



California Budget
& Policy Center

California Budget Perspective 2016-17

SCOTT GRAVES, DIRECTOR OF RESEARCH

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NATIONAL ASSOCIATION OF SOCIAL

WORKERS – CALIFORNIA CHAPTER

ANNUAL LOBBY DAYS EVENT, SACRAMENTO

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The state budget is a statement about our values and priorities.

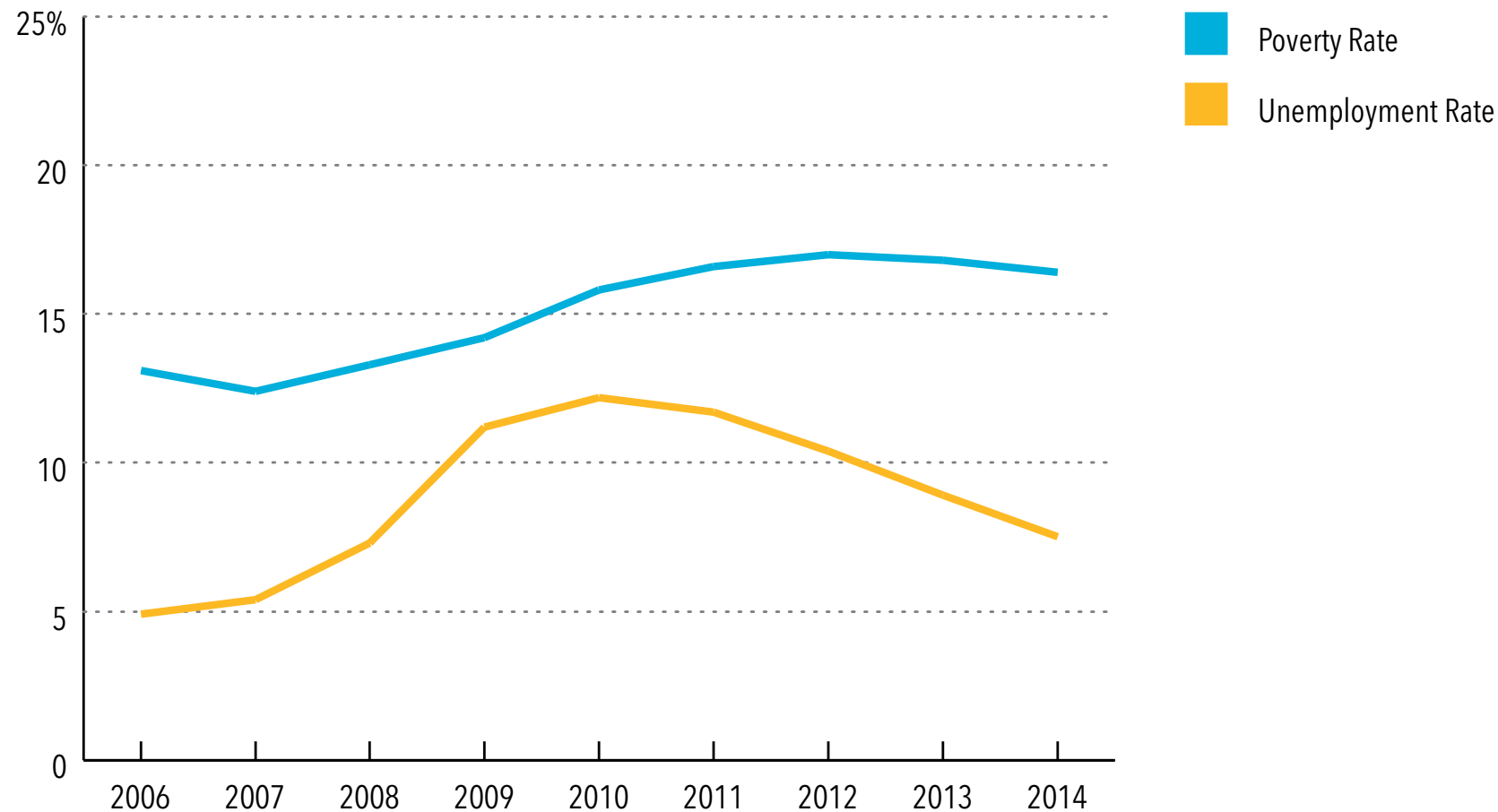


The Social and Economic Context of the State Budget



California's Poverty Rate Remains High in Spite of a Steady Decline in the Unemployment Rate

California's Unemployment Rate and Poverty Rate

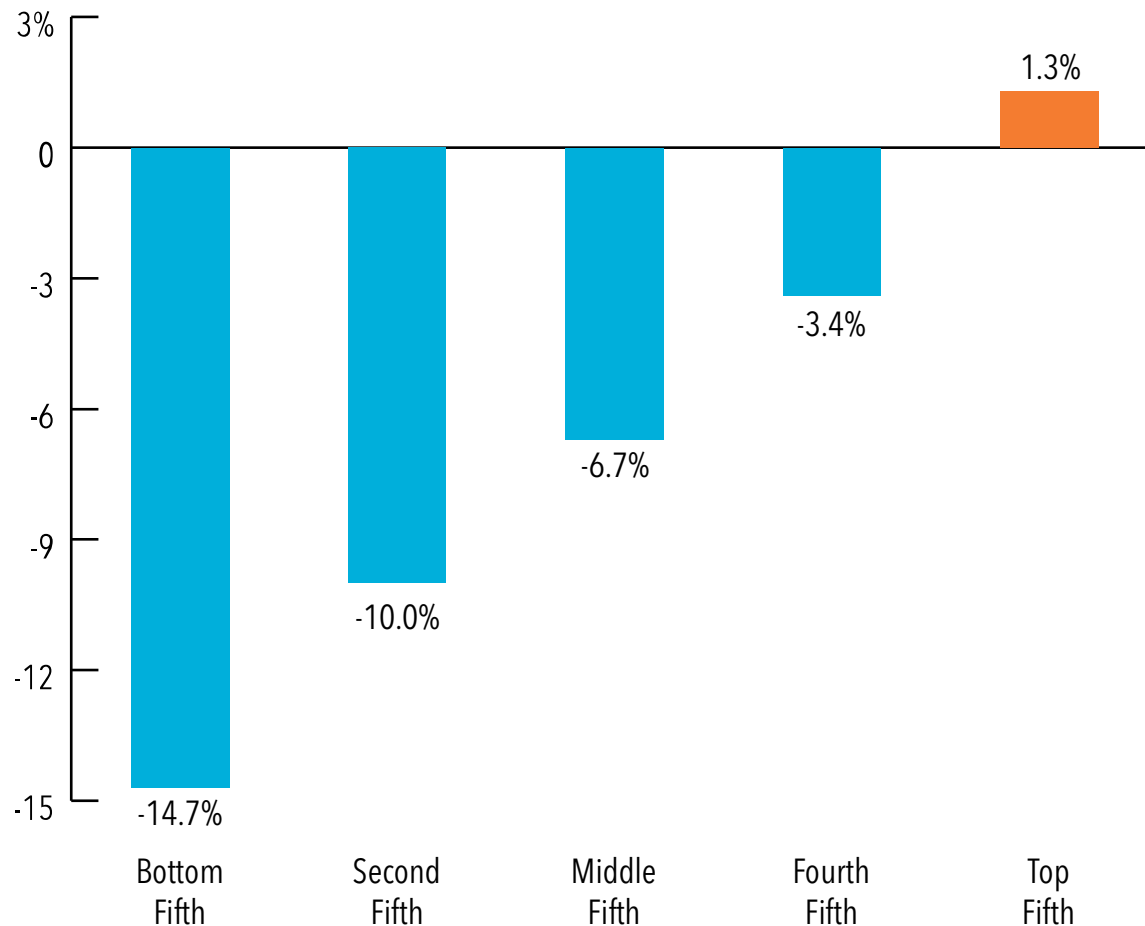


Source: Employment Development Department and US Census Bureau



Only Higher-Income Households Have Seen Their Incomes Recover From the Great Recession

