CALIFORNIA LEGISLATURE

2023–24 REGULAR SESSION

ASSEMBLY JOURNAL

RECESS JOURNAL NO. 13

INTERIM STUDY RECESS

Assembly Chamber, Sacramento
Thursday, December 14, 2023

Pursuant to the provisions of Joint Rule 59, the following Assembly Journal for the 2023–24 Regular Session was printed while the Assembly was in Interim Study Recess.

OATH OF OFFICE ADMINISTERED

Speaker pro Tempore-elect Wood appeared in the Assembly Chamber and took and subscribed to the following oath of office administered by the Honorable Sue Parker, Chief Clerk of the California State Assembly:

OATH
for the Office of Speaker pro Tempore
2023–24 Regular Session

I, Jim Wood, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

JIM WOOD

Subscribed and sworn to before me,
this 11th day of December, A.D. 2023

THE HONORABLE SUE PARKER
Chief Clerk of the California State Assembly

Receipt

RECEIVED from Sue Parker, Chief Clerk of the Assembly, duly executed Oath of Office for the Honorable Jim Wood, Speaker pro Tempore of the Assembly, for the 2023–24 Regular Session of the Legislature on Monday, December 11, 2023, by the Honorable Sue Parker, Chief Clerk of the California State Assembly.

Dated: December 11, 2023

SHIRLEY N. WEBER, Ph.D.
Secretary of State

COMMUNICATIONS

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

November 21, 2023

Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 319
Sacramento, California

Dear Ms. Parker: Please be advised that I have made changes to the following committees for the 2023–24 Regular Session:

The following committee appointment will be effective January 22, 2024:

Appropriations

Assemblymember Buffy Wicks will replace Assemblymember Chris Holden as Chair of the Assembly Appropriations Committee. Assemblymember Holden will be removed from the committee.

The remaining Standing Committee appointments will be effective immediately:

Accountability and Administrative Review

I have removed Assemblymember Cottie Petrie-Norris as Chair of the Assembly Accountability and Administrative Review Committee, creating a vacancy.

Arts, Entertainment, Sports, and Tourism

I have appointed Assemblymember Mike Gipson to replace Assemblymember Sharon Quirk-Silva as Chair of the Assembly Arts, Entertainment, Sports, and Tourism Committee. Assemblymember Quirk-Silva has been removed from the committee.

Budget

I have appointed Assemblymember Jesse Gabriel to replace Assemblymember Phil Ting as Chair of the Assembly Budget Committee. I have also appointed Assemblymembers Sharon Quirk-Silva and Avelino Valencia to the committee. Assemblymembers Mia Bonta, Wendy Carrillo, and Kevin McCarty have been removed from the committee, creating a Democratic vacancy.

Environmental Safety and Toxic Materials

I have appointed Assemblymember Eduardo Garcia to replace Assemblymember Alex Lee as Chair of the Assembly Environmental Safety and Toxic Materials Committee. Assemblymember Lee has been removed from the committee.

Governmental Organization

I have appointed Assemblymember Blanca Rubio to replace Assemblymember Miguel Santiago as Chair of the Assembly Governmental Organization Committee. Assemblymember Santiago has been removed from the committee, creating a Democratic vacancy.

Health

I have appointed Assemblymember Mia Bonta to replace Assemblymember Jim Wood as Chair of the Assembly Health Committee. Assemblymember Wood has been removed from the committee.

Housing and Community Development

I have appointed Assemblymember Chris Ward to replace Assemblymember Buffy Wicks as Chair of the Assembly Housing and Community Development Committee. Assemblymember Wicks has been removed from the committee, creating a Democratic vacancy.

Human Services

I have appointed Assemblymember Alex Lee to replace Assemblymember Corey Jackson as Chair of the Assembly Human Services Committee. Assemblymember Jackson has been removed from the committee.

Judiciary

I have appointed Assemblymember Ash Kalra to replace Assemblymember Brian Maienschein as Chair of the Assembly Judiciary Committee. Assemblymember Maienschein has been removed from the committee, creating a Democratic vacancy.

Labor and Employment

I have appointed Assemblymember Liz Ortega to replace Assemblymember Ash Kalra as Chair of the Assembly Labor and Employment Committee. Assemblymember Kalra has been removed from the committee, creating a Democratic vacancy.

