

## **Assembly Bill No. 156**

### **CHAPTER 569**

An act to amend Sections 6013.5.5, 8017, 8018, 8020, and 8024 of, to add Sections 8017.5 and 8024.8 to, and to repeal Section 8016.5 of, the Business and Professions Code, to amend Sections 100000.5, 100002, and 100013 of the Financial Code, to add and repeal Section 1357 of the Fish and Game Code, to amend Sections 7903, 11852, 11854, 11860, 11862, 11880, 11890, 11892, 11894, 12803.2, 12815, 15849.1, 16344, 65057, and 65059 of, to amend the heading of Article 2 (commencing with Section 11860) of Chapter 10 of Part 1 of Division 3 of Title 2 of, to add Sections 11856, 11865, and 11868 to, to add and repeal Section 11019.1 of, to repeal Section 13300.5 of, and to repeal, add, and repeal Section 11864 of, the Government Code, to add and repeal Sections 50834.5 and 50899.8 of the Health and Safety Code, to amend Sections 2673.1, 2675.5, 2695.1, 2695.2, 3111, 3111.1, 3112, and 3122.3 of, and to add and repeal Sections 2695.3 and 2695.4 to, the Labor Code, to amend Sections 4124.5, 4208.1, and 4799.05 of, and to add and repeal Section 75245 of, the Public Resources Code, to amend Section 95.60 of, and to add Section 17141.5 to, the Revenue and Taxation Code, to amend Sections 1095 and 14531 of the Unemployment Insurance Code, to add Chapter 16.1 (commencing with Section 18997.5) to Part 6 of Division 9 of the Welfare and Institutions Code, and to amend Section 106 of Chapter 73 of the Statutes of 2021, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 27, 2022. Filed with  
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#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 156, Committee on Budget. State government.

(1) Existing law, the State Bar Act, provides for the licensure and regulation of attorneys by the State Bar of California, a public corporation. The State Bar is governed by a board of trustees, composed as prescribed, including a maximum of 6 public members who have never been licensees of the State Bar or admitted to practice before any court in the United States. Existing law subjects these public members to specified conflict-of-interest provisions, including prohibiting a public member from having, currently or within the 5 years immediately preceding their appointment, a prescribed relationship as or with an employer of a licensee of the board or a prescribed contractual relationship with a licensee of the board.

This bill would exempt public members of the board of trustees from those prohibitions.

(2) Existing law establishes the Court Reporters Board of California to license and regulate shorthand reporters, and defines the practice of shorthand reporting as the making by means of written symbols or abbreviations in shorthand or machine shorthand, of a verbatim record of any oral court proceeding, deposition, or proceeding before any grand jury, referee, or court commissioner, and the accurate transcription thereof. A violation of the provisions regulating shorthand reporters is a misdemeanor.

Existing law prohibits the board from issuing a certificate for the practice of shorthand reporting by means of voice writing or voice recognition technology.

This bill would repeal that provision and would define voice writing as a verbatim record or a proceeding using a closed microphone voice dictation silencer, steno mask, or similar device using oral shorthand and voice notes made by a certified shorthand reporter. The bill would expand the definition of the practice of shorthand reporting to include the making, by means of written symbols or abbreviations by voice writing of a verbatim record and the accurate transcription thereof, as specified, and make conforming changes to related provisions that specify the qualifications for admission to an examination required for a certificate. The bill would require the board to treat certificate holders equally regardless of the method of qualification and prohibit public employers from differentiating among certificate holders based upon the method of qualification, as specified.

Existing law establishes that a person who holds a valid certificate as a shorthand reporter shall be known as a “certified shorthand reporter,” and prohibits any other person, except as specified, from using that title or any words or symbols that indicate or tend to indicate that they are a certified shorthand reporter.

This bill would further specify that use of the words “stenographer,” or “reporter,” or of the phrases “court reporter,” “deposition reporter,” or “digital reporter,” in combination with words or phrases related to the practice of shorthand reporting, indicates, or tends to indicate, certification as a shorthand reporter. The bill would require the board to indicate on each certificate issued whether the certificate holder met the certified shorthand reporter examination requirements through the use of stenography, voice writing, or both, as specified, and would prohibit a certified shorthand reporter from providing shorthand reporting services other than by using the methodology indicated on their certificate.

By changing the scope of an existing crime, the bill would impose a state-mandated local program.

(3) Existing law, the Debt Collection Licensing Act (DCLA), prohibits a person from engaging in the business of debt collection in this state without first obtaining a license from the Commissioner of Financial Protection and Innovation. The DCLA requires the commissioner to allow any debt collector that submits an application before January 1, 2022, to operate pending the approval or denial of the application. The DCLA requires the Department of Justice to transmit fingerprint images and related information received from the Commissioner of Financial Protection and Innovation to the Federal

Bureau of Investigation for the purpose of obtaining a federal criminal history records check and requires the Department of Justice to review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the commissioner, as prescribed.

This bill would require the commissioner to allow any debt collector that submits an application before January 1, 2023, to operate pending the approval or denial of the application. The bill would also authorize the commissioner to issue a conditional license to an applicant pending the receipt and review of the fingerprint images and related information, as described above. The bill would require a conditional license to expire under certain conditions, including upon issuance of an unconditional license.

Existing law, the DCLA, authorizes the commissioner to deem an application for a license abandoned if the applicant fails to respond to any request for information required by the commissioner or department during an investigation of the application and requires the commissioner to notify the applicant, in writing, that if the applicant fails to submit responsive information within 60 days from the date the commissioner sent the written request for information, the commissioner is required to deem the application abandoned.

This bill would revise the above-described notification to instead provide that the commissioner is authorized to deem the application abandoned.

(4) The California Constitution generally prohibits the total annual appropriations subject to limitation of the state and each local government from exceeding the appropriations limit of the entity of government for the prior fiscal year, adjusted for the change in the cost of living and the change in population, and prescribes procedures for making adjustments to the appropriations limit. The California Constitution defines “appropriations subject to limitation” of the state to mean any authorization to expend during a fiscal year the proceeds of taxes levied by or for the state, exclusive of, among other things, state subventions for the use and operation of local government, except as specified. The California Constitution defines “appropriations subject to limitation” of an entity of local government to mean any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity, except as specified, exclusive of refunds of taxes.

Existing statutory provisions implementing these constitutional provisions establish the procedure for establishing the appropriations limit of the state and of each local jurisdiction for each fiscal year. Under existing law, revenues and appropriations for a local jurisdiction include subventions and with respect to the state, revenues and appropriations exclude those subventions. Existing law generally defines the term “state subventions” for these purposes as only including money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention. However, for fiscal years commencing with the 2020–21 fiscal year, existing law defines “state subventions” to additionally include money provided to a local agency pursuant to certain state programs and requires

that money to be included within the appropriations limit of the local agency, up to the full appropriations limit of the local agency, as prescribed.

This bill would instead require the additional money included in “state subventions” by the provision described above to be included within the appropriations limit of the local agency, up to the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of the above-described provisions relating to the definition of “state subventions,” and the full appropriations limit of the local agency, as prescribed. The bill would also make various technical and conforming changes.

(5) Existing law, the Financial Information System for California (FISCAl) Act, requires the Department of Finance, the Controller, the Department of General Services, and the Treasurer to collaboratively develop, implement, and utilize a single integrated financial management system for the state, as prescribed. The act establishes the Department of FISCAl within the Government Operations Agency, as prescribed, and requires the Department of FISCAl and the FISCAl project office to exist concurrently during the phased implementation of the system. The act requires the Department of FISCAl to incrementally assume responsibility of the system functionality as portions of the system are implemented and accepted. The act, upon full implementation of the system, requires the Department of FISCAl to supersede the FISCAl project office and perform all administration, maintenance, and operation of the system.

This bill would revise and recast those provisions relating to the development and implementation of the system to instead relate to the development of enhancements to the system, and would remove references to the FISCAl project office from the act. The bill would modify the powers and duties of the Department of FISCAl by, among others, requiring on or before July 1, 2032, completion of specified roadmap activities, including working with the Department of Finance, the Controller, the Department of General Services, and the Treasurer to identify and implement additional products, interfaces, and add-ons to the system to enhance business transactions. The bill would make various changes to the system requirements, including expanding the system’s state transparency component to allow the public to additionally have access, as specified, to information regarding nongovernmental cost fund expenditure data.

Existing law requires the Department of Finance to report to the Legislature, on or before October 31 of each year beginning in 2020, specified information regarding the system, including an executive summary and overview of the system’s status.

This bill would instead require the Department of FISCAl to provide these reports, as revised, on or before October 31, 2023, and annually thereafter. The bill would additionally require the Department of FISCAl, commencing October 31, 2023, and biennially thereafter, to report on the status of planning for roadmap activities described above, as specified.

The FISCAl Act requires, throughout the development of, and until the completion of, the system, the California State Auditor’s Office to

independently monitor the system as the California State Auditor deems appropriate, including monitoring the contract for independent project oversight and independent verification and validation services relating to the system.

This bill would impose specified evaluation and reporting requirements on the Controller to facilitate the integration of the state's accounting book of record, as specified. The bill would instead require the California State Auditor's Office to monitor and report annually to the Legislature regarding the Controller's progress toward transitioning the state's accounting book of record to the system and regarding the Department of FISCAL's completion of the roadmap activities described above, as specified.

Existing law establishes several funds in the State Treasury relating to FISCAL, including the FISCAL Internal Services Fund, which pays the costs of development, implementation, and other approved costs of the system. Former law authorized the Department of Finance to authorize loans from the General Fund to pay for the cost of the FISCAL system, as specified.

This bill would forgive a specified General Fund loan provided to FISCAL in a specified amount.

(6) Existing law identifies the bills constituting each budget act from the Budget Act of 2011 through the Budget Act of 2020.

This bill would identify the bills constituting the Budget Act of 2021.

(7) Existing law establishes within the Government Operations Agency the Office of Digital Innovation led by the Director of the Office of Digital Innovation who is required to be appointed by, and serve at the pleasure of, the Governor. Existing law authorizes the Governor to appoint people to the office who are exempt from civil service and limits the total number of exempt positions in the office to 20. Existing law specifies that the office's mission shall be to deliver better government services to the people of California through technology and design and charges the office with fulfilling that mission by, among other things, collaborating with state entities to transform government services by measurably improving services using a deliberate, user-focused approach. Existing law creates the Digital Innovation Services Revolving Fund within the State Treasury and administered by the director, to receive all revenues from the sale of services rendered by the office and all other moneys properly credited to the office from any other source. Existing law authorizes the office to collect payments from state entities for providing services to client entities and requires the Controller to transfer amounts authorized by the office to the fund, as specified.

This bill would change the name of the office to the Office of Data and Innovation, the name of the director to the Director of the Office of Data and Innovation, and the name of the fund to the Data and Innovation Services Revolving Fund. The bill would provide that, effective July 1, 2023, the office shall operate as a standalone entity that reports to the Government Operations Agency, as specified. The bill would change the mission of the office to that of delivering better government services to the people of California through technology and service innovation, data, and design and

would revise the methods by which the office is required to fulfill that mission to include, among other things, using data-informed practices to measurably improve services. The bill would make the appointment of the director subject to confirmation by the Senate and would increase the number of exempt positions in the office to 22. The bill would also establish a Chief Data Officer in the office who would report to the director and be responsible for data practices within the state with an overarching goal to improve government data use. The bill would remove the authority of the office to collect payments from state entities for providing services to client entities and make other conforming changes.

(8) The State Building Construction Act of 1955 authorizes the State Public Works Board, among other things, to construct public buildings, contract with other state agencies for the use of real property upon which to construct a public building, fix, alter, charge, and collect rentals and other charges for the use of public buildings or for the services rendered by the board, and issue certificates or revenue bonds to obtain funds to pay the cost of public buildings. The act requires all money received by the board to be deposited to the credit of the Public Buildings Construction Fund and requires subfunds, accounts, and subaccounts to be maintained within the fund for the operation of the board and the performance of its obligations as provided in the applicable resolution, indenture, or other agreement. Existing law also creates within the Public Buildings Construction Fund an Expense Account for the deposit of amounts received by the board from various sources and continuously appropriates from the Expense Account to the board the amount necessary to pay for administrative expenses and costs associated with implementation of the act.

Existing law continuously appropriates any amount not to exceed the amount of unsold bonds that the board has, by resolution, authorized to be sold for carrying out this act from the General Fund to the Director of Finance, who is authorized to direct that any portion of that amount be deposited into a special account in the Public Buildings Construction Fund, to be used for financing the construction of public buildings, as prescribed. Existing law requires any amounts made available from the General Fund under this provision to the board to be repaid by the board to the General Fund from the proceeds received from the sale of bonds sold for the purpose of financing the public buildings. Existing law also requires these amounts to be repaid to the General Fund with interest at the rate that the Treasurer certifies would have been earned on those amounts if invested in the Surplus Money Investment Fund.

This bill would also authorize the board, in the above circumstances, to repay amounts to the General Fund from any other lawfully available source of funds.

(9) Existing law establishes, until January 1, 2026, the California Initiative to Advance Precision Medicine in the Office of Planning and Research and requires the office to, among other things, develop, implement, and evaluate demonstration projects on precision medicine, as described, in collaboration with public, nonprofit, and private entities. Existing law authorizes the office

to receive nonstate funds in furtherance of the initiative, as described, and requires the office to return unexpended nonstate funds to the source before January 1, 2026. Existing law authorizes up to 10% of any amount appropriated to the office for precision medicine to be used for administrative costs.

This bill would also require the office to develop, implement, and evaluate nondemonstration projects on precision medicine in collaboration with public, nonprofit, and private entities. The bill would apply the 10% administrative costs limitation described above only to demonstration projects.

This bill would instead require unexpended nonstate funds to be returned to the source before June 30, 2029, and the bill would extend the sunset provision to June 30, 2029.

(10) Existing law establishes labor provisions specifically applicable to sheepherders, including authorizing an employer of a sheepherder to pay a specified monthly minimum wage as an alternative to paying the minimum wage for all hours worked to sheepherders employed on a regularly scheduled 24-hour shift on a 7-day-a-week “on-call” basis. Existing law provides that an employer, or any other person acting on behalf of the employer, who violates or causes to be violated those provisions is subject to a civil penalty of \$50 for each underpaid employee for each pay period during which the employee was underpaid, plus an amount sufficient to recover the unpaid wages for an initial violation and \$100 for any subsequent violation. Existing federal law governing immigration authorizes the importation of an alien as a nonimmigrant agricultural worker, known as an H-2A worker, if specified requirements are met, including that the employer furnishes housing, as specified.

This bill would, among other things, prohibit an employer from crediting meals or lodging against the minimum wage owed to sheepherders pursuant to the provision described above and would require every employer to provide to each sheepherder not less than the minimum monthly meal and lodging benefits required to be provided by employers of sheepherders under the provisions of the H-2A visa program. The bill would also increase the civil penalties described above to \$100 and \$250, respectively.

This bill would, until January 1, 2024, apply the labor provisions specifically applicable to sheepherders described above to goat herders and would require the Department of Industrial Relations to update Wage Order No. 14-2001 to be consistent with those provisions, as specified.

(11) Existing law establishes the Youth Apprenticeship Grant Program, to be administered by the Division of Apprenticeship Standards, for the purposes of awarding grant funds to eligible applicants to provide funding for existing apprenticeship and preapprenticeship programs or to develop new apprenticeship and preapprenticeship programs to serve the target population and satisfy the goals and objectives of the grant program, as specified. Existing law requires the program to have an explicit focus on equity, and aims to ensure that race, income, geography, gender, citizenship status, ability, and other demographics and student characteristics no longer

predict the outcomes of California's youth. Existing law requires, to measure success towards that goal, the grant program to, among other things, require demographic data to be cross-tabulated with labor force participation data and enrollment data among those demographic groups to assess parity to the public K–12 high school, community college, and 4-year university graduating cohort demographic distribution.

This bill would revise and recast that provision to require the program to cross-tabulate demographic data with labor force participation data and enrollment data among those demographic groups to assess parity in relation to the public K–12 high school, community college, and 4-year university graduating cohort demographic distribution, comparing program completion rates with the attainment of educational degrees across groups.

(12) Existing law establishes, from July 1, 2022, until June 30, 2025, the County Assessors' Grant Program and, for the 2022–23 fiscal year, authorizes a county assessor's joint powers authority to apply to the department, in the form and manner specified by the department. Existing law requires the Department of Finance to approve an application or memorandum of understanding that contains, among other things, a request for information technology-appropriate projects and programs related to the administration of the property tax system that includes the goals the joint powers authority seeks to achieve with the program funds. Existing law requires the department to, upon approval and by November 15, 2022, determine the grant amount and notify the State Controller's Office to remit payment to the joint powers authority.

This bill would instead require the State Controller's Office to remit payment to a "lead county," defined as a county designated by the department to accept program funds on behalf of the joint powers authority.

(13) Existing law authorizes specified state departments and authorities, upon determination that an advance payment is essential for the effective implementation of a program, to advance to a community-based private nonprofit agency, with which it has contracted for the delivery of services, funds not exceeding 25% of the annual allocation to be made to the agency during the fiscal year.

This bill would, until July 1, 2025, authorize state agencies administering specified programs to advance payments to local agencies, nongovernmental entities, and other state agencies if certain criteria are met, including requiring advance payment recipients to provide an itemized budget, spending timeline, and workplan. The bill would limit the advance payment to a local agency or nongovernmental entity to 25% of the total grant amount awarded to that recipient, unless the administering state agency determines that the project requires a larger advance. The bill would require the recipient or any subrecipients to cooperate with audits by the Department of Finance related to the advanced payments, as specified.

This bill would require the administering state agency to prioritize local agency or nongovernmental entity recipients and projects serving disadvantaged, low-income, and under-resourced communities or organizations with modest reserves and potential cashflow problems. The



bill would also require local agency and nongovernmental entity recipients to submit additional documentation and progress reports on the spend-down of funds, and to demonstrate good standing with the federal Internal Revenue Service.

(14) Existing law requires the State Department of Social Services, subject to an appropriation in the annual Budget Act, to administer the California Guaranteed Income Pilot Program to provide grants to eligible entities for the purpose of administering pilot programs and projects that provide a guaranteed income to participants. Existing law requires the department to prioritize funding for pilot programs and projects that serve California residents who age out of the extended foster care program and pregnant individuals.

This bill would establish the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program to provide a trust account to an eligible child, defined to include minor California residents who are specified dependents or wards under the jurisdiction of juvenile court in foster care with reunification services terminated by court order, or who have a parent, Indian custodian, or legal guardian who died due to COVID-19 during the federally declared COVID-19 public health emergency and meet the specified family household income limit. The bill would create the HOPE for Children Trust Account Program Board, as specified, and would require the board to administer the program and the funds in alignment with the intent of the Legislature to create opportunities, economic autonomy, and hope, and to promote wealth and asset building for an eligible child and eligible youth to address California's record levels of inequality, among other things. The bill would establish the HOPE for Children Trust Account Fund in the State Treasury, and would continuously appropriate moneys in the fund to the board and Treasurer for implementation of the program. By creating a continuously appropriated fund, the bill would make an appropriation.

The bill would require the Treasurer to convene a workgroup to advise the Treasurer on program design, including data sharing with relevant governmental agencies and departments, outreach to families of eligible children and to eligible youth, and the process for program enrollment and continuous measurement of outcomes of the HOPE trust accounts. The bill would require, on or before February 1, 2024, the board to submit a report to the Department of Finance and the Legislature that includes recommendations on a detailed plan for implementing the program and the anticipated number of HOPE trust accounts to be opened, among other things.

The Personal Income Tax Law imposes taxes based upon taxable income at specified rates. Existing law, in modified conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded. Existing law, beginning on or after January 1, 2015, in modified conformity with federal income tax law, allows an earned income tax credit, the California Earned Income Tax Credit, against personal income tax. The Personal Income Tax Law allows, for each

taxable year beginning on or after January 1, 2019, a young child tax credit against the taxes imposed under that law.

This bill, for taxable years beginning on or after January 1, 2023, would exclude from gross income, for purposes of the personal income tax, funds deposited, any investment returns accrued, and any accrued interest, in a HOPE trust account, and any funds withdrawn or transferred from that account. The bill, for taxable years beginning on or after January 1, 2023, would additionally provide that funds deposited, any investment returns accrued, and any accrued interest in a HOPE trust account, and any funds withdrawn or transferred from that account, are not earned income for purposes of eligibility for the California Earned Income Tax Credit and the Young Child Tax Credit.

(15) This bill would make various nonsubstantive changes.

(16) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(17) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. It is the intent of the Legislature that Section 7903 of the Government Code, as amended by this act, shall not be construed to alter or affect the legal character or status of the moneys for any items identified in subdivision (b) of that section that are received by a local agency, except for the purpose of determining appropriations subject to the limit of the state or a local agency, pursuant to Article XIII B of the California Constitution.

SEC. 2. Section 6013.5.5 of the Business and Professions Code is amended to read:

6013.5.5. Subdivision (c) of Section 450 and Sections 450.2 to 450.6, inclusive, shall apply to public members appointed or reappointed on or after January 1, 2012.

SEC. 3. Section 8016.5 of the Business and Professions Code is repealed.

SEC. 4. Section 8017 of the Business and Professions Code is amended to read:

8017. The practice of shorthand reporting is defined as the making, by means of written symbols or abbreviations in shorthand or machine shorthand writing, or by voice writing, of a verbatim record of any oral court proceeding, deposition, court ordered hearing or arbitration, or proceeding before any grand jury, referee, or court commissioner and the accurate transcription thereof. Nothing in this section shall require the use of a certified shorthand reporter when not otherwise required by law.

