to education finance, and declaring the urgency thereof, to take effect immediately.

ASSEMBLY BILL NO. 1608—Gipson and Akilah Weber (Coauthor: Senator Pan). An act to amend Sections 24300, 24304, and 24304.1 of the Government Code, relating to local government.

The following resolution was offered:

ASSEMBLY CONCURRENT RESOLUTION NO. 118—Choi (Principal coauthors: Chen, Nguyen, and Quirk-Silva) (Principal coauthors: Senators Bates, Min, Newman, and Umberg). Relative to Orange County Sheriff Sandra Hutchens Memorial Highway.

AUTHOR'S AMENDMENTS
Committee on Banking and Finance

January 4, 2022

Mr. Speaker: The Chair of your Committee on Banking and Finance reports:

Assembly Bill No. 769

With author's amendments with the recommendation: Amend, and re-refer to the committee.

GRAYSON, Chair

ASSEMBLY BILL NO. 769—An act to amend Section 25206.1 of the Corporations Code, relating to securities.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Education

January 4, 2022

Mr. Speaker: The Chair of your Committee on Education reports:

Assembly Bill No. 1505

With author's amendments with the recommendation: Amend, and re-refer to the committee.

O'DONNELL, Chair

ASSEMBLY BILL NO. 1505—An act to amend Section 44664 of the Education Code, relating to school employees.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Environmental Safety and Toxic Materials

January 4, 2022

Mr. Speaker: The Chair of your Committee on Environmental Safety and Toxic Materials reports:

Assembly Bill No. 732

With author's amendments with the recommendation: Amend, and re-refer to the committee.

QUIRK, Chair

ASSEMBLY BILL NO. 732—An act to amend Sections 25173.6, 25205.6, 25301, and 25356 of the Health and Safety Code, relating to hazardous materials.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Governmental Organization

January 4, 2022

Mr. Speaker: The Chair of your Committee on Governmental Organization reports:
Assembly Bill No. 1212

With author's amendments with the recommendation: Amend, and re-refer to the committee.

SANTIAGO, Chair

ASSEMBLY BILL NO. 1212—An act to add Section 12012.104 to the Government Code, relating to tribal gaming.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Health

January 4, 2022

Mr. Speaker: The Chair of your Committee on Health reports:
Assembly Bill No. 93

With author's amendments with the recommendation: Amend, and re-refer to the committee.

WOOD, Chair

ASSEMBLY BILL NO. 93—An act to add Part 7.2 (commencing with Section 122445) to Division 105 of the Health and Safety Code, relating to public health.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Higher Education

January 3, 2022

Mr. Speaker: The Chair of your Committee on Higher Education reports:
Assembly Bill No. 1232

With author's amendments with the recommendation: Amend, and re-refer to the committee.

MEDINA, Chair

ASSEMBLY BILL NO. 1232—An act to amend Section 8170 of the Civil Code, relating to works of improvement.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

Committee on Transportation

January 4, 2022

Mr. Speaker: The Chair of your Committee on Transportation reports:

Assembly Bill No. 1045

With author's amendments with the recommendation: Amend, and re-refer to the committee.

FRIEDMAN, Chair

ASSEMBLY BILL NO. 1045—An act to add Section 12811.4 to the Vehicle Code, relating to driver's licenses.

Bill read second time.

Author's amendments, presented pursuant to Assembly Rules, read and adopted; bill ordered reprinted, and to be re-referred to the committee.

ADJOURNMENT

At 3 p.m., the Assembly adjourned until 7 a.m., Wednesday, January 5, 2022.

ANTHONY RENDON, Speaker

TAMMY WEIS, Assistant Minute Clerk

**AMENDMENTS CONSIDERED BY THE
ASSEMBLY ON JANUARY 4, 2022**

The following measures were amended in the Assembly on this day:

AB	RN
93	2202418
732	2201474
769	2201680
1045	2202364
1212	2201860
1232	2201398
1505	2200898

Daily Total: 7

O