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Briefing on the Governor's May Revision to the proposed 2019-20 State Budget

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A WEBINAR PRESENTATION BY THE
CALIFORNIA BUDGET & POLICY CENTER
MAY 14, 2019

The *Policy Perspectives Speakers Series* is a year-round, free event series that provides expert analysis and insights on critical issues facing California.

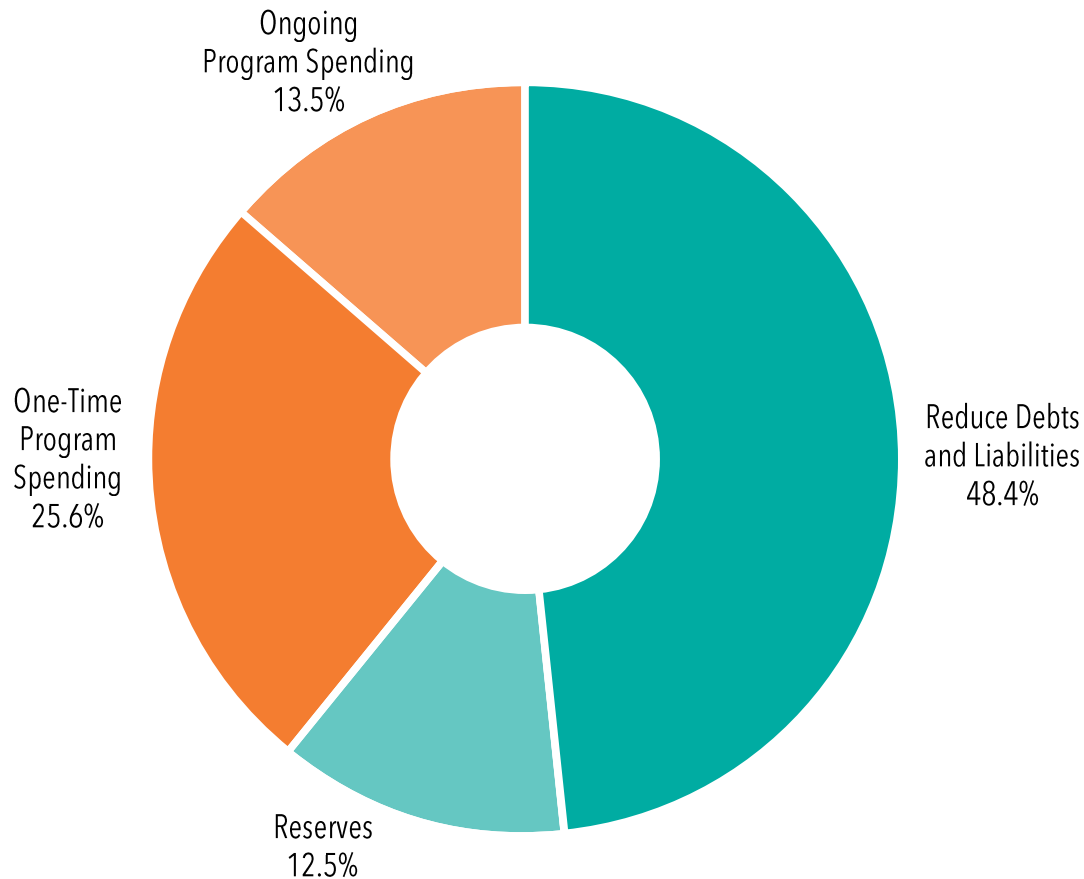
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Governor Proposes to Use More Than 60% of Discretionary Resources to Reduce Debt and Build Reserves

Total Discretionary Resources Projected as of the Proposed 2019-20 Budget = \$20.1 Billion*



* This amount reflects a downward adjustment of \$475 million to account for an error in the Governor's proposed 2019-20 budget that was identified by the Legislative Analyst's Office.
Source: Legislative Analyst's Office



CalWORKs provides modest cash assistance to families while helping parents find and keep jobs.

The maximum grant for a family of three has been below the deep-poverty level (50% of the federal poverty line) for over a decade.



Governor proposes significant increase to CalWORKs grants to raise them to deep-poverty threshold for *some* families.



