



California Budget
& Policy Center

Dollars and Democracy: An Introduction to the State Budget Processes

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AFSCME BRIEFING

SACRAMENTO, CALIFORNIA

calbudgetcenter.org

Goals of the Presentation

- Highlight **key facts** about California's state budget
- Describe the **constitutional framework** for the state budget process
- Review the budget process timeline, including the **Governor's role** and the **Legislature's role**
- Discuss when and how **members of the public** can get involved



**The state budget expresses
our values and priorities.**

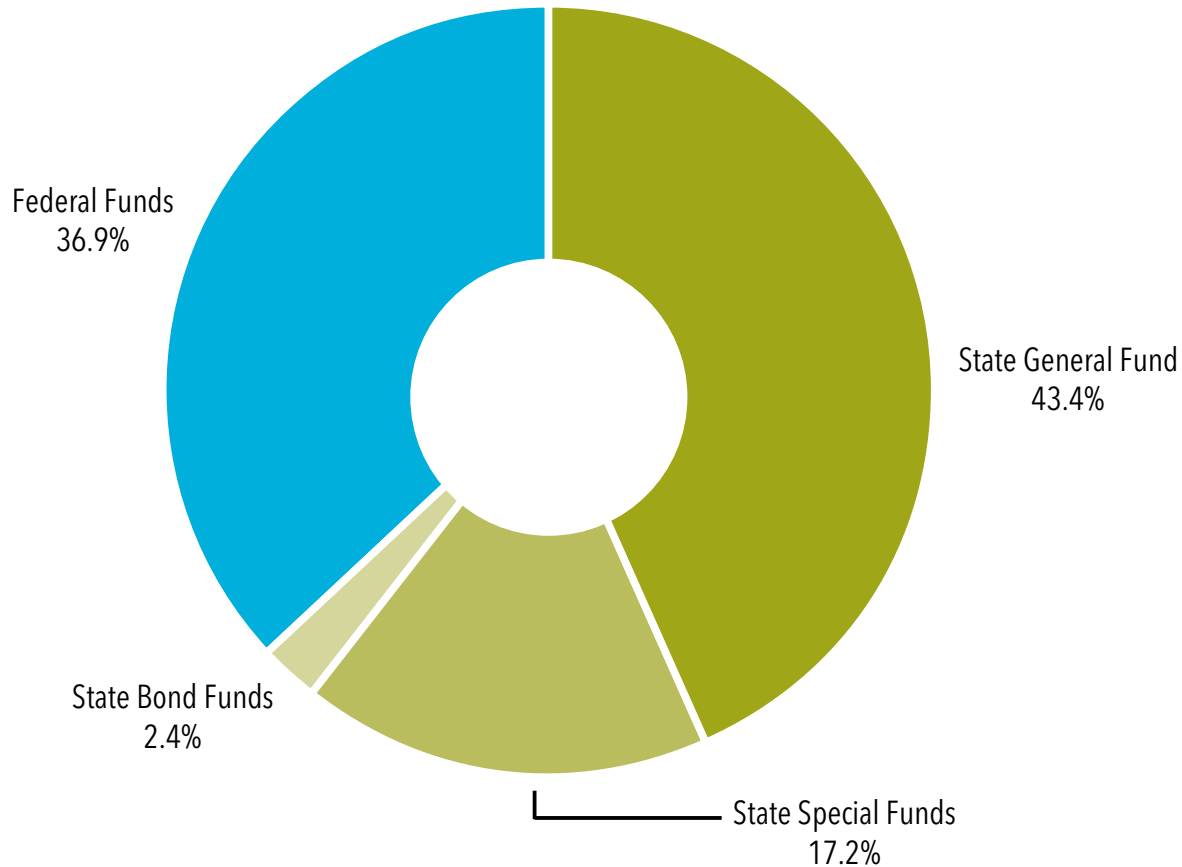


**The state budget =
state funds + federal funds.**



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

Enacted 2015-16 Expenditures = \$265.5 Billion



Note: Percentages do not sum to 100 due to rounding.
Source: Department of Finance

