

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 12, 2012
POSITION: Oppose
SPONSOR: The State Controller's Office

BILL NUMBER: SB 118
AUTHOR: L. Yee

BILL SUMMARY: State Controller's Office: Reimbursement for Expenses

This bill would require departments issuing revenue bonds to reimburse the State Controller's Office (SCO) for SCO's expenses related to issuing and accounting for the departments' revenue bond transactions, and would authorize the SCO to recover costs by direct transfer from the departments.

FISCAL SUMMARY

The SCO estimates that based on the 2010-11 fiscal year of revenue bond accounting work, approximately \$175,000 would be reimbursed for staff salaries and indirect costs. We understand that the spending authority from reimbursements is already included in the SCO's budget.

COMMENTS

Finance is opposed to this bill because this is a budgetary issue that should be addressed through the normal budget development process. It is also not clear if a statutory change is necessary.

The bill does not place a limit on the amount SCO could collect from the affected departments and would not provide the Administration and the Legislature the opportunity to make recommendations on the requested resources on an annual basis.

Historically, the State Treasurer's Office (STO) has had an interagency agreement with the SCO that allowed the SCO to bill the STO for actual expenses incurred related to issuance and statewide accounting for revenue bond sales transactions. At the end of fiscal year 2010-11, the STO discontinued the interagency agreement, indicating that the SCO should bill departments directly.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO LA CO RV	PROP 98	FC B	2011-2012 FC	2012-2013 FC	2013-2014 FC				
0840/Controller	SO	No	B	\$175	B	\$175	B	\$175		0995
<u>Fund Code</u> 0995	<u>Title</u> Reimbursements									

Analyst/Principal (0123) O. Chaves	Date	Program Budget Manager Veronica Chung-Ng	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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