



California Budget  
& Policy Center

# Key Facts About California's State Budget and the Budget Process

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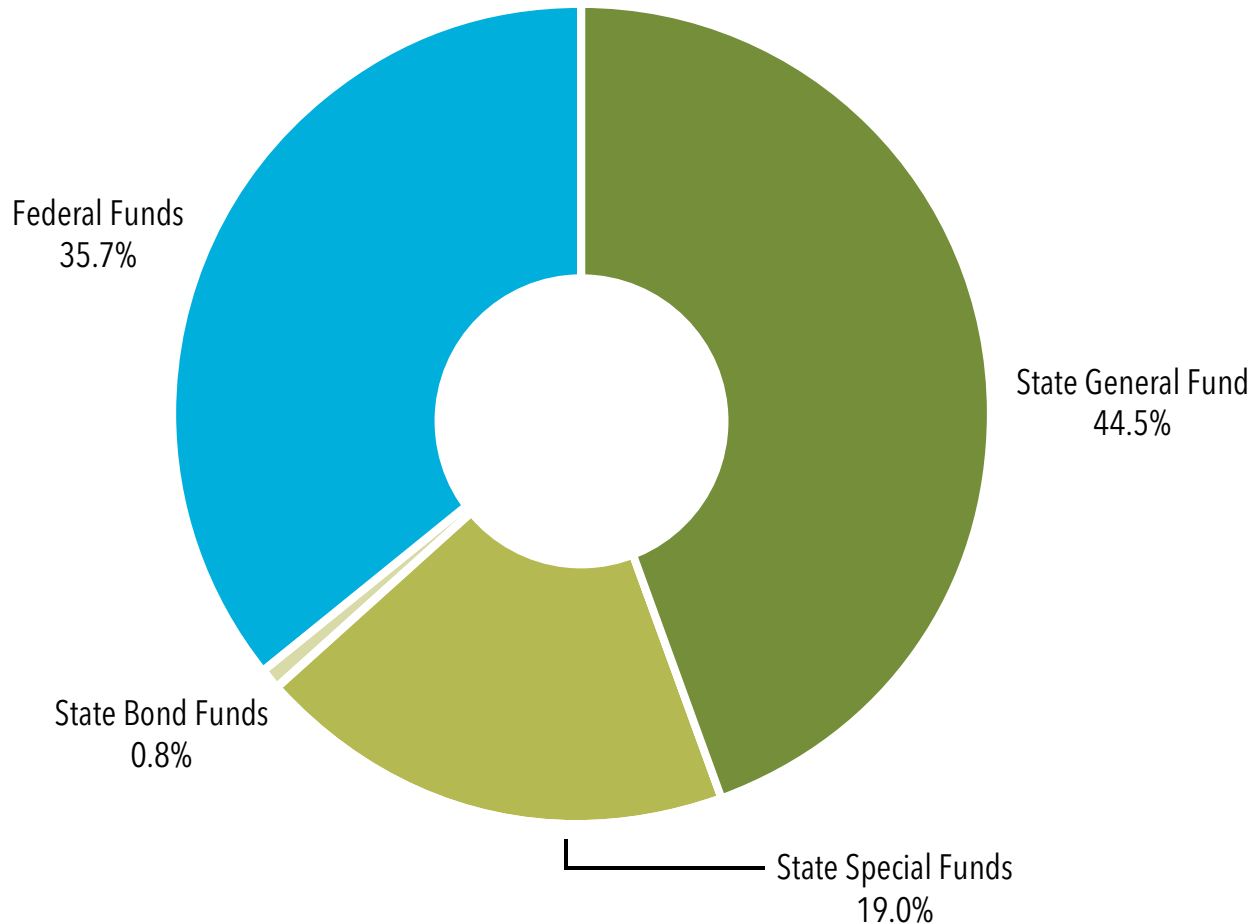
MONTHLY MEETING/CALL

MAY 23, 2018

[calbudgetcenter.org](http://calbudgetcenter.org)