Percent Change in Income Segment's Average Inflation-Adjusted Income, 2006 to 2014



Source: US Census Bureau

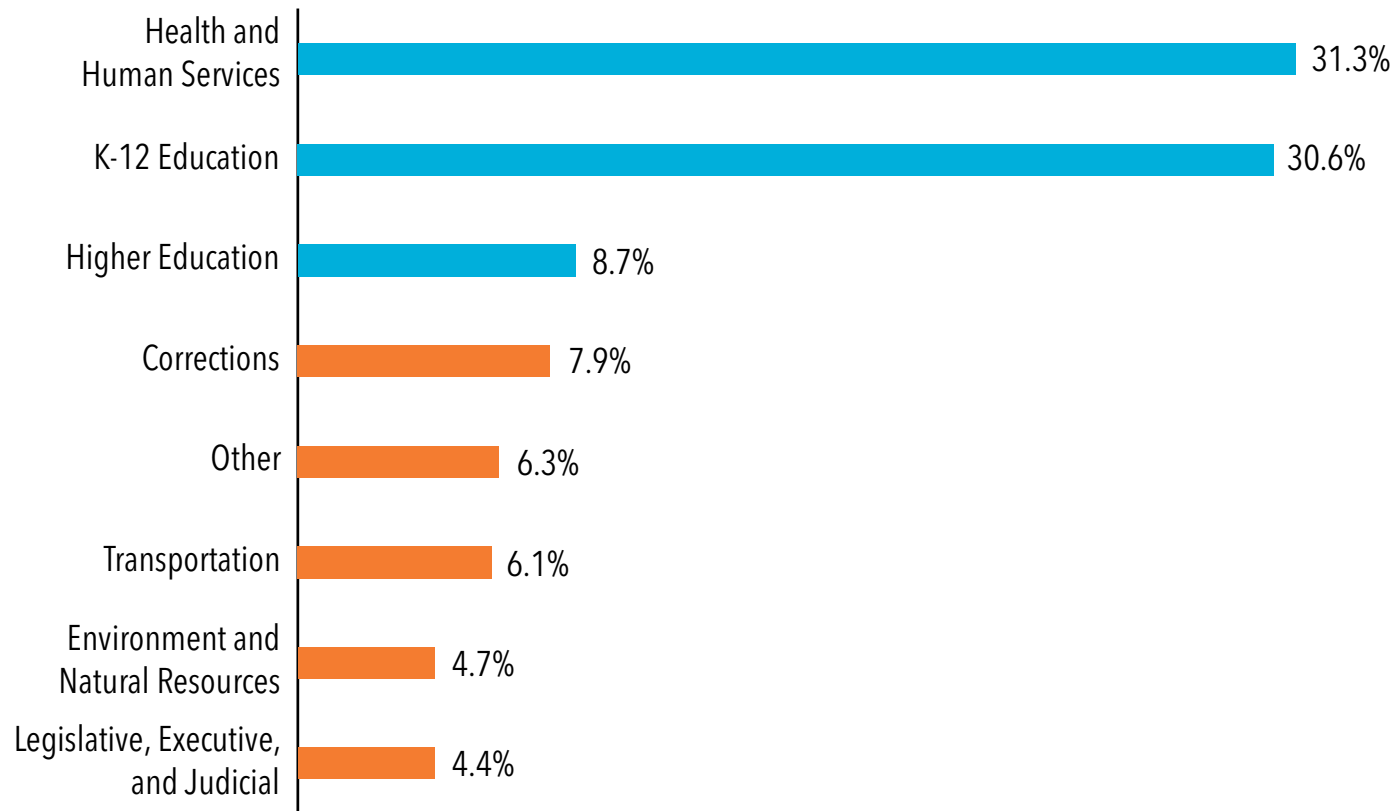


Key Facts About the Governor's Proposed 2016-17 Budget



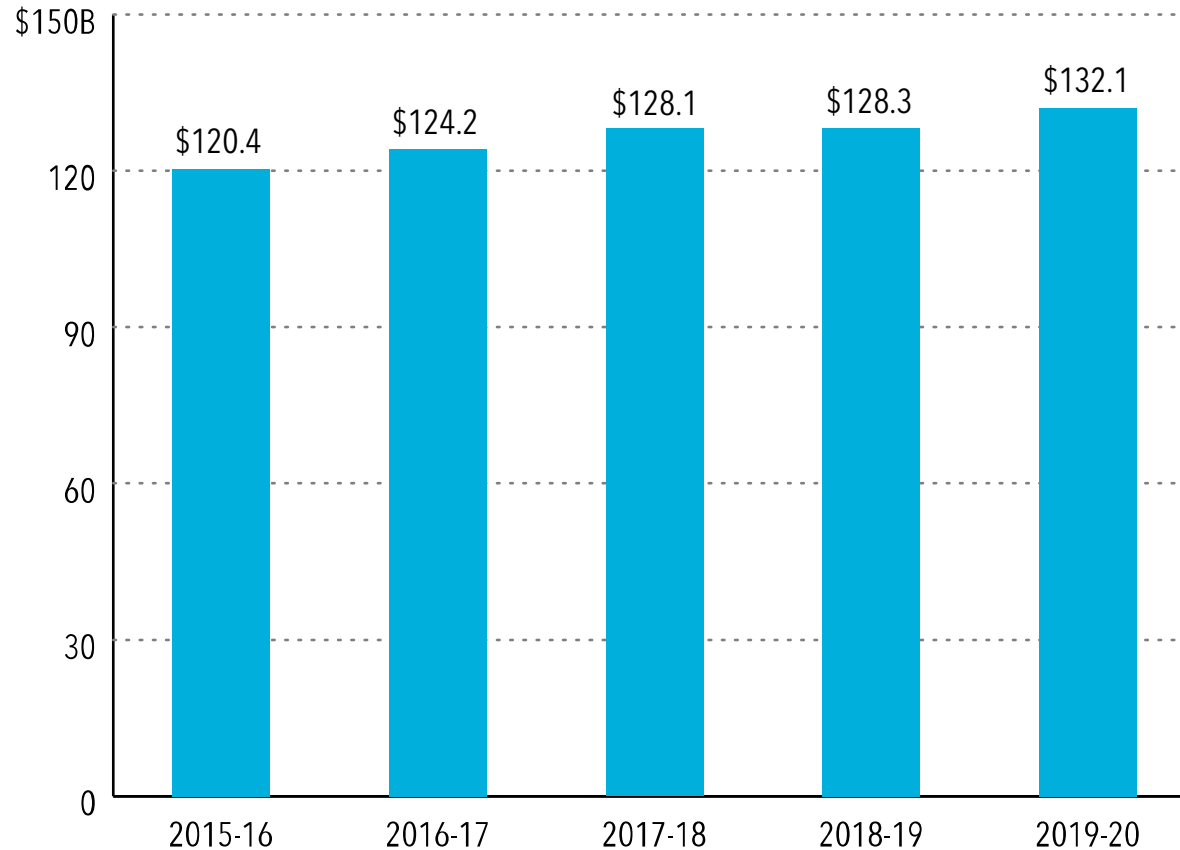
More Than 7 in 10 State Dollars Support Health and Human Services or Education

