



Overview of the State Budget Process

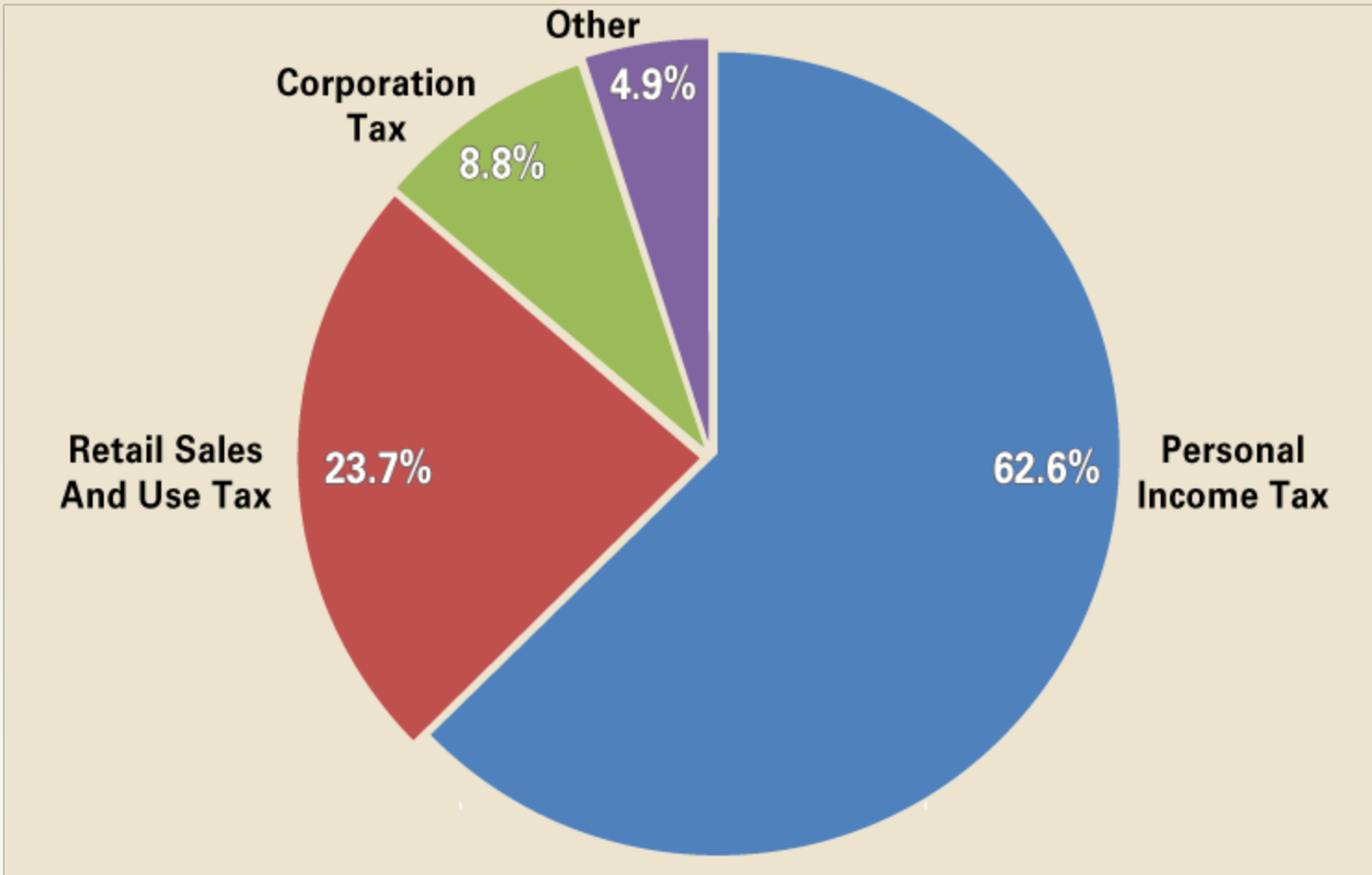
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Michael Cohen

Key Roles of the Department of Finance

- **Advise the Governor on Fiscal Policy**
- **Prepare the Budget**
- **Fiscal Oversight**
- **Audits and Program Evaluation**
- **Demographic and Population Research**
- **Infrastructure Planning**
- **Accounting System**
- **Redevelopment Agency Dissolution**

Where Do State General Fund Revenues Come From?

