

**CALIFORNIA STATEWIDE COST ALLOCATION PLAN
DESCRIPTION OF SUPPORT SERVICES BY
CENTRAL ADMINISTRATIVE SERVICE AGENCIES**

DEPARTMENT OF FINANCE

The responsibility of the Department of Finance (Finance) is to prepare, present, and support the Governor's annual financial plan for the State. 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 financial plan.

Audits (Function 004)

The Office of State Audits and Evaluations (OSAE) assists and supports the Director of Finance in serving as the Governor's chief fiscal policy advisor and promoting long-term economic sustainability and responsible resource allocation. OSAE accomplishes this through independent audits, objective evaluations, and other related services involving state and federal programs and policies.

Costs are allocated on the basis of non-reimbursed hours, reimbursed hours, reimbursements earned and state operations net expenditures.

Budgets (Function 005)

Budget units interact with agencies and departments on a daily basis to develop the Governor's Budget, review fiscal proposals, and establish fiscal policies to implement the Administration's programs. Budget staff interact with the Legislature through various reporting requirements, by presenting and defending the Governor's Budget, and in analyzing and testifying on legislation.

Costs are allocated on the basis of budget analyst hours.

Fiscal Systems and Consulting Unit (Function 011)

The Fiscal Systems and Consulting Unit (FSCU) develops and communicates statewide fiscal and accounting policies and procedures; reviews, advises, approves, and interprets various rules, regulations, and statutes relating to State accounting and financial management procedures and transactions; conducts special fiscal studies or reviews of fiscal and accounting issues having statewide impact; develops and conducts training seminars and courses for State accounting personnel; provide and interpret federal government guidance, rules, and regulations ; gathers data on the transfer of funds between federal and state agencies in order to calculate the interest liability for Cash Management Improvement Act of 1990; and determines the allocation of costs for Pro Rata and Statewide Cost Allocation Plan (SWCAP).

In addition, FSCU maintains state financial manuals, including the State Administrative Manual (SAM) sections 7110 to 19464, and Manual of State Funds; chairs the UCM Committee; maintains fund codes; reviews departmental accounting related SAM requests; evaluate modifications to the State's uniform accounting systems to conform with Generally Accepted Accounting Principles (GAAP); and maintains the Uniform Codes Manual to promote uniformity in the State's accounting code structure.

Costs are allocated on the basis of state operations net expenditures.

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**CALIFORNIA DEPARTMENT OF TECHNOLOGY
(Function 105)**

The California Department of Technology establishes and enforces statewide information technology strategic plans, policies, standards, and enterprise architecture, as well as provides leadership, oversight of information technology projects and the delivery of data center services.

Costs are allocated on the basis of state operations net expenditures.

**FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI\$Cal Project)
(Function 110)**

The Financial Information System for California (FI\$Cal Project) is a business transformation project for state government that will significantly re-engineer state business processes, incorporating the functions of budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset accounting, project accounting, and grant accounting within a fully integrated Enterprise Resource Planning software-based system.

The FI\$Cal Project was complete as of July 1, 2022, per Assembly Bill 156, passed in September 2022. According to GASB 51, outlays related to the Application Development Stage activities should be capitalized once the project is completed. The project developmental cost will be amortized using the straight-line method over an estimated 12 years of useful life.

The FI\$Cal Project Amortization Costs are allocated on the basis of state operations net expenditures.

**DEPARTMENT OF FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA
(FISCAL, DEPARTMENT OF)
(Function 115)**

The Department of FISCAL is responsible for the functionality and ongoing maintenance support and operation for the FI\$Cal system, administrative functions, ensuring system processes meet the financial management needs of the state, and determining the effectiveness, operational efficiency, and security of the system.

Costs are allocated on the basis of unique system users per department.

**DEPARTMENT OF GENERAL SERVICES – CONTRACTED FISCAL SERVICES (CFS)
(Function 150)**

The Department of General Services – Contracted Fiscal Services (CFS) offers accounting and budgeting services for their clients.

Costs are allocated on the basis of workload hours.

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STATE CONTROLLER

The State Controller's Office provides sound fiscal control over receipts, disbursements, and balances of all state funds, reports the financial condition of the state on a monthly and annual basis, and makes certain that money due the state is collected.

State Accounting and Reporting Division (SARD) (Function 201)

SARD establishes the Budget Act in the SCO Legacy system and maintains uniform and systematic control accounts of all receipts and disbursements, including payroll, loans, bonds, appropriation authority, and cash balances in all state funds. SARD monitors the cash flow of the General Fund and reports on the financial condition of the state, including GAAP adjustments.

Costs are allocated on the basis of records processed, such as warrants issued, accounting transactions, interest earnings, calculations, and claim schedules paid.