SEC. 5. Section 8017.5 is added to the Business and Professions Code, to read:

8017.5. For purposes of this article:

(a) “Voice writer” means a certified shorthand reporter that makes a verbatim record or a proceeding using a closed microphone voice dictation silencer, steno mask, or similar device using oral shorthand and voice notes.

(b) “Voice writing” means a verbatim record or a proceeding using a closed microphone voice dictation silencer, steno mask, or similar device using oral shorthand and voice notes made by a certified shorthand reporter.

SEC. 6. Section 8018 of the Business and Professions Code is amended to read:

8018. A natural person who holds a valid certificate as a shorthand reporter, as provided in this chapter, shall be known as a “certified shorthand reporter.” Except as provided in Section 8043, no other person, entity, firm, or corporation may assume or use the title “certified shorthand reporter,” or the abbreviation “C.S.R.,” or use any words or symbols indicating or tending to indicate that they are, or it is, certified under this chapter. Use of the words “stenographer,” or “reporter,” or of the phrases “court reporter,” “deposition reporter,” or “digital reporter,” in combination with words or phrases related to the practice of shorthand reporting, as defined in Section 8017, indicates or tends to indicate certification pursuant to this chapter.

SEC. 7. Section 8020 of the Business and Professions Code is amended to read:

8020. Any person over the age of 18 years, who has not committed any acts or crimes constituting grounds for the denial of licensure under Sections 480, 8025, and 8025.1, who has a high school education or its equivalent as determined by the board, and who has satisfactorily passed an examination under any regulations that the board may prescribe, shall be entitled to a certificate and shall be styled and known as a certified shorthand reporter. No person shall be admitted to the examination without first presenting satisfactory evidence to the board that the applicant has obtained one of the following:

(a) One year of experience in making verbatim records of depositions, arbitrations, hearings, or judicial or related proceedings by means of written symbols or abbreviations in shorthand or machine shorthand writing or voice writing and transcribing these records.

(b) A verified certificate of satisfactory completion of a prescribed course of study in a recognized court reporting school or a certificate from the school that evidences an equivalent proficiency and the ability to make a verbatim record of material dictated in accordance with regulations adopted by the board contained in Title 16 of the California Code of Regulations. For purposes of this subdivision, and until the board adopts regulations governing voice writing, but in any case no later than January 1, 2024, references contained in Section 2411 of Title 16 of the California Code of Regulations to “machine shorthand” shall include voice writing.

(c) A certificate from the National Court Reporters Association or the National Verbatim Reporters Association demonstrating proficiency in machine shorthand reporting or voice writing.

(d) A passing grade on the California state hearing reporters examination.

(e) A valid certified shorthand reporters certificate or license to practice shorthand reporting issued by a state other than California whose requirements and licensing examination are substantially the same as those in California.

SEC. 8. Section 8024 of the Business and Professions Code is amended to read:

8024. (a) All certificates issued pursuant to this chapter shall be valid for a period of one year, except for the initial period of licensure as prescribed by the board, and shall expire at 12 midnight on the last day of the month of birth of the licensee unless renewed.

(b) (1) The board shall indicate on each certificate issued pursuant to this chapter whether the certificate holder met the certified shorthand reporter examination requirements through the use of stenography, voice writing, or both.

(2) A certified shorthand reporter shall only provide services pursuant to this chapter using the methodology indicated on their certificate pursuant to paragraph (1).

(3) Except as provided in paragraph (2), nothing in this section shall be construed to confer any distinction in privilege or practice authority based upon whether a certificate holder met the certified shorthand reporter examination requirements through the use of stenography, voice writing, or both.

(4) Notwithstanding paragraph (1), the board shall indicate the methodology used by a certificate holder to meet the certified shorthand reporter examination requirements by providing a letter or notice to the certificate holder instead of indicating it on the certificate until July 1, 2023, or until the board has updated its systems and procedures in order to implement paragraph (1), whichever occurs first.

(c) To renew an unexpired certificate, the certificate holder shall, on or before each of the dates on which it would otherwise expire, do all of the following:

(1) Apply for renewal on a form prescribed by the board.

(2) Pay the renewal fee prescribed by this chapter.

(3) Notify the board whether they have been convicted of any felony or any misdemeanor if the misdemeanor is substantially related to the functions and duties of a court reporter and whether any disciplinary action by any regulatory or licensing board in this or any other state was taken against the licensee subsequent to the licensee's last renewal.

SEC. 9. Section 8024.8 is added to the Business and Professions Code, to read:

8024.8. (a) The board shall maintain records showing which certificate holders have qualified through shorthand or machine shorthand writing and which certificate holders have qualified through voice writing. The board

shall treat certificate holders equally regardless of the method of qualification.

(b) Public employers shall not differentiate among certificate holders based upon method of qualification for purposes of compensation, benefits, classification, job description, duties, or bargaining units.

(c) A reference in any statute, regulation, or rule of court to the shorthand notes or stenographic notes of a certified shorthand reporter shall be interpreted to include audio dictation files.

SEC. 10. Section 100000.5 of the Financial Code is amended to read:

100000.5. (a) The commissioner shall allow any debt collector that submits an application before January 1, 2023, to operate pending the approval or denial of the application.

(b) (1) Notwithstanding Section 100011, the commissioner may issue a conditional license to an applicant pending compliance with the requirements of subdivisions (a) to (c), inclusive, of Section 100008.

(2) A conditional license issued pursuant to this subdivision shall expire at the earliest of the following:

(A) Ninety days after the requirements of Sections 100007, 100008, and 100009 have been satisfied.

(B) Upon the issuance of an unconditional license.

(C) Ninety days after the commissioner directs the licensee in writing to submit fingerprints for submission to the Department of Justice pursuant to Section 100008, if the licensee fails to submit a set of fingerprints for each individual described in Section 100009.

(D) Upon the denial, pursuant to Section 100012, of a license application.

(c) The commissioner may deny an application under Section 100012 at any time before the issuance of an unconditional license.

SEC. 11. Section 100002 of the Financial Code is amended to read:

100002. For purposes of this division, the following terms have the following meanings:

(a) “Applicant” means a person who applied for a license pursuant to this division.

(b) “California debtor accounts” means accounts that are owned by consumers who reside in California at the time that the consumer makes a payment on the account.

(c) “Collection agency” means a business entity through which a debt collector or an association of debt collectors engage in debt collection.

(d) “Commissioner” means the Commissioner of Financial Protection and Innovation.

(e) “Consumer credit transaction” means a transaction between a natural person and another person in which property, services, or money is acquired on credit by that natural person from the other person primarily for personal, family, or household purposes.

(f) “Consumer debt” or “consumer credit” means money, property, or their equivalent, due or owing, or alleged to be due or owing, from a natural person by reason of a consumer credit transaction. The term “consumer debt” includes a mortgage debt. The term “consumer debt” includes

“charged-off consumer debt” as defined in Section 1788.50 of the Civil Code.

(g) “Creditor” means a person who extends consumer credit to a debtor.

(h) “Debt” means money, property, or their equivalent that is due or owing or alleged to be due or owing from a natural person to another person.

(i) “Debt collection” means any act or practice in connection with the collection of consumer debt.

(j) “Debt collector” means any person who, in the ordinary course of business, regularly, on the person’s own behalf or on behalf of others, engages in debt collection. The term includes any person who composes and sells, or offers to compose and sell, forms, letters and other collection media used or intended to be used for debt collection. The term “debt collector” includes “debt buyer” as defined in Section 1788.50 of the Civil Code.

(k) “Debtor” means a natural person from whom a debt collector seeks to collect a consumer debt that is due or owing or alleged to be due or owing from the person.

(l) “Department” means the Department of Financial Protection and Innovation.

(m) “Fund” means the Debt Collection Licensing Fund established pursuant to Section 100006.5.

(n) “Licensee” means a person licensed, conditionally or unconditionally, pursuant to this chapter.

(o) “Nationwide Multistate Licensing System & Registry” means a system of record, created by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, for nondepository, financial services licensing or registration in participating state agencies, the District of Columbia, Puerto Rico, the United States Virgin Islands, and Guam.

(p) “Person” means a natural person, partnership, corporation, limited liability company, trust, estate, cooperative, association, or other similar entity.

SEC. 12. Section 100013 of the Financial Code is amended to read:

100013. (a) The commissioner may deem an application for a license abandoned if the applicant fails to respond to any request for information required by the commissioner or department during an investigation of the application.

(b) The commissioner shall notify the applicant, in writing, that if the applicant fails to submit responsive information within 60 days from the date the commissioner sent the written request for information, the commissioner may deem the application abandoned.

(c) An application fee paid prior to the date an application is deemed abandoned shall not be refunded. Abandonment of an application pursuant to this subdivision shall not preclude the applicant from submitting a new application and fee for a license.

SEC. 13. Section 1357 is added to the Fish and Game Code, to read:

1357. (a) The board may authorize advance payments on a contract or grant under this chapter pursuant to subdivision (d) of Section 11019.1 of the Government Code.

(b) This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SEC. 14. Section 7903 of the Government Code is amended to read:

7903. (a) “State subventions” shall, except as provided in subdivision (b), include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention.

(b) (1) Commencing with the 2021–22 fiscal year and each fiscal year thereafter, “state subventions” shall also include any money provided to a local agency pursuant to any of the following:

(A) Child support administration relating to local child support agencies (Sections 17306, subdivision (b) of Section 17704, and subdivision (a) of Section 17710 of the Family Code).

(B) Black Infant Health Program (Section 123255 of the Health and Safety Code).

(C) California Home Visiting Program (Section 123255 of the Health and Safety Code).

(D) Sexually transmitted disease prevention and control activities (Section 120511 of the Health and Safety Code).

(E) Support for vital public health activities (Article 7 (commencing with Section 101320) of Chapter 3 of Part 3 of Division 101 of the Health and Safety Code).

(F) County administration for Medi-Cal eligibility (Section 14154 of the Welfare and Institutions Code).

(G) Optional Targeted Low Income Children’s Program (Section 14005.27 of the Welfare and Institutions Code).

(H) Case management services under the California Children’s Services program (Section 123850 of the Health and Safety Code).

(I) Child Health and Disability Prevention Program (Article 6 (commencing with Section 124024) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code).

(J) Specialty Mental Health Services (Chapter 8.9 (commencing with Section 14700) of Part 3 of Division 9 of the Welfare and Institutions Code).

(K) Specified precare and postcare services for individuals treated in short-term residential therapeutic programs (Article 5 (commencing with Section 14680) of Chapter 8.8 of Part 3 of Division 9 of the Welfare and Institutions Code).

(L) Behavioral Health Quality Improvement Program (Section 14184.405 of the Welfare and Institutions Code).

(M) Mental health plan costs for Continuum of Care Reform (Sections 4096.5 and 11462.01 of the Welfare and Institutions Code).

(N) Mobile crisis services (Section 14132.57 of the Welfare and Institutions Code).

(O) Los Angeles County Justice-Involved Population Services and Supports (Provision 18 of Item 4260-101-0001 of the Budget Act of 2022).

(P) Funds distributed from the Mental Health Services Fund pursuant to Section 5892 of the Welfare and Institutions Code.

(Q) Drug Medi-Cal organized delivery system, excluding Narcotic Treatment Program services (Section 14184.401 of the Welfare and Institutions Code).

(R) Drug Medi-Cal, excluding Narcotic Treatment Program services (Section 14124.20 of the Welfare and Institutions Code).

(S) Behavioral Health Bridge Housing Program (Provision 17 of Item 4260-101-0001 of the Budget Act of 2022).

(T) Mental Health Student Services Act partnership grant program (Section 5886 of the Welfare and Institutions Code).

(U) CalFresh (Section 18906.55 of the Welfare and Institutions Code).

(V) In-Home Supportive Services (Sections 12306.16 and 12302.25 of the Welfare and Institutions Code).

(W) Community Care Expansion Program (Section 18999.97 of the Welfare and Institutions Code).

(X) Housing and Disability Income Advocacy Program (Chapter 25 of the Statutes of 2016 (Assembly Bill No. 1603) and Chapter 17 (commencing with Section 18999) of Part 6 of Division 9 of the Welfare and Institutions Code).

(Y) Project Roomkey (Executive Order No. N-32-20 and Item 5180-151-0001 of the Budget Act of 2019, Item 5180-151-0001 of the Budget Act of 2021, and Item 5180-493 of the Budget Act of 2022).

(Z) Bringing Families Home Program (Section 16523.1 of the Welfare and Institutions Code).

(AA) Home Safe Program (Section 15771 of the Welfare and Institutions Code).

(AB) CalWORKs Housing Support Program (Section 11330.5 of the Welfare and Institutions Code).

(AC) CalWORKs (Section 15204.3 of the Welfare and Institutions Code).

(AD) Automation (Section 10823 of the Welfare and Institutions Code and Item 5180-141-0001 of the Budget Act of 2022).

(AE) Adult Protective Services (Chapter 13 (commencing with Section 15750) of Part 3 of Division 9 of the Welfare and Institutions Code).

(AF) Adult corrections and rehabilitation operations—institution administration (Chapter 3 (commencing with Section 1228) of Title 8 of Part 2 of the Penal Code, Sections 1557 and 4750 of the Penal Code, and Section 26747 of the Government Code).

(AG) Corrections planning and grant programs (The Safe Neighborhoods and Schools Act (Proposition 47 approved at the November 4, 2014, general election), The Public Safety and Rehabilitation Act of 2016 (Proposition 57 approved at the November 8, 2016, general election), The Control, Regulate, and Tax Adult Use of Marijuana Act (Proposition 64 approved at the November 8, 2016, general election), Section 7599.1 of the Government Code, Title 10.2 (commencing with Section 14130) of the Penal Code, Chapter 337 of the Statutes of 2020 (Senate Bill No. 823), Items 5227-123-0001, 5227-117-0001, 5227-118-0001, 5227-120-0001,



5227-121-0001, 5227-125-0001, of the Budget Act of 2022, Items 5227-115-0001 and 5227-116-0001 of the Budget Act of 2021).

(AH) Office of the Small Business Advocate (Item 0509-103-0001 of the Budget Act of 2021).

(AI) Elections (Chapter 9 of the Statutes of 2022 (Senate Bill No. 119) and Item 0890-101-0001 of the Budget Act of 2021).

(AJ) County Subvention (Items 8955-101-0001 and 8955-101-3085 of the Budget Act of 2021).

(AK) Department of Cannabis Control grant (Item 1115-101-0001 of the Budget Act of 2021 and Item 1115-102-0001 of the Budget Act of 2022).

(AL) Agricultural land burning in San Joaquin Valley (Provision 1 of Item 3900-101-0001 of the Budget Act of 2021).

(AM) Carl Moyer Air Quality Standards Attainment Program (Provision 2g of Item 3970-101-0001 of the Budget Act of 2021).

(AN) Pre-positioning for fire and rescue (Provision 3 of Item 0690-101-0001 of the Budget Act of 2021 and the Budget Act of 2022).

(AO) Prepare California (Item 0690-106-0001 of the Budget Act of 2021).

(AP) Law Enforcement Mutual Aid (Provision 6 of Item 0690-101-0001 of the Budget Act of 2022).

(AQ) Los Angeles Regional Interoperable Communication Systems (Provision 9 of Item 0690-101-0001 of the Budget Act of 2022).

(AR) Homeless Housing, Assistance, and Prevention program grants (Chapter 6 (commencing with Sections 50216) of Part 1 of Division 31 of the Health and Safety Code).

(AS) Encampment resolution grants (Chapter 7 (commencing with Section 50250) and Chapter 8 (commencing with Section 50255) of Part 1 of Division 31 of the Health and Safety Code).

(AT) Operating subsidies for Homekey facilities (Sections 50675.1.1 to 50675.14, inclusive, of the Health and Safety Code).

(AU) Various programs contained in Control Sections 19.56 and 19.57 of the Budget Act of 2021, and Control Section 19.56 of the Budget Act of 2022.

(2) State subventions pursuant to programs listed in paragraph (1) shall be included within the appropriations limit of the local agency, up to the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the full appropriations limit of the local agency, as determined pursuant to Section 7902.

(c) (1) Any portion of state subventions pursuant to programs listed in paragraph (1) of subdivision (b) that exceeds the amount representing the difference between the total amount of proceeds of taxes of the local agency, calculated without application of this section, and the appropriations limit of the local agency shall be identified and reported to the Director of Finance by November 1, 2022, and by that date annually thereafter.

(2) The Director of Finance shall calculate the total amounts reported by local agencies pursuant to this subdivision and shall include those amounts within the state appropriations limit determined pursuant to Section 7902.

(d) The determinations and calculations required pursuant to this section shall be in addition to any determinations and calculations required pursuant to Section 7902.2.2 of the Government Code.

SEC. 15. Section 11019.1 is added to the Government Code, to read:

11019.1. (a) It is the intent of the Legislature to establish a new pilot program to explore possible improvements to the state's existing advance payment practices for state-funded local assistance grants.

(b) For purposes of this section, all of the following shall apply:

(1) "Administering state agency" means a state agency that administers a grant program that is eligible for advanced payments pursuant to this section.

(2) "Recipient entity" means a local agency or a nongovernmental entity that is awarded a grant by an administering state agency and with whom the administering state agency has entered into a contract pursuant to that grant.

(3) "Recipient state agency" means a state agency that is awarded a grant by an administering state agency and with whom the administering state agency has entered into a contract pursuant to that grant.

(4) "State agency" has the same meaning as in Section 11000.

(c) An administering state agency may advance a payment to a recipient entity pursuant to the following:

(1) The administering state agency shall do all of the following:

(A) Prioritize recipients and projects serving disadvantaged, low-income, and under-resourced communities or organizations with modest reserves and potential cashflow problems.

(B) Stipulate an advance payment structure and request process within the grant agreement or contract between the administering state agency and the recipient entity.

(C) Ensure the advance payment to the recipient entity does not exceed 25 percent of the total grant amount awarded to that recipient entity. An administering state agency may exceed the 25-percent limit if the administering state agency determines that the project requires a larger advance and the recipient entity provides sufficient justification and documentation to the administering state agency.

(2) (A) Recipient entity shall be subject to the following minimum requirements:

(i) Provide an itemized budget, spending timeline, and workplan developed in a form and manner specified by the administering state agency.

(ii) Submit documentation, as required by the administering state agency, to support the need for advanced payment, which may include, but is not be limited to, invoices, contracts, estimates, payroll records, and financial records.

(iii) Demonstrate good standing with the Internal Revenue Service.

(iv) Obtain insurance, if required by the administering state agency and stipulated within the grant agreement.

(v) Deposit any funds received as an advance payment into a federally insured, interest-bearing account that provides the ability to track interest earned and withdrawals. Any accumulated interest shall be deemed to be grant moneys, subject to federal laws and regulations, and the recipient shall report interest earned on the advanced payment to the administering state agency.

(vi) Establish procedures to minimize the amount of time that elapses between the transfer of funds and the spend down of those funds by the recipient or subrecipient. Further advance payments shall not be made until a grantee is able to demonstrate that all previously advanced funds have been spent down or a plan is in place to ensure spend down of those funds in a timely manner.

(vii) Provide progress reports on the spend down of advanced funds no less than on a quarterly basis. The administering state agency may require progress reports on the spend down of advanced funds. All unused funding provided as an advance payment, but not spent down within the grant timeline, shall be returned to the state.

(viii) Provide a progress report to the administering state agency following the expenditure of an advance payment that includes a summary or work completed, proof of expenditure, and other associated information.

(B) (i) Recipient entities may provide moneys from the advance payment to subrecipients in accordance with their grant program requirements.

(ii) Recipients shall require all entities they subcontract with or award grant moneys to comply with clauses (vi) and (viii) of subparagraph (A).

(iii) Regardless of any transfer or assignment of advanced payments to subrecipients, recipients shall be liable to the state agency for complying with subparagraph (B) and for any failures by subrecipients to perform contractual obligations or to comply with the requirements of this section.

(d) An administering state agency may advance a payment to a recipient state agency in accordance with all of the following:

(1) The administering state agency shall stipulate an advance payment structure and request process within the grant agreement or contract between the state agency administering the program and the recipient state agency.

(2) Each recipient state agency shall provide an itemized budget, a spending timeline, and a workplan, in a form and manner specified by the administering state agency.

(3) (A) The administering state agency may require the recipient state agency to provide progress reports on the spend down of the advance payment.

(B) All unused funding provided as an advance payment, but not spent down within the grant timeline, shall be returned to the administering state agency.

(e) An administering state agency may apply and utilize the advance payment program established by this section only if the program

administered by the administering state agency expressly authorizes the use of this section.

(f) An administering state agency authorized to use the advance payment program established by this section may also apply for and utilize the advance payment program in Section 11019, as applicable.

(g) Advance payments authorized under this section shall be limited to the minimum immediate cash requirements necessary to carry out the purpose of the approved activity, program, or project, as determined by the administering state agency and subject to that administering state agency's approval of the recipient entity's or recipient state agency's workplan and written justification.

(h) The Department of Finance or its designee may audit, during or after the conclusion of the term of the grant agreement, any state agency, recipient, or subrecipient that received an advanced payment under this section. The state agency, recipient, or subrecipient shall cooperate fully with the audit, including, but not limited to, providing access to its staff, books, records, accounts, or other materials, as requested.

(i) This section shall not be construed as limiting, prohibiting, or superseding any existing payment or grantmaking authorizations or powers of state agencies utilizing this section.