Proposed 2016-17 General Fund and Special Fund Expenditures = \$167.6 Billion



Annual General Fund Revenues Are Projected to Rise Modestly Through 2019-20

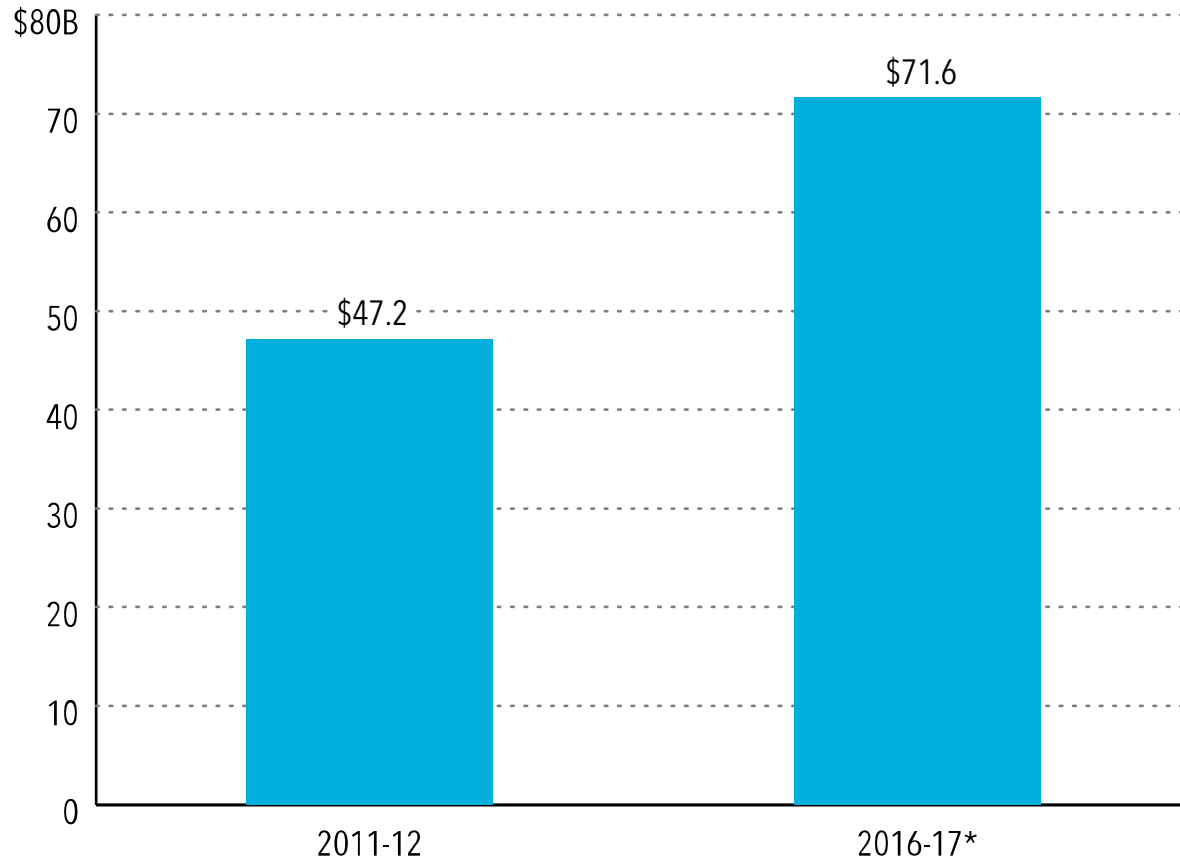
Dollars in Billions



Note: 2015-16 is estimated; 2016-17 onward are projected. Figures reflect total projected General Fund revenues before transfers to the Budget Stabilization Account, the state's rainy day fund.
Source: Department of Finance



Increased Revenues Boost K-14 Education Spending to More Than \$70 Billion, Over 50 Percent Above 2011-12 Proposition 98 Spending, Not Inflation-Adjusted



* 2016-17 proposed.

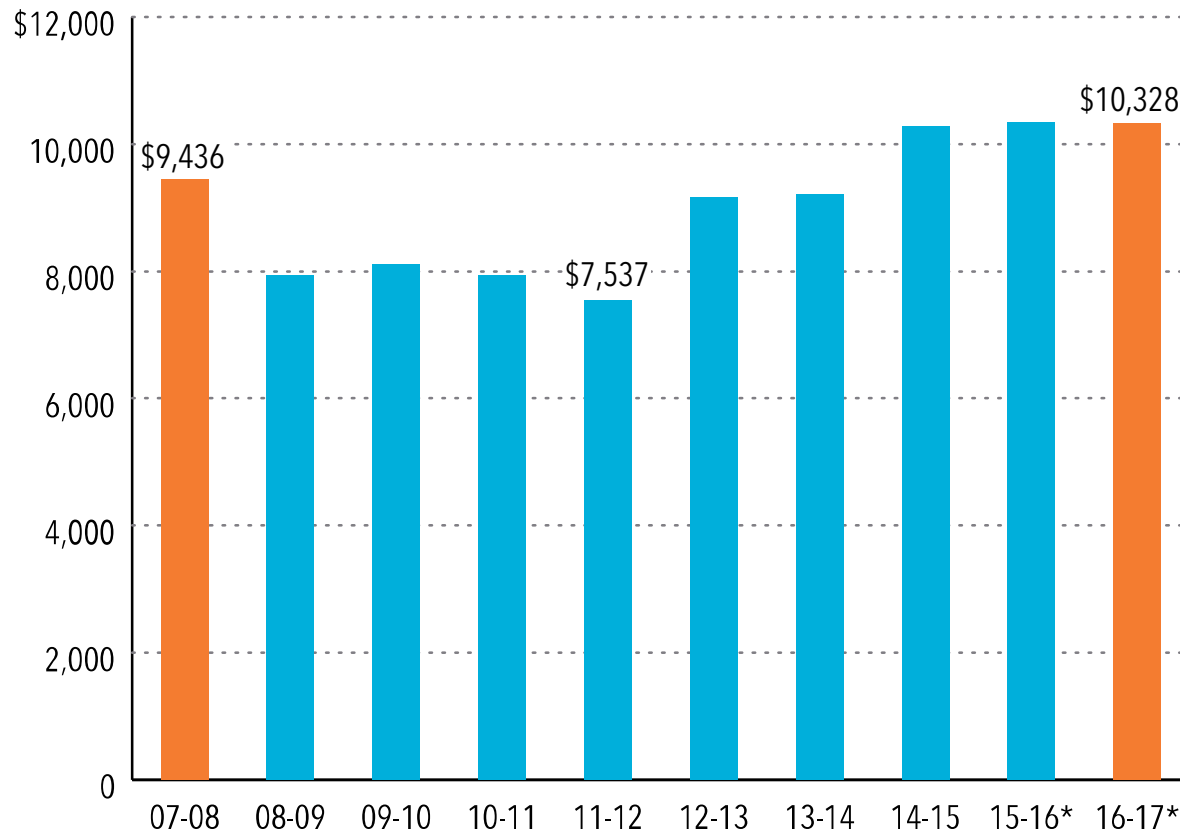
Note: Proposition 98 spending includes both state General Fund and local property tax dollars and excludes child care.

