

## 8860 Department of Finance

By statute, the Director of Finance serves as the Governor's chief fiscal policy advisor and promotes long-term economic sustainability and responsible resource allocation.

The primary functions of the Department of Finance are to:

- Prepare, explain, and administer the annual financial plan for the state.
- Establish fiscal policies for all state departments.
- Analyze proposed legislation for fiscal and policy impacts.
- Monitor and audit expenditures by state departments to ensure compliance with the law, approved standards, and policies.
- Analyze the fiscal impact of information technology projects.

### 3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
6770 State Budget	174.0	182.1	186.1	\$32,604	\$35,594	\$35,667
6775 Financial Information System for California (FI\$Cal) Project Support	16.2	17.0	17.0	2,843	3,067	3,323
6780 State Audits and Evaluations	73.0	85.2	85.2	11,107	14,576	15,759
6785 Statewide Accounting Policies, Consulting and Training	49.4	54.7	54.7	7,607	9,051	9,334
6790 Department of Justice Legal Services	-	-	-	460	629	629
6800 Local Government Audits and Review	46.0	56.7	45.7	9,378	12,378	11,126
9900100 Administration	57.7	59.4	59.4	7,951	8,298	8,447
9900200 Administration - Distributed	-	-	-	-7,951	-8,298	-8,447
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>416.3</b>	<b>455.1</b>	<b>448.1</b>	<b>\$63,999</b>	<b>\$75,295</b>	<b>\$75,838</b>
<b>FUNDING</b>				<b>2014-15*</b>	<b>2015-16*</b>	<b>2016-17*</b>
0001 General Fund				\$30,217	\$36,639	\$37,662
0494 Other - Unallocated Special Funds				987	684	-
0797 Unallocated Bond Funds - Select				174	39	-
0988 Other - Unallocated Non-Governmental Cost Funds				291	1,531	-
0995 Reimbursements				17,173	19,103	18,626
9740 Central Service Cost Recovery Fund				15,157	17,299	19,550
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$63,999</b>	<b>\$75,295</b>	<b>\$75,838</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code Section 13000.

#### PROGRAM AUTHORITY

6770-State Budget:

Article IV, Section 12 of the State Constitution; Government Code Sections 13070, 13073-13075, 13335 and 13337.

6775-Financial Information System for California (FI\$Cal) Project Support:

Government Code Sections 11860 and 13300.

6780-State Audits and Evaluations:

Government Code Sections 13070-13071, 13076-13077, and 13291-13296.

6785-Statewide Accounting Policies, Consulting and Training:

Government Code Sections 13031, 13070, 13300, 13301, 13306, 13310, and 13344.

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

## 8860 Department of Finance - Continued

6800-Local Government Audits and Review:

Health and Safety Code Sections 34176-34176.5, 34177-34178, 34179, 34179.6, 34179.8, 34189.1, and 34191.1-34191.5.

9900100-Administration:

Government Code Section 13005.

### DETAILED BUDGET ADJUSTMENTS

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Workload Budget Change Proposals</b>						
• Evaluation of Board of Equalization's Sales and Use Tax Compliance and Enforcement Activities	\$-	\$-	-	\$750	\$-	-
• Zero-Based Budgeting Activities	-	-	-	500	-	-
<b>Totals, Workload Budget Change Proposals</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$1,250</b>	<b>\$-</b>	<b>-</b>
<b>Other Workload Budget Adjustments</b>						
• Expenditure by Category Redistribution	\$1,382	\$338	-	\$1,382	\$338	-
• Salary Adjustments	466	542	-	466	542	-
• Benefit Adjustments	235	275	-	298	348	-
• Retirement Rate Adjustments	171	181	-	171	181	-
• Miscellaneous Baseline Adjustments	-	-	-	10	-553	-7.0
• Legislation with an Appropriation	300	-	-	-	-	-
• Budget Position Transparency	-1,382	-338	-21.0	-1,382	-338	-21.0
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$1,172</b>	<b>\$998</b>	<b>-21.0</b>	<b>\$945</b>	<b>\$518</b>	<b>-28.0</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$1,172</b>	<b>\$998</b>	<b>-21.0</b>	<b>\$2,195</b>	<b>\$518</b>	<b>-28.0</b>
<b>Totals, Budget Adjustments</b>	<b>\$1,172</b>	<b>\$998</b>	<b>-21.0</b>	<b>\$2,195</b>	<b>\$518</b>	<b>-28.0</b>

### PROGRAM DESCRIPTIONS

#### 6770 - STATE BUDGET

To ensure the financial integrity of the state through the planned allocation of state resources, the Department of Finance advises the Governor on the fiscal condition of the state and prepares the annual Governor's Budget. The Governor's Budget contains past year actual expenditures and revenues, current year estimated expenditures and revenues, and proposed expenditures and estimated revenues for the next fiscal year. After the budget is enacted, the Department of Finance assists in the administration of the budget. The Department of Finance also conducts performance reviews of state agencies and programs, recommends ways to lower the costs of state government and to better serve the public within existing resources, and provides fiscal analyses of bills introduced in the Legislature and makes recommendations to the Governor. Basic and applied economic and tax research functions support the revenue estimates required for the development of the state financial plan, for the analysis of financial legislation, and the evaluation of economic trends or other fiscal developments which affect the state. Basic and applied demographic research functions provide data to support the workload estimates of state agencies.