(j) On or before January 10, 2025, the Department of Finance shall provide a report to the Legislature, in compliance with Section 9795, that identifies outcomes of the advanced payment pilot authorized in this section. The report shall include, but is not limited to, all of the following:

(1) The number of payments advanced pursuant to this section, including by program and geographic location.

(2) The number of payments advanced pursuant to this section that exceeded the 25-percent limit allowed in subparagraph (C) of paragraph (1) of subdivision (c), including by program and geographic location.

(3) A summary of any adverse audit findings associated with audits conducted pursuant to subdivision (h).

(k) This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SEC. 16. Section 11852 of the Government Code is amended to read:

11852. For purposes of this chapter:

(a) "Accounting book of record" means the central accounts maintained by the Controller and used in the preparation of financial statements, including the annual comprehensive financial report issued pursuant to Section 12460.

(b) "Approved FISCAL Project documents" means any Special Project Report approved by the Department of Technology, or its successor agency, for the FISCAL, as may be amended, augmented, or changed by any subsequent approved Special Project Report or legislative action.

(c) "Cost or costs of the system" means all costs related to the acquisition, design, development, installation, deployment, and other related costs of the system, including, but not limited to, software, hardware, licenses, upgrades, training, facilities, contractors, and staff.

- (d) “Cost allocation plan” means the plan described in Section 11874.
- (e) “Deferred departments” means departments and agencies that are extended a delayed implementation date pursuant to the department’s plan.
- (f) “Department” means the Department of FISCAL established pursuant to Section 11890.
- (g) “Director” means the Director of FISCAL appointed pursuant to Section 11894.
- (h) “Exempt departments” means departments or agencies not required to implement FISCAL but that will interface pursuant to the department’s plan.
- (i) “FISCAL” means the Financial Information System for California.
- (j) “FISCAL Consolidated Payment Fund” means the fund created pursuant to subdivision (a) of Section 11872.
- (k) “FISCAL Internal Services Fund” means the fund created pursuant to Section 11870.
- (l) “Interface” means to communicate or interoperate with the system.
- (m) “Partner agencies” means the Department of Finance, the Controller, the Department of General Services, and the Treasurer.
- (n) “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, the University of California, the legislative branch, and the judicial branch.
- (o) “System” means a single integrated financial management system for the state that encompasses the management of resources and dollars as described in the approved FISCAL Project documents and includes the information required by Section 11862.

SEC. 17. Section 11854 of the Government Code is amended to read:

11854. The Legislature intends that the system meet all of the following objectives:

- (a) Replace the state’s aging legacy financial management systems and eliminate fragmented and diverse reporting by implementing standardized financial management processes and systems across all departments and control agencies. For purposes of this subdivision, “financial management” means accounting, budgeting, cash management, asset accounting, vendor management, and procurement.
- (b) Increase competition by promoting business opportunities through the use of electronic bidding, online vendor interaction, and automated vendor functions.
- (c) Maintain a central source for financial management data to reduce the time and expense of vendors, departments, and agencies collecting, maintaining, and reconciling redundant data.
- (d) Increase investment returns through timely and accurate monitoring of cash balances, cashflow forecasting, and timing of receipts and disbursements.

(e) Improve fiscal controls and support better decisionmaking by state managers and the Legislature by enhancing the quality, timeliness, consistency, and accessibility of financial management information through the use of powerful data access tools, standardized data, and financial management reports.

(f) Improve access and transparency of California's financial management information allowing the implementation of increased auditing, compliance reporting, and fiscal accountability while sharing information between the public, the Legislature, external stakeholders, state, federal, and local agencies.

(g) Automate manual processes, to the extent that automation is feasible, by providing the ability to electronically receive and submit financial management documents and data between agencies, departments, banks, vendors, and other government entities.

(h) Provide online access to financial management information resulting in a reduction of payment or approval inquiries, or both.

(i) Improve the state's ability to preserve, access, and analyze historical financial management information to reduce the workload required to research and prepare this information.

(j) Enable the state to more quickly implement, track, and report on changes to financial management processes and systems to accommodate new information such as statutory changes and performance information.

(k) Reduce the time, workload, and costs associated with capturing and projecting revenues, expenditures, and program needs for multiple years and scenarios, and for tracking, reporting, and responding to legislative actions.

(l) Track purchase volumes and costs by vendor and commodity code or service code to increase strategic sourcing opportunities, reduce purchase prices, and capture total state spending data.

(m) Reduce procurement cycle time by automating purchasing authority limits and approval dependencies, and easing access to goods and services available from existing sources, including, but not limited to, using leveraged procurement agreements.

(n) Streamline the accounts receivable collections process and allow for offset capability which will provide the ability for increased cash collection.

(o) Streamline the payment process and allow for faster vendor payments that will reduce late payment penalty fees paid by the state.

(p) Improve role-based security and workflow authorization by capturing near real-time data from the state's human resources system of record.

(q) Implement a stable and secure information technology infrastructure.

SEC. 18. Section 11856 is added to the Government Code, immediately preceding Section 11860, to read:

11856. (a) Notwithstanding any other law, and to the extent feasible as determined by the department in conjunction with the Department of Finance, state departments and agencies shall use the system.

(b) The system's project objectives, as identified in Sections 11854 and 11862, for purposes of reporting pursuant to Section 11546, are determined

to be complete as of July 1, 2022. Therefore, no further reporting pursuant to Section 11546 on system development, implementation, enhancement, maintenance and operations, security, or related workload is required.

(c) The department shall create and maintain a plan or roadmap pursuant to Section 11865.

SEC. 19. The heading of Article 2 (commencing with Section 11860) of Chapter 10 of Part 1 of Division 3 of Title 2 of the Government Code is amended to read:

Article 2. Ongoing Maintenance and Operation of FISCal

SEC. 20. Section 11860 of the Government Code is amended to read:

11860. (a) To serve the best interest of the state by optimizing the financial business management of the state, the partner agencies shall collaboratively develop enhancements to the system, utilize the system, and assist the department to maintain the system. This effort shall ensure best business practices by embracing opportunities to reengineer the state's business processes and shall encompass the management of resources and funds in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset accounting, project accounting, and grant accounting.

(b) State departments and agencies shall use the system, or, upon approval from the department, a department or agency may interface its departmental system with the system. The system is intended to replace any existing central or departmental systems duplicative of the functionality of the system.

(c) To facilitate the integration of the state's accounting book of record to the extent feasible pursuant to the objectives stated in Section 11854, the Controller shall do both of the following:

(1) On or before July 1, 2023, provide the necessary system and interface requirements to the department to perform the accounting functions and produce the financial reports identified in Article 4 (commencing with Section 12460) of Chapter 5 of Part 2 of Division 3 of Title 2.

(2) On or before March 1, 2023, with FISCal, evaluate and develop a timeline to complete the original scope for the Controller's accounting book of record functionality. The timeline shall be based on an analysis of the ability to onboard, complete workload, and consider resource constraints. The Controller shall report the findings of this evaluation and updated timeline to the fiscal committees of both houses at the time of budget hearings.

SEC. 21. Section 11862 of the Government Code is amended to read:

11862. (a) In addition to the requirements set forth in the approved FISCal project documents, the system shall include a state transparency component that allows the public to have access to information regarding General Fund, special fund, federal fund, and other nongovernmental cost fund expenditure data using an internet website.

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

SEC. 22. Section 11864 of the Government Code is repealed.

SEC. 23. Section 11864 is added to the Government Code, to read:

11864. (a) On or before October 31, 2023, and annually thereafter on or before October 31, the department shall submit a report to the Legislature, pursuant to Section 9795, that includes all of the following:

- (1) An executive summary and overview of the system's status.
- (2) An overview of the system's history.
- (3) Significant events of the system within the current reporting period.
- (4) An overview of change management activities and stakeholder engagement for any new departments onboarding to the system.
- (5) A discussion of lessons learned and best practices that will be incorporated into future changes in the management of the system.
- (6) A description of any significant software customization, including the reason for the customization, if any customization was granted.
- (7) The date on which state departments and agencies submit year-end reports to the Controller.
- (8) The number of trainings held at the department and a list of state departments and agencies participating in these trainings.
- (9) The number and length of unplanned outages that occurred during normal business hours.
- (10) The number of requests for changes to the system by entities that reported concerns with using the system to meet federal requirements and descriptions of the department's efforts to resolve those concerns.
- (11) The recommendations from evaluations performed pursuant to subdivisions (a) and (c) of Section 11868.

(b) (1) Commencing October 31, 2023, and biennially thereafter, the department shall report on the status of planning for roadmap activities, as described in Section 11865, including any expenditures made with funds provided by the Department of Finance and the Legislature to support "roadmap" activities pursuant to items 8880-001-0001 and 8880-001-9740 of the annual Budget Act.

(2) This section shall remain operative until the completion of roadmap activities, as described in Section 11865, or until January 1, 2034, whichever is earlier.

SEC. 24. Section 11865 is added to the Government Code, immediately following Section 11864, to read:

11865. The department shall complete all of the following roadmap activities on or before July 1, 2032, unless otherwise specified:

- (a) Ensure the system is technically optimized and secure based on infrastructure, platform, and software industry best practices, whether on-premise technologies, cloud-hosted technologies, or a combination thereof are used.
- (b) Onboard the remaining deferred departments by July 1, 2032, and be sufficiently staffed to provide ongoing support and assistance to end users.
- (c) Ensure the integrity and security of the state's financial data.



(d) Support the transition of the state's accounting book of record from the Controller's legacy systems to the system pursuant to subdivision (c) of Section 11860, including validation work related to the annual comprehensive financial report issued pursuant to Section 12460.

(e) Work with partner agencies to identify and implement additional products, interfaces, and add-ons to the system to enhance business transactions.

(f) Continue to enhance, upgrade, and manage the system to ensure efficient and relevant alignment with the state's financial management processes.

SEC. 25. Section 11868 is added to the Government Code, immediately following Section 11865, to read:

11868. (a) In its independent monitoring of the system, the California State Auditor's Office shall do, but is not limited to doing, both of the following:

(1) (A) Monitor and report annually to the Legislature, pursuant to Section 9795, regarding the Controller's progress toward transitioning the state's accounting book of record from the legacy system utilized by the Controller to the system pursuant to subdivision (c) of Section 11860.

(B) This paragraph shall apply only until the successful transition of the accounting book of record to the system.

(2) (A) Monitor and report annually to the Legislature, pursuant to Section 9795, regarding the department's completion of the activities required by Section 11865, with an emphasis on the activities described in subdivisions (c) and (e) of Section 11865 as top priorities.

(B) This paragraph shall apply only until the successful completion of the roadmap activities described in Section 11865.

(b) The department may contract for quality assurance services to monitor system-related workload, as needed or as determined to be appropriate by the department.

(c) The department shall contract for an annual assessment of the system that determines the ease of use of the system by end users, including control agencies, relative to statutory and policy requirements for accounting, cash management, procurement, and budgeting. The assessment shall include recommendations to the department on process, policy, and system improvements including, but not limited to, changes that would assist departments in submitting timely annual financial statements.

SEC. 26. Section 11880 of the Government Code is amended to read:

11880. (a) The department shall require fingerprint images and associated information from any employee, prospective employee, contractor, subcontractor, volunteer, vendor, or partner agency employee whose duties include, or would include, having access to confidential or sensitive information or data on the network or computing infrastructure.

(b) The fingerprint images and associated information described in subdivision (a) shall be furnished to the Department of Justice for the purpose of obtaining information as to the existence and nature of any of the following:

(1) A record of state or federal convictions and the existence and nature of state or federal arrests for which the person is free on bail or on the person's own recognizance pending trial or appeal.

(2) Being convicted of, or pleading nolo contendere to, a crime, or having committed an act involving dishonesty, fraud, or deceit, if the crime or act is substantially related to the qualifications, functions, or duties of the person in accordance with this provision.

(3) Any conviction or arrest, for which the person is free on bail or on the person's own recognizance pending trial or appeal, with a reasonable nexus to the information or data to which the person shall have access.

(c) Requests for federal criminal offender record information received by the Department of Justice pursuant to this section shall be forwarded to the Federal Bureau of Investigation by the Department of Justice.

(d) The Department of Justice shall respond to the Chief of Human Resources with information as provided under subdivision (p) of Section 11105 of the Penal Code.

(e) The Chief of Human Resources shall request subsequent arrest notifications from the Department of Justice as provided under Section 11105.2 of the Penal Code.

(f) The Department of Justice may assess a fee sufficient to cover the processing costs required under this section, as authorized pursuant to subdivision (e) of Section 11105 of the Penal Code.

(g) Persons described in subdivision (a) may be rejected if it is determined they meet the criteria described in paragraph (2) or (3) of subdivision (b). If a person is rejected, the individual shall receive a copy of the response record from the Chief of Human Resources.

(h) The Chief of Human Resources shall follow a written appeal process for an individual described in subdivision (a) who is determined ineligible for employment because of the individual's Department of Justice or Federal Bureau of Investigation criminal offender record.

(i) When considering the background information received pursuant to this section, the Chief of Human Resources shall take under consideration any evidence of rehabilitation, including, but not limited to, participation in treatment programs and age and specifics of the offense.

SEC. 27. Section 11890 of the Government Code is amended to read:

11890. (a) There is in state government the Department of FISCAl.

(b) The Department of FISCAl shall be within the Government Operations Agency.

SEC. 28. Section 11892 of the Government Code is amended to read:

11892. The department shall be responsible for the system functionality and shall perform all functions necessary to fulfill the requirements of Section 11865.

SEC. 29. Section 11894 of the Government Code is amended to read:

11894. The Director of FISCAl shall be appointed by, and serve at the pleasure of, the Governor, subject to Senate confirmation.

SEC. 30. Section 12803.2 of the Government Code is amended to read:

12803.2. (a) The Government Operations Agency shall consist of all of the following:

- (1) The Office of Administrative Law.
- (2) The Public Employees' Retirement System.
- (3) The State Teachers' Retirement System.
- (4) The State Personnel Board.
- (5) The California Victim Compensation Board.
- (6) The Department of General Services.
- (7) The Department of Technology.
- (8) The Franchise Tax Board.
- (9) The Department of Human Resources.
- (10) The California Department of Tax and Fee Administration.
- (11) The Office of Data and Innovation, effective July 1, 2023.

(b) The Government Operations Agency shall include the Department of FISCal upon the acceptance of the Financial Information System for California (FISCal) by the state, as determined by the Director of Finance, pursuant to Section 11890.

(c) The Government Operations Agency shall be governed by the Secretary of Government Operations pursuant to Section 12801. However, the Director of Human Resources shall report directly to the Governor on issues relating to labor relations.

(d) The Governor, upon the recommendation of the Secretary of Government Operations, may appoint up to three deputies for the secretary.

SEC. 31. Section 12815 of the Government Code is amended to read:

12815. (a) The Office of Data and Innovation is hereby established within the Government Operations Agency. Effective July 1, 2023, the Office of Data and Innovation shall operate as a standalone entity that reports to the Government Operations Agency consistent with other state entities listed in Section 12803.2.

(b) There shall be a Director of the Office of Data and Innovation.

The director shall be appointed by, and serve at the pleasure of, the Governor. The appointment of the director shall be subject to confirmation by the Senate. The director shall report to the Secretary of Government Operations. The director shall be responsible for managing the affairs of the office and shall perform all duties, exercise all powers and jurisdiction, and assume and discharge all responsibilities necessary to carry out the purposes of this section. The Governor may appoint people to the office who are exempt from civil service. The total number of exempt positions in the office shall not exceed 22.

(c) There shall be a Chief Data Officer in the Office of Data and Innovation who shall be appointed by, and serve at the pleasure of, the Governor. The Chief Data Officer shall report to the Director of the Office of Data and Innovation. The Chief Data Officer shall be responsible for data practices within the state with an overarching goal to improve government data use.

(d) For the purposes of this section:

- (1) "Director" means the Director of the Office of Data and Innovation.

(2) “CDO” means Chief Data Officer of the Office of Data and Innovation.

(3) “Fund” means the Data and Innovation Services Revolving Fund.

(4) “Office” means the Office of Data and Innovation.

(5) “Open data” means a dataset that is available as a whole to all at no cost, discoverable and accessible on the internet, published to minimize the time between the creation and dissemination of the data or documents, provided under terms that permit reuse, redistribution, and mixing with other datasets, and provided in an open format that is machine-readable on data.ca.gov or its successor internet website.

(6) “Service delivery” means the provision of a service or services, product or products, by a state entity or state entities to persons, other state entities, constitutional state entities, independent state entities, local government entities, federal entities, private entities, or nonprofit entities.

(7) “State entity” means an entity within the executive branch that is under the direct authority of the Governor, including, but not limited to, all departments, boards, bureaus, commissions, councils, and agencies.

(e) The office’s mission shall be to deliver better government services to the people of California through technology and service innovation, data, and design. The office shall fulfill this mission by:

(1) Collaborating with state entities to transform government services. The office shall focus on measurably improving services using a deliberate, user-focused approach and data-informed practices.

(2) Investing in state capabilities to put users first, build iteratively, and let data drive decisions.

(3) Empowering the use of data by ensuring that the state has the infrastructure, processes, and people to manage, access, and use data ethically, efficiently, effectively, securely, responsibly, and in a manner that respects privacy.

(4) Rethinking and improving how the state buys digital services and datasets.

(5) Expanding the use of common platforms, services, and tools.

(f) The director shall hire staff to assist in the fulfillment of the duties and responsibilities of the office.

(g) The director shall establish a program to improve the state’s service delivery and data functions, guided by service delivery and data best practices.

(1) The director is hereby authorized to engage with state entities for the purpose of improving the service and data delivery functions of those state entities.

(2) Engagements shall be formalized in writing and shall identify, at minimum, the roles and responsibilities of both the office and the state entity being engaged by the office.

(h) The director and the CDO may create, update, or publish, in consultation with the appropriate control agency, policies, standards, and procedures for state entities in the State Administrative Manual or Statewide Information Management Manual regarding:

- (1) Service delivery design, implementation, maintenance, and operations.
- (2) Service delivery assessments.
- (3) Service delivery improvement and problem mitigation.
- (4) Data governance and management, including, but not limited to, policies, standards, and procedures related to data sharing, data inventory, and open data, data standards for consistency and interoperability of data across the state, and methodological and evidence standards, including ethical data use, for performance management, analytics, and evaluation.
  - (i) The director shall train state supervisors, managers, executives, and other staff in leadership positions regarding service delivery and data best practices. The director may require state entity staff to attend training deemed necessary by the director. The director may consult or contract with the Department of Human Resources or the Department of Technology for assistance or delivery of training as needed to fulfill the purposes of this section.
  - (j) Datasets available as open data on data.ca.gov or its successor internet website or other state-managed open data portals are provided for informational purposes only. The state does not warrant the completeness, accuracy, content, or fitness for any particular purpose or use of data made available on the data portal. No warranties may be implied or inferred with respect to the publishable data made available on the data portal. The state is not liable for any deficiencies in the completeness, accuracy, content, or fitness for any particular purpose or use of publishable data made available on the data portal or by any third-party application utilizing publishable data.
  - (k) No later than January 31, 2024, and every two years thereafter, the CDO shall create and publish a report detailing a state data strategy to empower the use of data by ensuring that the state has the infrastructure, processes, and personnel to manage access and use data ethically, efficiently, effectively, securely, responsibly, and in a manner that respects privacy. The report may also include recommendations to improve data management across state departments, however, those recommendations shall not require those agencies to act. The report shall be submitted to the legislative and judicial branches.
  - (l) Any funds appropriated to the office for the purpose of funding various statewide data and innovation activities are to be administered by the director for the implementation, support, or assessment of state entities' existing or proposed service delivery functions.
  - (m) While engaged with a state entity, office staff shall, in the performance of their duties related to the improvement of service delivery and data functions, have access to, and the authority to examine or reproduce, any and all records, data, information technology systems or other functionality, or any other document or component related to the service delivery function being improved by the office.
    - (1) The office shall maintain the confidentiality of, and protect from unauthorized access or disclosure, all records, data, information technology systems or other functionality, or any other document or component received

from, or otherwise accessed from, any state entity engaged with the office in accordance with state law, including, but not limited to, the Information Practices Act of 1977.

(2) The director, any employee or former employee of the office, any person or business entity that is contracting with or has contracted with the office and the employees and former employees of that person or business entity shall not divulge or make known to any person not employed by the office in any manner not expressly permitted by law any particulars of any record, data, information technology systems or other functionality, or any other document or component, the disclosure of which is restricted by law from release to the public. This subdivision shall also apply to the officers and employees of, and any person or business entity that is contracting with, or has contracted with, any state or local governmental agency or publicly created entity, that has assisted the office in the course of any engagement.

(3) Any officer, employee, or person who discloses the particulars of any record, data, information technology systems or other functionality, or any other document or component in violation of this section shall be subject to a civil penalty not to exceed five thousand dollars (\$5,000), including the release of any information received pursuant to Section 10850 of the Welfare and Institutions Code, or that is otherwise prohibited by law to be disclosed.

(4) Upon the completion of each engagement, the office shall dispose of all records, data, and other documentation received, copied, or otherwise in the possession of the office as a result of the engagement that contains personally identifiable information in accordance with state law.

