

FEBRUARY 25, 2025

# Overview of the Legislative Analyst's Office (LAO)

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PRESENTED TO:

Joint Legislative Budget Committee  
Hon. Scott Weiner, Chair



LEGISLATIVE ANALYST'S OFFICE

# History and Mission of the LAO

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## ► History

- In the 1930s, the California Legislature grew increasingly concerned about the balance of power relative to the executive branch, especially in matters concerning the state budget.
- In 1941, the Legislature created the LAO through a joint rule of the Senate and Assembly.
- The LAO was the first legislative fiscal office of its kind in the nation.

## ► Mission

- The joint rule establishing our office set forth our mission:  
“To ascertain the facts and make recommendations to the Joint Legislative Budget Committee and, under its direction, to the committees of the Legislature concerning:  
(a) The State Budget.  
(b) The revenues and expenditures of the state.  
(c) The organization and functions of the state and its departments, subdivisions, and agencies.”
- The office has served the Legislature for 84 years as an independent source of information and analysis.

## ► Accountability

- The LAO is led by the Legislative Analyst who is appointed by the Joint Legislative Budget Committee.
- The LAO is funded by a transfer from the Legislature, split evenly by the Senate and Assembly.



# Responsibilities of the LAO

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## ► Budget Responsibilities

- Prepare independent multiyear revenue and expenditure outlooks.
- Run independent calculations of state funding formulas and analyze the administration's calculations.
- Assess the administration's budget proposals and make recommendations or provide options for legislative action.
- Support the budget committees and subcommittees throughout the regular budget cycle.
- Analyze requests that the administration makes for spending authority outside of the regular budget cycle.

## ► Other Legislative Responsibilities

- Respond to Member and staff requests.
- Conduct department and program evaluations.
- Prepare fiscal analyses of memorandums of understanding between the Governor and state employee unions.
- Study new policy ideas.

## ► Ballot Responsibilities

- The Political Reform Act of 1974 requires our office to prepare an impartial analysis of each state ballot measure, including a fiscal analysis of the impact of the measure on the state and local governments.
- Prepare initial fiscal analyses of proposed state ballot initiatives before being circulated for signatures.



# LAO Workload

## ► Written Products

Calendar Years 2021 Through 2024

	2021	2022	2023	2024
<b>Budget-Related Workload</b>				
Budget notification letters:	18 <sup>a</sup>	15 <sup>b</sup>	10 <sup>c</sup>	10 <sup>d</sup>
Budget reports:	15	35	40	29
Handouts for budget hearings:	40	11	6	6
Budget-related online posts:	58	63	36	36
Economy and tax blog posts:	112	37	22	29
<b>Member Requests</b>				
Individual member requests:	66	56	64	49
Handouts for policy hearings:	23	29	65	30
Senate confirmation hearing memos	60	55	60	51
<b>Statutorily Required Workload</b>				
Legislatively mandated reports:	8	2	5	3
Initiatives fiscal analyses	40	6	35	1
MOU Fiscal Analysis:	3	5	7	4
Voter Guide analyses:	—	7	2	11
<b>Other Policy Workload</b>				
Other reports:	18	8	13	18
Other web posts:	23	5	2	8
<sup>a</sup> In addition, we reviewed 191 notification letters.				
<sup>b</sup> In addition, we reviewed 174 notification letters.				
<sup>c</sup> In addition, we reviewed 165 notification letters.				
<sup>d</sup> In addition, we reviewed 114 notification letters.				
MOU = memorandum of understanding.				

## ► Other Support to the Legislature

- The office also undertakes a variety of other activities that support the Legislature and its staff. These include:
  - Monitoring mid-year budget adjustments and revenue trends.
  - Testifying and providing briefings.
  - Providing technical assistance.
  - Researching proposals and conducting cost estimates.
  - Meeting with stakeholders and others to inform our analysis for the Legislature.



# LAO Personnel

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## ▶ Personnel

- The office has 40 analysts (including managers) and 10 support staff.
- The office has two support units and eight analytical units organized by the following areas of analyses:
  - Economy, Taxes, and Labor.
  - Environment and Transportation.
  - Health, Developmental Services, and Information Technology.
  - Higher Education.
  - Human Services and Governance.
  - K-12 Education.
  - Public Safety and Business Regulation.
  - State Budget Condition.
- Each analyst is responsible for being an expert in a designated area of the state budget and state government.



## Notable Recent Analytical Products

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- Trends in Higher Education (six-part series)
- Key Fiscal and Policy Issues Facing California
- Review of the Funding Determination for Nonclassroom-Based Charter Schools
- California’s Child Welfare System: Addressing Disproportionalities and Disparities
- Assessing Community College Programs at State Prisons
- Fixing Unemployment Insurance
- CalFacts 2024
- Recent Trends in Young Adult Mortality
- Assessing California’s Climate Policies—Residential Electricity Rates in California
- Building California’s Behavioral Health Infrastructure: Progress Update and Opportunities for the Proposition 1 Bond

