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# 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

CONCORD, JANUARY 31, 2019



# Key Facts About California's State Budget

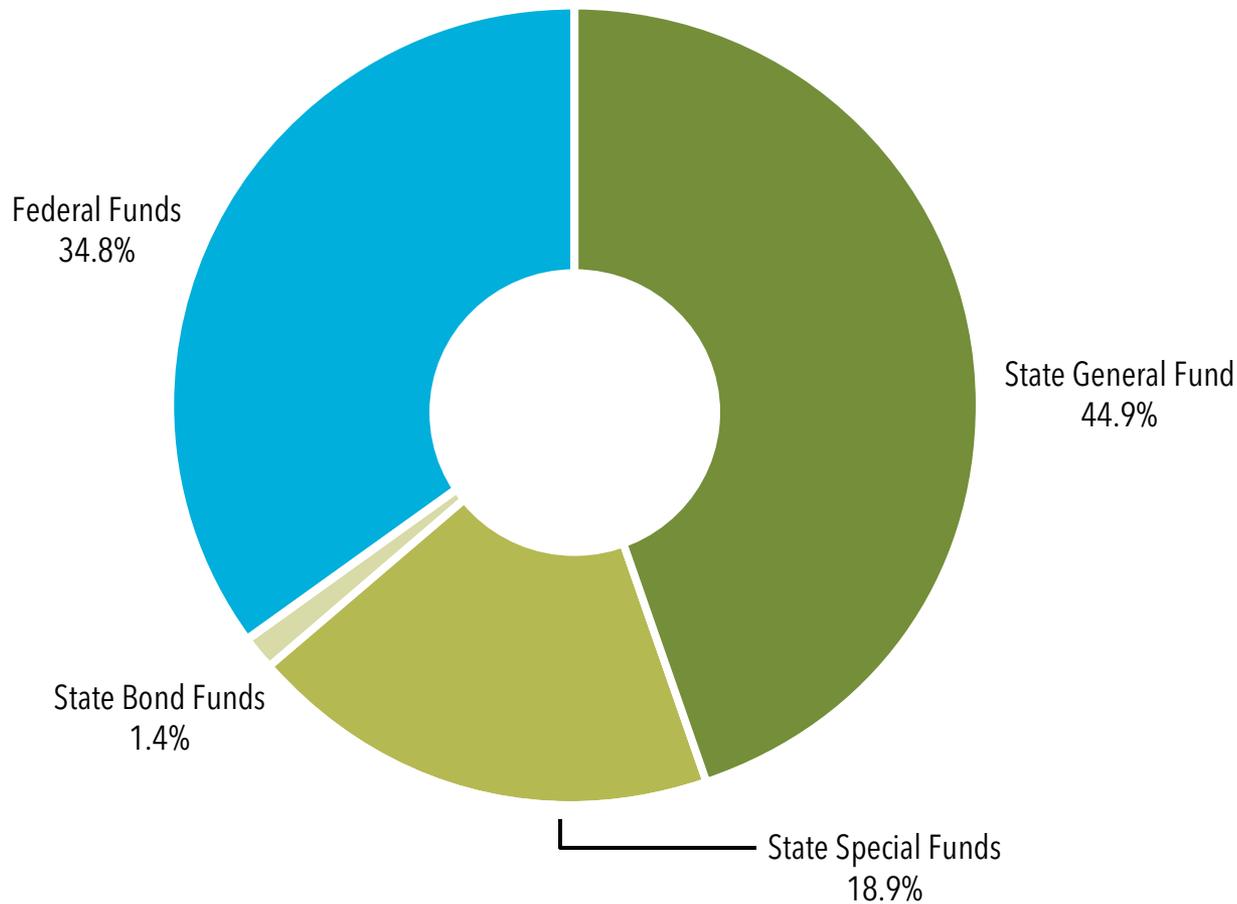


**The state budget =  
state funds + federal funds.**



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

Total Enacted 2018-19 Expenditures = \$308.8 Billion



Source: Department of Finance

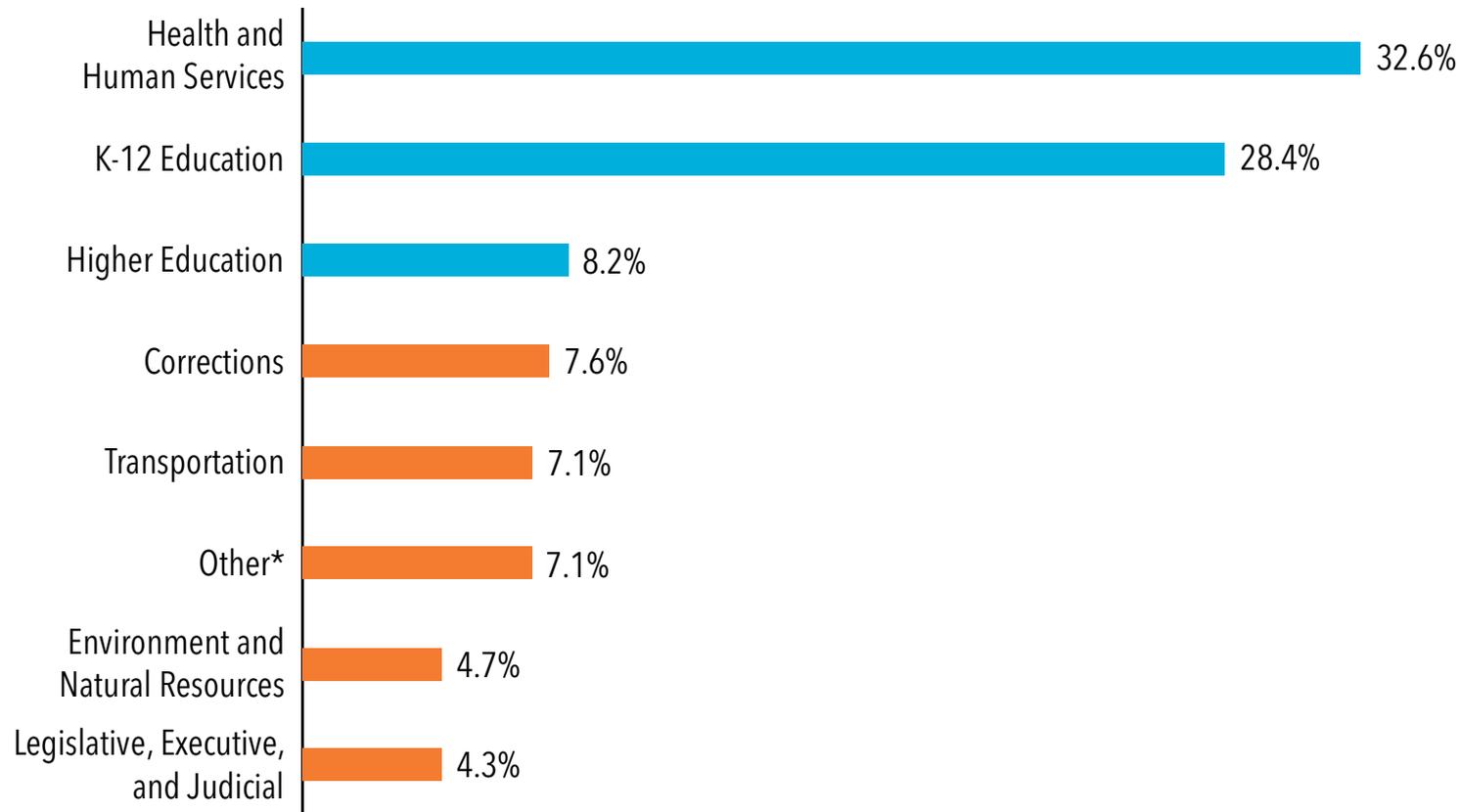