(n) The adoption, amendment, or repeal of the policies, procedures, guidelines, or other directives consistent with this chapter are exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(o) (1) Effective July 1, 2020, the Data and Innovation Services Revolving Fund is hereby created within the State Treasury. The fund shall be administered by the director to receive all moneys properly credited to the office. Notwithstanding Section 13340, until July 1, 2024, moneys in the fund are continuously appropriated to the office without regard to fiscal year to pay all costs arising from this section and rendering of services to state entities, including, but not limited to, employment and compensation of necessary personnel and expenses, such as operating and other expenses of the office, and to establish reserves. On and after July 1, 2024, moneys in the fund shall be available upon appropriation of the Legislature. At the discretion of the director, segregated, dedicated accounts within the fund may be established.

(2) On or before February 1, 2021, and each February 1 thereafter, the director shall submit a report to the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, that includes a summary of the activities of the office and a listing and descriptions of all expenditures made from the fund, as well as all revenues received by the fund, for the prior fiscal year. The report shall also include all of the following:

- (A) A list of past and current engagements organized by state entity.
- (B) A list of proposed and approved information technology projects that received funding from the fund.
- (C) Measurable outcomes from changes in business processes, program design, and service delivery associated with engagements receiving funding from the fund.
- (3) The fund shall consist of all of the following:
  - (A) Moneys appropriated and made available by the Legislature for the purposes of this section.
  - (B) Donations, endowments, or grants of funds from private or public sources that commit to the office's mission of the ethical, efficient, effective, secure, and responsible use of data in a manner that respects privacy. The office and the Controller may establish separate accounts in the fund for the purpose of separating deposits according to their origin or intended purpose.
  - (C) Any other moneys that may be made available to the office from any other source, including the return from investments of moneys by the Treasurer.
  - (p) Notwithstanding any other law, the Controller may use the moneys in the fund for cashflow loans to the General Fund, as provided in Sections 16310 and 16381.

SEC. 32. Section 13300.5 of the Government Code is repealed.

SEC. 33. Section 15849.1 of the Government Code is amended to read:

15849.1. An amount not to exceed the amount of unsold bonds that the board has, by resolution, authorized to be sold for the purposes of carrying out this part is hereby appropriated from the General Fund to the Director of Finance, who may direct that any portion of that amount shall be deposited into a special account in the Public Buildings Construction Fund, to be used for the construction of public buildings to be financed pursuant to this part, as authorized by the Legislature. Any amounts made available from the General Fund under this section to the board shall be repaid by the board to the General Fund from the proceeds received from the sale of bonds sold for the purpose of financing the public buildings or any other lawfully available source of funds. These amounts shall be repaid to the General Fund with interest at the rate that the Treasurer certifies would have been earned on those amounts if invested in the Surplus Money Investment Fund.

SEC. 34. Section 16344 of the Government Code is amended to read:

16344. The Budget Act for each fiscal year commencing with the 2011–12 fiscal year consists of the following statutes:

- (a) Budget Act of 2011
  - (1) Chapter 33 of the Statutes of 2011 (Senate Bill No. 87)
  - (2) Chapter 41 of the Statutes of 2011 (Assembly Bill No. 121)
  - (3) Chapter 16 of the Statutes of 2011, First Extraordinary Session (Assembly Bill No. 30)
  - (4) Chapter 10 of the Statutes of 2012 (Senate Bill No. 83)
  - (5) Chapter 27 of the Statutes of 2012 (Assembly Bill No. 1485)
- (b) Budget Act of 2012

- (1) Chapter 21 of the Statutes of 2012 (Assembly Bill No. 1464)
- (2) Chapter 29 of the Statutes of 2012 (Assembly Bill No. 1497)
- (3) Chapter 31 of the Statutes of 2012 (Assembly Bill No. 1502)
- (4) Chapter 152 of the Statutes of 2012 (Senate Bill No. 1029)
- (5) Chapter 630 of the Statutes of 2012 (Assembly Bill No. 1477)
- (6) Chapter 3 of the Statutes of 2013 (Assembly Bill No. 113)
- (7) Chapter 5 of the Statutes of 2013 (Senate Bill No. 68)
- (8) Chapter 36 of the Statutes of 2013 (Senate Bill No. 89)
- (c) Budget Act of 2013
- (1) Chapter 20 of the Statutes of 2013 (Assembly Bill No. 110)
- (2) Chapter 354 of the Statutes of 2013 (Assembly Bill No. 101)
- (3) Chapter 2 of the Statutes of 2014 (Senate Bill No. 103)
- (4) Chapter 38 of the Statutes of 2014 (Senate Bill No. 865)
- (d) Budget Act of 2014
- (1) Chapter 25 of the Statutes of 2014 (Senate Bill No. 852)
- (2) Chapter 663 of the Statutes of 2014 (Assembly Bill No. 1476)
- (3) Chapter 1 of the Statutes of 2015 (Assembly Bill No. 91)
- (4) Chapter 15 of the Statutes of 2015 (Assembly Bill No. 116)
- (e) Budget Act of 2015
- (1) Chapter 10 of the Statutes of 2015 (Assembly Bill No. 93)
- (2) Chapter 11 of the Statutes of 2015 (Senate Bill No. 97)
- (3) Chapter 321 of the Statutes of 2015 (Senate Bill No. 101)
- (4) Chapter 2 of the Statutes of 2016 (Assembly Bill No. 133)
- (5) Chapter 9 of the Statutes of 2016 (Senate Bill No. 93)
- (6) Chapter 11 of the Statutes of 2016 (Assembly Bill No. 120)
- (7) Chapter 28 of the Statutes of 2016 (Senate Bill No. 827)
- (f) Budget Act of 2016
- (1) Chapter 23 of the Statutes of 2016 (Senate Bill No. 826)
- (2) Chapter 44 of the Statutes of 2016 (Assembly Bill No. 1622)
- (3) Chapter 318 of the Statutes of 2016 (Assembly Bill No. 1623)
- (4) Chapter 370 of the Statutes of 2016 (Assembly Bill No. 1613)
- (5) Chapter 2 of the Statutes of 2017 (Senate Bill No. 47)
- (6) Chapter 7 of the Statutes of 2017 (Senate Bill No. 132)
- (7) Chapter 12 of the Statutes of 2017 (Assembly Bill No. 98)
- (8) Chapter 53 of the Statutes of 2017 (Senate Bill No. 107)
- (g) Budget Act of 2017
- (1) Chapter 14 of the Statutes of 2017 (Assembly Bill No. 97)
- (2) Chapter 22 of the Statutes of 2017 (Assembly Bill No. 120)
- (3) Chapter 54 of the Statutes of 2017 (Senate Bill No. 108)
- (4) Chapter 181 of the Statutes of 2017 (Senate Bill No. 113)
- (5) Chapter 249 of the Statutes of 2017 (Assembly Bill No. 109)
- (6) Chapter 254 of the Statutes of 2017 (Assembly Bill No. 134)
- (7) Chapter 5 of the Statutes of 2018 (Assembly Bill No. 105)
- (8) Chapter 31 of the Statutes of 2018 (Senate Bill No. 841)
- (h) Budget Act of 2018
- (1) Chapter 29 of the Statutes of 2018 (Senate Bill No. 840)
- (2) Chapter 30 of the Statutes of 2018 (Senate Bill No. 856)



- (3) Chapter 449 of the Statutes of 2018 (Senate Bill No. 862)
- (4) Chapter 1 of the Statutes of 2019 (Assembly Bill No. 72)
- (5) Chapter 35 of the Statutes of 2019 (Senate Bill No. 93)
- (i) Budget Act of 2019
  - (1) Chapter 23 of the Statutes of 2019 (Assembly Bill No. 74)
  - (2) Chapter 55 of the Statutes of 2019 (Senate Bill No. 106)
  - (3) Chapter 80 of the Statutes of 2019 (Assembly Bill No. 110)
  - (4) Chapter 363 of the Statutes of 2019 (Senate Bill No. 109)
  - (5) Chapter 2 of the Statutes of 2020 (Senate Bill No. 89)
  - (6) Chapter 9 of the Statutes of 2020 (Assembly Bill No. 75)
  - (7) Chapter 40 of the Statutes of 2020 (Senate Bill No. 115)
- (j) Budget Act of 2020
  - (1) Chapter 6 of the Statutes of 2020 (Senate Bill No. 74)
  - (2) Chapter 7 of the Statutes of 2020 (Assembly Bill No. 89)
  - (3) Chapter 40 of the Statutes of 2020 (Senate Bill No. 115)
  - (4) Chapter 1 of the Statutes of 2021 (Senate Bill No. 89)
  - (5) Chapter 4 of the Statutes of 2021 (Assembly Bill No. 85)
  - (6) Chapter 14 of the Statutes of 2021 (Senate Bill No. 85)
  - (7) Chapter 40 of the Statutes of 2021 (Senate Bill No. 147)
- (k) Budget Act of 2021
  - (1) Chapter 21 of the Statutes of 2021 (Assembly Bill No. 128)
  - (2) Chapter 43 of the Statutes of 2021 (Assembly Bill No. 161)
  - (3) Chapter 69 of the Statutes of 2021 (Senate Bill No. 129)
  - (4) Chapter 84 of the Statutes of 2021 (Assembly Bill No. 164)
  - (5) Chapter 240 of the Statutes of 2021 (Senate Bill No. 170)
  - (6) Chapter 2 of the Statutes of 2022 (Senate Bill No. 115)
  - (7) Chapter 9 of the Statutes of 2022 (Senate Bill No. 119)
  - (8) Chapter 44 of the Statutes of 2022 (Assembly Bill No. 180)

SEC. 35. Section 65057 of the Government Code is amended to read:

65057. (a) The California Initiative to Advance Precision Medicine is hereby established in the office. In establishing the initiative, the office shall incorporate agreements and partnerships regarding precision medicine entered into by the office prior to January 1, 2016.

(b) (1) The office shall develop, implement, and evaluate demonstration or nondemonstration projects on precision medicine in collaboration with public, nonprofit, and private entities. A demonstration project may focus on one or more disease areas, and an award of funds under any appropriation of funds to the office for precision medicine shall be based on criteria that include, but are not limited to, the following:

(A) The potential for tangible benefit to patients within two to five years, including the likelihood that the study will have an immediate impact on patients.

(B) The depth and breadth of data available in the disease focus areas across institutions.

(C) The prospects for efficient and effective data integration and analysis.

(D) The expertise of potential team members.

(E) The resources available for the project outside of the initiative, including the potential for leveraging nonstate funding.

(F) The clinical and commercial potential of the project.

(G) The potential to reduce health disparities.

(H) The potential to scale and leverage multiple electronic health records systems.

(I) The potential to develop the use of tools, measurements, and data, including publicly generated and available data.

(2) A demonstration project that is selected by the office shall advance greater understanding in at least one of the following areas, or in another area that is determined by the office to be necessary to advance precision medicine:

(A) The application of precision medicine to specific disease areas.

(B) The challenges of system interoperability.

(C) Economic analysis.

(D) Standards for sharing data or protocols across institutions.

(E) The federal and state regulatory environment.

(F) The clinical environment.

(G) Challenges relating to data, tools, and infrastructure.

(H) The protection of privacy and personal health information.

(I) The potential for reducing health disparities.

(J) Methods and protocols for patient engagement.

(3) The office shall develop concrete metrics and goals for demonstration projects, monitor their progress, and comprehensively evaluate projects upon completion.

(4) (A) The office shall annually submit a report to the Legislature that provides an update of the demonstration projects selected. Upon completion of a demonstration project, the office shall submit an evaluation of the demonstration project to the Legislature. A demonstration project is deemed complete when it has completed the agreed upon tasks and deliverables, and the project funding has been completed.

(B) A written report made pursuant to subparagraph (A) shall be made in compliance with Section 9795.

(c) The office shall develop an inventory of precision medicine assets, including projects, data sets, and experts. In developing the inventory, the office shall assemble knowledge across broad disease areas. The office shall use the inventory to inform strategic areas for the future development of precision medicine-related projects.

(d) The office may enter into agreements with public entities, or with nonprofit or not-for-profit organizations for the purpose of jointly administering the programs established under the initiative or to administer any provision of this section.

(e) The office shall create and post on a publicly available internet website guidelines for an award of funds made under any appropriation of funds to the office for precision medicine. The guidelines shall include, but are not limited to, the following:

(1) Eligibility requirements.

(2) A competitive, merit-based application process that allows public and private academic and nonprofit institutions to submit proposals as principal investigators.

(3) A comprehensive peer-reviewed selection process.

(4) Requirements regarding the use of awarded funds.

(5) Requirements regarding the use and sharing of research data and findings.

(6) Requirements for the protection of privacy and personal health information.

(f) The office shall solicit public, nonprofit, and private sector input for any additional guidelines for an award of funds made pursuant to this section.

(g) The office shall establish standards that require a grant to be subject to an intellectual property agreement that balances the opportunity of the state to benefit from the patents, royalties, and licenses that result from basic research, therapy development, and clinical trials against the need to ensure that the agreement does not unreasonably hinder essential medical research.

(h) The office may receive nonstate funds in furtherance of the initiative. “In furtherance of the initiative” means that funds may be used to award additional demonstration projects under the same terms and conditions as state funds in the initiative, held in reserve for follow-on funding of any awardees, or used to fund other nondemonstration project activities in a proportion no greater than 20 percent of the total of nonstate funds received over the term of the commitment. The office shall return unexpended nonstate funds to the source before June 30, 2029.

(i) Up to 30 percent of any amount appropriated to the office for precision medicine may be held by the office until an equivalent amount of nonstate matching funds is identified and received. Amounts subject to nonstate match may be released in increments as determined by the office.

(j) Up to 10 percent of any amount appropriated to the office for precision medicine for demonstration projects may be used by the office for administrative costs.

(k) The office shall recruit a precision medicine expert selection committee to represent various precision medicine-related skills, such as bioinformatics, statistics, health economics, patient engagement, and genomics. The Legislature may make nominations for the selection committee to the office for consideration.

(l) Members of the selection committee shall be deemed to not be interested in any contract, including any award of funds by the committee, pursuant to this section.

(m) Prior to the selection committee’s deliberative process, the office shall notify the Legislature of the selection of the committee members.

(n) The selection committee established in subdivision (k) shall comply with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), except during the deliberative process as it relates to reviewing and ranking proposals and making final selections.

(o) The selection committee shall report on the justification for selecting the demonstration projects that are awarded funding and provide a list of the demonstration projects that were not selected. This report shall be posted on the internet website created in subdivision (e).

(p) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2), the office may implement or interpret this article without taking any regulatory action.

SEC. 36. Section 65059 of the Government Code is amended to read:

65059. This article shall remain in effect only until June 30, 2029, and as of that date is repealed, unless a later enacted statute, that is enacted before June 30, 2029, deletes or extends that date.

SEC. 37. Section 50834.5 is added to the Health and Safety Code, to read:

50834.5. (a) The department may authorize advance payments on a contract or grant awarded under this chapter, to the extent permitted under federal law, in accordance with Section 11019.1 of the Government Code.

(b) This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SEC. 38. Section 50899.8 is added to the Health and Safety Code, to read:

50899.8. (a) The department may authorize advance payments on a grant awarded under this section in accordance with Section 11019.1 of the Government Code.

(b) This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SEC. 39. Section 2673.1 of the Labor Code is amended to read:

2673.1. (a) (1) To ensure that employees are paid for all hours worked, a garment manufacturer, contractor, or brand guarantor, who contracts with another person for the performance of garment manufacturing operations, shall be jointly and severally liable with any manufacturer and contractor who performs those operations for the garment manufacturer or brand guarantor, for all of the following:

(A) The full amount of unpaid minimum, regular, overtime, and other premium wages, reimbursement for expenses, and any other compensation, including interest, due to any and all employees who performed the manufacturing operations for any violation of this code.

(B) The employee's reasonable attorney's fees and costs pursuant to subdivision (e).

(C) Civil penalties for the failure to secure valid workers' compensation coverage as required by Section 3700.

(2) Nothing in this section shall prevent or prohibit two or more parties, who are held jointly and severally liable under this section after a final judgment is rendered by the court, from establishing, exercising, or enforcing, by contract or otherwise, any lawful or equitable remedies, including, but not limited to, a right of contribution and indemnity against each other for liability created by acts of the other.

(3) Nothing in this section shall prevent, prohibit, or limit the liability of garment manufacturers or contractors for damages and penalties owed to an employee due to violations of this section.

(b) In addition to the liability imposed pursuant to subdivision (a), garment manufacturers and contractors shall be liable for the full amount of damages and penalties, including interest, due to any and all employees, for a violation of this code. Damages shall include liquidated damages in an amount equal to the wages unlawfully withheld, as set forth in Section 1194.2, and liquidated damages in an amount equal to unpaid overtime compensation due. If two or more persons are performing work at the same worksite, during the same payroll period, the liability of each person shall be limited to their proportionate share, as determined by the Labor Commissioner, pursuant to paragraph (3) or (4) of subdivision (d).

(c) Employees may enforce this section solely by filing a claim with the Labor Commissioner against the contractor, the garment manufacturer, and the brand guarantor, if known, to recover unpaid wages and associated penalties. Garment manufacturers and brand guarantors whose identity or existence is unknown at the time the claim is filed may be added to the claim pursuant to paragraph (2) of subdivision (d).

(d) Claims filed with the Labor Commissioner pursuant to subdivision (c) shall be subject to the following procedure:

(1) Within 10 business days of receiving a claim pursuant to subdivision (c), the Labor Commissioner shall give written notice to the employee, the contractor, and the identified manufacturer and brand guarantors of the nature of the claim and the date of the meet-and-confer conference on the claim. Within 10 business days of receiving the claim, the Labor Commissioner shall issue a subpoena duces tecum requiring the contractor and any identified manufacturer and brand guarantor to submit to the Labor Commissioner those books and records as may be necessary to investigate the claim and determine the identity of any potential manufacturers and brand guarantors for the payment of the wage claim, including, but not limited to, invoices for work performed by any and all persons during the period included in the claim. Compliance with a request for books and records, within 10 days of the mailing of the notice, shall be a condition of continued registration pursuant to Section 2675. At the request of any party, the Labor Commissioner shall provide to that party copies of all books and records received by the Labor Commissioner in conducting its investigation.

(2) Within 30 days of receiving a claim pursuant to subdivision (c), the Labor Commissioner shall send a notice of the claim and of the meet-and-confer conference to any other person who may be a manufacturer or brand guarantor with respect to the claim.

(3) Within 60 days of receiving a claim pursuant to subdivision (c), the Labor Commissioner shall hold a meet-and-confer conference with the employee, the contractor, and all identified manufacturers and brand guarantors to attempt to resolve the claim. Prior to the meet-and-confer conference, the Labor Commissioner shall conduct and complete an investigation of the claim, shall make an assessment of the amount of wages,

damages, penalties, expenses, and other compensation owed, and shall conduct an investigation and determine liability pursuant to subdivisions (a) and (b). At that same time, the Labor Commissioner shall also investigate and determine the proportionate liability pursuant to subdivision (b). The investigation shall include, but not be limited to, interviewing the employee and their witnesses and making an assessment of the amounts due, if any, to the employee. If an employee provides the Labor Commissioner with labels, or the equivalent thereto, from a brand guarantor or garment manufacturer, or other information that the commissioner finds credible relating to the identity of any brand guarantor or garment manufacturer for whom the employee performed garment manufacturing operations, there shall be a presumption that the brand guarantor or garment manufacturer is liable with the contractor for any amounts found to be due to the employee, as set forth in paragraph (1) of subdivision (a). An employee's claim of hours worked, and wages, damages, penalties, expenses, and other compensation due, including the claim of liability of a brand guarantor or garment manufacturer upon provision by the employee of labels or other credible information about work performed for any person, shall be presumed valid and shall be the Labor Commissioner's assessment, unless the brand guarantor, garment manufacturer, or contractor provides specific, compelling, and reliable written evidence to the contrary. That evidence from the brand guarantor, garment manufacturer, or contractor shall include accurate, complete, and contemporaneous records pursuant to Sections 226, 1174, and 2673, and the industrial commission wage order, including, but not limited to, itemized wage deduction statements, bona fide complete and accurate payroll records, evidence of the precise hours worked by the employee for each pay period during the period of the claim, and evidence, including a purchase order or invoice identifying the person or persons for whom garment manufacturing operations were performed. In the absence of the provision of that evidence, or the failure to timely respond to a subpoena pursuant to paragraph (1), a written declaration from a brand guarantor, garment manufacturer, or contractor is not sufficient to rebut the presumption of validity of the worker's claim and liability of the respective parties. If the Labor Commissioner finds falsification by the garment manufacturer or contractor of payroll records submitted for any pay period of the claim, any other payroll records submitted by the garment manufacturer or contractor shall be presumed false and disregarded.

The Labor Commissioner shall present their assessment of the amount of wages, and each contractor's or each garment manufacturer's proportionate shares of damages and penalties, owed to the parties at the meet-and-confer conference and shall make a demand for payment of the amount of the assessment. If no resolution is reached, the Labor Commissioner shall, at the meet-and-confer conference, set the matter for hearing pursuant to paragraph (4).