Source: Legislative Analyst's Office



Due to Higher Revenues, 2016-17 Spending Per Student Would Be Nearly \$900 Above 2007-08

K-12 Proposition 98 Spending Per Pupil, Inflation-Adjusted



* 2015-16 estimated and 2016-17 proposed.

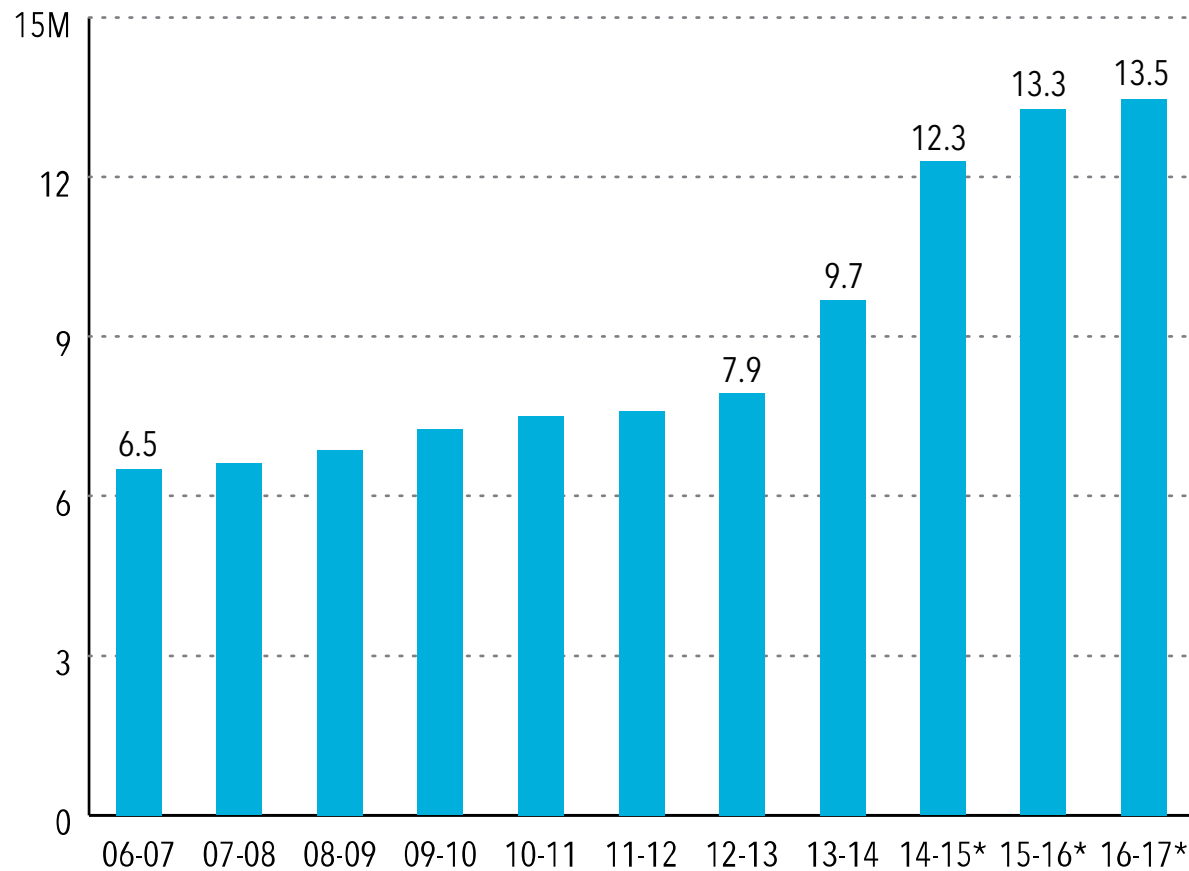
Note: Figures reflect 2016-17 dollars and exclude adult education, preschool spending, and child care. Proposition 98 spending reflects both state General Fund and local property tax dollars.

Source: Legislative Analyst's Office



Medi-Cal Enrollment Growth Is Slowing, Following Substantial Increases in 2013-14 and 2014-15

Enrollment Gains in Prior Years Were Largely Due to Implementation of Health Care Reform



