

CALIFORNIA BUDGET PROJECT

The Governor's 2015-16 Budget Proposal: An Overview

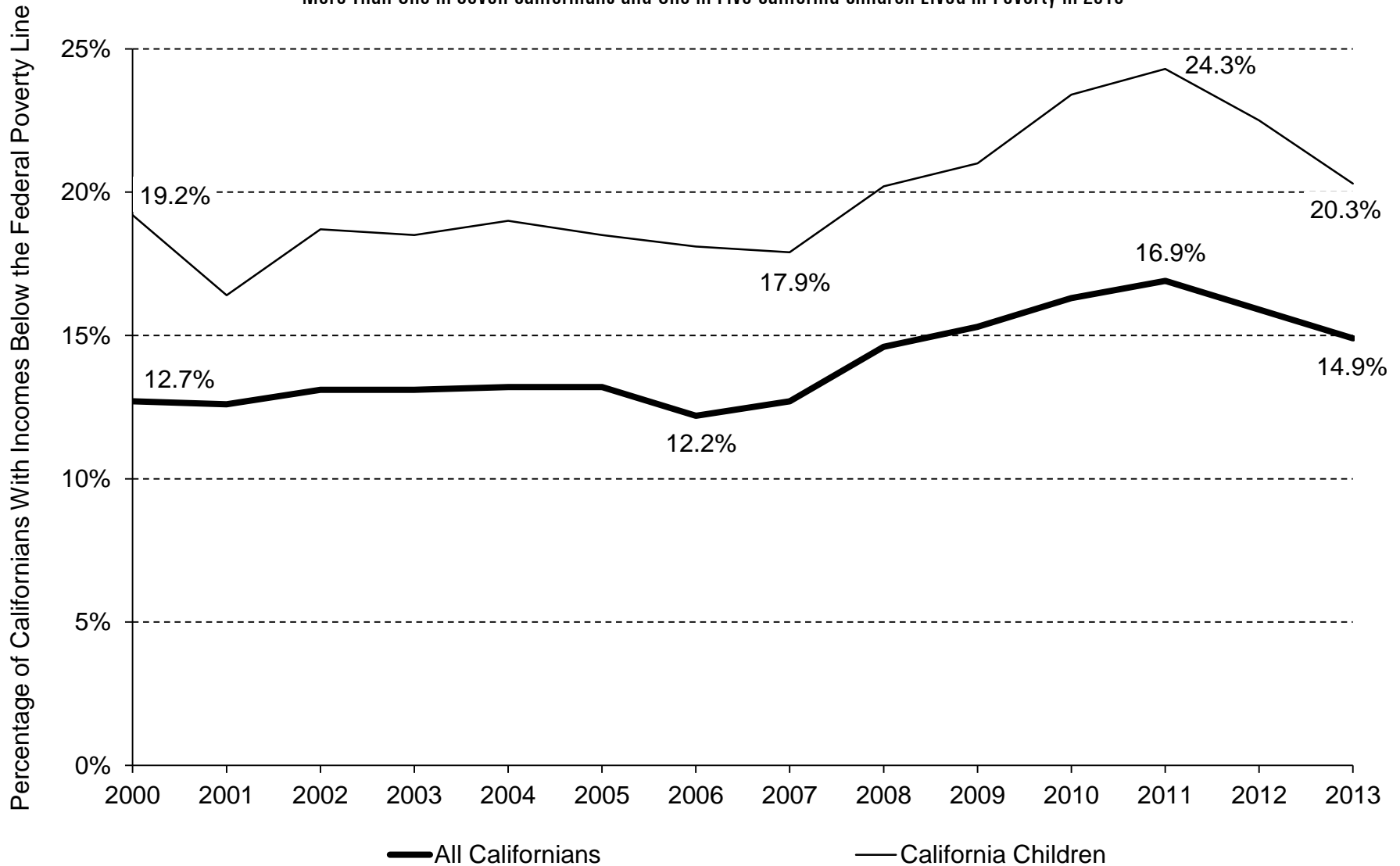
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A PRESENTATION BY
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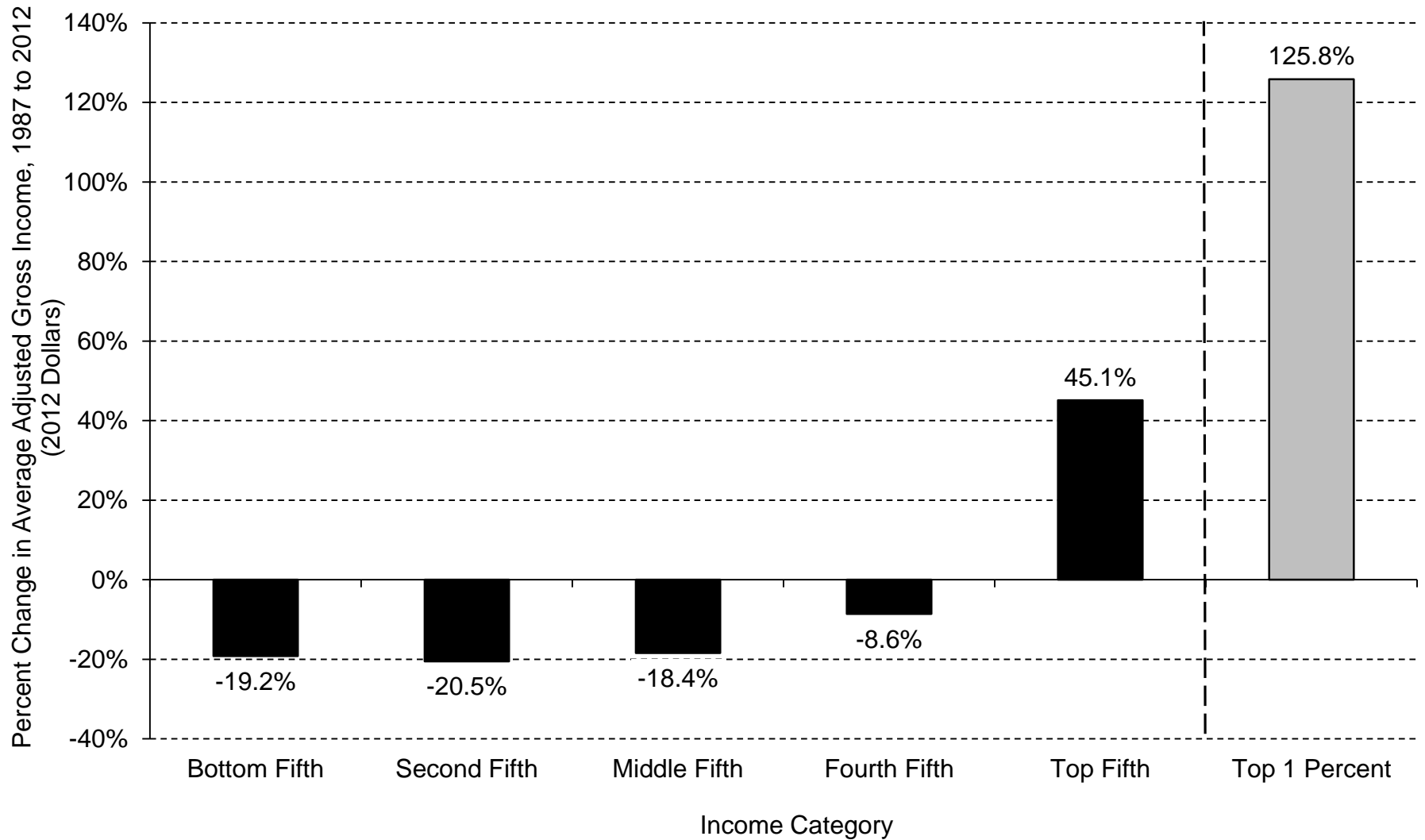
California's Economic Context: Unemployment and poverty remain high, and wage inequality has worsened.