Governor Newsom's 2019-20 Proposal to Raise CalWORKs Grants

- The Governor proposes a 13.1% increase effective October 1, 2019.
 - Cost of \$347.6 million General Fund in 2019-20, rising to a projected full-year cost of \$455.4 million General Fund.
- This proposal would:
 - Raise monthly grants **to** 50% of the federal poverty line for a three-person assistance unit (with no ineligible members)
 - Keep monthly grants **below** 50% of the federal poverty line for families with ineligible members



Investments in Infant and Maternal Well-Being in the Revised Budget

- Allocates \$89.6 million federal TANF and state General Fund to home visiting initiative in CalWORKs
- Provides \$65.3 million total for the Black Infant Health program and for home visiting outside of CalWORKs:
 - \$30.5 million GF in January
 - \$22.9 million for home visiting
 - \$12 million for the Black Infant Health program

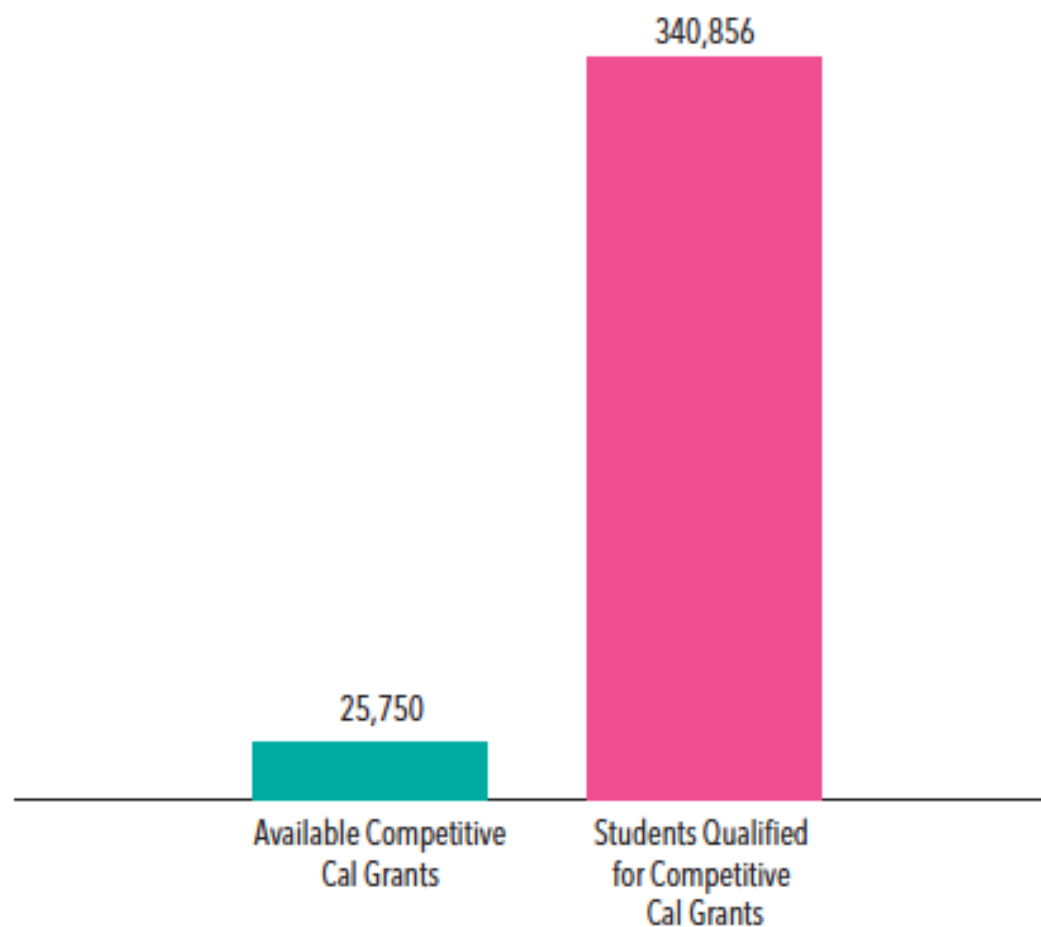


Revised budget lacks a state increase for SSI/SSP grants for low-income seniors and people with disability.



Demand for Competitive Cal Grants Far Exceeds Supply

Available Grants Compared to Number of Qualified Students, 2017-18



Note: Competitive Cal Grant awards provide aid to low- and middle-income students who meet certain GPA and income requirements, and apply to attend college more than one year after high school graduation. The Legislature establishes the number of awards available each year.

Source: California Student Aid Commission



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