8860   Department of Finance

By statute, the Director of Finance serves as the Governor's chief fiscal policy advisor with emphasis on the financial integrity of the state and maintenance of a fiscally sound and responsible Administration.

The objectives of the Department of Finance are:

- To prepare, present, and support the annual financial plan for the state.
- To assure responsible and responsive state resource allocation within resources available.
- To foster efficient and effective state structure, processes, programs, and performance.
- To ensure integrity in state fiscal databases and systems.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

		Positions			Expenditures		
		2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10	Annual Financial Plan	142.6	145.3	135.2	$18,657	$20,976	$21,081
15	Statewide Systems Development	-	-	142.7	-	-	37,941
20	Program and Information System Assessments	96.7	115.7	99.2	12,251	14,032	12,401
30	Supportive Data	99.9	102.1	96.7	12,483	16,332	12,956
40.01	Administration	56.4	54.6	67.9	5,776	6,168	7,612
40.02	Distributed Administration	-	-	-	-5,776	-6,168	-7,612
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		**395.6**	**417.7**	**541.7**	**$43,391**	**$51,340**	**$84,379**

FUNDING					2005-06*	2006-07*	2007-08*
0001	General Fund				$31,832	$37,195	$68,773
0494	Other Unallocated Special Funds				-	-	587
0797	Unallocated Bonds Funds - Select				-	-	127
0988	Various Other Unallocated Non-Governmental Cost Funds				-	-	352
0995	Reimbursements				11,559	14,145	14,540
TOTALS, EXPENDITURES, ALL FUNDS					**$43,391**	**$51,340**	**$84,379**

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Section 13000.

PROGRAM AUTHORITY

10-Annual Financial Plan:

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

15-Statewide Systems Development:

Government Code Section 13300.

20-Program and Information System Assessments:

Government Code Sections 13070-13077 and 13291-13296.

30-Supportive Data:

Article IV, Section 12 of the State Constitution; Government Code Sections 13073, 13300-13301 and 13306.

40-Administration:

Government Code Section 13005.

MAJOR PROGRAM CHANGES

- FI$Cal Project - The Budget proposes $35.7 million General Fund and 237.7 positions to support the initial system implementation activities associated with the Financial Information System for California (FI$Cal) Project, an integrated statewide financial management system. The position distribution for agencies and departments participating in this collaborative effort are as follows: Department of Finance (156.2), State Controller's Office (36), State Treasurer's Office

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* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

(4), Department of General Services (18), Department of Personnel Administration (11.5), State Personnel Board (9), and the Department of Technology Services (3).

- Office of Technology Review, Oversight and Security (OTROS) - The budget proposes the transfer of $3,258,000 General Fund and 29.0 positions. The functions of technology review and oversight and 26 positions will transfer from OTROS to the Office of the Chief Information Officer established pursuant to Chapter 533/06.   The remaining 3 positions dedicated to security issues will be transferred to the State and Consumer Services Agency.

- Fiscal Systems and Consulting Unit - The Budget proposes $696,000 (multi-funded) and 5 positions to provide enhanced fiscal advice and consultation services to state agencies and to realign overall funding for the unit.

DETAILED BUDGET ADJUSTMENTS

	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Baseline Adjustment Descriptions						
• Office of Technology Review, Oversight and Security Reduction	$-	$-	-	-$3,258	$-	-27.7
• Budget Information System (BIS) Reappropriation	1,294	-	-	-	-	-
• Price Increase	-	-	-	151	59	-
• Other Baseline Adjustments	1,704	613	-	929	295	-2.9
Totals, Baseline Adjustments	**$2,998**	**$613**	**-**	**-$2,178**	**$354**	**-30.6**
Policy Adjustment Descriptions						
• Financial Information System for California (FI$Cal-- formerly BIS)	$-	$-	-	$35,657	$-	148.4
• Department of Finance Compensation	-	-	-	1,214	286	-
• California Department of Corrections and Rehabilitation Litigation Oversight and Coordination	-	-	-	132	-	1.0
• Fiscal Systems and Consulting Unit Premier Accounting	-	-	-	-249	945	4.8
• Bond Consolidation Resources	-	-	-	-	350	2.9
• Bond Staff Counsel	-	-	-	-	139	1.0
Totals, Policy Adjustments	**$-**	**$-**	**-**	**$36,754**	**$1,720**	**158.1**
TOTALS, BUDGET ADJUSTMENTS	**$2,998**	**$613**	**-**	**$34,576**	**$2,074**	**127.5**

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 ANNUAL FINANCIAL PLAN

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 provides fiscal analyses of bills introduced in the Legislature and makes recommendations to the Governor.