#### 6775 - FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI\$Cal) PROJECT SUPPORT

The Department of Finance is one of four partner agencies responsible for the development, implementation, utilization, and maintenance of an integrated statewide financial management system, FI\$Cal. This program includes Department of Finance subject-matter experts assigned to the FI\$Cal Project.

#### 6780 - STATE AUDITS AND EVALUATIONS

The Department of Finance systematically reviews and evaluates state-administered and financed programs. The Office of State Audits and Evaluations assists the Director of Finance in fulfilling the statutory responsibilities for supervision over all matters concerning the financial and business policies of the state by conducting financial audits and by performing critical examinations of state programs and policies.

#### 6785 - STATEWIDE ACCOUNTING POLICIES, CONSULTING AND TRAINING

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## 8860 Department of Finance - Continued

The Statewide Accounting Policies, Consulting and Training Unit sets statewide accounting policies and procedures. The unit provides fiscal consulting and training services to departments to help ensure that the state's assets are protected and accurate, and timely financial information is maintained. The unit maintains a uniform and complete accounting system for state departments and participates in the development of other statewide financial systems.

### 6800 - LOCAL GOVERNMENT AUDITS AND EVALUATIONS

The Department of Finance is responsible for the oversight activities associated with the dissolution of redevelopment agencies. To facilitate this effort, the Department of Finance established a Local Government Unit whose objective is to protect core public services and ensure proper collection of former redevelopment agency tax increment and liquidation of property assets for distribution to local taxing entities.

#### DETAILED EXPENDITURES BY PROGRAM

		<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>6770</b>	<b>STATE BUDGET</b>			
	<b>State Operations:</b>			
0001	General Fund	\$16,594	\$18,794	\$18,792
0995	Reimbursements	2,997	2,850	2,600
9740	Central Service Cost Recovery Fund	<u>13,013</u>	<u>13,950</u>	<u>14,275</u>
	<b>Totals, State Operations</b>	<b>\$32,604</b>	<b>\$35,594</b>	<b>\$35,667</b>
<b>SUBPROGRAM REQUIREMENTS</b>				
<b>6770010</b>	<b>Preparation</b>			
	<b>State Operations:</b>			
0001	General Fund	\$6,335	\$8,388	\$8,623
9740	Central Service Cost Recovery Fund	<u>4,964</u>	<u>6,107</u>	<u>6,084</u>
	<b>Totals, State Operations</b>	<b>\$11,299</b>	<b>\$14,495</b>	<b>\$14,707</b>
<b>SUBPROGRAM REQUIREMENTS</b>				
<b>6770019</b>	<b>Enactment</b>			
	<b>State Operations:</b>			
0001	General Fund	\$2,996	\$3,798	\$3,752
9740	Central Service Cost Recovery Fund	<u>2,353</u>	<u>2,867</u>	<u>2,836</u>
	<b>Totals, State Operations</b>	<b>\$5,349</b>	<b>\$6,665</b>	<b>\$6,588</b>
<b>SUBPROGRAM REQUIREMENTS</b>				
<b>6770028</b>	<b>Support and Direction</b>			
	<b>State Operations:</b>			
0001	General Fund	\$4,519	\$3,579	\$3,290
0995	Reimbursements	2,997	2,850	2,600
9740	Central Service Cost Recovery Fund	<u>3,544</u>	<u>2,680</u>	<u>2,964</u>
	<b>Totals, State Operations</b>	<b>\$11,060</b>	<b>\$9,109</b>	<b>\$8,854</b>
<b>SUBPROGRAM REQUIREMENTS</b>				
<b>6770037</b>	<b>Legislation and Intergovernmental Relations</b>			
	<b>State Operations:</b>			
0001	General Fund	\$2,744	\$3,029	\$3,127
9740	Central Service Cost Recovery Fund	<u>2,152</u>	<u>2,296</u>	<u>2,391</u>
	<b>Totals, State Operations</b>	<b>\$4,896</b>	<b>\$5,325</b>	<b>\$5,518</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>6775</b>	<b>FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI\$CAL) PROJECT SUPPORT</b>			
	<b>State Operations:</b>			
0995	Reimbursements	<u>2,843</u>	<u>3,067</u>	<u>3,323</u>
	<b>Totals, State Operations</b>	<b>\$2,843</b>	<b>\$3,067</b>	<b>\$3,323</b>

