Governor’s Proposed Budget Misses Opportunity to Make Critical Investments in Families and Communities

Governor’s Allocation of $7.3 Billion in Discretionary General Fund Resources in 2016-17

- California has an opportunity to invest so that more people can advance. General Fund revenues are projected to be billions of dollars higher than previously assumed and could be used to expand economic security and opportunity at a time when millions struggle to get ahead.

- However, the Governor takes most discretionary revenues off the table rather than investing in the foundations of shared prosperity. The Governor proposes directing about three-quarters of these resources to increasing reserves far more than required, renovating and maintaining state buildings and facilities, and constructing county jails.

- Budget choices could pave the way for more broadly shared economic growth. Significant discretionary revenues could be used instead to invest in child care and preschool, strengthen welfare-to-work, address California’s lack of affordable housing, and make other critical investments in families and communities.

* Includes funds set aside for state worker salary increases, as well as increases for the CSU and UC, California Department of Corrections and Rehabilitation, courts, SSI/SSP grants, and the Department of Developmental Services.

** Considered discretionary because these proceeds are not proposed for any particular purpose.

Note: Excludes constitutionally required spending, reserves, and debt payments; added costs to maintain existing policies; and some smaller spending proposals.

Source: Legislative Analyst’s Office