# State Funds Account for Nearly Two-Thirds of California's State Budget

Total Proposed 2018-19 Expenditures = \$296.2 Billion

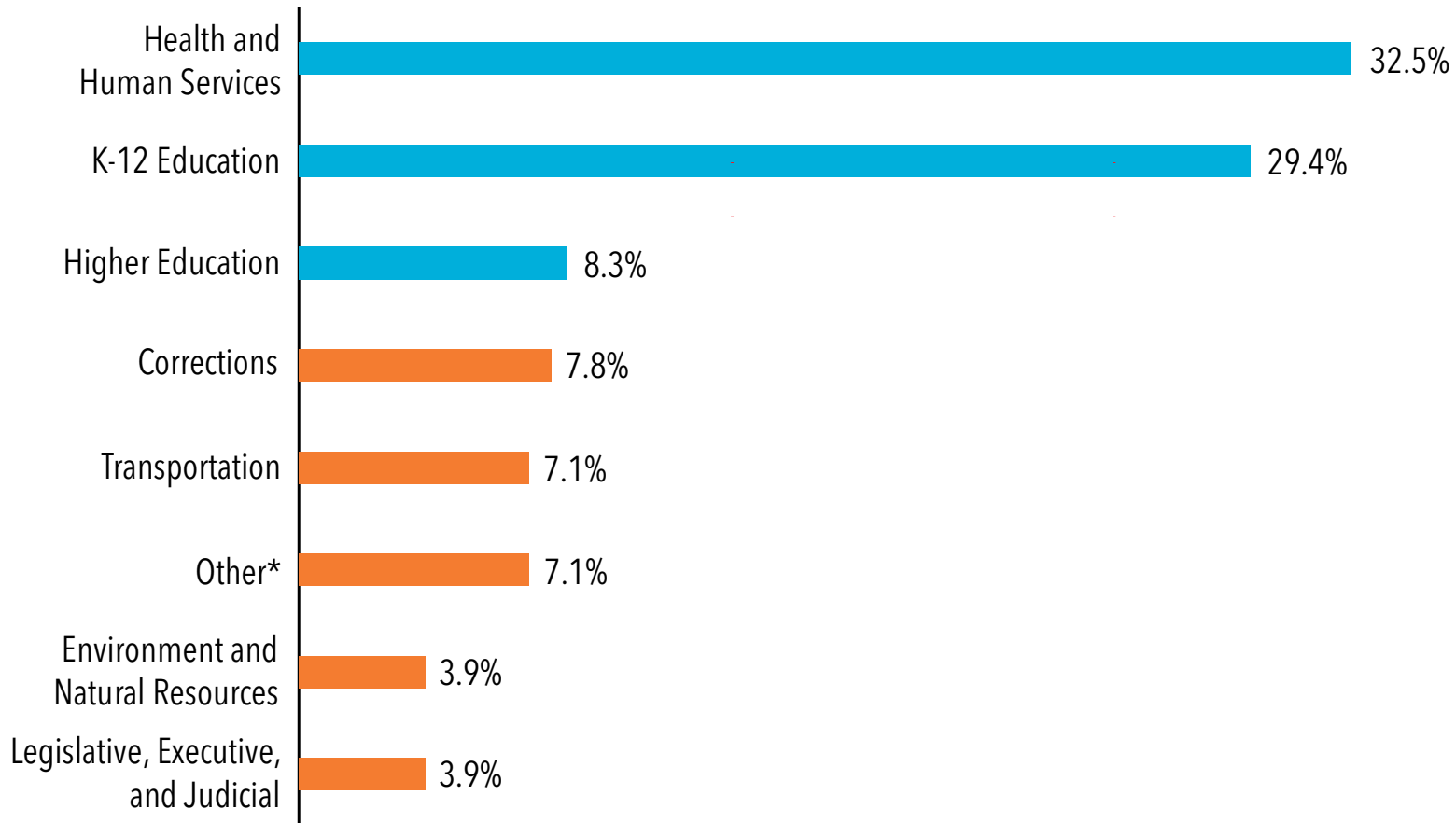


Source: Department of Finance



# More Than 7 in 10 State Dollars Support Health and Human Services or Education

Proposed 2018-19 General Fund and Special Fund Expenditures = \$187.8 Billion

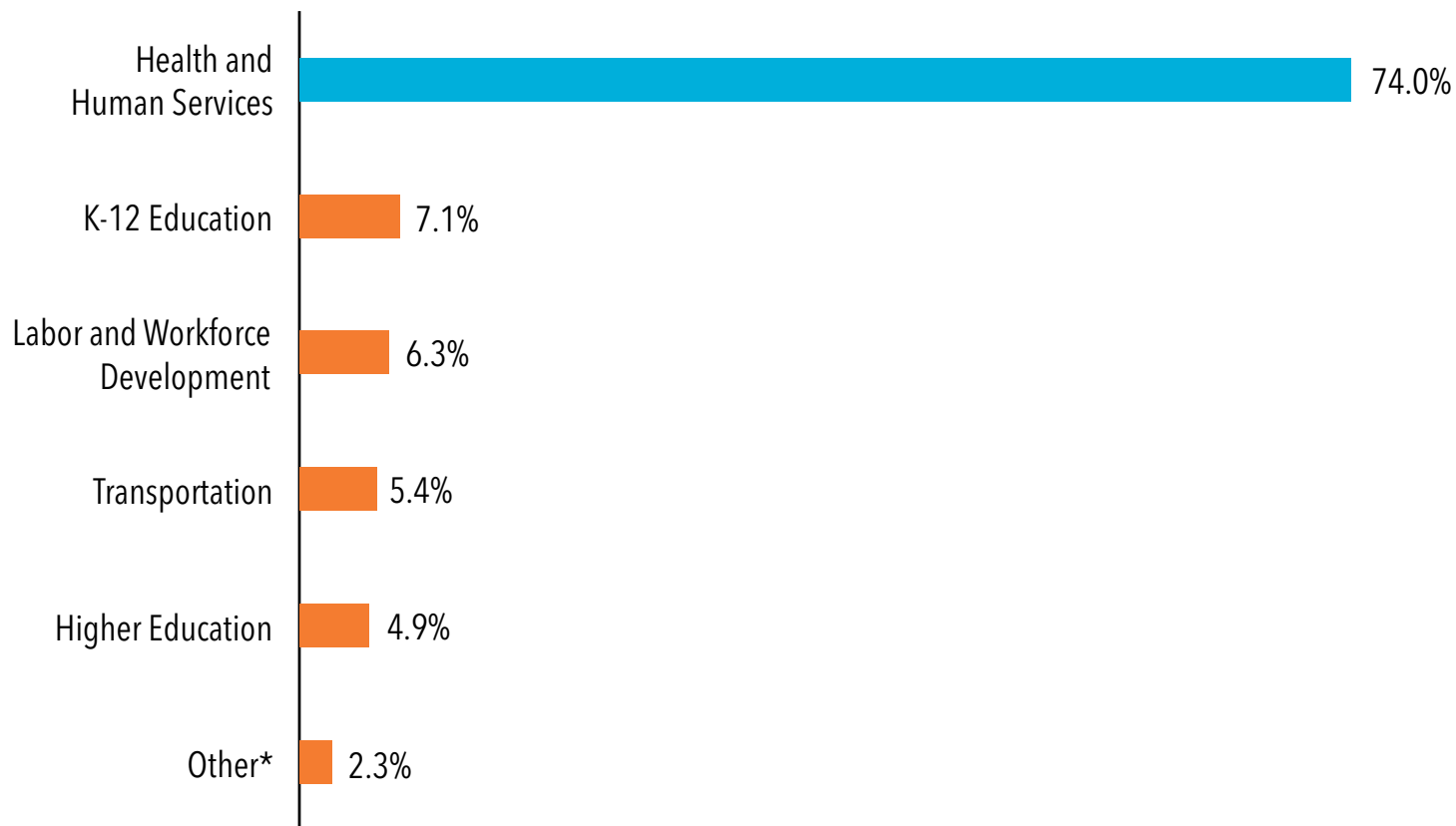


\*Includes Business, Consumer Services, and Housing; Labor and Workforce Development; Government Operations; and General Government.  
Source: Department of Finance



# More Than 7 in 10 Federal Dollars Spent Through the State Budget Support Health and Human Services

Federal Funds Estimated to Be Spent Through the State Budget in 2018-19 = \$105.9 Billion



\* Includes Environmental Protection; Legislative, Judicial, and Executive; Corrections and Rehabilitation; and other state budget categories that account for relatively small shares of federal funds.

Source: Department of Finance



The budget package consists of one or more **budget bills** plus budget-related **trailer bills**.



There is no limit on the number of trailer bills that may be included.