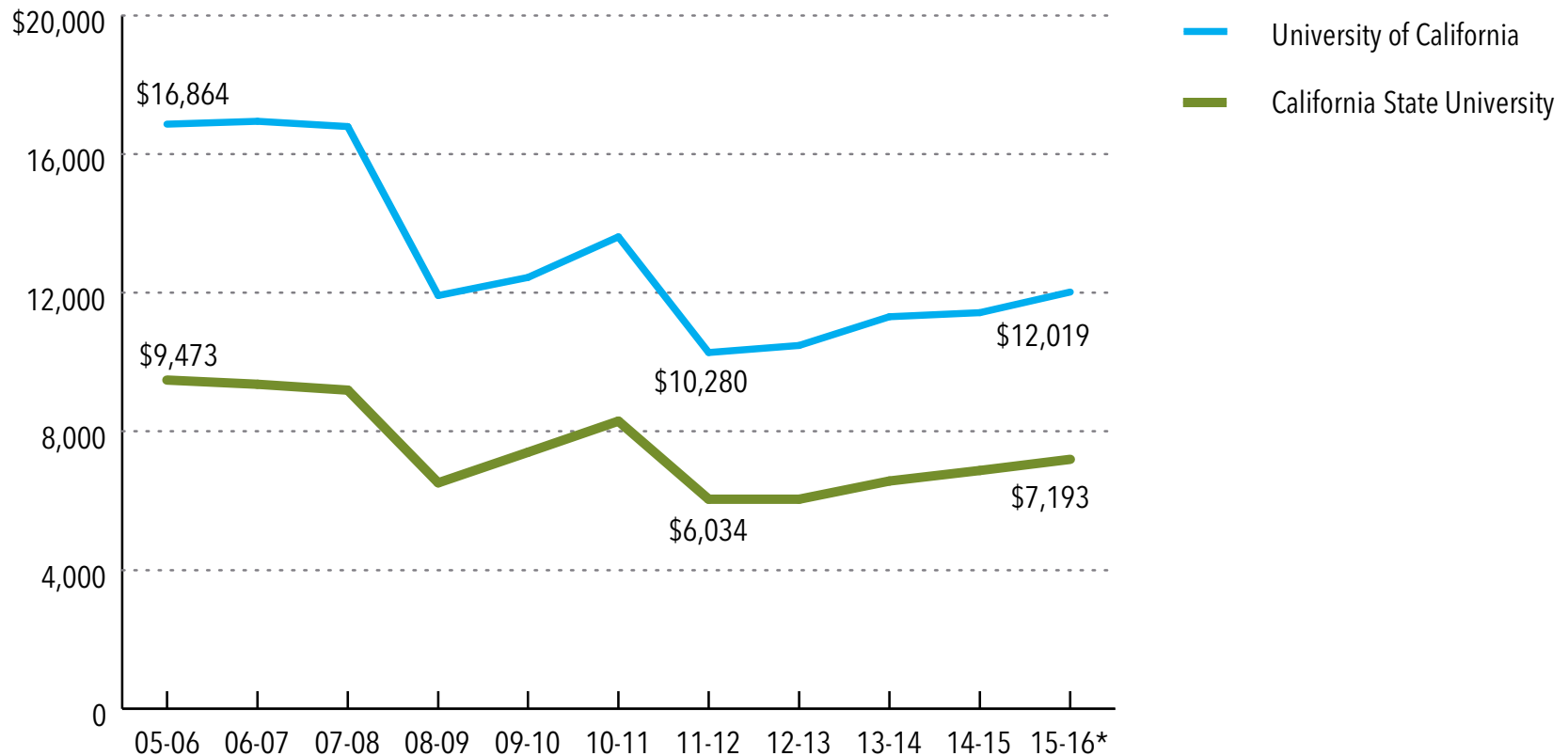
Note: 2014-15 and 2015-16 are estimated, and 2016-17 is projected. Figures reflect average monthly enrollment.

Source: Department of Health Care Services



State Spending Per Student at CSU and UC Remains Below Pre-Recession Levels, Despite Recent Increases

Direct General Fund Expenditures Per Full-Time Student, Inflation-Adjusted



* Estimated.

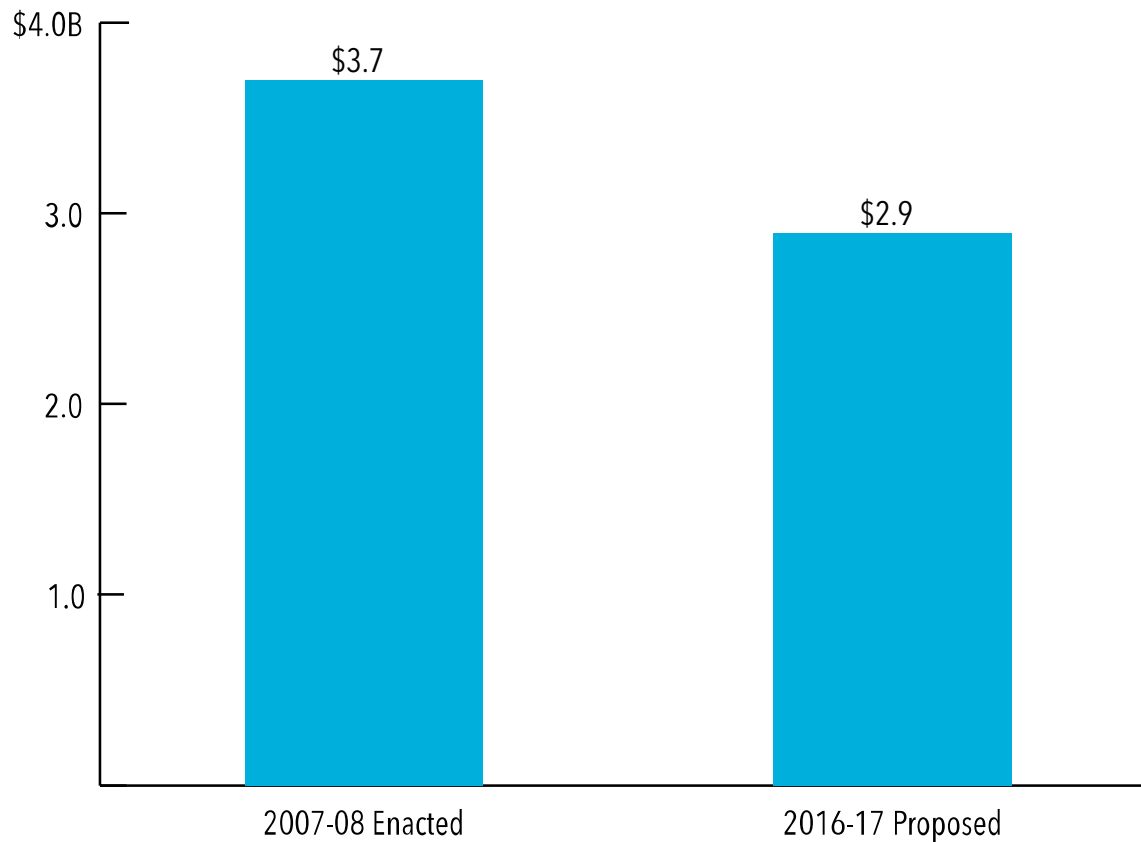
Note: Figures are in 2015-16 dollars and reflect "full-time equivalent" enrollment, which accounts for credits taken by each student relative to a full-time course load. Data exclude indirect state funding for CSU and UC attributable to Cal Grant tuition and fee payments.