Natural Resources

I have appointed Assemblymember Isaac Bryan to replace Assemblymember Luz Rivas as Chair of the Assembly Natural Resources Committee. Assemblymember Luz Rivas has been removed from the committee.

Privacy and Consumer Protection

I have appointed Assemblymember Rebecca Bauer-Kahan to replace Assemblymember Jesse Gabriel as Chair of the Assembly Privacy and Consumer Protection Committee. Assemblymember Gabriel has been removed from the committee, creating a Democratic vacancy.

Public Safety

I have appointed Assemblymember Kevin McCarty to replace Assemblymember Reginald Jones-Sawyer as Chair of the Assembly Public Safety Committee. Assemblymember Jones-Sawyer has been removed from the committee.

Rules

I have appointed Assemblymember Blanca Pacheco to replace Assemblymember James Ramos as Chair of the Assembly Rules Committee. Assemblymember Ramos has been removed from the committee, creating a Democratic vacancy.

Transportation

I have appointed Assemblymember Lori Wilson to replace Assemblymember Laura Friedman as Chair of the Assembly Transportation Committee. Assemblymember Friedman has been removed from the committee.

Utilities and Energy

I have appointed Assemblymember Cottie Petrie-Norris to replace Assemblymember Eduardo Garcia as Chair of the Assembly Utilities and Energy Committee. Assemblymember Garcia has been removed from the committee.

Water, Parks, and Wildlife

I have appointed Assemblymember Diane Papan to replace Assemblymember Rebecca Bauer-Kahan as Chair of the Assembly Water, Parks, and Wildlife Committee. Assemblymember Bauer-Kahan has been removed from the committee.

I have created the following Budget Subcommittees for the remainder of the 2023–24 Regular Session and have appointed the following Chairs:

Budget Subcommittee No. 1 on Health

I have appointed Assemblymember Akilah Weber as Chair of Assembly Budget Subcommittee No. 1 on Health.

Budget Subcommittee No. 2 on Human Services

I have appointed Assemblymember Corey Jackson as Chair of Assembly Budget Subcommittee No. 2 on Human Services.

Budget Subcommittee No. 3 on Education Finance

I have appointed Assemblymember David Alvarez as Chair of Assembly Budget Subcommittee No. 3 on Education Finance.

Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation

I have appointed Assemblymember Steve Bennett as Chair of Assembly Budget Subcommittee No. 4 on Climate Crisis, Resources, Energy, and Transportation.

Budget Subcommittee No. 5 on State Administration

I have appointed Assemblymember Sharon Quirk-Silva as Chair of Assembly Budget Subcommittee No. 5 on State Administration.

Budget Subcommittee No. 6 on Public Safety

I have appointed Assemblymember James Ramos as Chair of Assembly Budget Subcommittee No. 6 on Public Safety.

Budget Subcommittee No. 7 on Accountability and Oversight

I have appointed Assemblymember Avelino Valencia as Chair of Assembly Budget Subcommittee No. 7 on Accountability and Oversight.

I have made the following changes to Joint Committees in the 2023–24 Regular Session:

Joint Legislative Audit Committee

I have appointed Assemblymember Gregg Hart to replace Assemblymember David Alvarez as Chair of the Joint Legislative Audit Committee. Assemblymember Alvarez has been removed from the committee creating a vacancy.

Joint Legislative Budget Committee

I have appointed Assemblymember Jesse Gabriel to replace Assemblymember Phil Ting as Vice Chair of the Joint Legislative Budget Committee. I have also appointed Assemblymembers Corey Jackson, Sharon Quirk-Silva, and Avelino Valencia to replace Assemblymembers Mia Bonta, Wendy Carrillo, and Kevin McCarty on the committee.

I have made the following changes to the Democratic Leadership for the 2023–24 Session:

Speaker pro Tempore

I have appointed Assemblymember Jim Wood to replace Assemblymember Cecilia Aguiar-Curry as Speaker pro Tempore.

Majority Leader

I have appointed Assemblymember Cecilia Aguiar-Curry to replace Assemblymember Isaac Bryan as Majority Leader.