Poverty Remains High in California

More Than One in Seven Californians and One in Five California Children Lived in Poverty in 2013



The Average Income of the Wealthy Increased Significantly Between 1987 and 2012, While Declining Among All Other Californians



Revenues and Spending Overview

- Revenues
 - Higher-than-expected revenues
- General Fund Spending
 - Proposed \$113.3 billion in General Fund spending in 2015-16
- Paying Down State Debts & Saving for a Rainy Day Funds
 - \$1.2 billion set aside to pay down budgetary debt
 - \$1.2 billion set aside for the state's rainy day fund
 - A plan to reduce unfunded liabilities for state government retiree health benefits

Budget Cuts Have Weakened Key Services and Supports That Help Low-Income Children and Families Advance

Social Services

- CalWORKs
 - No new investments in children
 - Grant levels remain lower than before Great Recession
- IHSS
 - Rolls back the current 7 percent cut to IHSS consumers' hours of care
- Foster Care
 - Invests in the Continuum of Care Reform in order to reduce the number of foster youth in group homes

Children's Health

- Department of Health Care Services
 - Administration suggests that certain undocumented immigrants *may* be eligible for state-funded Medi-Cal
 - Maintains 10 percent provider rate cut
- Department of Public Health
 - No new investments in children
- Department of Developmental Services
 - No new investments in children

Child Care and Preschool

- Provides a cost-of-living adjustment (COLA) for child care and preschool programs
- Reflects full-year costs of 2014-15 budget agreement
 - Increased provider payment rates
 - Additional preschool slots
- Makes note of changes related to the CCDBG reauthorization

K-12 Education

- Provides an addition \$4 billion for the ongoing implementation of the state's new education funding formula (Local Control Funding Formula)
- One-time funding boost for implementation of Common Core State Standards
- Continues to pay down debt owed to schools and community colleges

Other Areas

- Local Government
 - Suspends Interagency Child Abuse and Neglect Investigation Reports Mandate
- Judicial Branch
 - Suggests developing a plan to fund courts based on caseloads in order to reduce the number of cases managed by dependency counsel

The State Budget = A Statement of California's Values and Priorities

The Measure of a Good Budget

- A good budget should take a balanced approach that strives for:
 - **Improving outcomes** for individuals, families, and communities.
 - **Investing** in long-term economic growth and broadly shared prosperity.
 - Paying down **debt** and saving for a **rainy day**.

For More Information:

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