Source: California State University, Department of Finance, and University of California



Annual Funding for Child Care and Preschool Remains More Than 20 Percent Below the Pre-Recession Level

Total Funding for Subsidized Child Care and Preschool in California, Inflation-Adjusted



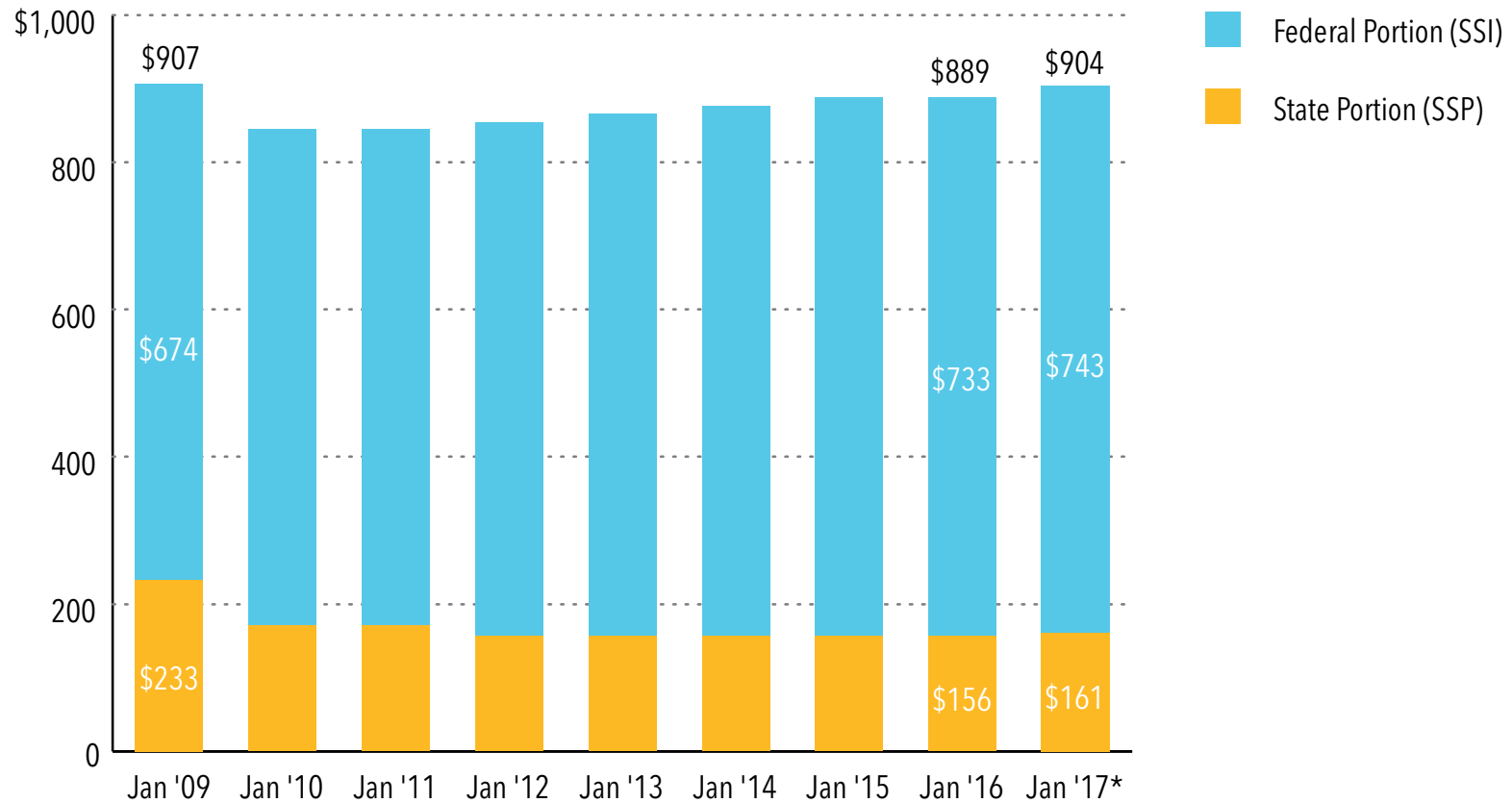
Note: Figures are in 2016-17 dollars and include federal and state funds for slots as well as for quality and support programs. Child care includes CalWORKs and non-CalWORKs programs. Preschool does not include Transitional Kindergarten.

Source: California Department of Education and Department of Finance



SSI/SSP Grants Would Remain Below the 2009 Level, Even With the Governor's Proposed Increase to the SSP Portion

Maximum Monthly SSI/SSP Grant for Individuals Who Are Elderly or Have Disabilities

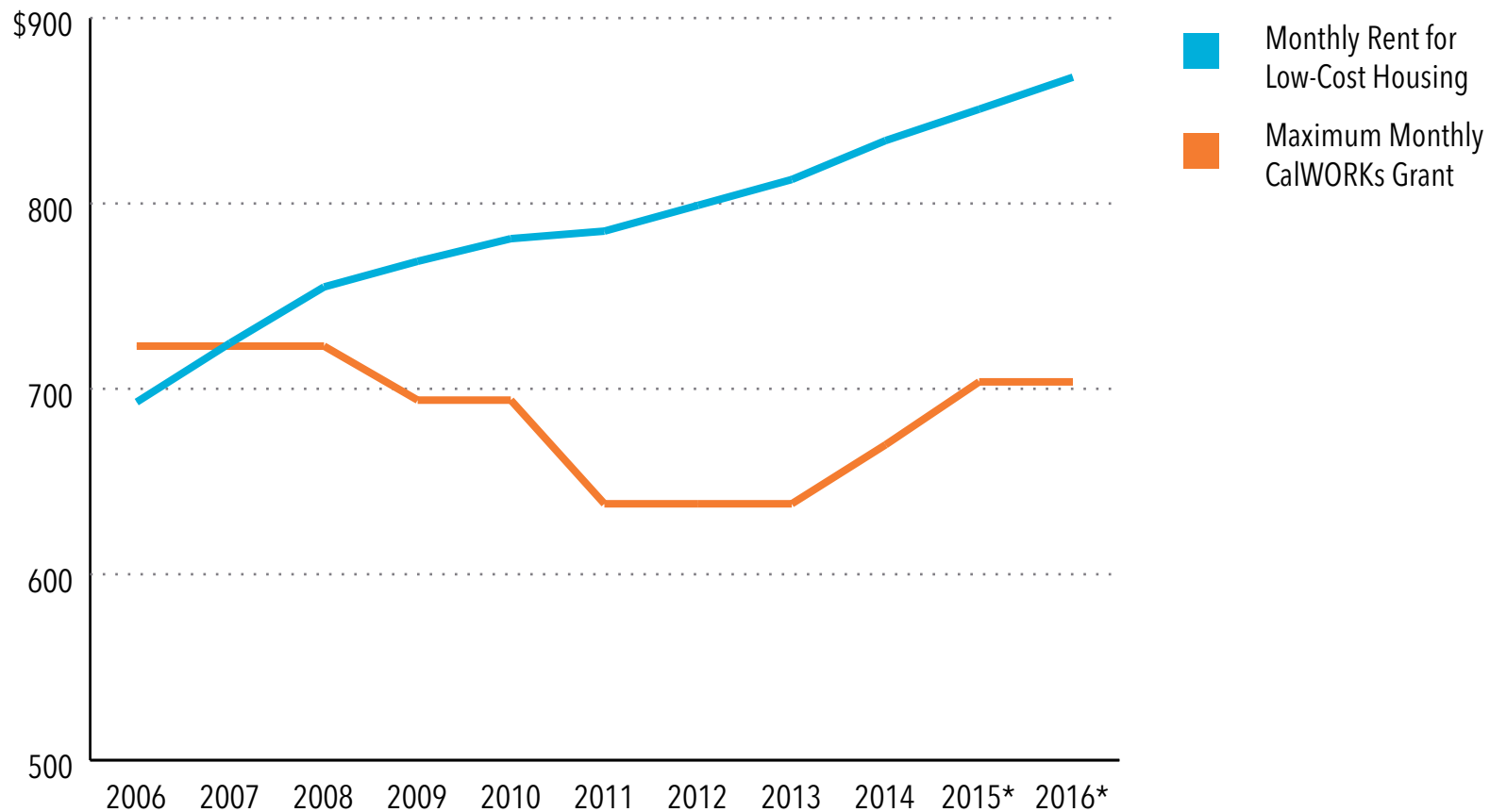


* Includes a projected 1.39 percent federal cost-of-living adjustment (COLA) to the SSI portion. In addition, reflects the Governor's proposal to provide a one-time state COLA to the SSP portion, which the Legislative Analyst's Office indicates would equal 2.76 percent.
 Source: Department of Social Services and Legislative Analyst's Office