15 STATEWIDE SYSTEMS DEVELOPMENT

This program is responsible for the development, implementation, utilization, and maintenance of an integrated statewide financial management system, the Financial Information System for California (FI$Cal). This collaborative statewide effort will replace existing legacy financial systems and significantly improve California's financial management and administration processes. Through a partnership of the Department of Finance, the State Controller's Office, the State Treasurer's Office, and the Department of General Services, this "Next Generation" project will prepare the state systems and workforce to function in an integrated financial management system environment. The FI$Cal project will ensure best business practices by embracing opportunities to reengineer the state's business processes and will encompass the management of resources and dollars in the areas of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management and human resources management.

20 PROGRAM AND INFORMATION SYSTEM ASSESSMENTS

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. The Performance Review Unit conducts performance reviews of state agencies

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* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

and programs and recommends ways to lower the costs of state government and to better serve the public within existing resources.

30 SUPPORTIVE DATA

This program includes a variety of information systems and services. The budget support systems provide information to decision-makers throughout the budgetary process. The operation and management of the automated California State Accounting and Reporting System (CALSTARS) is intended to provide a uniform and complete accounting system for state agencies. The Fiscal Systems and Consulting Unit develops and maintains statewide fiscal and accounting policies and provides fiscal and accounting advice and consultation to all state departments. 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.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2005-06*	2006-07*	2007-08*
	PROGRAM REQUIREMENTS			
10	**ANNUAL FINANCIAL PLAN**			
	State Operations:			
0001	General Fund	$17,140	$19,196	$19,258
0995	Reimbursements	1,517	1,780	1,823
	Totals, State Operations	**$18,657**	**$20,976**	**$21,081**
	ELEMENT REQUIREMENTS			
10.10	**Preparation**	**$7,020**	**$7,956**	**$7,834**
	State Operations:			
0001	General Fund	7,020	7,956	7,834
10.20	**Enactment**	**$3,097**	**$3,507**	**$3,473**
	State Operations:			
0001	General Fund	3,097	3,507	3,473
10.30	**Support and Direction**	**$5,617**	**$6,263**	**$6,537**
	State Operations:			
0001	General Fund	4,100	4,483	4,714
0995	Reimbursements	1,517	1,780	1,823
10.40	**Legislation and Intergovernmental Relations**	**$2,923**	**$3,250**	**$3,237**
	State Operations:			
0001	General Fund	2,923	3,250	3,237
	PROGRAM REQUIREMENTS			
15	**STATEWIDE SYSTEMS DEVELOPMENT**			
	State Operations:			
0001	General Fund	$-	$-	$37,941
	Totals, State Operations	**$-**	**$-**	**$37,941**
	PROGRAM REQUIREMENTS			
20	**PROGRAM AND INFORMATION SYSTEM ASSESSMENTS**			
	State Operations:			
0001	General Fund	$6,755	$6,822	$5,062
0995	Reimbursements	5,496	7,210	7,339
	Totals, State Operations	**$12,251**	**$14,032**	**$12,401**
	ELEMENT REQUIREMENTS			
20.25	**Office of State Audits and Evaluations**	**$9,404**	**$10,781**	**$11,993**
	State Operations:			
0001	General Fund	3,958	3,895	4,654
0995	Reimbursements	5,446	6,886	7,339
20.28	**Performance Review**	**$369**	**$455**	**$408**

* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

		2005-06*	2006-07*	2007-08*
	State Operations:			
0001	General Fund	335	387	408
0995	Reimbursements	34	68	-
20.30	**Technology Oversight and Security**	**$2,478**	**$2,796**	**$-**
	State Operations:			
0001	General Fund	2,462	2,540	-
0995	Reimbursements	16	256	-
	PROGRAM REQUIREMENTS			
30	**SUPPORTIVE DATA**			
	State Operations:			
0001	General Fund	$7,937	$11,177	$6,512
0494	Other Unallocated Special Funds	-	-	587
0797	Unallocated Bond Funds - Select	-	-	127
0988	Various Other Unallocated Non-Governmental Cost Funds	-	-	352
0995	Reimbursements	4,546	5,155	5,378
	Totals, State Operations	**$12,483**	**$16,332**	**$12,956**
	ELEMENT REQUIREMENTS			
30.11	**Statewide and Departmental Fiscal Reporting**	**$2,805**	**$6,270**	**$2,129**
	State Operations:			
0001	General Fund	2,800	6,267	2,129
0995	Reimbursements	5	3	-
30.12	**CALSTARS**	**$5,516**	**$5,659**	**$5,442**
	State Operations:			
0001	General Fund	980	552	112
0995	Reimbursements	4,536	5,107	5,330
30.20	**Economic Research**	**$369**	**$376**	**$372**
	State Operations:			
0001	General Fund	369	376	372
30.30	**Revenue Estimating and Tax Research**	**$875**	**$888**	**$879**
	State Operations:			
0001	General Fund	875	888	879
30.40	**Demographic Research**	**$1,838**	**$1,810**	**$2,017**
	State Operations:			
0001	General Fund	1,833	1,805	2,012
0995	Reimbursements	5	5	5
30.50	**Fiscal Systems and Consulting**	**$1,080**	**$1,329**	**$2,117**
	State Operations:			
0001	General Fund	1,080	1,289	1,008
0494	Other Unallocated Special Funds	-	-	587
0797	Unallocated Bond Funds - Select	-	-	127
0988	Various Other Unallocated Non-Governmental Cost Funds	-	-	352
0995	Reimbursements	-	40	43
	TOTALS, EXPENDITURES			
	State Operations	43,391	51,340	84,379
	Totals, Expenditures	**$43,391**	**$51,340**	**$84,379**

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* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	395.6	436.8	433.8	$27,450	$30,412	$29,894
Total Adjustments	-	3.7	137.2	-	1,881	12,680
Estimated Salary Savings	-	-22.8	-29.3	-	-1,411	-1,778
Net Totals, Salaries and Wages	**395.6**	**417.7**	**541.7**	**$27,450**	**$30,882**	**$40,796**
Staff Benefits	-	-	-	8,747	10,076	14,622
Totals, Personal Services	**395.6**	**417.7**	**541.7**	**$36,197**	**$40,958**	**$55,418**
OPERATING EXPENSES AND EQUIPMENT				$7,194	$10,382	$28,961
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				**$43,391**	**$51,340**	**$84,379**

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	$33,392	$34,197	$30,832
Allocation for employee compensation	3	1,497	-
Adjustment per Section 3.60	-174	207	-
002 Budget Act appropriation	-	-	37,941
Prior year balances available:			
Item 8860-001-0001, Budget Act of 2005 as reappropriated by Item 8860-490, Budget Act of 2006	-	1,294	-
Totals Available	**$33,221**	**$37,195**	**$68,773**
Unexpended balance, estimated savings	-95	-	-
Balance available in subsequent years	-1,294	-	-
TOTALS, EXPENDITURES	**$31,832**	**$37,195**	**$68,773**
0494 Other Unallocated Special Funds			
APPROPRIATIONS			
011 Budget Act appropriation	-	-	$587
TOTALS, EXPENDITURES	**$-**	**$-**	**$587**
0797 Unallocated Bonds Funds - Select			
APPROPRIATIONS			
011 Budget Act appropriation	-	-	$127
TOTALS, EXPENDITURES	**$-**	**$-**	**$127**
0988 Various Other Unallocated Non-Governmental Cost Funds			
APPROPRIATIONS			
011 Budget Act appropriation	-	-	$352
TOTALS, EXPENDITURES	**$-**	**$-**	**$352**
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	$11,559	$14,145	$14,540
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	**$43,391**	**$51,340**	**$84,379**