Assistant Majority Leader

I have appointed Assemblymember Miguel Santiago to replace Assemblymember Gregg Hart as Assistant Majority Leader.

Assistant Majority Leader on Policy and Research

I have appointed Assemblymember Dawn Addis to replace Assemblymember Diane Papan as Assistant Majority Leader on Policy and Research.

Majority Whip

I have appointed Assemblymember Matt Haney to replace Assemblymember Lori Wilson as Majority Whip.

Assistant Majority Whip

I have appointed Assemblymember Eloise Gómez Reyes to replace Assemblymember Matt Haney as Assistant Majority Whip.

Sincerely,

ROBERT RIVAS
Speaker of the Assembly

REPORTS

The following letters of transmittal were presented by the Chief Clerk and ordered printed in the Journal:

California State Auditor

2023-115
November 28, 2023

The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 319
Sacramento, California

Members of the Assembly: As directed by the Joint Legislative Audit Committee, my office conducted an audit of the Department of Health Care Services (DHCS) and the Department of Managed Health Care (Managed Health Care). Our assessment focused on access to behavioral health services for children in Medi-Cal, and the following report details the audit's findings and conclusions. In general, we determined that the departments can do more to detect and address challenges that children face when seeking behavioral health services.

Survey results of appointment wait times show that many Medi-Cal managed care plans are unable to provide children with timely access to behavioral health care. However, we also found that certain weaknesses in the way DHCS and Managed Health Care conduct the surveys and report on the results limit the surveys' effectiveness at conveying the true extent of timely access issues. Further, data from DHCS' monitoring of specialty mental health plans show that a significant number of counties are also out of compliance with applicable standards for timely access.

Our review also found that DHCS must make improvements to the way it monitors the capacity of Medi-Cal managed care plans to provide services for their members. For example, DHCS approves potentially unreasonable standards for the time and distance Medi-Cal members must travel to see behavioral health care providers. Furthermore, the department's enforcement activities do not always ensure that a plan takes steps to meaningfully improve access.

To address our findings, we make several recommendations, including that DHCS and Managed Health Care make changes to the methodology of their timely access surveys to monitor compliance with the standards for the most urgent appointment types and then to disclose the proportion of providers excluded from survey results along with the reasons for those exclusions. We also recommend that DHCS revise its agreements with managed care plans to require them to demonstrate efforts to recruit new providers to underserved areas and to implement a policy outlining when noncompliance with standards justifies financial penalties.

Respectfully submitted,

GRANT PARKS
California State Auditor

Above report referred to the Committee on Health.

California State Auditor

2023-039
December 14, 2023

The Honorable Speaker of the Assembly
The Honorable Members of the Assembly
of the Legislature of California
State Capitol, Room 319
Sacramento, California

Members of the Assembly: This report continues our office's monitoring of the Financial Information System for California (FI$Cal). Since 2006, the State has endeavored to implement FI$Cal, a single information technology system that would unify the State's accounting, budgeting, cash management, procurement, and other operations. However, the State has not fully implemented the system, and 10 departments—which the Department of FI$Cal (department) is required to onboard to the system by 2032—have not yet transitioned to using FI$Cal. Two recent developments have shaped the direction that the department and the State Controller's Office (SCO) must take to achieve their goal of making FI$Cal the State's accounting book of record—which state law defines as the central accounts maintained by the SCO and used in the preparation of financial statements, including the Annual Comprehensive Financial Report (ACFR).

The first key development occurred in July 2021, when the department reported that it released a significant update to FI$Cal functionality that made it possible for FI$Cal to generate versions of the Budgetary/Legal Basis Annual Report (BLBAR) and the ACFR alongside the reports produced by SCO's legacy systems. The SCO's acting chief operating officer clarified that this update generated parallel versions of the reports needed to populate the SCO's existing publishing software that then produces the BLBAR and ACFR. This update was an important development, because it allowed the SCO to ensure that the data captured in FI$Cal aligned with the data in its legacy systems. According to the acting chief operating officer, the SCO is in the process of testing the accuracy of the parallel version of these reports.