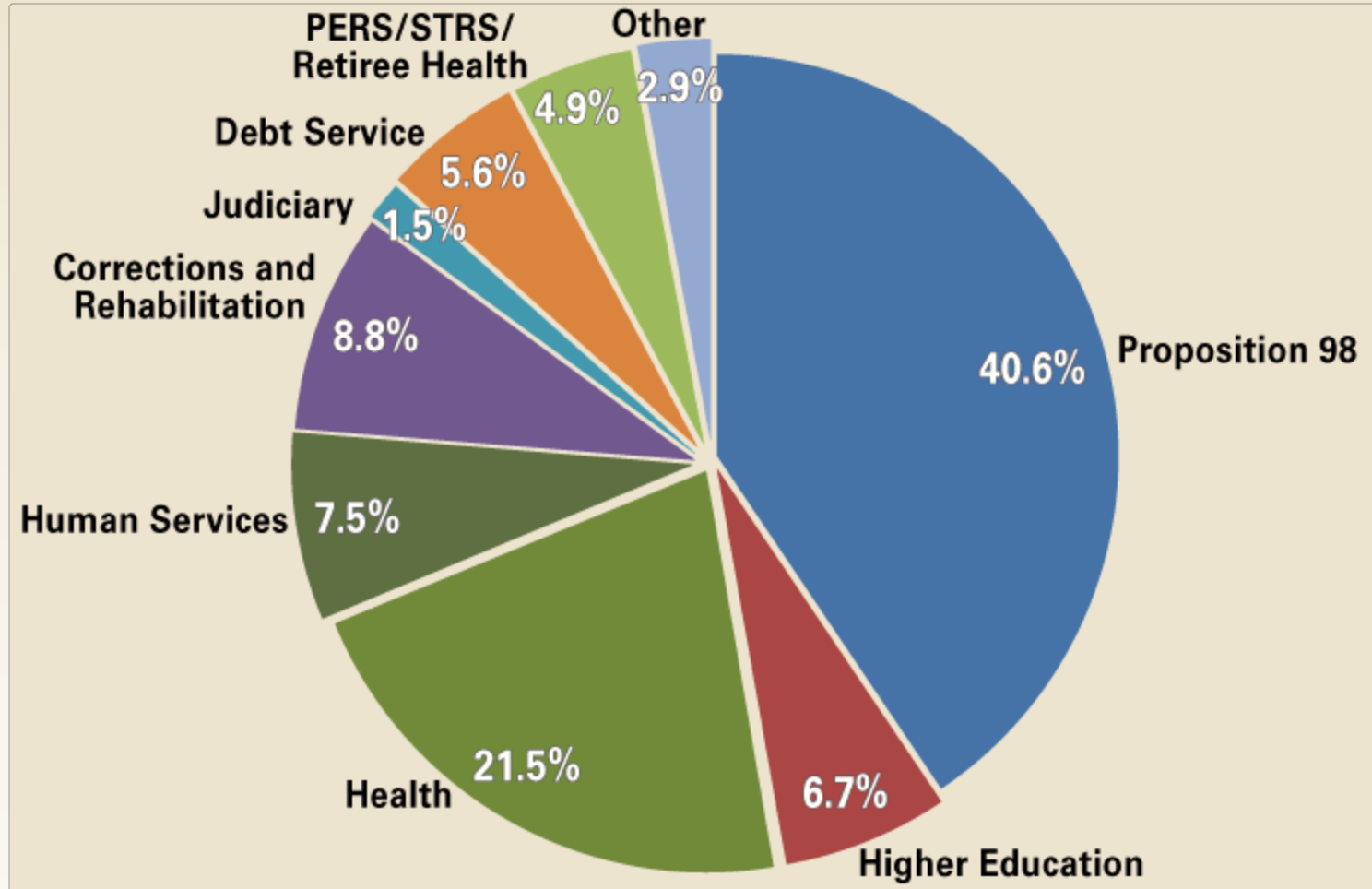


Source: Department of Finance — 2013-14 Budget

Key Factors in Forecasting Revenues

- **Economic Outlook**
 - Gross Domestic Product/Personal Income
 - Employment
 - Inflation
 - Stock Market
 - Corporate Profits
 - Housing Market
- **Federal and State Policy Changes**
- **Cash vs. Budget**

Where Do State General Fund Dollars Go?



Source: Department of Finance

Timeline of the Budget

- **Summer: Submission of Budget Change Proposals**
- **Fall: Finance review of proposals, caseload projections, economic and revenue projections**
 - Release of Governor's Budget on January 10
- **Spring: Updated projections and proposals**
 - Release of May Revision on May 14
- **June 15: deadline for legislative passage of budget**

Key Recent Changes in Budget Process

- **Proposition 25 (2010)** — Majority vote for legislative passage of budget
- **Multiyear Budgeting** — Forecast of spending and revenues three years beyond the budget year
- **Focus on Efficiency and Achieving Goals** — Governor's Executive Order for zero-based budgeting, program reviews, performance measures