CalWORKs Grants Provide Less Support Than in 2006 Even As Rents for Low-Cost Housing Have Risen

Maximum Monthly CalWORKs Grant Compared to 25th Percentile Monthly Rent

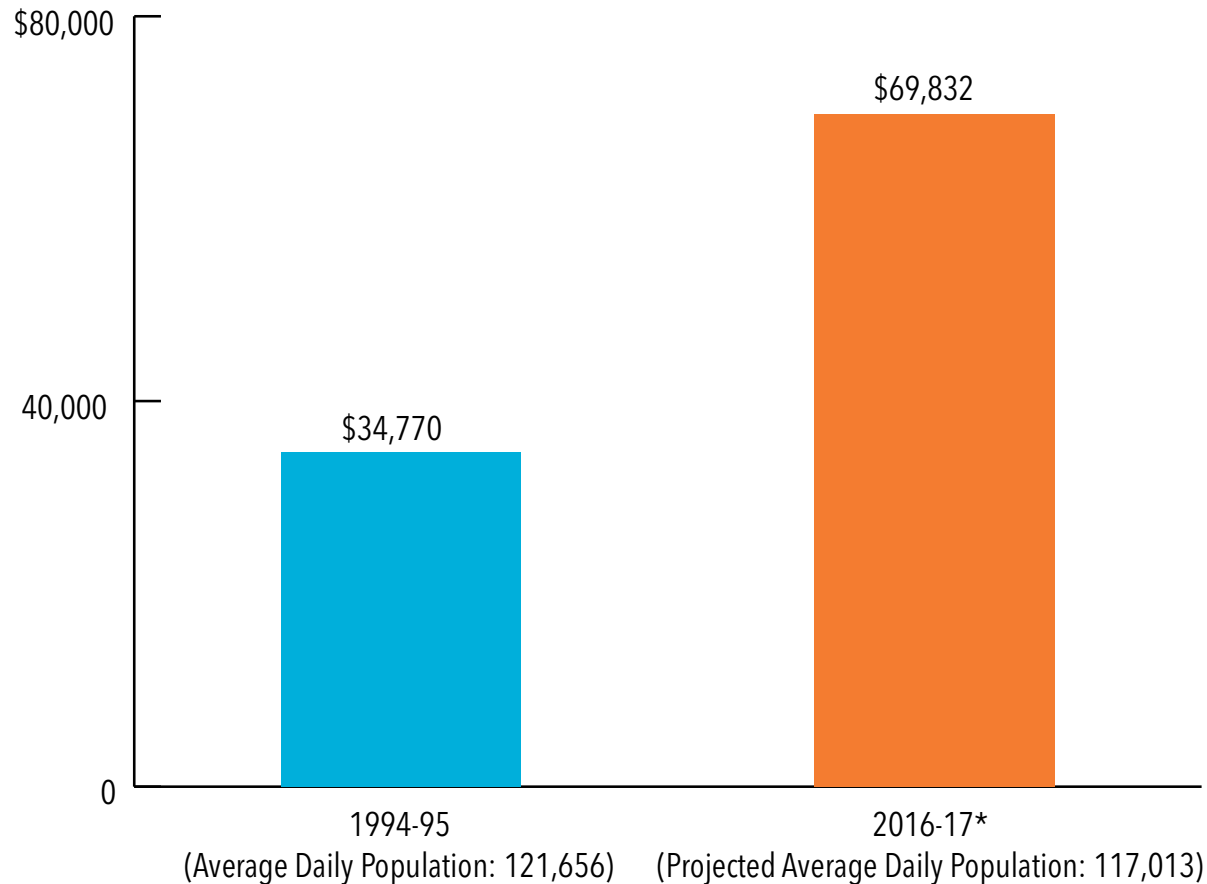


* Rents are estimated based on the compound annual growth rate between 2011 and 2014.
Note: CalWORKs grant is for a family of three in "high-cost" counties. The Governor's proposed budget assumes that there will be no increase to CalWORKs grants in the 2016-17 fiscal year, which begins July 1. Rent excludes utilities and reflects all unit sizes.
Source: Department of Social Services and US Census Bureau, American Community Survey



Spending Per Incarcerated Adult Would Be Twice the 1994-95 Level Under the Governor's Proposed Budget

Per Capita Cost for Adults Housed in State Prisons and Fire Camps, Inflation-Adjusted



* Proposed.

Note: 1994-95 per capita cost reflects 2016-17 dollars.