**The state budget supports a broad range of public services and systems.**



# 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

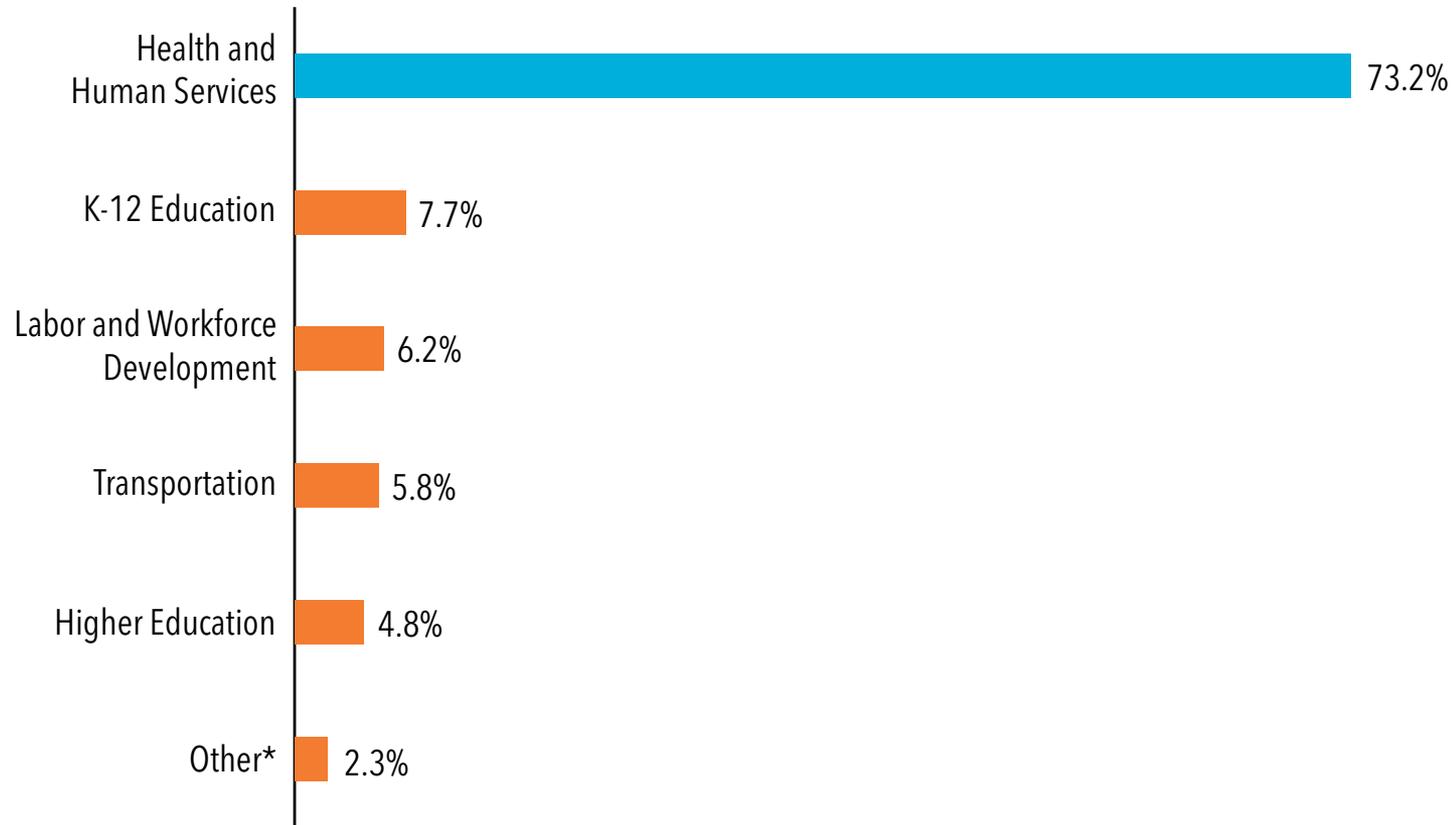


\* Includes Business, Consumer Services, and Housing; Labor and Workforce Development; Government Operations; and General Government.  
Source: Department of Finance



# 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



\* 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



## 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 hearings to review proposed budget.**
  - Testify at hearings and meet with key legislators and staff.



# 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



## Governor's Administration

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

## Legislature

- **Leaders develop their budget priorities.**
  - Seek to have your priorities considered.
- **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

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- 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**





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