

ASSEMBLY BILL

No. 430

Introduced by Assembly Member Feuer

February 14, 2011

An act to amend Section 13337 of the Government Code, relating to state finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 430, as introduced, Feuer. State finance: budget process.

Existing law requires the Governor to submit to the Legislature, on or before January 10 of each year, a proposed budget for the ensuing fiscal year that shall contain estimates of anticipated state revenues and itemized statements of all proposed expenditures of the state for that fiscal year. Existing law further requires the Director of Finance to submit to the Legislature, on or before May 14 of each year, revised estimates of General Fund revenues for the current fiscal year and the ensuing fiscal year.

This bill would require the Governor's proposed budget following the succeeding fiscal year also to include estimates of revenues and expenditures for the 3 subsequent fiscal years as well as budget-related plans and proposals for those 3 fiscal years. In addition, the bill would require the Governor, among other things, to submit to the Legislature updated projections of revenues and expenditures for the budget year and the succeeding fiscal year by January 10, as part of the Governor's budget, and on May 15 and October 15 of each year.

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

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

1 SECTION 1. Section 13337 of the Government Code is
2 amended to read:

3 13337. (a) (1) The budget required by the ~~State~~ *California*
4 Constitution to be submitted by the Governor at each regular
5 session of the Legislature shall be submitted within the first 10
6 days thereof and shall contain a complete plan and itemized
7 statement of all proposed expenditures of the state provided by
8 existing law or recommended by him or her, and all of its
9 institutions, departments, boards, bureaus, commissions, officers,
10 employees, and other agencies, and of all estimated revenues, for
11 the ensuing fiscal year, together with a comparison, as to each item
12 of revenues and expenditures, with the actual revenues and
13 expenditures for the last completed fiscal year, the estimated
14 revenues, and expenditures for the existing fiscal year and the
15 budgeted revenue and expenditures for the next fiscal year.

16 (2) *The budget also shall contain a projection of anticipated*
17 *state expenditures and anticipated state revenues for the three*
18 *fiscal years following the fiscal year succeeding the budget year,*
19 *and budget-related plans and proposals for those three fiscal years.*
20 *For the succeeding fiscal year the Governor's budget shall identify*
21 *the fiscal condition of the General Fund based on proposals*
22 *contained in the proposed budget for the budget year. The budget*
23 *submitted shall include the following:*

24 (A) *An estimate of the long-term impact of expenditure and*
25 *revenue proposals will have on the economy of California.*

26 (B) *The five-year capital infrastructure plan as required in*
27 *Article 2 (commencing with Section 13100) of Chapter 2.*

28 (b) The budget shall, in accordance with Chapter 2 (commencing
29 with Section 41200) of Part 24 of Division 3 of Title 2 of the
30 Education Code, include a section that specifies the percentages
31 and amounts of General Fund revenues that must be set aside and
32 applied for the support of school districts, as defined in Section
33 41302.5 of the Education Code, and community college districts,
34 as required by subdivision (b) of Section 8 of Article XVI of the
35 California Constitution.

36 (c) The Governor, or the Department of Finance acting on his
37 or her behalf, shall make appropriate changes in the budget request
38 to reflect any modification in the organization or functions of state

1 government proposed under Article 7.5 (commencing with Section
2 12080) of Chapter 1 prior to the passage of the budget.

3 (d) The Governor's Budget shall be prepared in accordance with
4 guidelines and instructions adopted by the Department of Finance.

5 (e) In order to provide meaningful comparisons, the Governor's
6 Budget shall be prepared in such a manner that the information
7 presented provides for such comparisons between the fiscal years.

8 (f) The Department of Finance shall submit to the committee
9 in each house which considers appropriations and to the Joint
10 Legislative Budget Committee copies of budget material submitted
11 to it by agencies pursuant to the provisions of Article 2
12 (commencing with Section 13320).

13 (g) The Governor's Budget shall also include a coding structure
14 which indicates for each budget entity the categorization of
15 expenditures and revenues.

16 (h) Prior to the submission of the Governor's Budget to the
17 Legislature, the Department of Finance may conduct public
18 hearings regarding any portion of any budget.

19 (i) The Governor, or the Department of Finance acting on his
20 or her behalf, shall, at the same time the Governor's Budget is
21 submitted to the Legislature, submit to the Legislature copies of
22 the material for the purposes of subdivision (j).

23 (j) The Department of Finance shall develop a fiscal information
24 system which will provide timely and uniform fiscal data needed
25 to formulate and monitor the budget, including, but not limited to,
26 ~~on-line~~ online inquiry capacity and the ability to simulate budget
27 expenditures and forecast revenues. This system may include,
28 among other things, data on encumbrances and expenditures by
29 line item, governmental unit, and fund source. The system shall
30 also include expenditures and encumbrances by program, as
31 required. This system shall also include a coding structure which
32 indicates the categorization of expenditures and revenues. This
33 system and the data shall be available to both the legislative and
34 executive branches. The system may contain separate programs
35 accessible by only one branch, designed to provide for distinct
36 application of the data, but the basic system data shall be available
37 on an equal basis to both the legislative and executive branches of
38 government.

39 (k) *After submitting a budget for the budget year and the*
40 *succeeding fiscal year, the Governor shall submit to the Legislature*

- 1 *updated projections of state revenue and state expenditures for*
- 2 *each of those fiscal years according to the following schedule:*
- 3 *(1) January 10 of each year, as part of the Governor's budget*
- 4 *introduction.*
- 5 *(2) May 15 of each year.*
- 6 *(3) October 15 of each year.*

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