



California Budget
& Policy Center

Dollars and Democracy: An Introduction to the State Budget Process

JONATHAN KAPLAN, SENIOR POLICY ANALYST

ENGLISH LEARNER LEADERSHIP & LEGACY
INITIATIVE

SACRAMENTO, FEBRUARY 7, 2018

calbudgetcenter.org

Goals of the Presentation

- Highlight **key terms and definitions** about the state budget process in California
- 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 Process: Key Terms and Definitions



Speaking the Language

- **Governor's Proposed Budget:**
 - Shows spending for the prior and current fiscal years and proposed spending for the upcoming fiscal year.
- **Governor's Budget Summary:**
 - Provides the Governor's economic and revenue outlook, highlights major policy initiatives, and summarizes state expenditures assumed in the proposed budget.
- **May Revision:**
 - Updates the Governor's economic and revenue outlook and revises, supplements, or withdraws policy initiatives included in the Governor's proposed budget.



Speaking the Language (continued)

- **Department of Finance (DOF):**
 - Prepares the Governor's budget documents. The DOF director is the Governor's chief fiscal adviser.
- **Assembly Budget Committee and Senate Budget and Fiscal Review Committee:**
 - Review the Governor's proposals and help develop the Legislature's version of the budget. Committee analyses are released beginning in January.
- **Legislative Analyst's Office (LAO):**
 - Provides fiscal and policy advice to the Legislature. LAO budget analyses are released beginning in January.



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



**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 can be passed
by a simple majority vote.
(Proposition 25 of 2010)**



**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.



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



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



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



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

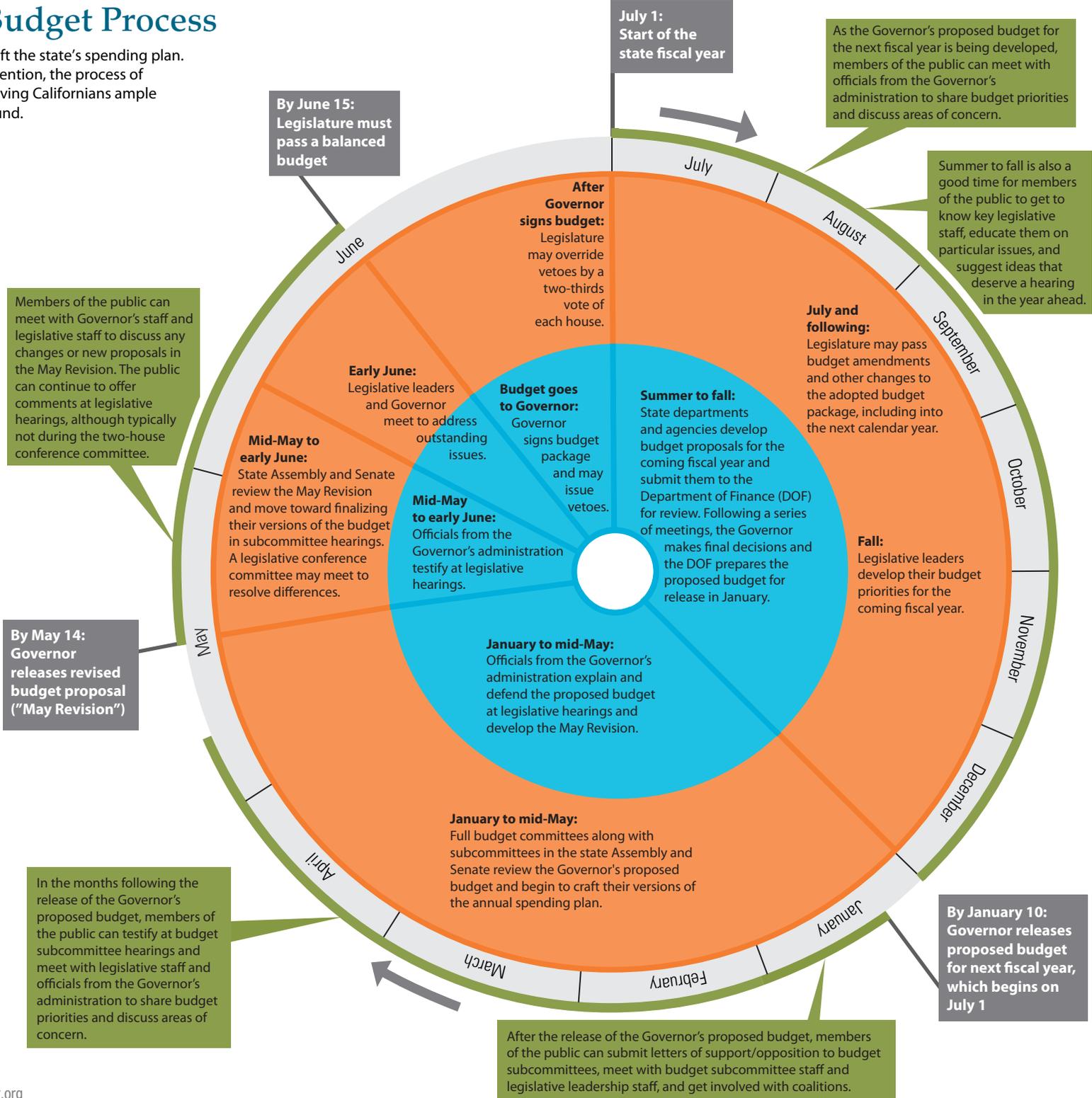
The Governor has the lead role in developing the state budget. Each year the Governor proposes a spending plan, which is introduced as the budget bill in the Legislature. The Governor can sign or veto the budget bill passed by legislators as well as other bills in the budget package that make policy 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 before 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.



**The Governor has the lead
role in crafting the budget.**



**The Legislature reviews
and revises the Governor's
proposed budget.**



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



The Bottom Line

- The state budget expresses our values and priorities.
- The state Constitution establishes the rules of the budget process.
- The Governor has the lead role in the budget process.
- Lawmakers review and revise the Governor's proposed spending plan.
- Budget decisions are made throughout the year.



State Budget Resources

- California Budget & Policy Center: Analyses and commentary, presentations and events, and technical assistance (calbudgetcenter.org).
- Department of Finance: The Governor's budget proposals and related documents (www.dof.ca.gov).
- Legislative Analyst's Office: Budget and policy analyses, budget recommendations, and historical budget data (www.lao.ca.gov).



State Budget Resources (continued)

- Legislative Counsel: Bills and bill analyses, a free bill-tracking service, the state codes, and the state Constitution (leginfo.legislature.ca.gov).
- State Assembly and Senate: Committee agendas and other publications, floor session and committee schedules, the annual legislative calendar, and live audio streaming of legislative proceedings (assembly.ca.gov and senate.ca.gov).
- The California Channel: Live and archived webcasts of legislative hearings and floor sessions (www.calchannel.com).





California Budget
& Policy Center

1107 9th Street, Suite 310
Sacramento, California 95814

916.444.0500

jkaplan@calbudgetcenter.org

[@CalBudgetCenter](#)

calbudgetcenter.org