# The 34 Bills in the 2017-18 Budget Package (So Far)

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- **AB 97:** The initial **2017-18 budget bill**
- **AB 109, AB 120, AB 134, SB 108, and SB 113:** Additional budget bills that **amended the initial 2017-18 budget bill**
- **SB 107:** Another budget bill that **amended the 2016-17 budget bill**
- **Other bills in the budget package:** AB 99, AB 102, AB 103, AB 107, AB 111, AB 114, AB 115, AB 119, AB 126, AB 129, AB 130, AB 131, AB 133, AB 135, SB 84, SB 85, SB 88, SB 89, SB 90, SB 92, SB 94, SB 96, SB 97, SB 103, SB 110, SB 112, and SB 117



**California's Constitution  
establishes the basic rules  
of the state budget process.**



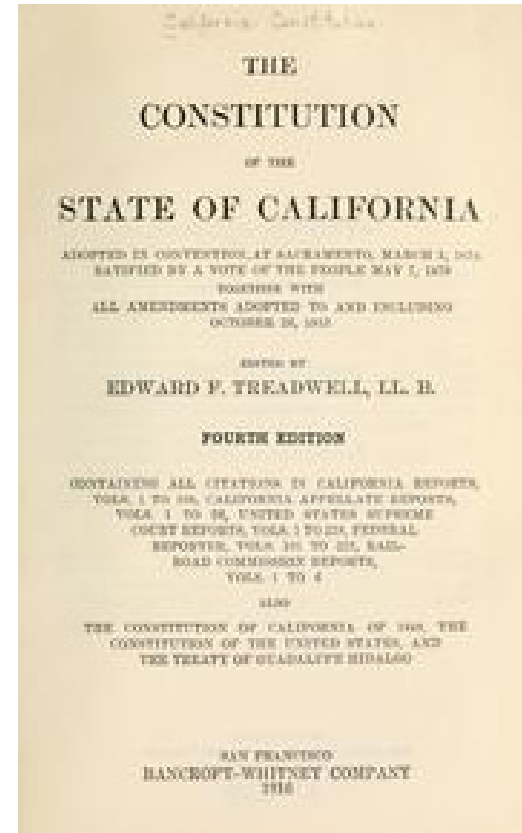
# US Constitution

- Roughly 7,800 words
- Amended 27 times



# California Constitution

- Roughly 75,000 words
- Amended 500+ times

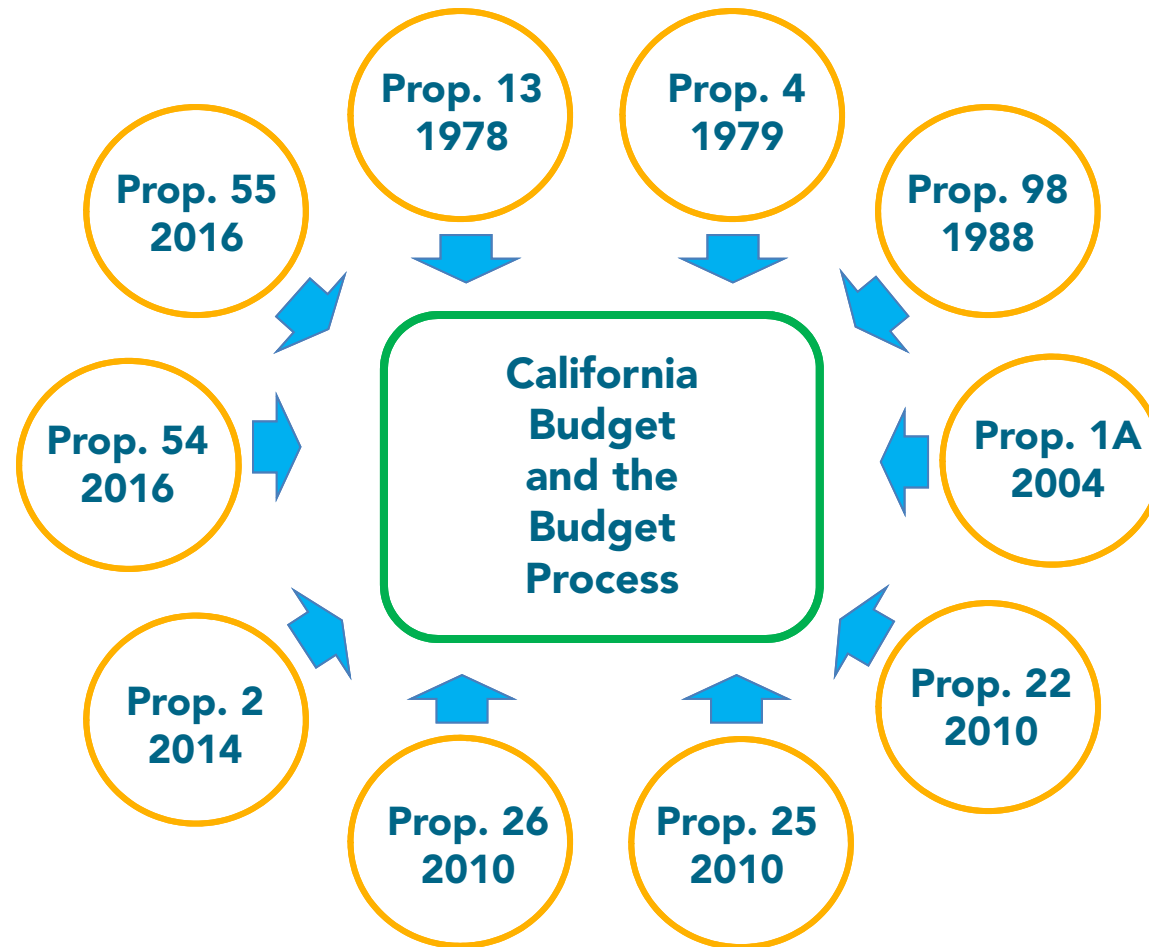




**Several ballot measures,  
dating back to the 1970s,  
have had an impact on  
the budget and the budget  
process.**



# Ballot Measures With an Impact on the State Budget and the Budget Process



**The state Constitution  
sets two budget-related  
deadlines:  
January 10 and June 15.**



**Bills must be published, in their final form, at least 72 hours before being passed by the Legislature.  
(Proposition 54 of 2016)**



**The budget bill and most budget-related bills can be passed by a simple majority vote.  
(Prop. 25 of 2010)**



**A supermajority (two-thirds)  
vote is needed to approve any  
tax increase.  
(Prop. 26 of 2010)**



**The state Constitution  
contains complex formulas  
that establish state budget  
priorities.**



# Three Key Budget Formulas in the State Constitution

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- **Prop. 98 (1988):**
  - Guarantees a minimum level of funding for K-12 schools and community colleges.
- **Prop. 2 (2014):**
  - Requires some state revenues to be set aside to pay down debts and save for a rainy day.
- **Prop. 55 (2016):**
