



California Budget
& Policy Center

Key Facts About California's State Budget and the Budget Process

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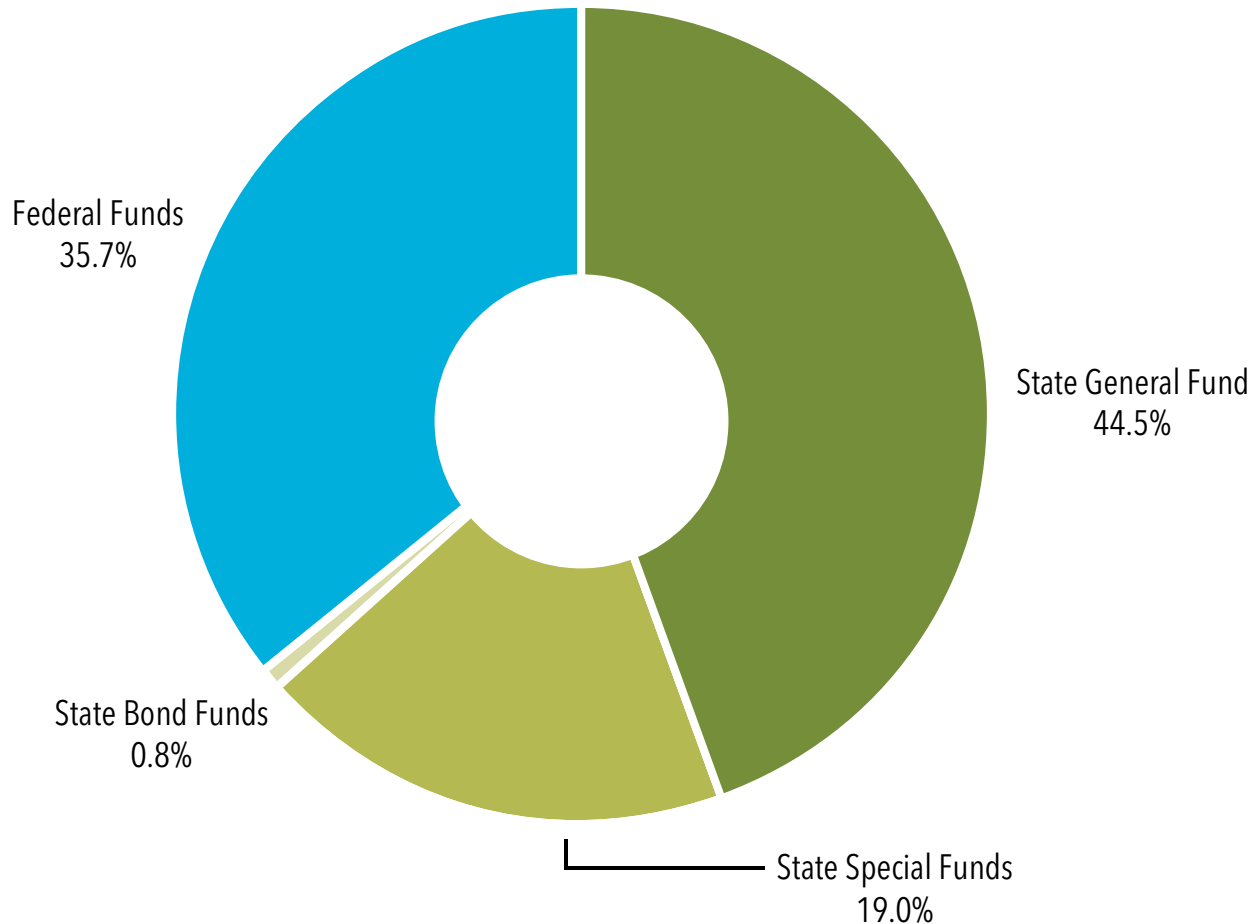
MONTHLY MEETING/CALL