CHANGES IN AUTHORIZED POSITIONS

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* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	395.6	436.8	433.8	$27,450	$30,412	$29,894
Salary Adjustments	-	-	-	-	1,617	1,370
Workload and Administrative Adjustments:				**Salary Range**		
Positions Established:						
Prin Prog Budget Analyst III	-	1.0	-	7,220-7,959	82	-
Staff Adm Anaylst-Acctg	-	2.0	-	4,912-5,926	153	-
Exec Asst	-	0.7	-	3,180-3,865	29	-
Reductions in Authorized Positions:						
Office of Technology Review, Oversight and Security:						
C.E.A. IV	-	-	-1.0	8,721-9,612	-	-115
DP Mgr IV	-	-	-2.0	7,568-8,344	-	-210
DP Mgr III	-	-	-8.0	6,884-7,589	-	-732
DP Mgr II	-	-	-16.0	5,657-6,875	-	-1,375
Ofc Tech (Typ)	-	-	-2.0	2,598-3,157	-	-67
Premium Pay	-	-	-	-	-	-67
Totals, Workload & Admin Adjustments	**-**	**3.7**	**-29.0**	**$-**	**$264**	**-$2,566**
Proposed New Positions:						
FI$Cal - Project						
Project Executive Unit						
C.E.A. IV	-	-	1.0	8,426-9,287	-	111
Supvng Mngmt Auditor	-	-	1.0	6,556-7,228	-	87
Adm Asst I	-	-	1.0	3,538-4,300	-	52
Technical Team:			-			
C.E.A. III	-	-	1.0	8,030-8,854	-	106
DP Mgr IV	-	-	2.0	7,568-8,344	-	200
C.E.A. II	-	-	1.0	7,302-8,051	-	97
DP Mgr III	-	-	1.0	6,884-7,589	-	91
Sr Programmer Analyst-Spec	-	-	1.0	5,388-6,548	-	79
Sr Info Systems Analyst	-	-	2.0	5,388-6,548	-	157
Sys Software Spec II	-	-	1.6	5,378-6,537	-	125
Staff Programmer Analyst	-	-	1.0	4,898-5,955	-	71
Staff Info Systems Analyst	-	-	2.4	4,898-5,955	-	172
Sys Software Spec I	-	-	1.0	4,897-5,954	-	71
Assoc Info Systems Analyst	-	-	4.0	4,467-5,431	-	261
Asst Info Systems Analyst	-	-	1.0	3,099-3,586	-	43
Project Administration:						
C.E.A. III	-	-	1.0	8,030-8,854	-	106
DP Mgr III	-	-	2.0	6,884-7,589	-	182
Acctg Administrator II	-	-	1.0	5,393-6,506	-	78
Sr Info Systems Analyst	-	-	4.0	5,388-6,548	-	314
Staff Serv Mgr I-Specialist	-	-	1.0	4,912-5,926	-	71
Staff Info Systems Analyst	-	-	1.6	4,899-5,955	-	114
Assoc Info Systems Analyst	-	-	0.8	4,467-5,431	-	52
Assoc Govtl Prog Analyst	-	-	0.8	4,255-5,172	-	50
Bus Svc Ofcr II-Spec	-	-	1.6	3,877-4,714	-	91
Exec Asst	-	-	0.8	3,180-3,865	-	37
Ofc Techn-Typing	-	-	0.8	2,598-3,157	-	30

* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Mgt Services Techn	-	-	0.8	2,413-2,934	-	28
Business Team:						
C.E.A. III	-	-	1.0	8,030-8,854	-	106
Staff Counsel III	-	-	1.5	7,682-9,478	-	171
C.E.A. II	-	-	1.0	7,302-8,051	-	97
Legis Consultants	-	-	2.0	7,220-7,959	-	191
DP Mgr III	-	-	1.0	6,884-7,589	-	91
C.E.A. I	-	-	1.0	5,768-7,324	-	88
Acctg Administrator II	-	-	1.5	5,393-6,506	-	117
Sr Adm Analyst-Supvr	-	-	0.5	5,393-6,506	-	39
Sr Adm Analyst-Spec	-	-	5.5	5,393-6,507	-	429
Staff Svcs Mgr II	-	-	3.5	5,393-6,506	-	273
Sr Info Systems Analyst	-	-	2.5	5,388-6,548	-	196
Staff Finance Budget Analyst	-	-	1.0	5,157-6,221	-	75
Staff Adm Analyst	-	-	4.5	4,912-5,926	-	320
Staff Info Systems Analyst	-	-	2.5	4,898-5,955	-	179
Acctg Administrator I	-	-	2.5	4,674-5,681	-	170
Sr Acctg Ofcr	-	-	1.5	4,255-5,172	-	93
Assoc Pers Analyst	-	-	1.0	4,255-5,172	-	62
Bus Svc Ofcr II-Spec	-	-	2.5	3,877-4,714	-	142
Legal Analyst	-	-	1.0	3,715-4,516	-	54
Legal Assistant	-	-	1.0	3,275-3,981	-	48
Exec Asst	-	-	0.5	3,180-3,865	-	23
Line Department Business Teams:						
Acctg Administrator III	-	-	3.0	6,556-7,228	-	260
Sr Adm Analyst-Spec	-	-	8.0	5,393-6,506	-	625
Staff Svcs Mgr II	-	-	5.0	5,393-6,506	-	390
Staff Adm Analyst	-	-	7.0	4,912-5,926	-	498
Sr Acctg Ofcr Spec	-	-	8.0	4,255-5,172	-	497
Bus Svc Ofcr II-Spec	-	-	3.0	3,877-4,714	-	170
FI$Cal - Department of Finance:						
Project Executive Unit:						
C.E.A. II	-	-	1.0	7,302-8,051	-	97
Technical Team:			-			
Sr Programmer Analyst-Supvr	-	-	1.0	5,658-6,876	-	82
Sr Programmer Analyst-Spec	-	-	1.0	5,388-6,548	-	78
Sr Adm Analyst	-	-	2.0	5,393-6,506	-	156
Staff Adm Analyst	-	-	4.0	4,912-5,926	-	284
Staff Programmer Analyst	-	-	3.0	4,898-5,955	-	214
Assoc Programmer Analyst	-	-	4.0	4,467-5,431	-	261
Business Team:						
Prin Prog Budget Analyst III	-	-	3.0	7,220-7,959	-	286
DP Mgr III	-	-	1.0	6,884-7,589	-	91
Sup Adm Analyst	-	-	1.0	6,556-7,228	-	87
Acctg Administrator II	-	-	1.0	5,393-6,506	-	78
Sr Adm Analyst	-	-	1.0	5,393-6,506	-	78
Staff Finance Budget Analyst	-	-	3.0	5,157-6,221	-	224
Staff Adm Analyst	-	-	5.0	4,912-5,926	-	356

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* Dollars in thousands, except in Salary Range.

8860   Department of Finance - Continued

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Program Administration:						
Staff Svcs Mgr II	-	-	1.6	5,393-6,506	-	125
Sr Acctg Officer	-	-	0.8	4,255-5,172	-	50
Assoc Govtl Prog Analyst	-	-	0.8	4,255-5,173	-	50
Assoc Bus Mgmt Analyst	-	-	1.6	4,255-5,174	-	99
Assoc Pers Analyst	-	-	3.8	4,255-5,175	-	236
Bus Svc Officer II-Spec	-	-	1.0	3,877-4,714	-	57
Sr Pers Services Spec	-	-	1.0	3,538-4,300	-	52
Pers Specialist	-	-	1.0	2,996-3,642	-	44
Ofc Techn-Typing	-	-	2.4	2,598-3,157	-	91
Retention Pay	-	-	-	-	-	42
Reclassify Staff Services Mgr to C.E.A. II	-	-	-	-	-	13
Bond Consolidation:						
Staff Counsel III	-	-	2.0	7,682-9,478	-	204
Prin Prog Budget Analyst II	-	-	1.0	6,884-7,590	-	87
Staff Finance Budget Analyst	-	-	1.0	5,157-6,221	-	68
California Department of Corrections and Rehabilitation Litigation Coordinator:						
Prin Prog Budget Analyst III	-	-	1.0	7,220-7,959	-	91
Premium Pay	-	-	-	-	-	7
Fiscal Systems and Consulting Unit:						
Supvng Adm Analyst	-	-	2.0	6,556-7,228	-	174
Sr Adm Analyst	-	-	3.0	5,393-6,506	-	234
Department of Finance Compensation:						
Adjustments to be determined by Department of Personnel Administration	-	-	-	-	-	1,500
Totals, Proposed New Positions	**-**	**-**	**166.2**	**$-**	**$-**	**$13,876**
Total Adjustments	**-**	**3.7**	**137.2**	**$-**	**$1,881**	**$12,680**
TOTALS, SALARIES AND WAGES	**395.6**	**440.5**	**571.0**	**$27,450**	**$32,293**	**$42,574**

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* Dollars in thousands, except in Salary Range.