Source: Department of Finance

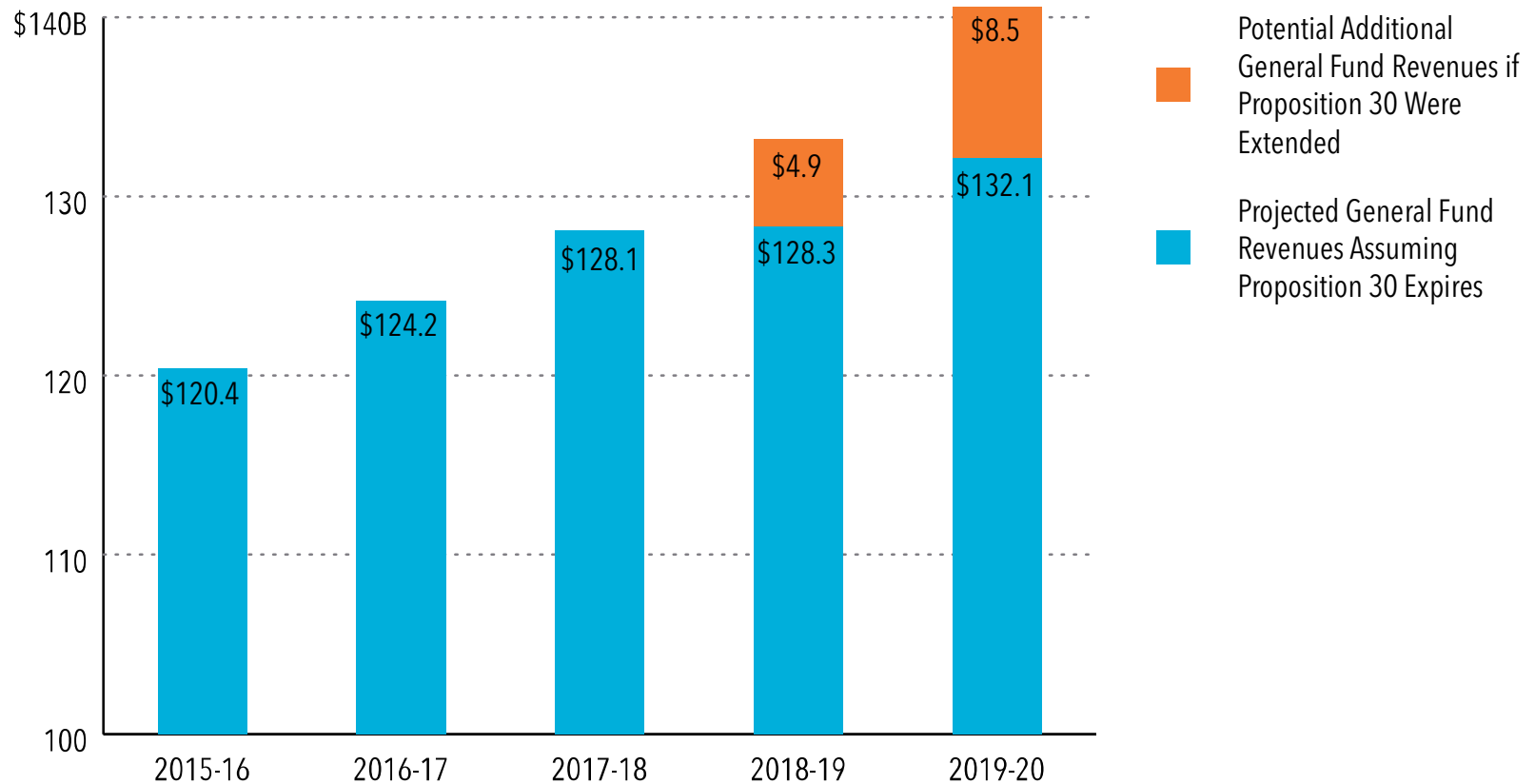


Looking Beyond 2016-17: Proposition 30's Temporary Tax Increases Are Set to Expire



Expiration of Proposition 30's Personal Income Tax Rate Increases Would Leave Permanent Gap in State Revenues

General Fund Revenues Before Transfers to the Budget Stabilization Account, in Billions



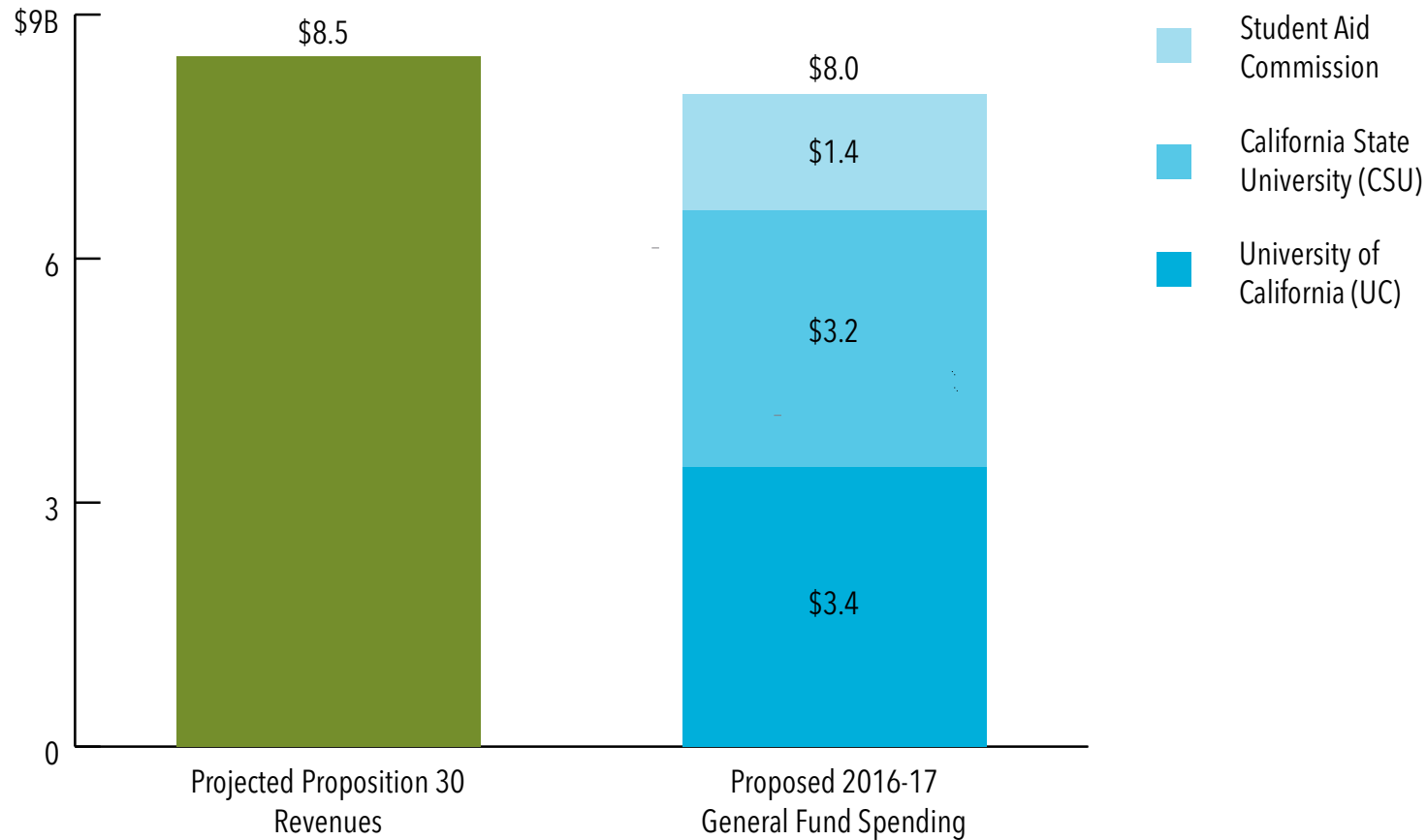
Note: 2015-16 is estimated; 2016-17 onward are projected. Additional revenues for 2018-19 and 2019-20 assume that personal income tax (PIT) revenue growth under an extended Prop. 30 would reflect the Administration's projected underlying PIT growth rate absent Prop. 30 taxes.

Source: Department of Finance (DOF) and Budget Center calculations based on DOF data



Proposition 30 Is Projected to Raise \$8.5 Billion in 2016-17, More Than CSU, UC, and Student Aid Funding

Dollars in Billions





California Budget
& Policy Center

1107 9th Street, Suite 310
Sacramento, California 95814

916.444.0500

sgraves@calbudgetcenter.org

[@CalBudgetCenter](#)

[@SHGraves29](#)

calbudgetcenter.org