(4) The hearing shall commence within 30 days of, and shall be completed within 45 days of, the date of the meet-and-confer conference. The hearing may be bifurcated, addressing first the question of wages and other

compensation owed, as well as liability of the garment manufacturers, brand guarantors, and contractors, and, immediately thereafter, the proportionate responsibility of the damages and penalties for which each contractor or garment manufacturer is liable, pursuant to subdivision (c). The Labor Commissioner shall present their findings and assessments at the hearing. Any party may present evidence at the hearing to support or rebut the proposed findings and assessments. If an employee has provided the Labor Commissioner with labels, or the equivalent thereto, from a brand guarantor or garment manufacturer, or provides other information or testimony that the Labor Commissioner finds credible relating to the identity of any brand guarantor or garment manufacturer, for whom the employee performed garment manufacturing operations, there shall be a presumption that the brand guarantor or garment manufacturer is liable with the contractor for any amounts found to be due to the employee, as set forth in paragraph (1) of subdivision (a). A written declaration or testimony from a brand guarantor, garment manufacturer, or contractor is not sufficient to rebut the presumption of liability of the respective parties. If the Labor Commissioner finds falsification by the garment manufacturer or contractor of payroll records submitted for any pay period of the claim, any other payroll records submitted by the garment manufacturer or contractor shall be presumed false and disregarded. Except as provided in this paragraph, the hearing shall be held in accordance with the procedure set forth in subdivisions (b) to (h), inclusive, of Section 98. It is the intent of the Legislature that these hearings be conducted in an informal setting preserving the rights of the parties.

(5) Within 15 days of the completion of the hearing, the Labor Commissioner shall issue an order, decision, or award with respect to the claim and shall file the order, decision, or award in accordance with Section 98.1.

(e) If either the contractor, garment manufacturer, or brand guarantor refuses to pay the assessment, and the employee prevails at the hearing, the party that refuses to pay shall pay the employee's reasonable attorney's fees and costs. If the employee rejects the assessment of the Labor Commissioner and prevails at the hearing, the contractor shall pay the employee's reasonable attorney's fees and costs. The garment manufacturer and brand guarantor shall be jointly and severally liable with the contractor for the attorney's fees and costs awarded to an employee.

(f) Any party shall have the right to judicial review of the order, decision, or award of the Labor Commissioner made pursuant to paragraph (5) of subdivision (d) as provided in Section 98.2. As a condition precedent to filing an appeal, the contractor, garment manufacturer, or brand guarantor, whichever appeals, shall post a bond with the Labor Commissioner in an amount equal to one and one-half times the amount of the award. No bond shall be required of an employee filing an appeal pursuant to Section 98.2. At the employee's request, the Labor Commissioner shall represent the employee in the judicial review as provided in Section 98.4.

(g) If the contractor, garment manufacturer, or brand guarantor appeals the order, decision, or award of the Labor Commissioner and the employee prevails on appeal, the court shall order the contractor, garment manufacturer, or brand guarantor, as the case may be, to pay the reasonable attorney's fees and costs of the employee incurred in pursuing their claim. If the employee appeals the order, decision, or award of the Labor Commissioner and the contractor, garment manufacturer, or brand guarantor prevails on appeal, the court may order the employee to pay the reasonable attorney's fees and costs of the contractor, garment manufacturer, or brand guarantor only if the court determines that the employee acted in bad faith in bringing the claim.

(h) The rights and remedies provided by this section do not preclude an employee from pursuing any other rights and remedies under any other provision of state or federal law. If a finding and assessment is not issued as specified and within the time limits in paragraph (3) of subdivision (d), the employee may bring a civil action for the recovery of unpaid wages pursuant to any other rights and remedies under any other provision of the laws of this state unless, prior to the employee bringing the civil action, the garment manufacturer or brand guarantor files a petition for writ of mandate within 10 days of the date the assessment should have been issued. If findings and assessments are not made, or a hearing is not commenced or an order, decision, or award is not issued within the time limits specified in paragraphs (4) and (5) of subdivision (d), any party may file a petition for writ of mandate to compel the Labor Commissioner to issue findings and assessments, commence the hearing, or issue the order, decision, or award. All time requirements specified in this section shall be mandatory and shall be enforceable by a writ of mandate.

(i) The Labor Commissioner may enforce the joint and several liability of a garment manufacturer or brand guarantor described in this section in the same manner as a proceeding against the contractor. The Labor Commissioner may, with or without a complaint being filed by an employee, conduct an investigation as to whether all the employees of persons engaged in garment manufacturing are being paid all minimum, regular, overtime, and other premium wages, reimbursement for expenses, any other compensation, damages, and penalties due and, with or without the consent of the employees affected, commence a civil action to enforce joint and several liability described in this section. Prior to commencing such a civil action and pursuant to rules of practice and procedure adopted by the Labor Commissioner, the commissioner shall provide notice of the investigation to the garment manufacturer or brand guarantor and the employee, issue findings and an assessment of the amount of wages due, hold a meet-and-confer conference with the parties to attempt to resolve the matter, and provide for a hearing.

(j) Except as expressly provided in this section, this section shall not be deemed to create any new right to bring a civil action of any kind for unpaid minimum, regular, overtime, and other premium wages, reimbursement for



expenses, any other compensation, damages, penalties, attorney's fees, or costs against a brand guarantor, garment manufacturer, or contractor.

(k) The payment of the wages provided in this section shall not be used as a basis for finding that the brand guarantor or registered garment manufacturer making the payment is a joint employer, coemployer, or single employer of any employees of a contractor that is also a registered garment manufacturer.

(l) The Labor Commissioner may, in their discretion, revoke, deny, or suspend the registration under this part of any registrant that fails to pay, on a timely basis, any wages awarded pursuant to this section, after the award has become final. This subdivision is declaratory of existing law.

(m) The Labor Commissioner may also enforce this section by issuing stop orders or citations. The procedures for issuing, contesting, and enforcing judgments for citations issued by the Labor Commissioner under this section shall be the same as those set forth in subdivisions (b) to (k), inclusive, of Section 1197.1.

(n) Any statutory damages or penalties recovered or assessed in an action brought under this section shall be payable to the employee.

SEC. 40. Section 2675.5 of the Labor Code is amended to read:

2675.5. (a) The commissioner shall deposit seventy-five dollars (\$75) of each registrant's annual registration fee, required pursuant to paragraph (5) of subdivision (a) of Section 2675, into one separate account. Funds from the separate account shall be disbursed by the commissioner only to persons determined by the commissioner to have been damaged by the failure to pay wages and benefits by any garment manufacturer, brand guarantor, or contractor.

(1) In making these determinations, the Labor Commissioner shall disburse amounts from the fund to ensure the payment of wages and benefits, interest, and any damages or other monetary relief arising from the violation of orders of the Industrial Welfare Commission or from a violation of this code, including statutory penalties recoverable by an employee, determined to be due to a garment worker by a registered or unregistered garment business.

(2) A disbursement shall be made pursuant to a claim for recovery from the fund in accordance with procedures prescribed by the Labor Commissioner.

(3) Any disbursed funds subsequently recovered by the Labor Commissioner, pursuant to an assignment of the claim to the commissioner for recovery, including recovery from a surety under a bond pursuant to Section 2675, or otherwise recovered by the Labor Commissioner from a liable party, shall be returned to the separate account.

(b) The remainder of each registrant's annual registration fee not deposited into the special account pursuant to subdivision (a) shall be deposited in a subaccount and applied to costs incurred by the commissioner in administering the provisions of Section 2673.1, Section 2675, and this section, upon appropriation by the Legislature.

SEC. 41. Section 2695.1 of the Labor Code is amended to read:

2695.1. (a) It is the intent of the Legislature to codify certain labor protections that should be afforded to sheepherders. The provisions of this section are in addition to, and are entirely independent from, any other statutory or legal protections, rights, or remedies that are or may be available under this code or any other state law or regulation to sheepherders either as individuals, employees, or persons.

(b) All terms used in this section and in Section 2695.2 have the meanings assigned to them by this code or any other state law or regulation.

(c) The Department of Industrial Relations shall update Wage Order No. 14-2001 to be consistent with this section and Sections 2695.2, 2695.3, and 2695.4, except that any existing provision in Wage Order No. 14-2001 that provides greater protections or benefits to sheepherders or goat herders shall continue in full force and effect, notwithstanding any provision of this section, Section 2695.2, Section 2695.3, or Section 2695.4.

(d) For purposes of this section and Section 2695.2, “sheepherder” means an individual who is employed to do any of the following, including with the use of trained dogs:

- (1) Tend herds of sheep grazing or browsing on range or pasture.
- (2) Move sheep to and about an area assigned for grazing or browsing.
- (3) Prevent sheep from wandering or becoming lost.
- (4) Protect sheep against predators and the eating of poisonous plants.
- (5) Assist in the lambing, docking, or shearing of sheep.
- (6) Provide water or feed supplementary rations to sheep.

SEC. 42. Section 2695.2 of the Labor Code is amended to read:

2695.2. (a) (1) For a sheepherder employed on a regularly scheduled 24-hour shift on a seven-day-a-week “on-call” basis, an employer may, as an alternative to paying the minimum wage for all hours worked, instead pay no less than the monthly minimum wage adopted by the Industrial Welfare Commission on April 24, 2001. Any sheepherder who performs nonshepherding work on any workday shall be fully covered for that workweek by the provisions of any applicable laws or regulations relating to that work.

(2) After July 1, 2002, the amount of the monthly minimum wage permitted under paragraph (1) shall be increased each time that the state minimum wage is increased and shall become effective on the same date as any increase in the state minimum wage. The amount of the increase shall be determined by calculating the percentage increase of the new rate over the previous rate, and then by applying the same percentage increase to the minimum monthly wage rate.

(3) An employer shall not credit meals or lodging against the minimum wage owed to sheepherders under this subdivision. Every employer shall provide to each sheepherder not less than the minimum monthly meal and lodging benefits required to be provided by employers of sheepherders under the provisions of the H-2A visa program of the federal Immigration and Nationality Act (8 U.S.C. Section 1101, et seq.) or any successor provisions.

(b) (1) When tools or equipment are required by the employer or are necessary to the performance of a job, the tools and equipment shall be

provided and maintained by the employer, except that a sheepherder whose wages are at least two times the minimum wage provided herein, or if paid on a monthly basis, at least two times the monthly minimum wage, may be required to provide and maintain handtools and equipment customarily required by the trade or craft.

(2) A reasonable deposit may be required as security for the return of the items furnished by the employer under provisions of paragraph (1) upon issuance of a receipt to the sheepherder for the deposit. The deposits shall be made pursuant to Article 2 (commencing with Section 400) of Chapter 3. Alternatively, with the prior written authorization of the sheepherder, an employer may deduct from the sheepherder's last check the cost of any item furnished pursuant to paragraph (1) when the item is not returned. No deduction shall be made at any time for normal wear and tear. All items furnished by the employer shall be returned by the sheepherder upon completion of the job.

(c) No employer of sheepherders shall employ a sheepherder for a work period of more than five hours without a meal period of no less than 30 minutes, except that when a work period of not more than six hours will complete a day's work, the meal period may be waived by the mutual consent of the employer and the sheepherder. An employer may be relieved of this obligation if a meal period of 30 minutes cannot reasonably be provided because no one is available to relieve a sheepherder tending flock alone on that day. Where a meal period of 30 minutes can be provided but not without interruption, a sheepherder shall be allowed to complete the meal period during that day.

(d) To the extent practicable, every employer shall authorize and permit all sheepherders to take rest periods. The rest period, insofar as is practicable, shall be in the middle of each work period. The authorized rest times shall be based on the total hours worked daily at the rate of 10 minutes net rest time per four hours, or major fraction thereof, of work. However, a rest period need not be authorized for sheepherders whose total daily worktime is less than three and one-half hours.

(e) When the nature of the work reasonably permits the use of seats, suitable seats shall be provided for sheepherders working on or at a machine.

(f) After January 1, 2003, during times when a sheepherder is lodged in mobile housing units where it is feasible to provide lodging that meets the minimum standards established by this section because there is practicable access for mobile housing units, the lodging provided shall include at a minimum all of the following:

(1) Toilets and bathing facilities, which may include portable toilets and portable shower facilities.

(2) Heating.

(3) Inside lighting.

(4) Potable hot and cold water.

(5) Adequate cooking facilities and utensils.

(6) A working refrigerator, which may include a butane or propane gas refrigerator, or for no more than a one-week period during which a

nonworking refrigerator is repaired or replaced, a means of refrigerating perishable food items, which may include ice chests, provided that ice is delivered to the shepherd, as needed, to maintain a continuous temperature required to retard spoilage and ensure food safety.

(g) After January 1, 2003, all shepherders shall be provided with all of the following at each worksite:

(1) Regular mail service.

(2) A means of communication through telephone or radio solely for use in a medical emergency affecting the shepherd or for an emergency relating to the herding operation. If the means of communication is provided by telephone, the shepherd may be charged for the actual cost of nonemergency telephone use. Nothing in this paragraph shall preclude an employer from providing additional means of communication to the shepherd which are appropriate because telephones or radios are out of range or otherwise inoperable.

(3) Visitor access to the housing.

(4) Upon request and to the extent practicable, access to transportation to and from the nearest locale where shopping, medical, or cultural facilities and services are available on a weekly basis.

(h) In addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates or causes to be violated the provisions of this section shall be subject to a civil penalty, as follows:

(1) For the initial violation, one hundred dollars (\$100) for each underpaid employee for each pay period during which the employee was underpaid, plus an amount sufficient to recover the unpaid wages.

(2) For any subsequent violation, two hundred and fifty dollars (\$250) for each underpaid employee for each pay period during which the employee was underpaid, plus an amount sufficient to recover the unpaid wages.

(3) The affected employee shall receive payment of all wages recovered.

(i) If the application of any provision of any subdivision, sentence, clause, phrase, word, or portion of this legislation is held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected and shall continue to be given full force and effect as if the part held invalid or unconstitutional had not been included.

(j) Every employer of shepherders shall post a copy of this part in an area frequented by shepherders where it may be easily read during the workday. Where the location of work or other conditions make posting impractical, every employer shall make a copy of this part available to shepherders upon request. Copies of this part shall be posted and made available in a language understood by the shepherd. An employer is deemed to have complied with this subdivision if the employer posts where practical, or makes available upon request where posting is impractical, a copy of the Industrial Welfare Commission Order 14-2001, updated pursuant to subdivision (c) of Section 2695.1, relating to shepherders, provided that the posted material includes a sufficient summary of each of the provisions of this part.

SEC. 43. Section 2695.3 is added to the Labor Code, to read:

2695.3. (a) It is the intent of the Legislature to codify certain labor protections that should be afforded to goat herders. The provisions of this section are in addition to, and are entirely independent from, any other statutory or legal protections, rights, or remedies that are or may be available under this code or any other state law or regulation to goat herders either as individuals, employees, or persons.

(b) All terms used in this section and in Section 2695.4 have the meanings assigned to them by this code or any other state law or regulation.

(c) On or before January 1, 2024, the labor commissioner shall issue a report, pursuant to Section 9795 of the Government Code, to the Legislature on wage violations, including minimum wage and overtime, affecting sheepherders and goat herders.

(d) For purposes of this section and Section 2695.4, “goat herder” means an individual who is employed to do any of the following, including with the use of trained dogs:

- (1) Tend herds of goats grazing or browsing on range or pasture.
- (2) Move goats to and about an area assigned for grazing or browsing.
- (3) Prevent goats from wandering or becoming lost.
- (4) Protect goats against predators and the eating of poisonous plants.
- (5) Assist in the ewing, docking, or shearing of goats.
- (6) Provide water or feed supplementary rations to goats.

(e) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 44. Section 2695.4 is added to the Labor Code, to read:

2695.4. (a) (1) For a goat herder employed on a regularly scheduled 24-hour shift on a seven-day-a-week “on-call” basis, an employer may, as an alternative to paying the minimum wage for all hours worked, instead pay no less than the monthly minimum wage specified in Section 4(E) of Wage Order No. 14-2001 of the Industrial Welfare Commission. Any goat herder who performs non-goat-herding work on any workday shall be fully covered for that workweek by the provisions of any applicable laws or regulations relating to that work.

(2) The amount of the monthly minimum wage permitted under paragraph (1) shall be increased each time that the state minimum wage is increased and shall become effective on the same date as any increase in the state minimum wage. The amount of the increase shall be determined by calculating the percentage increase of the new rate over the previous rate, and then by applying the same percentage increase to the minimum monthly wage rate.

(3) An employer shall not credit meals or lodging against the minimum wage owed to goat herders under this subdivision. Every employer shall provide to each goat herder not less than the minimum monthly meal and lodging benefits required to be provided by employers of goat herders under the provisions of the H-2A visa program of the federal Immigration and Nationality Act (8 U.S.C. Section 1101) or any successor provisions.

(b) (1) When tools or equipment are required by the employer or are necessary to the performance of a job, the tools and equipment shall be provided and maintained by the employer, except that a goat herder whose wages are at least two times the minimum wage provided herein, or if paid on a monthly basis, at least two times the monthly minimum wage, may be required to provide and maintain handtools and equipment customarily required by the trade or craft.

(2) A reasonable deposit may be required as security for the return of the items furnished by the employer under provisions of paragraph (1) upon issuance of a receipt to the goat herder for the deposit. The deposits shall be made pursuant to Article 2 (commencing with Section 400) of Chapter 3. Alternatively, with the prior written authorization of the goat herder, an employer may deduct from the goat herder's last check the cost of any item furnished pursuant to paragraph (1) when the item is not returned. No deduction shall be made at any time for normal wear and tear. All items furnished by the employer shall be returned by the goat herder upon completion of the job.

(c) No employer of goat herders shall employ a goat herder for a work period of more than five hours without a meal period of no less than 30 minutes, except that when a work period of not more than six hours will complete a day's work, the meal period may be waived by the mutual consent of the employer and the goat herder. An employer may be relieved of this obligation if a meal period of 30 minutes cannot reasonably be provided because no one is available to relieve a goat herder tending flock alone on that day. Where a meal period of 30 minutes can be provided but not without interruption, a goat herder shall be allowed to complete the meal period during that day.

(d) To the extent practicable, every employer shall authorize and permit all goat herders to take rest periods. The rest period, insofar as is practicable, shall be in the middle of each work period. The authorized rest times shall be based on the total hours worked daily at the rate of 10 minutes net rest time per four hours, or major fraction thereof, of work. However, a rest period need not be authorized for goat herders whose total daily worktime is less than three and one-half hours.

(e) When the nature of the work reasonably permits the use of seats, suitable seats shall be provided for goat herders working on or at a machine.

(f) During times when a goat herder is lodged in mobile housing units where it is feasible to provide lodging that meets the minimum standards established by this section because there is practicable access for mobile housing units, the lodging provided shall include at a minimum all of the following:

- (1) Toilets and bathing facilities, which may include portable toilets and portable shower facilities.
- (2) Heating.
- (3) Inside lighting.
- (4) Potable hot and cold water.
- (5) Adequate cooking facilities and utensils.

(6) A working refrigerator, which may include a butane or propane gas refrigerator, or for no more than a one-week period during which a nonworking refrigerator is repaired or replaced, a means of refrigerating perishable food items, which may include ice chests, provided that ice is delivered to the shepherd, as needed, to maintain a continuous temperature required to retard spoilage and ensure food safety.

(g) All goat herders shall be provided with all of the following at each worksite:

(1) Regular mail service.

(2) (A) A means of communication through telephone or radio solely for use in a medical emergency affecting the goat herder or for an emergency relating to the herding operation. If the means of communication is provided by telephone, the goat herder may be charged for the actual cost of nonemergency telephone use, except where prohibited by Section 2802.

(B) Nothing in this paragraph shall preclude an employer from providing additional means of communication to the goat herder which are appropriate because telephones or radios are out of range or otherwise inoperable

(3) Visitor access to the housing.

(4) Upon request and to the extent practicable, access to transportation to and from the nearest locale where shopping, medical, or cultural facilities and services are available on a weekly basis.

(h) In addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates or causes to be violated the provisions of this section shall be subject to a civil penalty, as follows:

(1) For the initial violation, one hundred dollars (\$100) for each underpaid employee for each pay period during which the employee was underpaid, plus an amount sufficient to recover the unpaid wages.

(2) For any subsequent violation, two hundred fifty dollars (\$250) for each underpaid employee for each pay period during which the employee was underpaid, plus an amount sufficient to recover the unpaid wages.

(3) The affected employee shall receive payment of all wages recovered.

(i) If the application of any provision of any subdivision, sentence, clause, phrase, word, or portion of this legislation is held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected and shall continue to be given full force and effect as if the part held invalid or unconstitutional had not been included.

(j) Every employer of goat herders shall post a copy of this part in an area frequented by goat herders where it may be easily read during the workday. Where the location of work or other conditions make posting impractical, every employer shall make a copy of this part available to goat herders upon request. Copies of this part shall be posted and made available in a language understood by the goat herder. An employer is deemed to have complied with this subdivision if the employer posts where practical, or makes available upon request where posting is impractical, a copy of the Industrial Welfare Commission Order 14-2001, updated pursuant to subdivision (c) of Section 2695.1, relating to goat herders, provided that

the posted material includes a sufficient summary of each of the provisions of this part.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 45. Section 3111 of the Labor Code is amended to read:

3111. (a) The division may provide apprenticeship innovation funding support funds for the organizing, running, and sustaining of, an apprenticeship program that is not within the jurisdiction of the council established pursuant to Section 3070. To be eligible for support funds, an apprenticeship program or eligible entity must submit to the division an application to request funds.

(b) For each apprentice that is actively registered with the division for each 12-month period, an apprenticeship program or eligible entity is eligible to receive support funds in an amount determined by the division. In determining the amount, the division shall aim to provide support funds to as many eligible programs as possible and shall consider the amount of available support funds, the number of approved programs not within the jurisdiction of the council established pursuant to Section 3070, and the number of apprentices registered in those programs.

(c) The eligible amount in subdivision (b) shall be prorated on a monthly basis for apprentices who are actively registered for less than the 12-month period.