The second key development occurred in September 2022 when the Legislature declared that the objectives for the FI$Cal project had been achieved for reporting purposes. At the same time, the Legislature required the SCO to take steps to migrate the State's accounting book of record to FI$Cal and for the department to complete specific tasks related to the system. The Legislature required our office to monitor the system and to report annually on the SCO's and the department's progress in completing their respective activities. The Legislature's passage of AB 127 (Chapter 45, Statutes of 2023) provided the SCO with additional time—until December 31, 2023—to identify the requirements and expected timeline for transitioning to FI$Cal,

thus limiting our ability to comment on the SCO's activities in our 2023 monitoring report. Nevertheless, we noted the following:

Key Observations

- The SCO is developing the interface requirements for the accounting book of record's migration to FI$Cal. State law requires the SCO to complete this task by December 31, 2023. We anticipate evaluating the SCO's efforts to execute its planned FI$Cal transition activities in a subsequent update.
- The department can plan more effectively to address all of the roadmap activities by July 2032. The department has not defined success criteria for most of the roadmap activities, nor has it developed long-term plans for completing those activities by statutory deadlines. Instead, the department has planned incrementally, planning its projects to address the roadmap activities over a limited period. Its primary planning document is an 18-month portfolio covering January 2023 through June 2024, leaving a significant number of years unaddressed.
- The department must continue working to ensure that FI$Cal is secure. It has implemented 21 of the 29 cybersecurity capabilities included in the Governor's Cal-Secure plan, but it is still working to enhance six of those 21 capabilities. The department reported that it is addressing its highest-risk security weaknesses and that the department has identified target dates to remediate all but one of the other items.
- The department continues to work to enhance FI$Cal, prioritizing projects by the expected benefit. It reported in June 2023 that it completed five enhancements involving procurement, accounts payable, and small business/disabled veteran business enterprises.

The SCO is Developing the Interface Requirements and Timeline for the Accounting Book of Record's Migration to FI$Cal

Because FI$Cal cannot yet serve as the accounting book of record, the Legislature required that the SCO meet specific deadlines for migrating from its legacy systems to FI$Cal. To help it fulfill these responsibilities, the SCO contracted with a vendor to develop a three-year project plan that defines an integrated strategy for migrating the State's accounting book of record to FI$Cal. The SCO's acting chief operating officer, who is responsible for coordinating activities between the SCO and the department, stated that the SCO continues to work with the department to finalize the necessary interface and system requirements for the migration. According to the SCO's acting chief operating officer, the State Controller is committed to meeting all deadlines in state law and has already taken several steps to meet these deadlines. The SCO provided us with a copy of the plan it had developed, but in late November 2023, it informed us that the plan was still in draft form. Because the SCO's deliverables were still in development as of that date, we will report on those efforts in a subsequent update.

SCO Accounting Book of Record Activities

To facilitate the State's integration of its accounting book of record to FI$Cal by July 1, 2026, to the extent feasible, the SCO shall do both of the following:

- On or before December 31, 2023, provide the necessary system and interface requirements to the department to perform the accounting functions and produce the State's financial reports.
- On or before December 31, 2023, with the department, evaluate and develop a timeline to complete the original scope for its accounting book of record functionality.

The Department Can Plan More Effectively to Address All of the Roadmap Activities by July 2032

Although state law requires the department to complete six roadmap activities by July 2032, the department has not defined the success criteria for most of these activities, nor has it developed long-term plans for meeting the deadlines. The department's chief deputy director indicated that the department uses an incremental planning approach by which it plans its projects to address the roadmap activities over a limited period instead of planning for all of the projects that it needs to complete by 2032. Its primary planning document is an 18-month portfolio—covering January 2023 through June 2024—that lists projects related to all of the roadmap activities. However, that plan lacks the full scope of actions the department must take to be successful in its roadmap activities and lacks the criteria the department must use to know if it is successful. The table shows our assessment of the department's progress in defining success for the roadmap activities and whether it has plans for each activity.