MAY 23, 2018

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

Total Proposed 2018-19 Expenditures = \$296.2 Billion

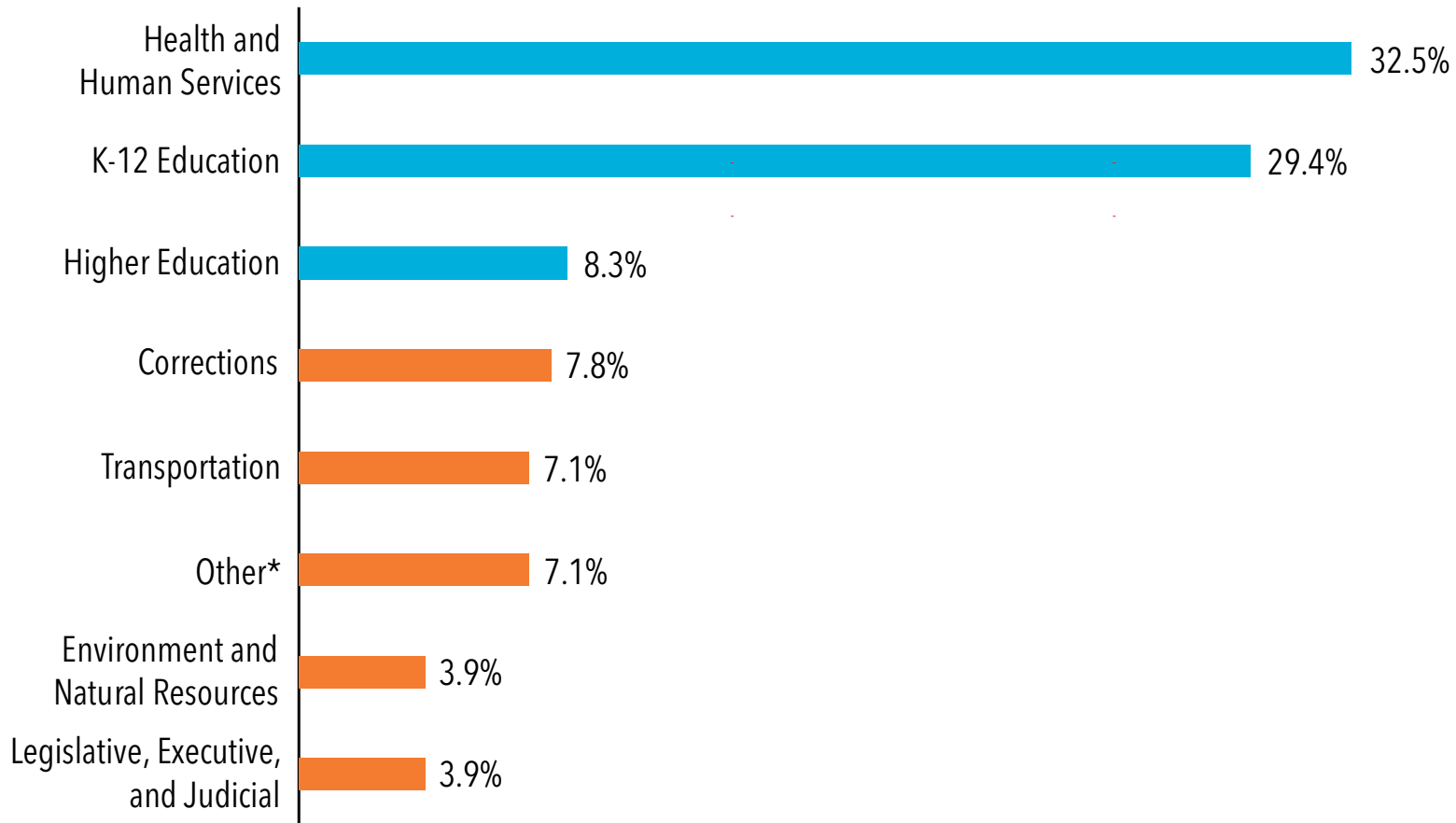


Source: Department of Finance



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

Proposed 2018-19 General Fund and Special Fund Expenditures = \$187.8 Billion

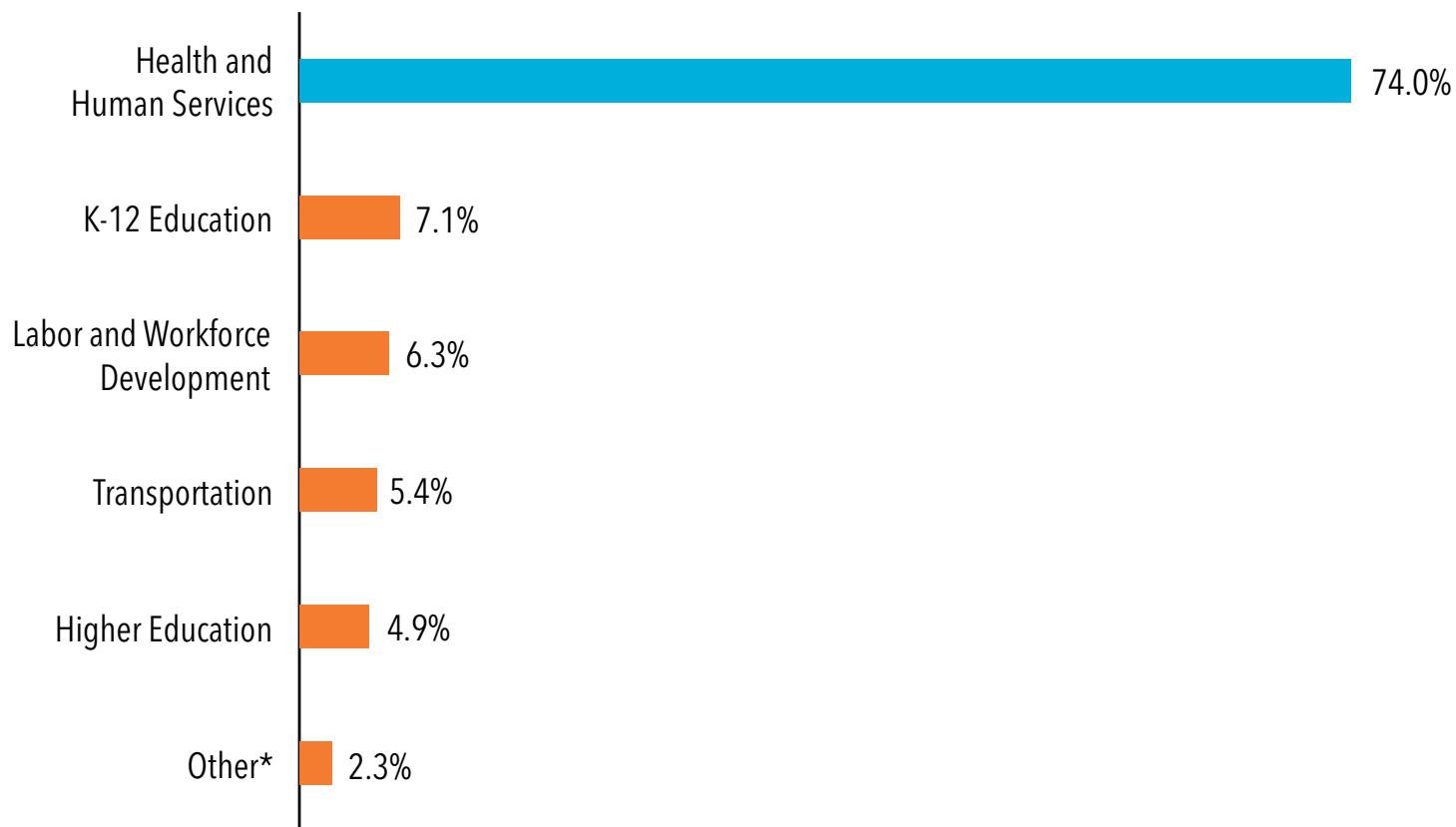


*Includes Business, Consumer Services, and Housing; Labor and Workforce Development; Government Operations; and General Government.
Source: Department of Finance



More Than 7 in 10 Federal Dollars Spent Through the State Budget Support Health and Human Services

Federal Funds Estimated to Be Spent Through the State Budget in 2018-19 = \$105.9 Billion



* Includes Environmental Protection; Legislative, Judicial, and Executive; Corrections and Rehabilitation; and other state budget categories that account for relatively small shares of federal funds.