SEC. 46. Section 3111.1 of the Labor Code is amended to read:

3111.1. Eligible activities for support funds shall include, but are not limited to, all of the following:

- (a) Employer outreach, support, onboarding, and management.
- (b) Recruiting, matching, and placing individuals into apprenticeships.
- (c) Support services for an apprentice, such as interview coaching, conflict resolution, and life crisis management.
- (d) Retention initiatives to reduce the turnover rate of apprentices.
- (e) Tracking and reporting the apprentices to the division.
- (f) Troubleshooting and adjudicating stakeholders in a joint apprenticeship committee, a unilateral management apprenticeship committee, or a unilateral labor apprenticeship committee.
- (g) Project management and stakeholder management.

SEC. 47. Section 3112 of the Labor Code is amended to read:

3112. (a) The division may provide apprenticeship innovation funding training funds either directly to public educational institutions for the training of apprentices, provided that an apprenticeship program is providing the training pursuant to a contract with the public educational institution, or to apprenticeship programs. The funds shall be provided for each apprentice training hour at the rate described in subdivision (c).

(b) If apprentice training costs are already being reimbursed pursuant to Section 8152, 79149.1, or 79149.3 of the Education Code, then those training costs shall be ineligible for reimbursement under this section.



(c) The reimbursement rate for training reimbursed pursuant to this section shall be equivalent to the reimbursement rate established under Sections 8152 and 79149.3 of the Education Code.

(d) Reimbursements may be made under this section for training provided to registered apprentices only if all of the following are true:

(1) The training is provided by an approved program that is not within the jurisdiction of the council established pursuant to Section 3070.

(2) The program is providing the training pursuant to a contract with a public educational institution.

(3) An application for funding is submitted to the division.

SEC. 48. Section 3122.3 of the Labor Code is amended to read:

3122.3. The Youth Apprenticeship Grant Program shall have an explicit focus on equity and aims to ensure that race, income, geography, gender, citizenship status, ability, and other demographics and student characteristics no longer predict the outcomes of California's youth. To measure success towards that goal, the grant program shall do both of the following:

(a) Require grant recipients to collect, analyze, and report program data on race, gender, income, rurality, ability, foster youth, homeless youth, English language learner, and other key characteristics.

(b) Cross-tabulate demographic data with labor force participation data and enrollment data among the various demographic groups named above to assess parity in relation to the public K–12 high school, community college, and four-year university graduating cohort demographic distribution, comparing program completion rates with the attainment of educational degrees across groups.

SEC. 49. Section 4124.5 of the Public Resources Code is amended to read:

4124.5. (a) The department shall establish a local assistance grant program for fire prevention and home hardening education activities in California. Groups eligible for grants shall include, but are not limited to, local agencies, resource conservation districts, fire safe councils, the California Conservation Corps, certified community conservation corps as defined in Section 14507.5, University of California Cooperative Extension, the Board of Commissioners under California Volunteers described in Section 8411 of the Government Code, Native American tribes, and qualified nonprofit organizations. The department may establish a cost-share requirement for one or more categories of projects.

(b) (1) The local assistance grant program shall establish a robust year-round fire prevention effort in and near fire threatened communities that focuses on increasing the protection of people, structures, and communities. To the maximum extent practicable, the grants shall be designed to be durable and adaptively managed so that while improving resiliency to wildfire, the projects, when on forest land, retain a mixture of species and sizes of trees to protect habitat values. The department shall prioritize, to the extent feasible, projects that are multiyear efforts.

(2) For purposes of this subdivision, "fire threatened communities" means those communities in high and very high fire hazard severity zones, identified

by the director pursuant to Section 51178 of the Government Code, or Article 9 (commencing with Section 4201) of this code, or on the “Fire Risk Reduction Community” list maintained by the board pursuant to Section 4290.1.

(c) Eligible activities shall include, but not be limited to, all of the following:

(1) Development and implementation of public education and outreach programs. Programs may include technical assistance, workforce recruitment and training, and equipment purchases.

(2) Fire prevention activities as defined in Section 4124.

(3) Projects to improve compliance with defensible space requirements as required by Section 4291 through increased inspections, assessments, and assistance for low-income residents.

(4) Technical assistance to local agencies to improve fire prevention and reduce fire hazards.

(5) Creation of additional “Firewise USA” communities in the state or other community planning or certification programs deemed as appropriate by the department.

(6) Projects to improve public safety, including, but not limited to, access to emergency equipment and improvements to public evacuation routes.

(7) Vegetation management along roadways and driveways to reduce fire risk. Where appropriate, the Department of Transportation shall be consulted if state infrastructure will be affected. Those projects shall remain consistent with paragraph (1) of subdivision (b).

(8) Public education outreach regarding making homes and communities more wildfire resilient, including defensible space training.

(9) Projects to reduce the flammability of structures and communities to prevent their ignition from wind-driven embers.

(10) Development of a risk reduction checklist for communities that includes defensible space criteria, structural vulnerability potential, and personal evacuation plans.

(d) The department may consider the fire risk of an area, the geographic balance of projects, and whether the project is complementary to other fire prevention or forest health activities when awarding local assistance grants.

(e) (1) Until January 1, 2024, the director may authorize advance payments from a grant awarded pursuant to this section. The advance shall not exceed 25 percent of the total grant award. The director may authorize a greater amount, not to exceed 50 percent of either the total grant award or the cost of equipment, whichever amount is less, for the purpose of purchasing necessary equipment.

(2) The grantee shall expend the funds from the advance payment within 6 months of receipt, unless the department waives this requirement.

(3) The grantee shall file an accountability report with the department four months from the date of receiving the funds and every four months thereafter.

(f) Until July 1, 2025, the department may authorize advance payments on a grant awarded under this section in accordance with subdivision (d) of Section 11019.1 of the Government Code.

(g) The department may expand or amend an existing grant program to meet the requirements of this section.

(h) Funding for the local assistance grant program created pursuant to this section shall be made upon appropriation by the Legislature.

SEC. 50. Section 4208.1 of the Public Resources Code is amended to read:

4208.1. (a) There is hereby established in the department the Regional Forest and Fire Capacity Program to support regional leadership to build local and regional capacity and develop, prioritize, and implement strategies and projects that create fire adapted communities and landscapes by improving ecosystem health, community wildfire preparedness, and fire resilience. For strategies and projects that seek to create fire adapted communities, regional entities shall maximize risk reductions to people and property, especially in the most vulnerable communities.

(b) (1) The department shall, upon an appropriation by the Legislature for these purposes, do both of the following:

(A) (i) Provide block grants to regional entities to develop regional strategies that develop governance structures, identify wildfire risks, foster collaboration, and prioritize and implement projects within the region to achieve the goals of the program.

(ii) Regional priority strategy development shall be in coordination with public landowners and other relevant forest and fire planning efforts in wildfire and forest resiliency planning.

(B) Ensure, to the extent feasible, there are regional entities to cover every part of the state that contains or is adjacent to a very high or high fire hazard severity zone identified by the State Fire Marshal pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201).

(2) Regional entities may implement program activities directly or provide subgrants or contracts, and collaborative planning efforts with local entities, including municipal governments, tribal governments, nongovernmental organizations, community organizations, fire safe councils, land trusts, resource conservation districts, joint power authorities, special districts, fire departments, residents, private and public forest landowners and managers, businesses, and others, to assist the regional entity in accomplishing all of the following objectives:

(A) Develop regional priority strategies that develop and support fire adapted communities and landscapes by improving forest health, watershed health, fire risk reduction, or fire resilience needed to achieve local, regional, or statewide public safety, climate resiliency, and ecosystem goals included in the “Agreement for Shared Stewardship of California’s Forest and Rangelands” and “California’s Wildfire and Forest Resilience Action Plan.”

(B) Complete project development and permitting to generate implementation-ready projects that address regional landscape resilience and community fire protection priorities for funding consideration.

(C) Implement forest management demonstration projects that showcase scalable models for management, funding, and achieving and quantifying multiple benefits.

(D) Implement community fire preparedness demonstration projects that create durable risk reduction for structures and critical community infrastructure.

(E) Develop outreach, education, and training as needed to facilitate and build capacity to implement this section.

(F) Collect and assess data and information as needed to identify and map communities, infrastructure, forests, and watersheds at risk of, and vulnerable to, wildfire, in collaboration with appropriate state agencies, including, but not limited to, the Department of Forestry and Fire Protection.

(c) The department shall, upon an appropriation by the Legislature for these purposes, provide block grants to eligible coordinating organizations under the program to support the statewide implementation of the program through coordination of and technical assistance to regional entities, as well as to support forest health and resilience efforts across regions and throughout the state.

(d) To maximize the benefits of the program, the department shall do all of the following:

(1) Facilitate peer-to-peer learning within and between regions to share information, experiences, and resources to build regional capacity.

(2) Provide technical assistance to regions to enhance regional capacity and assist in the development and prioritization of projects.

(3) Assist regions in identifying potential funding sources for regional priorities.

(4) Encourage the development of local cost share opportunities.

(5) Publish and update on the department's internet website the following information related to implementation of the program:

(A) A list of regional entities and eligible coordinating organizations funded by the program.

(B) The outcomes of any block grant provided to a regional entity or eligible coordinating organization, including a summary of the benefits, such as the number of people and properties for which wildfire risk has been mitigated, ecosystem health benefits, or other measurements of progress towards state goals for public health and safety, climate resilience, and biodiversity, as applicable.

(C) A description of progress towards ensuring there are regional entities to cover every part of the state that contains or is adjacent to a very high or high fire hazard severity zone identified by the State Fire Marshal pursuant to Section 51178 of the Government Code or Article 9 (commencing with Section 4201).

(e) Until July 1, 2025, the department may authorize advance payments on a grant awarded under this section in accordance with subdivision (d) of Section 11019.1 of the Government Code.

SEC. 51. Section 4799.05 of the Public Resources Code is amended to read:

4799.05. (a) (1) The director may provide grants to, or enter into contracts or other cooperative agreements with, entities, including, but not limited to, private or nongovernmental entities, Native American tribes, or local, state, and federal public agencies, for the implementation and administration of projects and programs to improve forest health and reduce greenhouse gas emissions.

(2) (A) Until January 1, 2024, the director may authorize advance payments to a nonprofit organization, a local agency, a special district, a private forest landowner, or a Native American tribe from a grant awarded pursuant to this section. No single advance payment shall exceed 25 percent of the total grant award.

(B) (i) The grantee shall expend the funds from the advance payment within six months of receipt, unless the department waives this requirement.

(ii) The grantee shall file an accountability report with the department four months from the date of receiving the funds and every four months thereafter.

(C) (i) The department shall provide a report to the Legislature on or before January 1, 2023, on the outcome of the department's use of advance payments.

(ii) A report submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(iii) The requirement for submitting a report imposed under clause (i) is inoperative on January 1, 2027, pursuant to Section 10231.5 of the Government Code.

(3) Until July 1, 2025, the director may authorize advance payments on a grant awarded under this section in accordance with subdivision (d) of Section 11019.1 of the Government Code.

(b) Any project or program described in this section that is funded with moneys from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, shall comply with all statutory and program requirements applicable to the use of moneys from the fund.

(c) Moneys appropriated to the department for landscape-scale projects shall be allocated as follows:

(1) To subsidize the removal of small diameter material, especially surface fuels and ladder fuels, as well as dead trees, in order to help develop markets for beneficial uses of the material, including, but not limited to, animal bedding, biochar, cross-laminated timber, mulch, oriented strand board, pulp, post, shredding, and veneer products.

(2) For multiple benefit projects, such as tree thinning, carbon sequestration, forest resilience, and improved ecological outcome projects, including, but not limited to, restoring watershed health and function and supporting biodiversity and wildlife adaptation to climate change. The

department shall give grant funding priority to landowners who practice uneven aged forest management with a resilient forest of diverse age, size, and species class within the boundaries of the project and whose activities are conducted pursuant to an approved timber harvest plan, nonindustrial timber harvest plan, or working forest management plan. An application for a grant for a project under this subparagraph shall include a description of how the proposed project will increase average stem diameter and provide other site-specific improvement to forest complexity, as demonstrated by the expansion of the variety of tree age classes and species persisting for a period of at least 50 years. The department shall also give funding priority to landowners who agree to long-term forest management goals prescribed by the department.

(3) For activities on national forest lands to increase tree stand heterogeneity, create forest openings of less than one acre, and increase average tree stand diameter of residual trees. Any grants provided under this subparagraph shall be approved by the department, in collaboration with appropriate state agencies, including the State Air Resources Board.

(d) (1) Division 13 (commencing with Section 21000) does not apply to prescribed fire, thinning, or fuel reduction projects undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321) if either of the following is satisfied:

(A) The primary role of a state or local agency is providing funding or staffing for those projects.

(B) A state or local agency is undertaking those projects pursuant to the federal Good Neighbor Authority (Public Law 113-79) or a stewardship agreement with the federal government entered into pursuant to Public Law 113-79.

(2) Division 13 (commencing with Section 21000) does not apply to the issuance of a permit or other project approval by a state or local agency for projects described in paragraph (1).

(3) This section does not alter, affect, or in any way diminish the authority of a state or local agency to impose mitigation measures or conditions on projects described in paragraph (1) pursuant to other laws or regulations.

(4) Commencing December 31, 2019, and annually thereafter, the department shall report to the relevant policy committees of the Legislature the number of times the process in this subdivision was used.

(5) (A) This subdivision shall remain operative only if the Secretary of the Natural Resources Agency certifies on or before January 1 of each year that the National Environmental Policy Act of 1969 or other federal laws that affect the management of federal forest lands in California have not been substantially amended on or after August 31, 2018.

(B) Any CEQA exemption established under this subdivision shall continue in effect for those projects conducted under a National Environmental Policy Act record of decision, finding of no significant impact, or notice of exemption or exclusion that was issued prior to the date

by which the Secretary determines that the National Environmental Policy Act or federal forest management laws were substantially amended.

(6) This subdivision shall become inoperative on January 1, 2023.

SEC. 52. Section 75245 is added to the Public Resources Code, to read:

75245. (a) The council may authorize advance payments on a grant awarded under this section in accordance with Section 11019.1 of the Government Code.

(b) This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SEC. 53. Section 95.60 of the Revenue and Taxation Code is amended to read:

95.60. (a) It is the intent of the Legislature in enacting this section to assist county assessors in performing property assessments with technology investments.

(b) For purposes of this section, the following definitions apply:

(1) “Authority” means a county assessor’s joint powers authority.

(2) “Department” means the Department of Finance.

(3) “Lead county” means a county designated by the department to accept program funds on behalf of an authority.

(4) “Program” means the County Assessors’ Grant Program, as established by this section.

(c) (1) There is hereby established the County Assessors’ Grant Program, which shall be operative from July 1, 2022, to June 30, 2025, inclusive.

(2) The program shall be administered by the Department of Finance.

(3) Program funds shall be granted in a particular fiscal year only upon appropriation by the Legislature for the program in that fiscal year. However, an authority shall comply with the reporting requirement described in subdivision (g), regardless of appropriation, if the authority received program funds in the fiscal year preceding the report.

(d) For the 2022–23 fiscal year, a county assessor’s joint powers authority may apply to the department, in the form and manner specified by the department. The application may also be in the form of a memorandum of understanding between the department and the authority.

(1) The application or memorandum of understanding shall be due to the department by October 1, 2022.

(2) (A) The department shall complete its review of an application or memorandum of understanding no later than November 1, 2022. The department shall approve the application or memorandum of understanding if it meets at least the following criteria:

(i) A request for information technology-appropriate projects and programs related to the administration of the property tax system that includes the goals the authority seeks to achieve with the program funds.

(ii) A description of the deliverables the authority will procure with the program funds, and a description of how those deliverables will be used to achieve the goals described in clause (i).

(iii) A timeline for the completion of the deliverables specified in clause (ii) and for the achievement of the goals specified in clause (i).

(iv) An assurance that all county assessors' offices that request to participate in the projects and programs funded by the program will be afforded the opportunity to do so.

(B) If an application or a memorandum of understanding that is missing any of the information described in clause (i) to (iv), inclusive of subparagraph (A), the department shall notify the applicant and the applicant shall provide the missing information within 15 days of notification. If the applicant fails to provide the missing information within the time period, the department shall deny the application or memorandum of understanding.

(3) Upon approval, by November 15, 2022, the department shall determine the grant amount and shall notify the State Controller's Office to remit payment to the lead county.

(4) Notwithstanding paragraphs (1) to (3), inclusive, if the department denies an application or memorandum, the department may approve a revised application or memorandum submitted by the authority and modify the dates described in this subdivision as appropriate.

(e) Upon receipt of the program funds, an authority shall, in the 2022–23 fiscal year and 30 days prior to expending any funds appropriated for the program, provide the department with a copy of all contracts executed with third-party entities for implementing or operating the program.

(f) (1) An authority that receives funding in the 2022–23 fiscal year shall not be required to reapply for program funds for the 2023–24 and 2024–25 fiscal years if the 2023 and 2024 Budget Acts each contain a ten million dollar (\$10,000,000) appropriation for purposes of the program.

(2) The department may require the authority to submit an amended application or memorandum of understanding for the 2023–24 or 2024–25 fiscal years if the Budget Act for that fiscal year does not provide an appropriation for the program or if the appropriation is an amount other than ten million dollars (\$10,000,000).

(3) Program funds shall be remitted to the authority, if an application or memorandum is approved, by November 15, 2023, for the 2023–24 fiscal year and November 15, 2024, for the 2024–25 fiscal year. However, funds may be remitted at a later date, as appropriate, if an application or memorandum is not approved by November 1, 2023, or November 1, 2024, as applicable.

(g) No later than October 1, 2023, and each October 1 thereafter until October 1, 2025, an authority that receives program funds shall report the following information to the department, in the form and manner specified by the department:

(1) The total amount of program funds expended by the authority in the preceding fiscal year.

(2) A description of the purposes for which program funds were expended in the preceding fiscal year, and the associated deliverables received by the authority or the participating counties.

(3) A description of how the deliverables specified in paragraph (2) are in furtherance of the goals specified in the authority's program application or memorandum of understanding.



(4) A description of whether the authority is meeting the timeline specified in its application or memorandum of understanding.

(5) Any corrections or changes to the information reported in the preceding annual reports, if any, and the reasons for those corrections or changes.

(6) Upon the request of the department, the authority shall provide any supplemental information necessary to clarify the information contained in a report submitted pursuant to this subdivision.

SEC. 54. Section 17141.5 is added to the Revenue and Taxation Code, to read:

17141.5. (a) Notwithstanding any other law or guidance, for taxable years beginning on or after January 1, 2023, gross income does not include either of the following:

(1) Any funds deposited, any investment returns accrued, and any accrued interest in a trust account under the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act (Chapter 16.1 (commencing with Section 18997.5) of Part 6 of Division 9 of the Welfare and Institutions Code).

(2) Any funds from the trust account described in paragraph (1) that is withdrawn or transferred by an eligible youth.

(b) Notwithstanding any other law or guidance, for taxable years beginning on or after January 1, 2023, funds deposited, any investment returns accrued, and any accrued interest in a trust account under the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act (Chapter 16.1 (commencing with Section 18997.5) of Part 6 of Division 9 of the Welfare and Institutions Code) and any funds from a trust account that is withdrawn or transferred by an eligible youth shall not be considered earned income for purposes of eligibility for the California Earned Income Tax Credit pursuant to Section 17052 and the Young Child Tax Credit pursuant to Section 17052.1.

SEC. 55. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in the director's possession to the extent necessary for any of the following purposes, and may require reimbursement for all direct costs incurred in providing any and all information specified in this section, except information specified in subdivisions (a) to (e), inclusive:

(a) To enable the director or the director's representative to carry out their responsibilities under this code.

(b) To properly present a claim for benefits.

(c) To acquaint a worker or their authorized agent with the worker's existing or prospective right to benefits.

(d) To furnish an employer or their authorized agent with information to enable the employer to fully discharge their obligations or safeguard their rights under this division or Division 3 (commencing with Section 9000).

(e) To enable an employer to receive a reduction in contribution rate.

(f) To enable federal, state, or local governmental departments or agencies, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the verification or determination is directly connected with, and limited to, the administration of public social services.

(g) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, when the determination is directly connected with, and limited to, the administration of general relief or assistance.

(h) To enable state or local governmental departments or agencies to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or to enable the collection of expenditures for medical assistance services pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(i) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs the person, for filing under the normal procedures of that agency.

(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(k) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(l) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Part D of Title IV of the federal Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the Victims of Crime Program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any and all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Contractors State

License Board, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar of California, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of Consumer Affairs, or the director's representative, to access unemployment insurance quarterly wage data on a case-by-case basis to verify information on school administrators, school staff, and students provided by those schools who are being investigated for possible violations of Chapter 8 (commencing with Section 94800) of Part 59 of Division 10 of Title 3 of the Education Code.

(q) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(r) To enable city and county planning agencies to develop economic forecasts for planning purposes. The information shall be limited to businesses within the jurisdiction of the city or county whose planning agency is requesting the information, and shall not include information regarding individual employees.

(s) To provide the State Department of Developmental Services with wage and employer information that will assist in the collection of moneys owed by the recipient, parent, or any other legally liable individual for services and supports provided pursuant to Chapter 9 (commencing with Section 4775) of Division 4.5 of, and Chapter 2 (commencing with Section 7200) and Chapter 3 (commencing with Section 7500) of Division 7 of, the Welfare and Institutions Code.

(t) To provide the State Board of Equalization with employment tax information that will assist in the administration of tax programs. The information shall be limited to the exchange of employment tax information essential for tax administration purposes to the extent permitted by federal law and regulations.