For two of the roadmap activities, the department has taken most of the steps necessary to define the actions it will take and to delineate the metrics it will monitor to ensure that it succeeds. Specifically, the department has a plan that describes the tasks the department will perform to address the first and third roadmap activities, which relate to the technical optimization and security of the system and the State's financial data. The plan provides specific details for technology improvements. For example, the plan states that the department will replace software or migrate to cloud-based software-as-a-service when feasible and economical before its current software is discontinued. At the time the plan was developed, it noted that key software used by FI$Cal is expected to be supported by the manufacturer at least through 2034. The department anticipates needing four years to identify and migrate its operations to a new solution if the manufacturer ends support for this software. The department's plan states that it anticipates conducting market research in fiscal year 2028–29 for a replacement product. According to the department's chief information officer (CIO), the department may delay the market research if the manufacturer extends support for the software beyond 2034 so that the department can maximize the benefits from the State's current investment in that software.

Additionally, the department has established some benchmarks, processes, and procedures describing how it ensures that the system is technically optimized. The CIO's definition of technical optimization is based on system reliability and response time. For example, the

department established benchmarks to monitor the transaction times and availability of one of the system's essential applications, PeopleSoft Financials, a software product that the department uses. For the nine-month period we reviewed, reports provided by the department indicated that it met the benchmarks for this application.

In addition to technical optimization, however, the first and third roadmap activities require the department to ensure the security of the State's system and data. Although the department's current plans include a description of the activities it will perform to enhance the security of the system, the department does not yet have metrics to measure its success in providing security. To best prepare itself for success in completing these two roadmap activities, the department should adopt metrics by which it will measure its success in the area of security, such as establishing expectations for how quickly it will resolve identified security weaknesses. The department could also establish a goal of passing its external security reviews without any critical deficiencies.

Although the department is making progress in its plans to complete these two activities, it lacks clear plans and success criteria for the other roadmap activities. Planning and success criteria are particularly important in light of the broad nature of some of the activities. For example, state law requires that the department shall, by July 1, 2032, "continue to enhance, upgrade, and manage the system to ensure efficient and relevant alignment with the State's financial management processes." This requirement does not have a readily apparent definition of success when contrasted to another of the roadmap activities—"onboard the remaining deferred departments." There are 10 remaining deferred departments—which are departments that have or are implementing their own financial management systems and are not yet using FI$Cal—and all 10 either will or will not be using FI$Cal by July 2032, thereby providing a clear definition of success for that portion of that roadmap activity. Therefore, the department must create success criteria for the roadmap activities that are not discretely defined in their scope, so it can establish specific, measureable goals for each activity.

The department's chief deputy director indicated that long-term planning requires more data than the department currently has and highlighted some roadmap activities' dependence on external factors. For example, for one of the roadmap activities—"work with partner agencies to identify and implement additional products, interfaces, and add-ons to the system to enhance business transactions"—the chief deputy director said that working with partner agencies requires project planning coordination and alignment between the agencies and the department. As an example, he described how the Department of General Services (DGS) is currently conducting market research for its own eMarketplace project to improve users' ability to find and order from approved suppliers based on specific categories that will require the addition of new interfaces to FI$Cal. For the department to develop a timeline to implement eMarketplace, the chief deputy director explained that DGS must first formulate its eMarketplace project plans so that the department can identify the scope of work needed to administer new interfaces into the system.

We acknowledge that the department must work with other agencies or departments to achieve some of the roadmap activities and also that as planning extends further into the future, the reliability and specificity of plans can diminish. In addition, during our review, the department shared with us multiple projects it is working on related to the roadmap activities, showing that it is conducting work related to state law's requirements. Nonetheless, the department's current approach heightens the risk it will not complete all the roadmap activities by 2032, such as the activity that requires the department to onboard the remaining deferred departments. Moreover, this approach does not take into account the structure that the department can provide to its own long-term plan by establishing criteria for success and developing interim goals. By planning for fewer than two years into the future, the department could overlook upcoming resource needs and miss opportunities to successfully meet those needs. In November 2023, as we were finalizing our review, the department provided draft copies of a three-year plan and a plan through 2032 showing the major projects it intends to complete for each roadmap activity. If it finishes these plans, the department can gain greater awareness and assurance of the steps it will need to take to fulfill the roadmap activities.

