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July 30, 2024

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In a letter dated July 15, 2024, you notified the Joint Legislative Budget Committee, pursuant to Item 8880-001-0001, Provision 4 in the *Budget Act of 2024*, of a request from the Department of Financial Information System for California (FI\$Cal) to increase its Statewide Systems Development appropriation to fund the integration of the state's accounting Book of Record (BOR) into the FI\$Cal System. Specifically, FI\$Cal is requesting \$28,768,000 General Fund and six positions in 2024-25, and \$1,096,000 and six positions in 2025-26, ongoing, to help facilitate the work.

Government Code section 11860 requires the state's BOR to be transferred from the State Controller's Office legacy system to FI\$Cal by July 1, 2026. Once FI\$Cal becomes the official BOR, it will create work-load efficiencies during reconciliation, processing of transactions and year-end closeout activities that will improve the ability of state departments to submit timely financial statements. Ultimately, FI\$Cal will enable the state to combine all accounting, budgeting, cash flow and procurement operations into a single financial management system. This will increase transparency, oversight and accuracy of the state's fiscal activities.

The requested appropriation will provide the Administration with the budgetary support necessary to complete another important step in the implementation of FI\$Cal, therefore, I concur with the

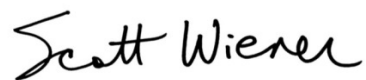
Mr. Joe Stephenshaw

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proposed augmentation. In addition, I approve your request to waive the remainder of the 30-day review period, in order to allow FISCAL to meet its contracting deadlines.

Sincerely,

A handwritten signature in black ink that reads "Scott Wiener". The signature is written in a cursive, flowing style.

Scott Wiener
Chair

cc: Members of the Joint Legislative Budget Committee