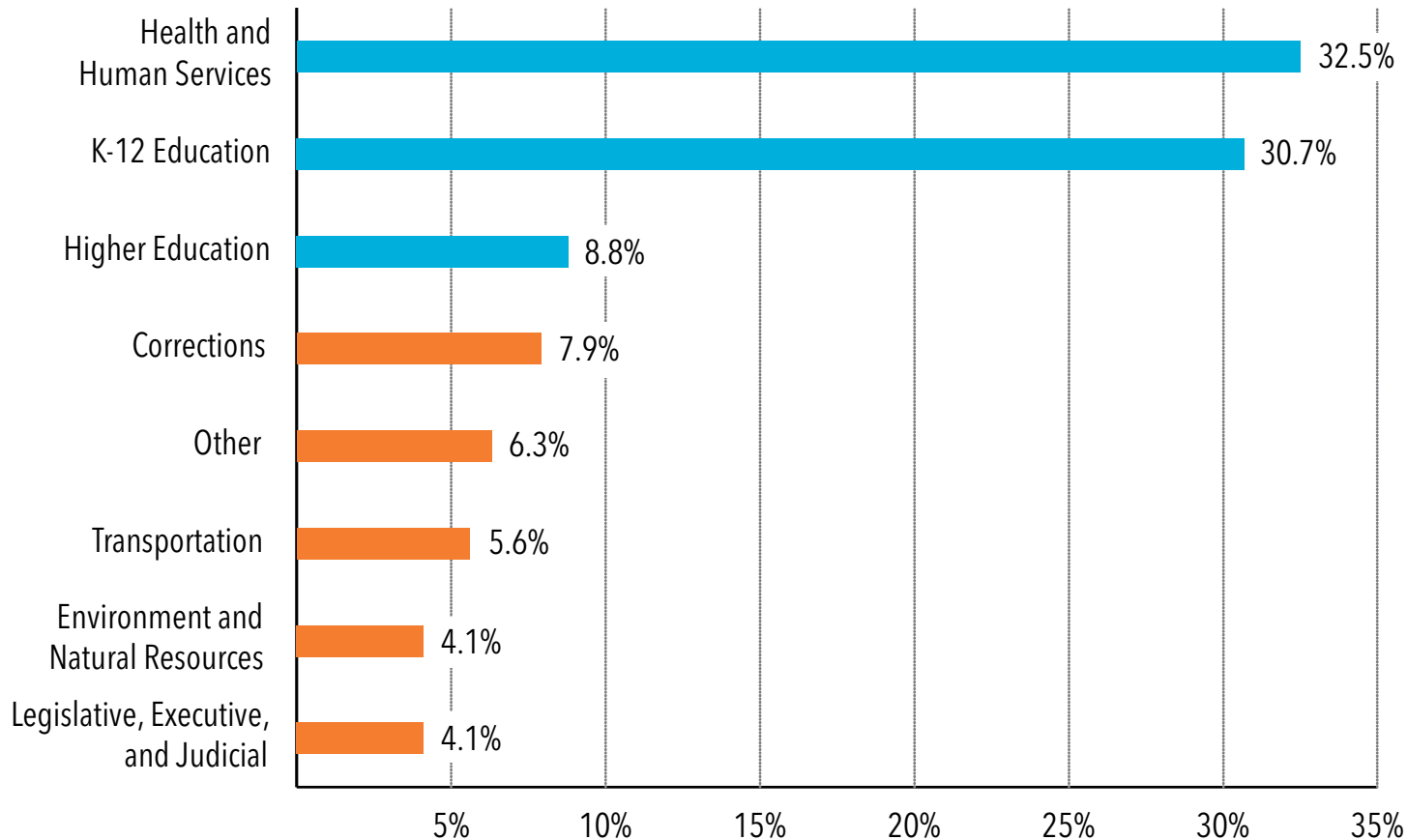


The state budget supports a range of public services and systems.



More Than Two-Thirds of State Spending Supports Health and Human Services or Education

Enacted 2015-16 General Fund and Special Fund Expenditures = \$161.1 Billion



**The “budget package”
consists of the budget bill
and budget-related bills.**



Bills in the 2015-16 Budget Package

- **AB 93:** The initial 2015-16 budget bill
- **SB 97 and SB 101:** Two additional budget bills that amended the *2015-16* budget bill
- **AB 116:** Another budget bill that amended the *2014-15* budget bill
- **Other bills in the budget package:** AB 95, AB 104, AB 114, AB 117, AB 119, SB 75, SB 78, SB 79, SB 80, SB 81, SB 82, SB 83, SB 84, SB 85, SB 88, SB 98, SB 99, SB 102, SB 103, and SB 107



**The state Constitution
establishes the rules of the
budget process.**



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



The budget bill and most budget-related bills can be passed by a simple majority vote.

(Proposition 25 of 2010)



Placeholder Proposition 25 Trailer Bills Listed in the 2015-16 Budget Bills

- **Sec. 39.00** The Legislature hereby finds and declares that **the following bills are** other bills providing for appropriations **related to the Budget Bill** within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution:
AB 94, AB 95, AB 104, AB 105, AB 106, AB 107, AB 108, AB 109, AB 110, AB 111, AB 112, AB 113, AB 114, AB 115, AB 116, AB 117, AB 118, AB 119, AB 120, AB 121, AB 122, AB 123, AB 124, AB 125, AB 126, AB 127, AB 128, AB 129, AB 130, AB 131, AB 132, AB 133, AB 134, AB 135, AB 136, AB 137, AB 138, SB 70, SB 71, SB 72, SB 73, SB 74, SB 75, SB 76, SB 77, SB 78, SB 79, SB 80, SB 81, SB 82, SB 83, SB 84, SB 85, SB 86, SB 87, SB 88, SB 89, SB 90, SB 91, SB 92, SB 93, SB 94, SB 95, SB 96, SB 97, SB 98, SB 99, SB 100, SB 101, SB 102, SB 103, SB 104, SB 105, SB 106, SB 107, SB 108, and SB 109.



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



Proposition 26 added this key phrase to the state Constitution:

“Any change in state statute which results in **any** taxpayer paying a higher tax” requires a two-thirds vote of each house of the Legislature.



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



**K-14 education is guaranteed
a minimum level of funding.
(Proposition 98 of 1988)**



**Some state revenues must
be set aside to pay down
debts and save for a rainy day.
(Proposition 2 of 2014)**



**The budget process is cyclical,
not linear.**

**Decisions are made throughout the year, both
in public settings and behind the scenes.**



The Governor has the lead role in crafting the budget.

Department of Finance (DOF)

Governor's proposed budget

May Revision

Line-item veto authority



The Legislature reviews and revises the Governor's proposals.

Assembly Budget Committee

Senate Budget and Fiscal Review Committee

Legislative Analyst's Office (LAO)



Members of the public have various opportunities for input during the budget process.



State Budget Process: July to December

DOF crafts the Governor's proposed budget.

Legislative leaders develop budget priorities.

Legislative staffers look ahead to the upcoming budget deliberations.



State Budget Process: January to Mid-May

Proposed budget released by January 10.

Budget committees review proposed budget.

Governor's staff explains and defends the proposed budget.



State Budget Process: Mid-May to June

May Revision released by May 14.

Assembly and Senate finalize their versions of the budget.

“Big 3” negotiate final budget deal.



The Bottom Line

- 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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