Key Facts About the State Budget, the Budget Process, and the Governor’s Proposed 2019-20 Spending Plan

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A PRESENTATION TO:  
FAMILY ECONOMIC SECURITY PARTNERSHIP  
FIRST 5 CONTRA COSTA  
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Key Facts About California’s State Budget
The state budget = state funds + federal funds.
State Funds Account for Nearly Two-Thirds of California’s State Budget
Total Enacted 2018-19 Expenditures = $308.8 Billion

Source: Department of Finance
The state budget supports a broad range of public services and systems.
More Than Two-Thirds of State Dollars Support Health and Human Services or Education
Enacted 2018-19 General Fund and Special Fund Expenditures = $197.2 Billion

- Health and Human Services: 32.6%
- K-12 Education: 28.4%
- Higher Education: 8.2%
- Corrections: 7.6%
- Transportation: 7.1%
- Other*: 7.1%
- Environment and Natural Resources: 4.7%
- Legislative, Executive, and Judicial: 4.3%

* 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 = $107.5 Billion

- Health and Human Services: 73.2%
- K-12 Education: 7.7%
- Labor and Workforce Development: 6.2%
- Transportation: 5.8%
- Higher Education: 4.8%
- Other*: 2.3%

* 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 state budget process can be divided into three distinct periods.

January to Mid-May
Mid-May to June
July to December
January to Mid-May
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<td><strong>Proposed budget released by January 10.</strong></td>
<td><strong>Budget subcommittees hold hearings to review proposed budget.</strong></td>
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<td>- Weigh in on the Governor’s proposals.</td>
<td>- Testify at hearings and meet with key legislators and staff.</td>
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<td><strong>DOF makes budget adjustments and prepares May Revision.</strong></td>
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<td>- Engage with budget officials, offering candid feedback on Governor’s initial proposals.</td>
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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 meet with key legislators and staff.

- **Budget conference committee meets to iron out differences.**

  The “Big 3” negotiate the final outlines of budget package.
July to December
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| • Department of Finance (DOF) leads development of Governor’s proposed budget. | • Leaders develop their budget priorities.  
   ➢ Seek to have your priorities considered. |
| ➢ Look for opportunities to engage with Administration officials. | • Budget committee staff look ahead to upcoming budget deliberations.  
   ➢ Build relationships and suggest ideas for hearings. |
Key Elements of the Governor’s Proposed 2019-20 Budget
The Governor Prioritizes Paying Down Debts While Making Targeted Investments

- Almost **$21 billion** in “discretionary” state resources are available to allocate through the 2019-20 budget process.

- Governor Newsom proposes to allocate these resources as follows:
  - **62%**: Reduce state liabilities and continue building state reserves.
  - **25%**: New *one-time* spending for a range of programs.
  - **13%**: New *ongoing* program spending.
A Dozen Key Areas Targeted for Expansion, New Funding, and/or a New Approach in 2019-20

- Boost funding for child care and kindergarten facilities
- Add 10,000 full-year, full-day preschool slots
- Increase funding for CCCs, CSU, UC & Cal Grants
- Significantly expand the CalEITC
- Expand access to Child Savings Accounts
- Accelerate planned increases to CalWORKs cash assistance
- Expand the state’s Paid Family Leave program
- Build affordable housing and address homelessness
- Extend full-scope Medi-Cal to undocumented young adults
- Increase funding for mental health services
- Support developmental and trauma screenings
- Rethink the state’s approach to justice-involved youth
- Expand access to Child Savings Accounts
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