Source: Department of Finance



The budget package consists of one or more **budget bills** plus budget-related **trailer bills**.



There is no limit on the number of trailer bills that may be included.



The 34 Bills in the 2017-18 Budget Package (So Far)

- **AB 97:** The initial **2017-18 budget bill**
- **AB 109, AB 120, AB 134, SB 108, and SB 113:** Additional budget bills that **amended the initial 2017-18 budget bill**
- **SB 107:** Another budget bill that **amended the 2016-17 budget bill**
- **Other bills in the budget package:** AB 99, AB 102, AB 103, AB 107, AB 111, AB 114, AB 115, AB 119, AB 126, AB 129, AB 130, AB 131, AB 133, AB 135, SB 84, SB 85, SB 88, SB 89, SB 90, SB 92, SB 94, SB 96, SB 97, SB 103, SB 110, SB 112, and SB 117



**California's Constitution
establishes the basic rules
of the state budget process.**



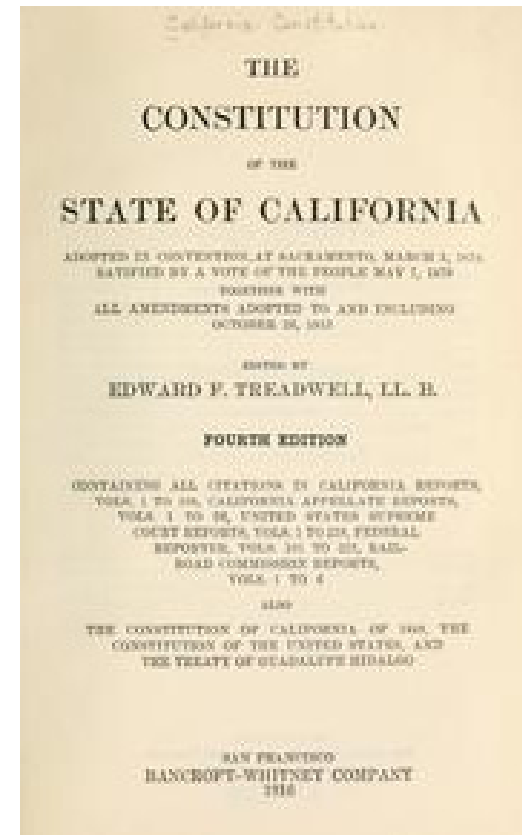
US Constitution

- Roughly 7,800 words
- Amended 27 times



California Constitution

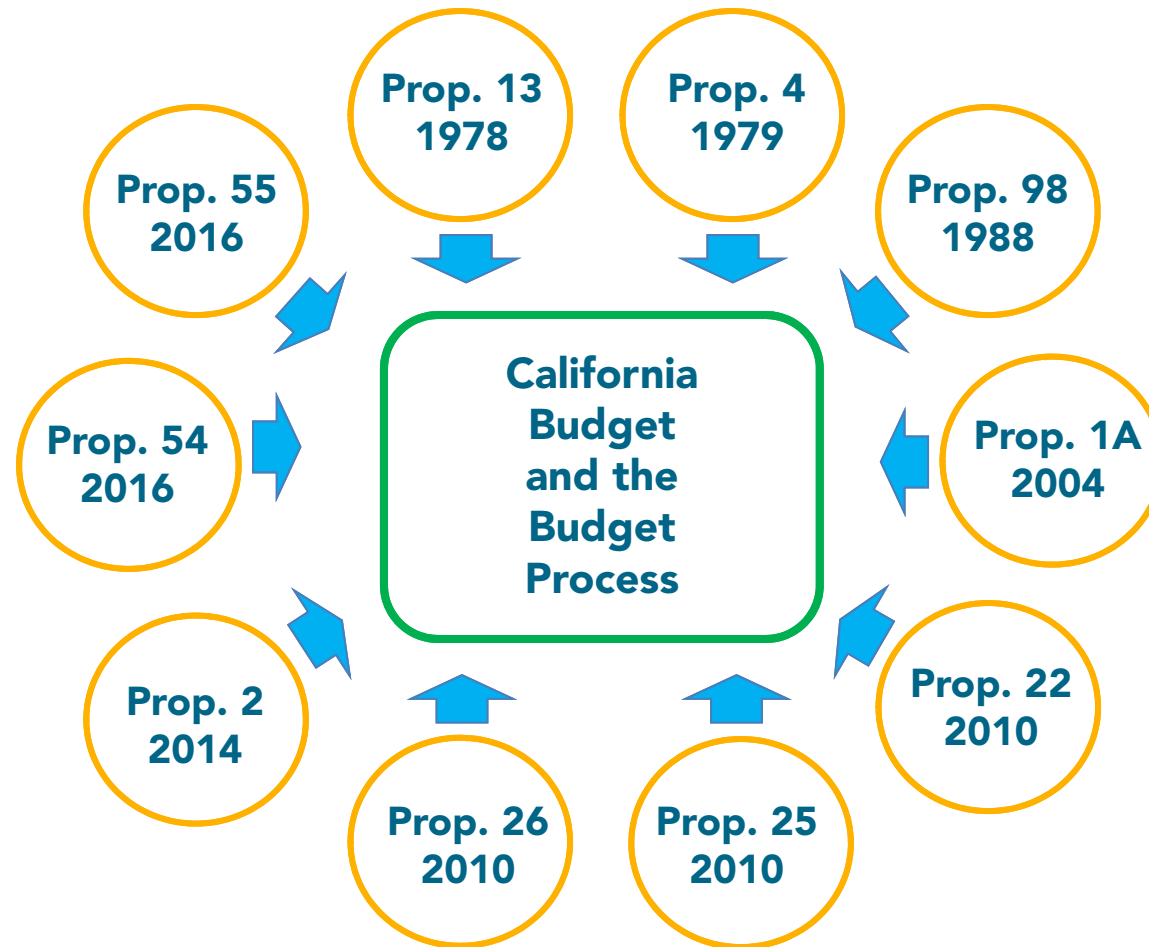
- Roughly 75,000 words
- Amended 500+ times



**Several ballot measures,
dating back to the 1970s,
have had an impact on
the budget and the budget
process.**



Ballot Measures With an Impact on the State Budget and the Budget Process



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



**Bills must be published, in their final form, at least 72 hours before being passed by the Legislature.
(Proposition 54 of 2016)**



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

(Prop. 25 of 2010)



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



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



Three Key Budget Formulas in the State Constitution

- **Prop. 98 (1988):**
 - Guarantees a minimum level of funding for K-12 schools and community colleges.