The Department Should Continue Its Efforts to Ensure that FI$Cal is Secure

Although the department has taken steps to improve FI$Cal security, it should take further action to address the remaining security weaknesses. In 2021 the Governor published Cal-Secure, a plan to address critical gaps in the State's information and cybersecurity programs. Cal-Secure establishes five phases of baseline technical cybersecurity capabilities that entities within the State's executive branch should achieve over a five-year period. As of July 2023, the department reported that it had fully implemented 21 of the 29 total capabilities included in the Cal-Secure plan. However, the department also reported that it is still working to enhance six of the 21 capabilities by making further improvements to them.

The CIO explained that in addition to fulfilling the requirements in Cal-Secure, the department ensures the integrity and security of the State's financial data by following and implementing the requirements set forth in the State Administrative Manual (SAM) and the Statewide Information Management Manual (SIMM). State policy presented in SAM and SIMM requires the department to develop and maintain a Risk Register and Plan of Action and Milestones (POAM) process for addressing information security program deficiencies. State entities are obligated to report updated POAMs quarterly to the California Department of Technology's Office of Information Security. The department's POAM identifies security risks found by internal observation and by audits conducted by the California Department of Technology, the California Military Department, and our office, and the POAM assigns each risk a rating. The POAM shows that the department is addressing its highest-risk security weaknesses and that the department has identified target dates to remediate all but one of the other items.

The Department Continues to Work to Enhance FI$Cal, Prioritizing Projects by Their Expected Benefit

The department is currently working on partner projects to address the roadmap activity that requires it to enhance business transactions. According to the deputy director of the department's Business Operation and Solutions Division, the department prioritizes projects according to technical effort, feasibility, criticality, impact on specific departments, and customer experience. For instance, the deputy director explained that the department plans to implement electronic funds transfers (EFT) and a supplier self-service portal for electronic invoicing. The portal will enable suppliers to update their own information and submit electronic invoices. Although the project is still in the early stages, the department considers EFT to be a high-value project that all partners and most departments want implemented into FI$Cal.

In addition to its partner projects, the department reports that it regularly updates and enhances the system based on end-user feedback. The department publishes monthly newsletters listing the enhancements made during the previous month. In June 2023, the department reported in its newsletter that it completed five enhancements related to procurement, accounts payable, and small business/disabled veteran business enterprises. According to the newsletter, the goal of the enhancements is to improve the usability of the system while maintaining the security of the State's data.

We prepared this report pursuant to Government Code section 11868.

Respectfully submitted,

GRANT PARKS
California State Auditor

Above report referred to the Committee on Budget.

COMMUNICATIONS

The following communication was presented by the Speaker and ordered printed in the Journal:

Explanation of Vote—Senate Bill No. 740

November 29, 2023

Sue Parker
Chief Clerk of the Assembly
State Capitol, Room 319
Sacramento, California

Dear Ms. Parker: I was present for Floor Session on August 31, 2023, but I missed the vote for SB 740 (Cortese). I intended to vote "Aye".

I respectfully request that this letter of support be printed in the Journal. Thank you for your assistance.

Sincerely,

TASHA BOERNER, Assembly Member
Seventy-seventh District

SPECIAL COMMITTEE MEETINGS

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

Select Committee on Retail Theft, on Tuesday, December 19, 2023, at 1 p.m.;

Jobs, Economic Development, and the Economy, on Tuesday, January 9, 2024, at 9:30 a.m., in Room 127;

Privacy and Consumer Protection, on Tuesday, January 9, 2024, at 1:30 p.m., in Room 126;

Arts, Entertainment, Sports, and Tourism, on Wednesday, January 10, 2024, at 9 a.m., in Room 127;

Banking and Finance, on Monday, January 8, 2024, at 3:30 p.m., in Room 437;

Budget, on Tuesday, January 23, 2024, at 9:30 a.m., at 1021 O Street, Room 1100;

Utilities and Energy, on Wednesday, January 10, 2024, at 1:30 p.m., in Room 444;

Education, to convene jointly with the Senate Education Committee, on Wednesday, January 17, 2024, at 9 a.m., at 1021 O Street, Room 2100;

Labor and Employment, on Wednesday, February 7, 2024, at 9:30 a.m., in Room 127.

ROBERT RIVAS, Speaker

DANIEL ALVAREZ, Assistant Minute Clerk

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