Division of Audits–Claims/Vouchers Audits (Function 202)

The Division of Audits performs audits of all manual (paper) claims and FI\$Cal vouchers submitted to the State Controller before payment is made from the State Treasury under specific authority provided in GC sections 925.6 and 12410. Auditors audit all claims/vouchers to ensure they are legal, valid, and proper. Claims/vouchers are verified for compliance with California's Constitution and various other statutes, appropriations, court decisions, legal opinions, administrative rules and regulations, executive orders, and other applicable laws and regulations.

Costs are allocated on the basis of warrants issued.

Administration and Disbursements Division, Disbursements (Functions 203 and 204)

Disbursements issues warrants for payroll (Function 203) and payments of the state's obligations (claims/vouchers) (Function 204).

Costs are allocated on the basis of payment (warrant or EFT) type issued.

Division of Audits–Field Audits (Function 205)

The Division of Audits, Field Audits Unit, conducts audits of agencies and departments that receive loans, grants, or subdivisions of state and federal funds.

Costs are allocated on the basis of audit hours.

Personnel and Payroll Services Division (PPSD) and Information Systems Division (ISD) (Function 211)

PPSD and ISD administer the Uniform State Payroll System, audit and process all personnel and payroll transactions for state civil service and exempt employees, including the California State University System. This centralized database provides the information to manage the personnel resources of the state. PSD also administers and maintains two additional systems, the California Automated Travel Expense Reimbursement System (CalATERS) and the California Leave Accounting System (CLAS). CalATERS manages travel advance and expense reimbursement processing which includes automated audits of statewide travel rules, form tracking, and management reporting capabilities.

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CLAS manages employee leave benefits and accounts for monthly leave usage, state service time, and leave balances for employees.

Costs are allocated on the basis of personnel positions.

California State Payroll System (CSPS) Project (Function 212)

The CSPS will replace the 1970s-era Uniform State Payroll System (USPS) and multiple supporting legacy systems with a fully integrated statewide human resource management system. The modernized system will include employment, payroll, benefits, position management, leave accounting/timekeeping, and travel and expense management functionalities.

The allocated project costs is for developing and implementing the new CSPS. The CSPS post-implementation maintenance and operation costs will be recorded under function 211.

Costs for the CSPS project are allocated on the basis of personnel positions.

STATE TREASURER

The State Treasurer is responsible for the custody of local, state, and federal money and securities held by the state. The State Treasurer's Office provides banking services on behalf of state government and taxpayers funds. These services include the maintenance of bank accounts and redemption of state warrants.

Treasurer Investment (Function 301)

The Investment Division is responsible for the investment of state monies from the date of receipt through the date of redemption. The Division manages the state's Pooled Money Investment Account, which invests monies on behalf of state government and local jurisdictions to help them manage their fiscal affairs.

Costs are allocated based on the Surplus Money Investment Fund (SMIF) Interest allocation for all funds during the fiscal year.

Treasurer Item Processing (Function 302)

The Treasurer's Office, Item Processing Section is responsible for redeeming all items presented by banks for payment, for handling forgeries, and managing stop payments.

Costs are allocated based on the warrant count shown in function 203-Controller Payroll and function 204-Controller General Disbursements.

Treasurer Centralized Treasury and Security Management Division (CT and SMD) and Public Finance Division (PFD) (Function 303)

CT and SMD oversee all banking aspects of the Centralized Treasury System (CTS). It maintains demand bank accounts with eight banks for the purpose of providing necessary statewide depository coverage for the remittance of funds collected by the various state agencies. It ensures that the depository banks provide the State with proper and adequate security for the deposit of state monies. It is also responsible for

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the safekeeping of securities and other personal property owned by or pledged to the State. Public Finance Division is responsible for issuing State of California General Obligation Bonds, Revenue Anticipation Notes and certain revenue bonds. It also assures compliance with federal tax laws applicable to state debt.

Costs are allocated on the basis of state operations net expenditures.

**STATE PERSONNEL BOARD
(Function 400)**

The State Personnel Board (Board) is responsible for California's civil service system. The Board ensures that the state's civil service system is free from political patronage and that employment decisions are based on merit. The Board prescribes probationary periods and classifications, adopts other rules authorized by statute, sets merit related policy, reviews disciplinary actions as well as other merit oversight activities, and performs merit system audits to ensure departmental compliance.

Costs are allocated on the basis of personnel positions.

(Function 405) – Compliance Review Unit

The State Personnel Board, Compliance Review Unit (CRU), conducts compliance reviews, on a three-year cycle, of appointing authorities' personnel practices to ensure that state departments are appropriately managing the personnel functions of compensation and pay, leave, and policy and practices.

Costs are allocated on the basis of review hours.

DEPARTMENT OF HUMAN RESOURCES (CalHR)

(Function 410)

The Department of Human Resources (CalHR) represents the Governor as the "employer" in all matters concerning state personnel employer-employee relations. CalHR is responsible for all issues related to salaries, benefits, collective bargaining, job classifications, training, and other matters involving state civil service employees.

Costs are allocated on the basis of personnel positions.