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## 8860 Department of Finance - Continued

		<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
	<b>PROGRAM REQUIREMENTS</b>			
<b>6780</b>	<b>STATE AUDITS AND EVALUATIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$2,529	\$3,658	\$4,515
0995	Reimbursements	6,636	8,161	8,404
9740	Central Service Cost Recovery Fund	<u>1,942</u>	<u>2,757</u>	<u>2,840</u>
	<b>Totals, State Operations</b>	<b>\$11,107</b>	<b>\$14,576</b>	<b>\$15,759</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>6785</b>	<b>STATEWIDE ACCOUNTING POLICIES, CONSULTING AND TRAINING</b>			
	<b>State Operations:</b>			
0001	General Fund	\$1,458	\$1,450	\$2,870
0494	Other - Unallocated Special Funds	987	684	-
0797	Unallocated Bond Funds - Select	174	39	-
0988	Other - Unallocated Non-Governmental Cost Funds	291	1,531	-
0995	Reimbursements	4,697	5,025	4,299
9740	Central Service Cost Recovery Fund	<u>-</u>	<u>322</u>	<u>2,165</u>
	<b>Totals, State Operations</b>	<b>\$7,607</b>	<b>\$9,051</b>	<b>\$9,334</b>
	<b>SUBPROGRAM REQUIREMENTS</b>			
<b>6785019</b>	<b>CALSTARS</b>			
	<b>State Operations:</b>			
0995	Reimbursements	<u>4,512</u>	<u>4,464</u>	<u>4,236</u>
	<b>Totals, State Operations</b>	<b>\$4,512</b>	<b>\$4,464</b>	<b>\$4,236</b>
	<b>SUBPROGRAM REQUIREMENTS</b>			
<b>6785055</b>	<b>Fiscal Systems and Consulting</b>			
	<b>State Operations:</b>			
0001	General Fund	\$1,458	\$1,450	\$2,870
0494	Other - Unallocated Special Funds	987	684	-
0797	Unallocated Bond Funds - Select	174	39	-
0988	Other - Unallocated Non-Governmental Cost Funds	291	1,531	-
0995	Reimbursements	185	561	63
9740	Central Service Cost Recovery Fund	<u>-</u>	<u>322</u>	<u>2,165</u>
	<b>Totals, State Operations</b>	<b>\$3,095</b>	<b>\$4,587</b>	<b>\$5,098</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>6790</b>	<b>DEPARTMENT OF JUSTICE LEGAL SERVICES</b>			
	<b>State Operations:</b>			
0001	General Fund	\$258	\$359	\$359
9740	Central Service Cost Recovery Fund	<u>202</u>	<u>270</u>	<u>270</u>
	<b>Totals, State Operations</b>	<b>\$460</b>	<b>\$629</b>	<b>\$629</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>6800</b>	<b>LOCAL GOVERNMENT AUDITS AND REVIEW</b>			
	<b>State Operations:</b>			
0001	General Fund	<u>\$9,378</u>	<u>\$12,378</u>	<u>\$11,126</u>
	<b>Totals, State Operations</b>	<b>\$9,378</b>	<b>\$12,378</b>	<b>\$11,126</b>
	<b>SUBPROGRAM REQUIREMENTS</b>			
<b>9900100</b>	<b>Administration</b>			
	<b>State Operations:</b>			
0001	General Fund	\$7,951	\$8,298	\$8,447

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## 8860 Department of Finance - Continued

		2014-15*	2015-16*	2016-17*
Totals, State Operations		\$7,951	\$8,298	\$8,447
<b>SUBPROGRAM REQUIREMENTS</b>				
9900200	Administration - Distributed			
State Operations:				
0001	General Fund	-\$7,951	-\$8,298	-\$8,447
Totals, State Operations		-\$7,951	-\$8,298	-\$8,447
<b>TOTALS, EXPENDITURES</b>				
State Operations		63,999	75,295	75,838
Totals, Expenditures		\$63,999	\$75,295	\$75,838

## EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
PERSONAL SERVICES						
Baseline Positions	476.1	476.1	476.1	\$42,084	\$42,860	\$42,860
Budget Position Transparency	-	-21.0	-21.0	-	-1,720	-1,720
Total Adjustments	-59.8	-	-7.0	-3,876	257	1,289
<b>Net Totals, Salaries and Wages</b>	<b>416.3</b>	<b>455.1</b>	<b>448.1</b>	<b>\$38,208</b>	<b>\$41,397</b>	<b>\$42,429</b>
Staff Benefits	-	-	-	16,262	18,120	18,763
<b>Totals, Personal Services</b>	<b>416.3</b>	<b>455.1</b>	<b>448.1</b>	<b>\$54,470</b>	<b>\$59,517</b>	<b>\$61,192</b>
OPERATING EXPENSES AND EQUIPMENT				\$9,529	\$15,778	\$14,646
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$63,999</b>	<b>\$75,295</b>	<b>\$75,838</b>

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$28,385	\$35,467	\$37,662
Allocation for employee compensation	403	466	-
Allocation for staff benefits	183	235	-
Budget Position Transparency	-	-1,382	-
Current Service Level Technical Adjustment	-4	-	-
Expenditure by Category Redistribution	-	1,382	-
Salaries and Wages Technical Adjustment	1	-	-
Section 3.60 pension contribution adjustment	643	171	-
Chapter 322, Statutes of 2015	-	300	-
Prior Year Balances Available:			
Chapter 26, Statutes of 2012	7,523	-	-
Current Service Level Technical Adjustment	-1	-	-
<b>Totals Available</b>	<b>\$37,133</b>	<b>\$36,639</b>	<b>\$37,662</b>
Unexpended balance, estimated savings	-6,916	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$30,217</b>	<b>\$36,639</b>	<b>\$37,662</b>
0494 Other - Unallocated Special Funds			
APPROPRIATIONS			
011 Budget Act appropriation	\$950	\$658	-

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## 8860 Department of Finance - Continued

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
Allocation for employee compensation	14	15	-
Allocation for staff benefits	4	7	-
Current Service Level Technical Adjustment	-1	-	-
Section 3.60 pension contribution adjustment	<u>20</u>	<u>4</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$987</b>	<b>\$684</b>	<b>\$-</b>
<b>0797 Unallocated Bond Funds - Select</b>			
APPROPRIATIONS			
011 Budget Act appropriation	\$167	\$38	-
Allocation for employee compensation	2	1	-
Allocation for staff benefits	1	-	-
Section 3.60 pension contribution adjustment	<u>4</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$174</b>	<b>\$39</b>	<b>\$-</b>
<b>0988 Other - Unallocated Non-Governmental Cost Funds</b>			
APPROPRIATIONS			
011 Budget Act appropriation	\$279	\$1,470	-
Allocation for employee compensation	5	35	-
Allocation for staff benefits	1	17	-
Section 3.60 pension contribution adjustment	<u>6</u>	<u>9</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$291</b>	<b>\$1,531</b>	<b>\$-</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	<u>\$17,173</u>	<u>\$19,103</u>	<u>\$18,626</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$17,173</b>	<b>\$19,103</b>	<b>\$18,626</b>
<b>9740 Central Service Cost Recovery Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$16,020	\$16,829	\$19,550
Allocation for employee compensation	245	257	-
Allocation for staff benefits	83	128	-
Budget Position Transparency	-	-338	-
Current Service Level Technical Adjustment	6	-	-
Expenditure by Category Redistribution	-	338	-
Section 3.60 pension contribution adjustment	<u>359</u>	<u>85</u>	<u>-</u>
<b>Totals Available</b>	<b>\$16,713</b>	<b>\$17,299</b>	<b>\$19,550</b>
Unexpended balance, estimated savings	<u>-1,556</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$15,157</b>	<b>\$17,299</b>	<b>\$19,550</b>
<b>Total Expenditures, All Funds, (State Operations)</b>	<b>\$63,999</b>	<b>\$75,295</b>	<b>\$75,838</b>

## CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
<b>Baseline Positions</b>	476.1	476.1	476.1	\$42,084	\$42,860	\$42,860
Budget Position Transparency	-	-21.0	-21.0	-	-1,720	-1,720
<b>Salary and Other Adjustments</b>	-59.8	-	-7.0	-3,876	257	608
<b>Workload and Administrative Adjustments</b>						
<b>Evaluation of Board of Equalization's Sales and Use Tax Compliance and Enforcement Activities</b>						
Various	-	-	-	-	-	409
<b>Zero-Based Budgeting Activities</b>						
Various	-	-	-	-	-	272

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**8860 Department of Finance - Continued**

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
TOTALS, WORKLOAD AND ADMINISTRATIVE ADJUSTMENTS	-	-	-	\$-	\$-	\$681
Totals, Adjustments	-59.8	-21.0	-28.0	-\$3,876	-\$1,463	-\$431
TOTALS, SALARIES AND WAGES	416.3	455.1	448.1	\$38,208	\$41,397	\$42,429

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