AMENDED IN ASSEMBLY APRIL 28, 2009

AMENDED IN ASSEMBLY MARCH 16, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 400

Introduced by Assembly Member De Leon
(Coauthors: Assembly Members Block, Jeffries, *Jones*, Portantino, and Ruskin)

February 23, 2009

An act to amend Section 15849.20 of, and to add Section 15849.23 to, the Government Code, relating to state funds, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 400, as amended, De Leon. State agencies: ~~Fiscal~~ *FISCal* funds.

Existing law requires the Department of Finance, the Controller, the Treasurer, and the Department of General Services to collaboratively develop, implement, utilize, maintain, and operate the Financial Information System for California (FISCal) as a single integrated financial management system that encompasses the management of resources and dollars in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management, and human resources management. Existing law requires the Office of the Financial Information System, upon its establishment, to implement the FISCal system, in a specified manner, with Wave One consisting of certain departments. Existing law authorizes the State Public Works Board to issue debt to pay for the development and implementation of the FISCal system, declares the intent of the Legislature to use General

Fund appropriations for the cost of the FISCal system, and continuously appropriates funds and subaccounts to pay for the system's development, implementation, operation, and maintenance.

This bill would require the FISCal system to additionally include ~~specified information regarding the General Fund and federal fund expenditures of each state department or agency, as defined. The bill would require the office to post this information on an Internet Web site no later than 6 months after the implementation of Phase One of the FISCal system. The bill would require the office to subsequently annually update this information~~ *a state budget transparency component that allows the public to access nonconfidential General Fund and federal fund expenditure data, such as the amount of an expenditure and a brief description of its purpose, using an Internet Web site. The bill would define "General Fund and federal fund expenditures" as expenditures or transfers of funds in excess of $10,000, but would not include transfers between 2 state departments or agencies or payments of federal or state assistance to any individual recipient*.

The bill would make an appropriation by requiring the expenditure of continuously appropriated funds for this new purpose.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares its intention to provide greater transparency in the State Budget process, so the public can readily review how taxpayer money is spent in the State Budget.

SEC. 2. Section 15849.20 of the Government Code is amended to read:

15849.20. For purposes of this chapter and the issuance of debt pursuant to this part, the following terms shall have the following meanings:

(a) "Acquire" has the same meaning as in Section 15802 and, in addition, includes acquisition by development.

(b) "Approved FISCal Project documents" means the FISCal Special Project Report dated October 30, 2006, as revised on December 14, 2006, as amended by the FISCal Special Project Report dated November 9, 2007, revised on December 19, 2007, and as amended, augmented, or changed by any subsequent approved Special Project Report or legislative action.

(c) "Cost or costs of the FISCal system" means the cost of a public building, including, but not limited to, the acquisition, design, development, installation, and deployment of the system, and the acquisition, development, installation, implementation, and deployment of enterprise resource planning software, other ancillary software, hardware, licenses, upgrades, independent verification and validation, and related training and facilities to acquire, develop, install, implement, and deploy the system. Cost or costs of the system also includes staff and contractor costs and expenses related to the FISCal system. Cost or costs of the FISCal system does not ~~include~~ *include* the cost of the ongoing operation and maintenance of the FISCal system or debt service for the FISCal system.

(d) "Debt service for the FISCal system" means principal of; premium, if any; and interest on, bonds or certificates issued to finance and refinance the costs of the FISCal system and payments pursuant to agreements providing security or liquidity for those bonds or certificates.

(e) "FISCal" means the Financial Information System for California.

(f) (1) "General Fund and federal fund expenditures" mean the expenditure or transfer of funds in an amount in excess of ten thousand dollars ($10,000) by any state department in the form of, including, but not limited to, any of the following:

(A) Grants.

(B) Contracts.

(C) Purchase orders.

(2) "General ~~fund~~ *Fund* and federal fund expenditures" do not include the transfer of funds between two state departments or agencies, or the transfer of state or federal assistance payments to any individual recipient or beneficiary of those assistance payments.

(g) "Interim financing" means any financing issued or obtained in accordance with this chapter and this part to finance the costs of the FISCal system on an interim basis, including any loan from the General Fund, any loan from the Pooled Money Investment Account, and negotiable notes, including commercial paper notes or other forms of negotiable short-term indebtedness and negotiable bond anticipation notes.

(h) "Notes" means negotiable notes, including commercial paper notes or other forms of negotiable short-term indebtedness or negotiable bond anticipation notes and any renewals thereof.

(i) (1) Except as specified in paragraph (2), "office" means the FISCal Project Office in the Department of Finance.

(2) Upon the establishment of an Office of the Financial Information System for California, "office" shall mean the Office of the Financial Information System for California, and shall no longer be construed to mean the FISCal Project Office in the Department of Finance.

(j) "Public building" has the same meaning as set forth in subdivision (c) of Section 15802 and includes the FISCal system.

(k) "State departments and agencies" means all state offices, officers, departments, divisions, bureaus, boards, commissions, organizations, or agencies, claims against which are paid by warrants drawn by the Controller, and whose financial activities are reported in the annual financial statement of the state or are included in the annual Governor's Budget, including, but not limited to, the California State University and the University of California.

(*l*) "System" or "FISCal system" means a single integrated financial management system for the state that encompasses the management of resources and dollars in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management, and human resources management, as included in the approved FISCal Project documents and includes the information required by Section 15849.23.

SEC. 3. Section 15849.23 is added to the Government Code, to read:

15849.23. (a) In addition to the requirements of Section 15849.22, the FISCal system shall include a State Budget transparency component that allows the public to have access to General Fund and federal fund expenditure data, using an Internet Web site, by including all of the following information for each General Fund and federal fund expenditure:

(1) The name and principal location of each entity or other recipient of the funds.

(2) The amount of expenditure.

(3) The type of transaction.

(4) The identity of the state department or agency making the expenditure.

(5) The budget program source for the expenditure.

(6) A brief description of the purpose for the expenditure.

(7) A brief description of any item purchased pursuant to the expenditure.

~~(b) The office shall post, on an Internet Web site, the information on general fund and federal fund expenditures required by subdivision (a) for each state department or agency no later than six months after Phase One of FISCal is implemented, as specified in subdivision (d) of Section 15849.22. The office shall subsequently annually update the information provided pursuant to this section on or before June 30 thereafter.~~

~~(c)~~

(c) This section does not require the disclosure of information deemed confidential or otherwise exempt from disclosure under state or federal law.

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