California Budget Advocacy: Toward the May Revision and Beyond

@SHGraves29
@CalBudgetCenter

SCOTT GRAVES, DIRECTOR OF RESEARCH
A PRESENTATION TO:
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PART 2
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California Budget Process: The Big Picture

Budget decisions are made throughout the year, both in public settings and behind closed doors.

Advocates have many opportunities to make their voices heard.
Navigating the State Budget Process

Each year the Governor and Legislature work to craft the state’s spending plan. While the January-to-June period gets the most attention, the process of developing the budget is an ongoing enterprise, giving Californians ample opportunity to stay engaged and involved year-round.

The Governor
The Governor has the lead role in developing the state budget. Each year the Governor proposes a spending plan, which is introduced as the budget bill in the Legislature. The Governor can sign or veto the budget bill passed by legislators as well as other bills in the budget package that make policy changes related to the budget. The Governor can also reduce or eliminate individual appropriations using the line-item veto.

The Legislature
The Legislature – made up of the Assembly and Senate – reviews the Governor’s proposed budget and crafts its own version of the spending plan. The Legislature can maintain, modify, or reject the Governor’s proposals, with review occurring through each house’s budget committee and related subcommittees. The Legislature must pass the budget bill, but not other bills in the budget package, by June 15. The Legislature can override a Governor’s veto by a two-thirds vote of each house.

The Public
The public has various opportunities for input during the budget process. Members of the public can meet with officials from the Governor’s administration and with legislators and their staffs, testify at budget committees and subcommittees, and write letters of support and opposition. Through individual engagement or as part of coalitions, members of the public can express their budget priorities and areas of concern.

In the months following the release of the Governor’s proposed budget, members of the public can submit letters of support/opposition to budget subcommittees, meet with budget subcommittee staff and legislative leadership staff, and get involved with coalitions.
California Budget Process: Late April to Mid-May

The Legislature’s budget subcommittees continue to review the Governor’s proposed budget.

The Department of Finance wraps up the Governor’s revised budget (May Revision).
Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee

Phil Ting, Chair, Assembly Budget Committee
Governor Releases the May Revision on or Before May 14

• The May Revision updates:
  — The Governor’s economic and revenue outlook.
  — The Proposition 98 funding guarantee for K-12 schools and community colleges.
  — Proposed expenditures to reflect changes in caseload, enrollment, and population.

• The May Revision also revises, adds to, or withdraws proposals that were made in January.
California Budget Process: Mid-May to Late June

Budget subcommittees review the estimates and proposals included in the May Revision.

Each house finalizes its version of the budget.

Budget conference committee meets, leading to final negotiations with the Governor.
Key State Budget Negotiators: The “Big 3”

Governor
Gavin Newsom

Senate President pro Tem
Toni Atkins

Assembly Speaker
Anthony Rendon
Budget Bill Must Be Passed by June 15 (Does Not Apply to “Trailer Bills”)

- The Legislature must pass the budget bill by midnight on June 15.
  - Legislators are penalized financially if they miss this deadline.
- The Legislature generally passes some budget-related trailer bills by June 15, while others are approved after that date.
- The Governor signs the budget bill and most or all trailer bills by July 1, the start of the new fiscal year.
California Budget Process: July to the Fall

In August, the Legislature typically revises spending in the recently enacted budget bill and approves additional trailer bills.

Otherwise, most work related to the state budget happens behind the scenes.
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<tr>
<th>Governor’s Administration</th>
<th>Legislature</th>
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<tr>
<td>• Department of Finance (DOF) leads development of Governor’s proposed budget.</td>
<td>• Leaders develop their budget priorities.</td>
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<td>‣ Look for opportunities to engage with Administration officials.</td>
<td>‣ Seek to have your priorities considered.</td>
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<td>• Budget committee staff look ahead to upcoming budget deliberations.</td>
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<td>‣ Build relationships and suggest ideas for hearings.</td>
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1107 9th Street, Suite 310
Sacramento, California 95814
916.444.0500
sgraves@calbudgetcenter.org
@CalBudgetCenter

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