- **Prop. 2 (2014):**
 - Requires some state revenues to be set aside to pay down debts and save for a rainy day.
- **Prop. 55 (2016):**
 - Creates a formula to boost funding for Medi-Cal, which provides health care services for low-income residents.



The State Budget Process: July to December



Governor's Administration

- **Department of Finance (DOF) leads development of Governor's proposed budget.**
 - Look for opportunities to engage with Administration officials.

Legislature

- **Legislative leaders develop budget priorities.**
 - Seek to have your priorities considered.
- **Budget committee staff look ahead to upcoming budget deliberations.**
 - Build relationships and suggest ideas for hearings.



The State Budget Process: January to Mid-May



Governor's Administration

- **Proposed budget released by January 10.**
 - Weigh in on the Governor's proposals.
- **DOF makes budget adjustments and prepares May Revision.**
 - Engage with budget officials, offering candid feedback on Governor's initial proposals.

Legislature

- **Budget subcommittees hold dozens of hearings to review proposed budget.**
 - Testify at hearings and continue to meet with key legislators and staff.



The State Budget Process: Mid-May to June



Governor's Administration

- **May Revision released by May 14.**
 - Look for opportunities to engage with Administration officials.

Legislature

- **Budget subcommittees convene hearings on May Revision proposals.**
 - Testify at hearings and continue to meet with key legislators and staff.
- **Budget conference committee meets to iron out differences.**

The “Big 3” negotiate the final outlines of budget package.



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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