(u) This section shall not be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(v) The disclosure of the name and address of an individual or business entity that was issued an assessment that included penalties under Section

1128 or 1128.1 shall not be in violation of Section 1094 if the assessment is final. The disclosure may also include any of the following:

- (1) The total amount of the assessment.
- (2) The amount of the penalty imposed under Section 1128 or 1128.1 that is included in the assessment.
- (3) The facts that resulted in the charging of the penalty under Section 1128 or 1128.1.
- (w) To enable the Contractors State License Board to verify the employment history of an individual applying for licensure pursuant to Section 7068 of the Business and Professions Code.
- (x) To provide any peace officer with the Division of Investigation in the Department of Consumer Affairs information pursuant to subdivision (i) when the requesting peace officer has been designated by the chief of the Division of Investigation and requests this information in the course of and as part of an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.
- (y) To enable the Labor Commissioner of the Division of Labor Standards Enforcement in the Department of Industrial Relations to identify, pursuant to Section 90.3 of the Labor Code, unlawfully uninsured employers. The information shall be provided to the extent permitted by federal law and regulations.
- (z) To enable the Chancellor of the California Community Colleges, in accordance with the requirements of Section 84754.5 of the Education Code, to obtain quarterly wage data, commencing January 1, 1993, on students who have attended one or more community colleges, to assess the impact of education on the employment and earnings of students, to conduct the annual evaluation of district-level and individual college performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.
- (aa) To enable the Public Employees' Retirement System to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, benefits provided under Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code.
- (ab) To enable the State Department of Education, the University of California, the California State University, and the Chancellor of the California Community Colleges, pursuant to the requirements prescribed by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), to obtain quarterly wage data, commencing July 1, 2010, on students who have attended their respective systems to assess the impact of education on the employment and earnings of those students, to conduct the annual analysis of district-level and individual district or postsecondary education system performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The

information shall be provided to the extent permitted by federal statutes and regulations.

(ac) To provide the Agricultural Labor Relations Board with employee, wage, and employer information, for use in the investigation or enforcement of the Alatorre-Zenovich-Dunlap-Berman Agricultural Labor Relations Act of 1975 (Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code). The information shall be provided to the extent permitted by federal statutes and regulations.

(ad) (1) To enable the State Department of Health Care Services, the California Health Benefit Exchange, the Managed Risk Medical Insurance Board, and county departments and agencies to obtain information regarding employee wages, California employer names and account numbers, employer reports of wages and number of employees, and disability insurance and unemployment insurance claim information, for the purpose of:

(A) Verifying or determining the eligibility of an applicant for, or a recipient of, state health subsidy programs, limited to the Medi-Cal program provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, and the Medi-Cal Access Program provided pursuant to Chapter 2 (commencing with Section 15810) of Part 3.3 of Division 9 of the Welfare and Institutions Code, when the verification or determination is directly connected with, and limited to, the administration of the state health subsidy programs referenced in this subparagraph.

(B) Verifying or determining the eligibility of an applicant for, or a recipient of, federal subsidies offered through the California Health Benefit Exchange, provided pursuant to Title 22 (commencing with Section 100500) of the Government Code, including federal tax credits and cost-sharing assistance pursuant to the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), when the verification or determination is directly connected with, and limited to, the administration of the California Health Benefit Exchange.

(C) Verifying or determining the eligibility of employees and employers for health coverage through the Small Business Health Options Program, provided pursuant to Section 100502 of the Government Code, when the verification or determination is directly connected with, and limited to, the administration of the Small Business Health Options Program.

(2) The information provided under this subdivision shall be subject to the requirements of, and provided to the extent permitted by, federal law and regulations, including Part 603 of Title 20 of the Code of Federal Regulations.

(ae) To provide any peace officer with the Investigations Division of the Department of Motor Vehicles with information pursuant to subdivision (i), when the requesting peace officer has been designated by the Chief of the Investigations Division and requests this information in the course of, and as part of, an investigation into identity theft, counterfeiting, document fraud, or consumer fraud, and there is reasonable suspicion that the crime

is a felony and that the information would lead to relevant evidence regarding the identity theft, counterfeiting, document fraud, or consumer fraud. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the Investigations Division of the Department of Motor Vehicles, for filing under the normal procedures of that division.

(af) Until January 1, 2020, to enable the Department of Finance to prepare and submit the report required by Section 13084 of the Government Code that identifies all employers in California that employ 100 or more employees who receive benefits from the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code). The information used for this purpose shall be limited to information obtained pursuant to Section 11026.5 of the Welfare and Institutions Code and from the administration of personal income tax wage withholding pursuant to Division 6 (commencing with Section 13000) and the disability insurance program and may be disclosed to the Department of Finance only for the purpose of preparing and submitting the report and only to the extent not prohibited by federal law.

(ag) To provide, to the extent permitted by federal law and regulations, the Student Aid Commission with wage information in order to verify the employment status of an individual applying for a Cal Grant C award pursuant to subdivision (c) of Section 69439 of the Education Code.

(ah) To enable the Department of Corrections and Rehabilitation to obtain quarterly wage data of former inmates who have been incarcerated within the prison system in order to assess the impact of rehabilitation services or the lack of these services on the employment and earnings of these former inmates. Quarterly data for a former inmate's employment status and wage history shall be provided for a period of one year, three years, and five years following release. The data shall only be used for the purpose of tracking outcomes for former inmates in order to assess the effectiveness of rehabilitation strategies on the wages and employment histories of those formerly incarcerated. The information shall be provided to the department to the extent not prohibited by federal law.

(ai) To enable federal, state, or local government departments or agencies, or their contracted agencies, subject to federal law, including the confidentiality, disclosure, and other requirements set forth in Part 603 of Title 20 of the Code of Federal Regulations, to evaluate, research, or forecast the effectiveness of public social services programs administered pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Subchapter IV of Chapter 7 of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.), when the evaluation, research, or forecast is directly connected with, and limited to, the administration of the public social services programs.

(aj) (1) To enable the California Workforce Development Board, the Chancellor of the California Community Colleges, the Superintendent of Public Instruction, the Department of Rehabilitation, the State Department of Social Services, the Bureau for Private Postsecondary Education, the Department of Industrial Relations, the Division of Apprenticeship Standards, the Department of Corrections and Rehabilitation, the Prison Industry Authority, the Employment Training Panel, and a chief elected official, as that term is defined in Section 3102(9) of Title 29 of the United States Code, to access any relevant quarterly wage data necessary for the evaluation and reporting of their respective program performance outcomes as required and permitted by various local, state, and federal laws pertaining to performance measurement and program evaluation, including responsibilities arising under Sections 14013, 14033, and 14042 of this code and Sections 2032 and 2038 of the Streets and Highways Code; the federal Workforce Innovation and Opportunity Act (Public Law 113-128); the workforce metrics dashboard pursuant to paragraph (1) of subdivision (i) of Section 14013; the Adult Education Block Grant Program consortia performance metrics pursuant to Section 84920 of the Education Code; the economic and workforce development program performance measures pursuant to Section 88650 of the Education Code; and the California Community Colleges Economic and Workforce Development Program performance measures established in Part 52.5 (commencing with Section 88600) of Division 7 of Title 3 of the Education Code. Disclosures under this subdivision shall comply with federal and state privacy laws that require the informed consent from program participants of city and county departments or agencies that administer public workforce development programs for the evaluation, research, or forecast of their programs regardless of local, state, or federal funding source.

(2) The department shall do all of the following:

(A) Consistent with this subdivision, develop the minimum requirements for granting a request for disclosure of information authorized by this subdivision regardless of local, state, or federal funding source.

(B) Develop a standard application for submitting a request for disclosure of information authorized by this subdivision.

(C) Approve or deny a request for disclosure of information authorized by this subdivision, or request additional information, within 20 business days of receiving the standard application. The entity submitting the application shall respond to any request by the department for additional information within 20 business days of receipt of the department's request. Within 30 calendar days of receiving any additional information, the department shall provide a final approval or denial of the request for disclosure of information authorized by this subdivision. Any approval, denial, or request for additional information shall be in writing. Denials shall identify the reason or category of reasons for the denial.

(D) Make publicly available on the department's internet website all of the following:



(i) The minimum requirements for granting a request for disclosure of information authorized by this subdivision, as developed pursuant to subparagraph (A).

(ii) The standard application developed pursuant to subparagraph (B).

(iii) The timeframe for information request determinations by the department, as specified in subparagraph (C).

(iv) Contact information for assistance with requests for disclosures of information authorized by this subdivision.

(v) Any denials for requests of disclosure of information authorized by this subdivision, including the reason or category of reasons for the denial.

(ak) (1) To provide any peace officer with the Enforcement Branch of the Department of Insurance with both of the following:

(A) Information provided pursuant to subdivision (i) that relates to a specific insurance fraud investigation involving automobile insurance fraud, life insurance and annuity fraud, property and casualty insurance fraud, and organized automobile insurance fraud. That information shall be provided when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(B) Employee, wage, employer, and state disability insurance claim information that relates to a specific insurance fraud investigation involving health or disability insurance fraud when the requesting peace officer has been designated by the Chief of the Fraud Division of the Department of Insurance and requests the information in the course of, and as part of, an investigation into the commission of a crime or other unlawful act when there is reasonable suspicion to believe that the crime or act may be connected to the information requested and would lead to relevant information regarding the crime or unlawful act.

(2) To enable the State Department of Developmental Services to obtain quarterly wage data and unemployment insurance claim data of consumers served by that department for the purposes of monitoring, program operation and evaluation, and evaluating employment outcomes, of the Employment First Policy, established pursuant to Section 4869 of the Welfare and Institutions Code.

(3) The information provided pursuant to this subdivision shall be provided to the extent permitted by federal statutes and regulations.

(al) To provide the CalSavers Retirement Savings Board with employer tax information for use in the administration of, and to facilitate compliance with, the CalSavers Retirement Savings Trust Act (Title 21 (commencing with Section 100000) of the Government Code). The information should be limited to the tax information the director deems appropriate, and shall be provided to the extent permitted by federal laws and regulations.

(am) (1) To enable the Joint Enforcement Strike Force as established by Section 329, and the Labor Enforcement Task Force, as established

pursuant to Assembly Bill 1464 of the 2011–12 Regular Session (Chapter 21 of the Statutes of 2012), to carry out their duties.

(2) To provide an agency listed in subdivision (a) of Section 329 intelligence, data, including confidential tax and fee information, documents, information, complaints, or lead referrals pursuant to Section 15925 of the Government Code.

(an) To enable the Bureau for Private Postsecondary Education to access and use any relevant quarterly wage data necessary to perform the labor market outcome reporting data match pursuant to Section 94892.6 of the Education Code. The information provided pursuant to this subdivision shall be provided to the extent permitted by state and federal laws and regulations.

(ao) To enable the Civil Rights Department to carry out its duties, including ensuring compliance with Section 12999 of the Government Code. Conduct related to information provided pursuant to this subdivision shall not be subject to the criminal sanctions set forth in subdivision (f) of Section 1094.

(ap) To enable the Cradle-to-Career Data System, as established by Article 2 (commencing with Section 10860) of Chapter 8.5 of Part 7 of Division 1 of Title 1 of the Education Code, to receive employment and earnings data and, as required of the director pursuant to Section 10871 of the Education Code, to provide information to the data system, to the extent permissible by federal laws and regulations.

(aq) (1) To enable the State Air Resources Board to receive unpaid final tax assessment information issued to a port drayage motor carrier or short-haul trucking service for misclassification of a commercial driver, for use in the administration of, and to facilitate compliance with, Chapter 3.6 (commencing with Section 39680) of Part 2 of Division 26 of the Health and Safety Code. The information shall be limited to the tax information the director deems appropriate for disclosure and shall be provided only to the extent permitted by federal laws and regulations.

(2) For purposes of this subdivision, the following definitions apply:

(A) “Commercial driver” has the same meaning as defined in Section 2810.4 of the Labor Code.

(B) “Port drayage motor carrier” has the same meaning as defined in Section 2810.4 of the Labor Code.

(C) “Short-haul trucking service” has the same meaning as defined in Section 39682 of the Health and Safety Code.

SEC. 56. Section 14531 of the Unemployment Insurance Code is amended to read:

14531. (a) (1) There is hereby established within the Workforce Services Branch of the Employment Development Department, the Community Economic Resilience Fund Program, to build an equitable and sustainable economic recovery from the impacts of COVID-19 on California’s industries, workers, and communities, and to provide for the durability of that recovery by fostering long-term economic resilience in the overall transition to a carbon-neutral economy.

(2) The branch shall administer the Community Economic Resilience Fund Program. The program shall be governed by the provisions of this chapter.

(b) (1) The program shall be administered by the Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development. These three agencies shall be referred to as the Inter-Agency Leadership Team and shall jointly be responsible for planning, oversight, and decision-making, including, but not limited to all of the following:

(A) Identifying the geographic boundaries of regions in a way that prioritizes economic recovery and transition strategies and is consistent with other state definition of regional economic and labor markets.

(B) Creating program guidelines and evaluation metrics that, at a minimum, support federal reporting.

(C) Designing a competitive grant structure for CERF investments.

(D) Developing technical assistance and evaluation infrastructure.

(E) Tracking and reporting progress and deliverables.

(2) Program implementation shall be undertaken by the Workforce Services Branch of the Employment Development Department under the direction of the Inter-Agency Leadership Team. It is the intent of the Legislature that CERF be designed to build a more robust, sustainable, and equitable recovery across all sectors of California's economy.

(3) The Inter-Agency Leadership Team, as established in paragraph (1), shall develop policies for grant funds distributed in this chapter to fund regional programs and economic development strategies that directly complement state and federal infrastructure investments in multiple sectors, including housing, transportation, advanced energy, broadband, and natural resources, and connect, in each of those sectors, to any existing or emerging high road training partnerships. Policies and guidelines developed under this provision shall be made publicly available on the Labor and Workforce Development Agency's internet website.

(4) (A) The Inter-Agency Leadership Team shall consist of the senior cabinet-level appointees, or their designees, representing the Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development, with policy guidance from subject matter experts within those state entities.

(B) The Inter-Agency Leadership Team shall be supported administratively by the Office of Planning and Research. Administrative support shall include support for convenings, meetings, agendas, gathering, analyzing and communicating stakeholder input, and summarizing guidelines for solicitations and providing this policy guidance to the Workforce Services Branch. The Labor and Workforce Development Agency, the Office of Planning and Research, and the Governor's Office of Business and Economic Development shall sign memoranda of understanding or inter-agency agreements for purposes of confirming each of their roles and responsibilities in the Interagency Leadership Team.

(c) (1) The program shall provide financial support to establish and support high road transition collaboratives in designing region- and industry-specific economic recovery and transition strategies. The program shall include a focus on those regions and communities most affected by the economic impact of COVID-19, as authorized in federal guidance, and whose economic distress has been exacerbated by COVID-19 and compounded by macroeconomic impacts, such as the global transition to carbon neutrality or the western region of the United States' acute vulnerability to climate change impacts.

(2) The program, through these collaboratives, shall support transparent and inclusive processes for shared problem solving to advance long-term prosperity and equity.

(3) The collaboratives shall work directly with the community capacity-building programs initially established by Chapter 377 of the Statutes of 2018, pursuant to Part 3.6 (commencing with Section 71130) of Division 34 of the Public Resources Code, to support active and equitable community engagement.

(4) The collaboratives shall include balanced representation from labor, business, community, government, and other stakeholders, including, but not limited to, economic development, philanthropy, education, and workforce partners to be designated in the program guidelines.

(d) Planning grants shall be awarded on a competitive basis to establish and support at least one High Road Transition Collaborative per region in areas that have had disproportionate impacts due to COVID-19. The Inter-Agency Leadership Team shall establish evaluation criteria consistent with the state planning priorities established pursuant to Section 65041.1 of the Government Code and, if necessary, with any applicable guidelines for evaluation set out in the federal American Rescue Plan Act of 2021 (Public Law 117-2) and Department of the United States Treasury guidance and regulations. The Inter-Agency Leadership Team shall establish additional criteria and detailed metrics in the program guidelines, consistent with the goals of the program outlined in subdivisions (b) and (c), including the following core activities:

(1) Identify a skilled and impartial convener to build an inclusive planning table, as described in paragraph (4) of subdivision (h), and facilitate and collaborate with each designated partner entity to develop the transition plans, to solicit, consider, and respond to comments from collaborative members, and to provide equitable public participation and input.

(2) Develop one or more regional and subregional economic recovery and transition plans addressing essential elements of a high road strategy, including economic diversification, industry planning, workforce development, and the identification and integration of current or supplemental safety net programs. This plan shall include industry cluster and labor market analysis, with actionable research and consultation from the University of California or other expert institutions, and focus on economic recovery, growth, and resilience across multiple sectors. The plans shall prioritize the creation of high-quality jobs and equitable access

to them, and emphasize where possible the development of sustainable and resilient industries, such as renewable energy, energy efficiency, carbon removal, and zero-emission vehicles, advanced manufacturing, agriculture and forestry, and climate restoration and resilience.

(3) Disseminate these transition plans to all interested parties. The plan or plans provided by each high road transition collaborative shall be made publicly available on the Labor and Workforce Development Agency's internet website.

(e) (1) Implementation grants shall be awarded on a rolling and competitive basis. This grant program shall be structured to provide a small initial tranche of funding for economic diversification pilots with demonstrable high road elements in those regions already engaged in economic recovery and transition planning. The majority of funds shall be used to provide, through June 30, 2024, economic development grants on a rolling basis, informed by the work of high road transition collaboratives.

(2) The grant recipients shall demonstrate a plan to fully spend or obligate by December 31, 2024, all funds received pursuant to this subdivision, and shall pay all obligations by December 31, 2026.

(3) The implementation grants shall also meet all of the following requirements:

(A) Support work prioritized through the high road transition collaborative planning process with the high road intent of this program.

(B) Demonstrate support of the regional intermediary and alignment with the high road transition collaborative plan.

(C) Support labor standards where applicable, such as prevailing wage, project labor agreements, or community workforce agreements.

(D) Address geographic equity, accounting for differences in urban, suburban, rural, and tribal communities, and emphasize investment in underserved jurisdictions.

(E) Organize strategies by industry or geography, or both, within and across regions, with the potential to focus on regionwide strategies or on one or more specific priority projects within a region.

(F) Include a range of activities related to economic diversification, including, but not limited to, creating innovation hubs for key growth industries, expanding incubator or accelerator programs that provide technical assistance for small business owners to connect to larger industry clusters, and other projects and activities that advance a high road economy.

(G) Coordinate with, advance, and complement, without supplanting, state and federal infrastructure investments.

(H) Align with regional workforce needs by linking directly to high road training partnerships or high road construction careers training programs wherever such partnerships exist or emerge in the region.

(f) The Labor and Workforce Development Agency, working with the Office of Planning and Research, and the Governor's Office of Business and Economic Development, shall manage the design and operation of all program solicitation and award processes, including the administration of and accountability for both the planning and implementation grants. The

Workforce Services Branch shall manage funds and contracts under direction of the Inter-Agency Leadership Team. This includes, but is not limited to, all of the following:

(1) Solicitation, management and execution of all grants and contracts, based on guidelines developed by the Inter-Agency Leadership Team.

(2) Oversight and monitoring for fiscal integrity.

(3) If necessary and as applicable, federal reporting and compliance consistent with the federal American Rescue Plan Act of 2021 (Public Law 117-2) and Department of the United States Treasury guidance and regulations.

(4) Quarterly reporting to the Inter-Agency Leadership Team.

(5) Beginning December 31, 2022, annual reporting to the Joint Legislative Budget Committee and the applicable Senate and Assembly budget subcommittees. The report shall include a detailed summary of grants awarded, fiscal and federal compliance, and progress on individual program objectives and related high road metrics, including equity, inclusivity, job quality, and sustainability, as designated in program guidelines and assessed by inter-agency program staff.

(6) Commencing June 31, 2023, supplemental annual reporting to the Legislature, in accordance with Section 9795 of the Government Code, that includes a concise written discussion, based on the experience and expertise of the Inter-Agency Leadership Team and program staff, describing key findings on regional trends in sustainable economic recovery, and common challenges in the development and implementation of high road transition strategies.

(7) Procurement of a comprehensive third-party evaluation to be completed, with guidance and oversight from the Inter-Agency Leadership Team, no less than six months after all available outcome data is available.

(g) All CERF grantees shall fulfill the outcome and reporting requirements required by this chapter as established by the Inter-Agency Leadership Team and, if applicable, as required by the federal American Rescue Plan Act of 2021, United States Department of the U.S. Treasury guidance and regulations, and fiscal oversight by the Employment Development Department. In addition to and in alignment with paragraphs (5) and (6) of subdivision (f), these reporting requirements shall include:

(1) A detailed analysis of grantee challenges and achievements, whether relating to convening an inclusive regional planning process, developing a comprehensive high road recovery plan, or implementing a strategy to create high road jobs. This shall include measurable progress toward target outcomes, including job creation, increase in number of jobs per region, average increases in hourly wages of entered employed individuals placed in jobs, job retention, number of individuals impacted through services, such as training, supportive services, or job placement, as enumerated in CERF guidelines and individual contracts in accord with each of the above jurisdictions.

(2) A more general discussion of the challenges and opportunities of designing and implementing a high road transition vision in a particular

place or industry. At a minimum, grantees shall report the number and types of stakeholders directly involved in CERF planning or investing, the nature and extent of their participation, and related efforts to build capacity among community, labor, local government, or other key stakeholder groups.