  - Creates a formula to boost funding for Medi-Cal, which provides health care services for low-income residents.





# The State Budget Process: July to December



## Governor's Administration

- **Department of Finance (DOF) leads development of Governor's proposed budget.**
  - Look for opportunities to engage with Administration officials.

## Legislature

- **Legislative leaders develop budget priorities.**
  - Seek to have your priorities considered.
- **Budget committee staff look ahead to upcoming budget deliberations.**
  - Build relationships and suggest ideas for hearings.



# The State Budget Process: January to Mid-May



## Governor's Administration

- **Proposed budget released by January 10.**
  - Weigh in on the Governor's proposals.
- **DOF makes budget adjustments and prepares May Revision.**
  - Engage with budget officials, offering candid feedback on Governor's initial proposals.

## Legislature

- **Budget subcommittees hold dozens of hearings to review proposed budget.**
  - Testify at hearings and continue to meet with key legislators and staff.



# The State Budget Process: Mid-May to June



## Governor's Administration

- **May Revision released by May 14.**
  - Look for opportunities to engage with Administration officials.

## Legislature

- **Budget subcommittees convene hearings on May Revision proposals.**
  - Testify at hearings and continue to meet with key legislators and staff.
- **Budget conference committee meets to iron out differences.**

**The “Big 3” negotiate the final outlines of budget package.**



# The Bottom Line

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- The state budget expresses our **values and priorities**.
- The **state Constitution** establishes the “rules of the game.”
- The budget process is **cyclical** – budget decisions are made throughout the year.
- The **Governor** has the lead role in crafting the budget; the **Legislature** reviews and revises the Governor’s proposals.
- **Public input** is a key part of the budget process and comes in many forms.





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