**OFFICE OF ADMINISTRATIVE LAW
(Function 510)**

The Office of Administrative Law (OAL) enforces the Administrative Procedure Act. This Act defines the process regulators must follow when agencies and departments propose rules and regulations. The OAL reviews proposed regulations to ensure consistency with legislative intent and to improve the quality of rules and regulations.

Costs are allocated on the basis of review hours.

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**CALIFORNIA STATE LIBRARY
(Function 520)**

The California State Library (CSL) provides the services of a reference and research librarian to agencies and departments. The CSL provides services to the Legislative and Executive Branches of state government, to members of the public and to California public libraries, and develops and promotes outreach programs, and improves access to information.

Costs are allocated on the basis of state operations net expenditures.

**HEALTH AND DENTAL BENEFITS FOR ANNUITANTS – RETIRED
(Functions 600, 601, 602)**

This is the state's contribution for retired annuitants' health (F600) and dental benefits (F601). Retired annuitants' health benefits for California State University are designated under a separate function code (F602).

Costs are allocated based on the costs for health and dental care for current employees.

**DEPARTMENT OF JUSTICE
Legal Costs (Function 605)**

The Department of Justice provides the support needed to fulfill the Attorney General's (AG) constitutional obligations. As the Chief Law Officer of the state, the AG is charged with the responsibility to ensure that state laws are uniformly and adequately enforced. Legal services furnished include:

- Litigation in courts and before administrative tribunals
- Formal, informal, and oral legal opinions
- Informal legal consultations on policies and procedures

Costs are allocated on the basis of attorney hours.

Tort Liability (Function 607)

The State of California is self-insured against tort liabilities.

The costs included in this service are for legal expenses and settlements incurred by the State. Tort liability legal costs are allocated to agencies and departments on the basis of actual direct tort legal hours.

**SECRETARY FOR CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY
(Function 700)**

The Secretary for California Health and Human Services Agency (CHHSA) is a member of the Governor's Cabinet and serves as his chief advisor on health, social services, and related budget policies. The CHHSA administers the major state and federal programs

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for health care, social services, public assistance, job training, and rehabilitation. The CHHSA is also responsible for the coordination of budgetary and policy activities among its various boards and departments.

The CHHSA is comprised of the following agencies and departments:

- Department of Aging (4170)
- Department of Child Support Services (5175)
- Department of Community Services and Development (4700)
- Department of Developmental Services (4300)
- Department of Health Care Access and Information (4140)
- Department of Health Care Services (4260)
- Department of Managed Health Care (4150)
- Department of Public Health (4265)
- Department of Rehabilitation (5160)
- Department of Social Services (5180)
- Department of State Hospitals (4440)
- Emergency Medical Services Authority (4120)

Costs are allocated on the basis of state operations net expenditures of each agency, department, board, and commission within the CHHSA.

CALIFORNIA STATE AUDITOR (Function 799)

The California State Auditor heads the California State Auditor's Office (State Auditor) and serves as the state's independent external auditor. The State Auditor provides timely assessments of California's financial and operational activities by conducting financial audits, compliance audits, performance audits, contract audits, and conducts investigations of improper governmental activities.

Costs are allocated on the basis of audit hours.

CALIFORNIA STATE LEGISLATURE (Function 800)

The California State Legislature is comprised of two houses, the Senate and the Assembly. The Legislature is responsible for enacting laws and establishing public policy for California. Both houses contribute to support the Legislative Analyst's Office, which provides fiscal and policy advice to the Legislature.

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Costs are allocated on the basis of the calculated administrative charges for all non-legislative functions for all non-legislative agencies.

LEGISLATIVE COUNSEL BUREAU

(Function 805)

The Legislative Counsel Bureau provides legal assistance to the two houses of the Legislature, and their members and committees, by resolving a large volume of complex legal problems arising in connection with the legislative process. The legal services furnished include rendering opinions, drafting bills, counseling, attending meetings of legislative committees as counsel, and representing the Legislature in litigation.

The California Law Revision Commission has the responsibility to make a continuing substantive review of California statutory and decisional law, to recommend legislation to make needed reforms, and to make recommendations to the Governor and Legislature for revision of the law on major topics (as assigned by the Legislature) that require detailed study and cannot easily be handled in the ordinary legislative process.

Costs are allocated on the basis of the calculated administrative charges for all non-legislative functions for all non-legislative agencies.

GOVERNOR'S OFFICE

(Function 810)

The Governor's Office (GO) exercises executive power in the State of California.

Costs are allocated on the basis of the calculated administrative charges for all non-legislative functions for all non-legislative agencies.

OFFICE OF PLANNING AND RESEARCH

(Function 815)

The Office of Planning and Research (OPR) assists the Governor and the Administration in planning, research, policy development, and legislative analysis. OPR acts as the state's liaison to a variety of entities, including local and regional government, planning professionals, small businesses, and the Department of Defense.

Costs are allocated on the basis of the calculated administrative charges for all non-legislative functions for all non-legislative agencies.