(h) For the purposes of this chapter, the following definitions apply:

(1) “CERF” shall mean the Community Economic Resilience Fund Program.

(2) “High road” has the same meaning as used in subdivision (r) of Section 14005.

(3) “High road construction careers” has the same meaning as used in subdivision (t) of Section 14005.

(4) “High road transition collaboratives” or “collaboratives” are broad-based regional groups convened by a skilled and impartial intermediary to plan for economic recovery and a sustainable and equitable economic future. These collaboratives shall prioritize equity, sustainability, and job quality, and advance a shared prosperity where workers and communities across California’s diverse regions share equally in the benefits of a carbon-neutral future. Minimum membership and representation shall be as described in subdivision (c).

(5) “High road training partnerships” has the same meaning as used in subdivision (s) in Section 14005.

(i) Until July 1, 2025, the administering agency may authorize advance payments on a grant awarded under this section in accordance with Section 11019.1 of the Government Code.

(j) All criteria, guidelines, and policies developed for the administration of the program shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(k) This chapter shall become operative when an appropriation is made by the Legislature for the purposes of carrying out the provisions of this chapter. The branch shall post notice of the appropriation on the home page of its internet website and send notice of the appropriation to the Legislative Counsel.

SEC. 57. Chapter 16.1 (commencing with Section 18997.5) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 16.1. THE CALIFORNIA HOPE, OPPORTUNITY, PERSEVERANCE,  
AND EMPOWERMENT (HOPE) FOR CHILDREN TRUST ACCOUNT ACT

18997.5. (a) This chapter shall be known, and may be cited, as the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Act.

(b) The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program is hereby established for the purpose of providing an eligible child with a trust account pursuant to this chapter.

(c) This chapter shall be construed liberally in order to effectuate its legislative intent of creating opportunities, economic autonomy, and hope, and to promote intergenerational wealth and asset building for an eligible child and eligible youth as one of the many strategies California must employ to reverse our state's record level of inequality. The purposes of this chapter and all of its provisions with respect to the powers granted shall be broadly interpreted to effectuate that intent and those purposes and not as to any limitation of powers.

18997.51. For purposes of this chapter, the following definitions shall apply:

(a) "Account," "trust account," or "HOPE trust account," means the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account in the name of an eligible child or eligible youth.

(b) "Board" means the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program Board established pursuant to Section 18997.52.

(c) "Department" means the State Department of Social Services.

(d) "Eligible child" means a minor resident of California who is under 18 years of age, has not emancipated from their parent, Indian custodian, or legal guardian, and meets one of the following qualifications:

(1) They reside in California and their parent, Indian custodian, or legal guardian died during the federally declared COVID-19 public health emergency, and the cause of death for the parent, Indian custodian, or legal guardian is listed as COVID-19 on their death certificate or they died as a consequence of having long-term COVID-19, and the minor's family household income, considering the income prior to the death of the parent, is at or below the income that would make the child eligible for Medi-Cal benefits under Chapter 7 (commencing with Section 14000) of Part 3. For purposes of this paragraph, "family household" means one or more persons, all of whom are related by marriage, birth, adoption, or guardianship, and "federal poverty level" means the poverty guidelines updated periodically in the Federal Register by the United States Department of Health and Human Services under the authority of Section 9902(2) of Title 42 of the United States Code.

(2) (A) A foster child who resides in California, or is a California resident who is placed out of state by a juvenile or tribal court, and meets both of the following:

(i) The child has been adjudged a dependent child of the juvenile court on the grounds that the child is a person described by Section 300, or the child has been adjudged a ward of the juvenile court on the grounds that the child is a person described by Section 601 or 602, or the child is a dependent child of the court of an Indian tribe, consortium of tribes, or tribal organization who is the subject of a petition filed in the tribal court pursuant to the tribal court's jurisdiction in accordance with the tribe's law and the tribe has notified the department about the child's status as a dependent child under the tribal court. The department shall not require an Indian tribe,



consortium of tribes, tribal organization, or tribal court representative to notify the department of any child who is a dependent of the tribal court.

(ii) The child meets one of the following:

(I) The child is subject to a foster care order, has been in foster care for at least 18 months, and reunification services have been terminated by an order of a juvenile or tribal court.

(II) The child is subject to a foster care order after 16 years of age, and reunification services have been terminated by an order of a juvenile or tribal court.

(B) Notwithstanding clause (ii) of subparagraph (A), if the child reunifies with their parent or legal guardian, is adopted, enters into a tribal customary adoption, or is placed into a legal guardianship, at any point in time subsequent to meeting the qualification specified in clause (i) of subparagraph (A), the child shall remain an eligible child and program enrollee and shall be able to access their HOPE trust account, but shall no longer be eligible for annual contributions effective 12 months following the date of reunification, adoption, or legal guardianship, or until the child reaches 18 years of age, whichever is sooner.

(e) “Eligible youth” means a program enrollee for whom a HOPE trust account was established and who is now eligible to withdraw or transfer funds from their HOPE trust account.

(f) “Fund” means the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Fund created pursuant to Section 18997.53.

(g) “HOPE Trust Account Program” or “program” means the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program established pursuant to this chapter.

(h) “Program enrollee” means an eligible child who has been enrolled in the program and whose parent, Indian custodian, or legal guardian has not opted the child out of program participation, and an eligible youth who was enrolled as an eligible child in the program and has not terminated their participation.

18997.52. (a) (1) There is hereby created within state government the California Hope, Opportunity, Perseverance and Empowerment (HOPE) for Children Trust Account Program Board, which shall consist of nine members, as follows:

(A) The Treasurer, or their designee, who shall serve as the chair.

(B) The Director of Finance, or their designee.

(C) The Controller, or their designee.

(D) An individual with expertise in poverty alleviation and the racial wealth gap appointed by the Senate Committee on Rules.

(E) An individual with investment expertise appointed by the Speaker of the Assembly.

(F) An individual with expertise on financial empowerment and consumer protection appointed by the Governor.

(G) A public member who has experienced childhood poverty appointed by the Governor.

(H) Two additional nonvoting members appointed by the Governor.

(2) Members of the board appointed by the Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall serve at the pleasure of the appointing authority.

(b) All members of the board shall serve without compensation. Members of the board shall be reimbursed for necessary travel expenses incurred in connection with their board duties.

(c) Board members and other staff of the board shall not do any of the following:

(1) Directly or indirectly have any interest in the making of any investment made for the program, or in the gains or profits accruing from any investment made for the program.

(2) Borrow any funds or deposits of the HOPE trust accounts, or use those funds or deposits in any manner, for themselves or as an agent or partner of others.

(3) Become an endorser, surety, or obligor on investments by the board.

(d) The board and staff, including contracted administrators and consultants, shall discharge their duties as fiduciaries with respect to the HOPE trust accounts solely in the interest of the program enrollees as follows:

(1) For the exclusive purposes of providing benefits to program enrollees and defraying reasonable expenses of administering the program.

(2) By investing with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character and with like aims.

(e) The board, subject to its authority and fiduciary duty, and in consultation with the advisory workgroup established pursuant to Section 18997.54, shall administer the program and the funds appropriated for the program in alignment with the intent of the Legislature to create opportunities, economic autonomy, and hope, and to promote wealth and asset building for an eligible child and eligible youth to address California's record levels of inequality.

(f) The HOPE trust accounts are an instrumentality of the state. Any security issued, managed, or invested by the board within the HOPE trust accounts on behalf of a program enrollee shall be exempt from Sections 25110, 25120, and 25130 of the Corporations Code.

(g) To achieve the functions specified in this section, the board shall have the power and authority to do all of the following:

(1) Make and enter into contracts necessary for the administration of the program.

(2) Adopt a seal and change and amend it from time to time.

(3) Cause moneys in the HOPE trust accounts to be held and invested and reinvested.

(4) (A) Accept any grants, gifts, legislative appropriation, and other moneys from the state, any unit of federal, state, or local government, or

any other person, firm, partnership, philanthropic entity, or corporation for deposit to the HOPE Trust Account Fund.

(B) The board shall provide a way for grants, gifts, appropriations or other moneys to the HOPE Trust Account Program to be made in any amount and with the ability to have the funds targeted to specific subgroups, as defined by the entity giving, granting, or appropriating the funds, provided that they are not limited in such a way that would conflict with the intent of the Legislature in establishing the program.

(5) The Treasurer shall, on behalf of the board, appoint an executive director, who shall not be a member of the board and who shall serve at the pleasure of the Treasurer. The Treasurer shall determine the duties of the executive director and other staff, as appropriate, and set their compensation. The board may authorize the executive director to enter into contracts on behalf of the board or conduct any business necessary for the efficient operation of the board.

(6) Make provisions for the payment of costs of administration and operation of the program.

(7) Employ staff.

(8) Retain and contract with private financial institutions, other financial and service providers, consultants, actuaries, counsel, auditors, third-party administrators, and other professionals, as necessary.

(9) Procure insurance against any loss in connection with the property, assets, or activities of the trust.

(10) Procure insurance indemnifying each member of the board from personal loss or liability resulting from a member's action or inaction as a member of the board.

(11) Cause expenses incurred to initiate, implement, maintain, and administer the program to be paid from deposits to, or investment returns or assets of, the program or arrangements established under the program, to the extent permitted under state and federal law.

(12) Carry out the duties and obligations of the program pursuant to this chapter and exercise any and all other powers as appropriate for the effectuation of the purposes, objectives, and provisions of this chapter pertaining to the program.

(h) The board may adopt regulations to implement this chapter consistent with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

18997.53. (a) The California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, except for moneys derived from the federal American Rescue Plan Act of 2021 (Public Law 117-2), moneys in the fund shall be continuously appropriated, without regard to fiscal years, to the HOPE Trust Account Program Board for implementation of the program.

(b) (1) The Treasurer may do both of the following:

(A) Invest moneys in the fund that are not required for its current needs in the eligible securities specified in Section 16430 of the Government Code.

(B) Deposit moneys in the fund for investment in the Surplus Money Investment Fund pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

(2) Notwithstanding Section 16305.7 of the Government Code, all interest or other increment resulting from the investment or deposit of moneys from the fund shall be deposited in the fund. Moneys in the fund shall not be subject to transfer to any other funds pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except to the Surplus Money Investment Fund.

(c) Moneys in the fund shall be used to establish HOPE trust accounts for an eligible child and to provide initial deposits and any future deposits into the accounts.

(d) Of the total moneys continuously appropriated for purposes of the program, up to 5 percent shall be available to administer the HOPE Trust Account program, including the costs associated with convening the advisory committee and reporting to the Legislature. The board shall submit a written annual expenditure plan detailing proposed uses of funding to the Department of Finance and the Joint Legislative Budget Committee by October 1 of every year. To the extent the board's administrative costs will or are projected to exceed 5 percent, the board shall submit a written request, in addition to the annual expenditure plan, for the release of additional funding for administrative costs and the necessity to exceed 5 percent to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance may provide funds for administration of the program that exceed 5 percent, not sooner than 30 days after notifying, in writing, the Joint Legislative Budget Committee, or any lesser time determined by the chairperson of the joint committee, or the chairperson's designee.

(e) All assets of the fund and moneys allocated to individual HOPE trust accounts shall be considered to be owned by the state until an eligible youth withdraws or transfers money from their HOPE trust account.

(f) To the extent allowed under federal law, because it shall be considered an asset of the state until withdrawn or transferred by an eligible youth, all of the following apply to funds deposited and investment returns accrued in a HOPE trust account established pursuant to this chapter:

(1) It is nontransferable to any person other than the eligible youth, and only as permitted pursuant to this chapter.

(2) It shall not be pledged as collateral for any loan.

(3) It may be subject to a lien.

18997.54. (a) On or before February 1, 2023, the Treasurer shall convene the California Hope, Opportunity, Perseverance and Empowerment (HOPE) Advisory Workgroup to work in coordination with the board on the program design, including, but not limited to, data sharing with relevant governmental agencies and departments, outreach to families of an eligible child and to eligible youth, and the process for program enrollment and continuous measurement of outcomes of the HOPE trust accounts.

(b) The advisory workgroup shall invite participation in the workgroup from the following entities:

(1) Representatives from the California Health and Human Services Agency, the State Department of Social Services, the State Department of Public Health, the State Department of Health Care Services, and the Department of Corrections and Rehabilitation.

(2) Community stakeholders with knowledge and experience in poverty alleviation, youth development, access to banking for underbanked individuals, asset building, race-wealth gap, consumer protections, and wealth coaching.

(3) Representatives of county human services agencies.

(4) The exclusive representatives of county child welfare workers.

(5) Tribal leaders and representatives of tribal service providers, tribal advocates, and tribal members.

(6) Representatives of the foster youth advocacy community with personal experience in the foster system.

(c) The workgroup shall specifically focus on, but need not be limited to, all of the following:

(1) Who is included as an “eligible child” and “eligible youth” under this chapter, including the ability to include individuals without social security numbers or individual tax identification numbers, the responsible agency for determining eligibility, and estimates of likely program enrollees by year.

(2) Necessary available data and data sharing agreements needed between government entities to meet the requirements of this chapter.

(3) Application of appropriate privacy protections under state and federal law in the identification of, and outreach to, an eligible child and eligible youth.

(4) Acceptable investment products, strategies, risk guidelines, and management requirements to ensure a balance between safety of the principal, liquidity, and expected yield or return.

(5) Actuarial estimates of the amount of investment per program enrollee and the range of financial outcomes.

(6) Effective outreach strategies to ensure accounts are established for the maximum amount of children who may be an eligible child and moneys are drawn down by eligible youth when available.

(7) Determination of necessary administrative components, such as information technology services, recordkeeping, and other services, as well as the ability to use state agency resources or the need for third-party administrators.

(8) Additional areas determined as critical to the implementation of the program, as identified during the course of the workgroup.

(9) Timelines for implementation of this chapter.

(d) The advisory workgroup may consult with additional experts, as necessary, to inform their recommendations.

18997.55. On or before February 1, 2024, the board shall submit a report to the Department of Finance and the Legislature, pursuant to Section 9795 of the Government Code, that includes, at a minimum, recommendations of the board on all of the following:

(a) A detailed plan for implementing the program and establishing and maintaining HOPE trust accounts for an eligible child or eligible youth that maximizes their participation and their autonomous wealth-building capacity.

(b) The anticipated number of HOPE trust accounts to be opened and initial deposit amounts.

(c) A description of the efforts to be used to solicit philanthropic or nonstate moneys to support the program.

(d) Further statutory and budget allocations.

SEC. 58. Section 106 of Chapter 73 of the Statutes of 2021 is amended to read:

SECTION 106. (a) The total sum of eight hundred twenty-two million four hundred thousand dollars (\$822,400,000) is hereby appropriated from the General Fund and the Toxic Substances Control Account established pursuant to Section 25173.6 of the Health and Safety Code to the Department of Toxic Substances Control to be released according to the following schedule and for the following purposes:

(1) (A) For the 2021–22 fiscal year, four hundred thirty-one million four hundred thousand dollars (\$431,400,000).

(B) Of the amount specified in subparagraph (A), three hundred million dollars (\$300,000,000) shall be allocated from the General Fund for the following:

(i) The discovery, cleanup, and investigation of contaminated properties with a priority on sites that are in communities with high cumulative environmental burdens and proximity to sensitive receptors. The Department of Toxic Substances Control shall, to the extent feasible, require the use of community benefit agreements for those sites where a responsible party has been identified and is available.

(ii) A grant program, modeled after the grant program established under Section 9604(k) of Title 42 of the United States Code, to fund response actions, as defined by Section 25323.3 of the Health and Safety Code, at brownfield sites.

(iii) A job and development training program prioritizing local hires to promote public health and community engagement, promote equity and environmental justice, and support the local economy.

(iv) A program to provide technical assistance grants to groups of individuals in communities impacted by a release or a potential release of a hazardous material. The goal of these grants is to provide community members with technical information to understand and contribute to response actions that comply with applicable laws. The Department of Toxic Substances Control may award the grants to pay for any of the following:

(I) A qualified, independent entity to assist in the creation or interpretation of information on the nature of the hazard or potential hazard of a release or potential release of a hazardous material.

(II) A qualified, independent entity to assist in the interpretation of information produced as part of a site investigation or as part of any other type of response action for a release or potential release, including the operation and maintenance of a response action.

(III) A qualified, independent entity to conduct confirmation sampling related to a release or potential release of a hazardous material.

(v) To assist in the development of a forum that represents communities across California impacted by the Department of Toxic Substances Control's programs and activities and to provide environmental justice advice, consultation, and recommendations to the Director of Toxic Substances Control and the Board of Environmental Safety.

(vi) To implement Section 25135 of the Health and Safety Code in the 2021–22 fiscal year.

(C) Of the amount specified in subparagraph (A), the Director of Finance may transfer up to one hundred thirty-one million four hundred thousand dollars (\$131,400,000) as a loan from the General Fund to the Toxic Substances Control Account. The loaned moneys are hereby appropriated in that same amount from the account for use by the Department of Toxic Substances Control for the following purposes:

(i) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(ii) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(2) (A) For the 2022–23 fiscal year, two hundred million dollars (\$200,000,000).

(B) Of the amount specified in subparagraph (A), one hundred million dollars (\$100,000,000) shall be allocated from the General Fund for the following:

(i) The discovery, cleanup, and investigation of contaminated properties with a priority on sites that are in communities with high cumulative environmental burdens and proximity to sensitive receptors. The Department of Toxic Substances Control shall, to the extent feasible, require the use of community benefit agreements for those sites where a responsible party has been identified and is available.

(ii) A grant program, modeled after the grant program established under Section 9604(k) of Title 42 of the United States Code, to fund response actions, as defined by Section 25323.3 of the Health and Safety Code, at brownfield sites.

(C) Of the amount specified in subparagraph (A), the Director of Finance may transfer up to one hundred million dollars (\$100,000,000) as a loan from the General Fund to the Toxic Substances Control Account. The loaned moneys are hereby appropriated in that same amount from the account for use by the Department of Toxic Substances Control for the following purposes:

(i) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(ii) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(3) (A) For the 2023–24 fiscal year, one hundred ninety-one million dollars (\$191,000,000).

(B) Of the amount specified in subparagraph (A), one hundred million dollars (\$100,000,000) shall be allocated from the General Fund for the following:

(i) The discovery, cleanup, and investigation of contaminated properties with a priority on sites that are in communities with high cumulative environmental burdens and proximity to sensitive receptors. The Department of Toxic Substances Control shall, to the extent feasible, require the use of community benefit agreements for those sites where a responsible party has been identified and is available.

(ii) A grant program, modeled after the grant program established under Section 9604(k) of Title 42 of the United States Code, to fund response actions, as defined by Section 25323.3 of the Health and Safety Code, at brownfield sites.

(C) Of the amount specified in subparagraph (A), the Director of Finance may transfer up to ninety-one million dollars (\$91,000,000) as a loan from the General Fund to the Toxic Substances Control Account. The loaned moneys are hereby appropriated in that same amount from the account for use by the Department of Toxic Substances Control for the following purposes:

(i) Activities related to the cleanup and investigation of properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(ii) Notwithstanding Section 25173.6 of the Health and Safety Code, job training activities related to the cleanup and investigation of the properties contaminated with lead in the communities surrounding the former Exide Technologies facility in the City of Vernon.

(b) (1) All funds recovered from potentially responsible parties for the former Exide Technologies facility in the City of Vernon shall be used to repay the loans made pursuant to subdivision (a). If the amount of moneys received from the cost recovery efforts is insufficient to fully repay the loans made pursuant to subdivision (a), the Director of Finance may forgive any remaining balance if, at least 90 days before forgiving any balance, the Director of Finance submits a notification to the Joint Legislative Budget Committee.

(2) Notwithstanding any other law, the funding appropriated in this subdivision shall be available for encumbrance for three fiscal years after the fiscal year in which the funds are released.

(c) The Department of Toxic Substances Control may review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth in this section. Any guidelines or terms adopted pursuant to this subdivision



are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) It is the intent of the Legislature that the funds appropriated pursuant to subdivision (a) be used to decrease environmental burdens on disadvantaged communities and not create an increased obligation to the state to fund the cleanup of orphan sites.

(e) The Board of Environmental Safety shall conduct an analysis of the expenditure of funds allocated by the Department of Toxic Substances Control for the purposes specified in subparagraph (B) of paragraph (1) of, subparagraph (B) of paragraph (2) of, and subparagraph (B) of paragraph (3) of, subdivision (a), on an annual basis until the funds have been entirely liquidated by the Department of Toxic Substances Control. This analysis shall include the subsequent uses of the sites that have undergone investigation or cleanup in order to make recommendations to the Legislature on future expenditures of state funds for cleanup. In its analysis, the board shall also evaluate the public health benefits that those investigations or cleanups have created for the communities in which the sites are located.

(f) This section does not expand any obligation of the state to provide resources for cleanup of orphan sites beyond the funds appropriated in subdivision (a).

(g) (1) Until July 1, 2025, an agency administering moneys appropriated under this section may authorize advance payments of those moneys in accordance with Section 11019.1 of the Government Code.

(2) Paragraph (1) shall not apply to moneys appropriated in subparagraph (C) of paragraph (1) of subdivision (a).

SEC. 59. The General Fund loan provided to pay for the cost of the FISCal system in the amount of thirty-seven million six hundred fifty thousand dollars (\$37,650,000), pursuant to Section 38 of Chapter 751 of the Statutes of 2008 (former Section 15849.28 of the Government Code), is forgiven.

SEC. 60. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 61. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 62. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article

IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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