



California Budget  
& Policy Center

*Independent Analysis. Shared Prosperity.*

# California Budget Perspective 2015-16

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SEPTEMBER 2015

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# The 2015-16 Budget

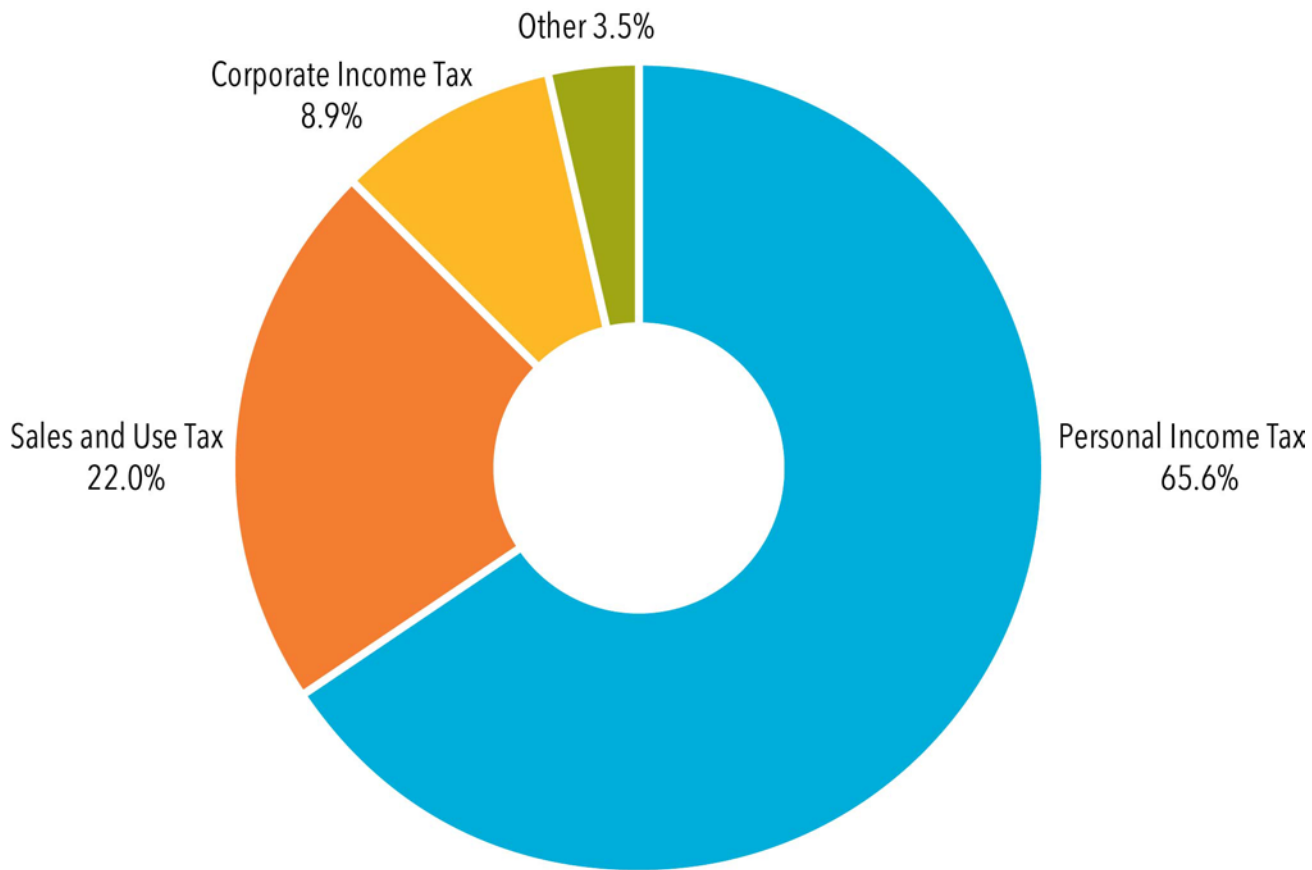
**New revenues result in increased spending on education, paying down budgetary debt, and saving for a rainy day.**



# The Personal Income Tax Is Projected to Account for Nearly Two-Thirds of California's General Fund Revenues

Projected 2015-16 General Fund Revenues and Transfers = \$114.6 Billion

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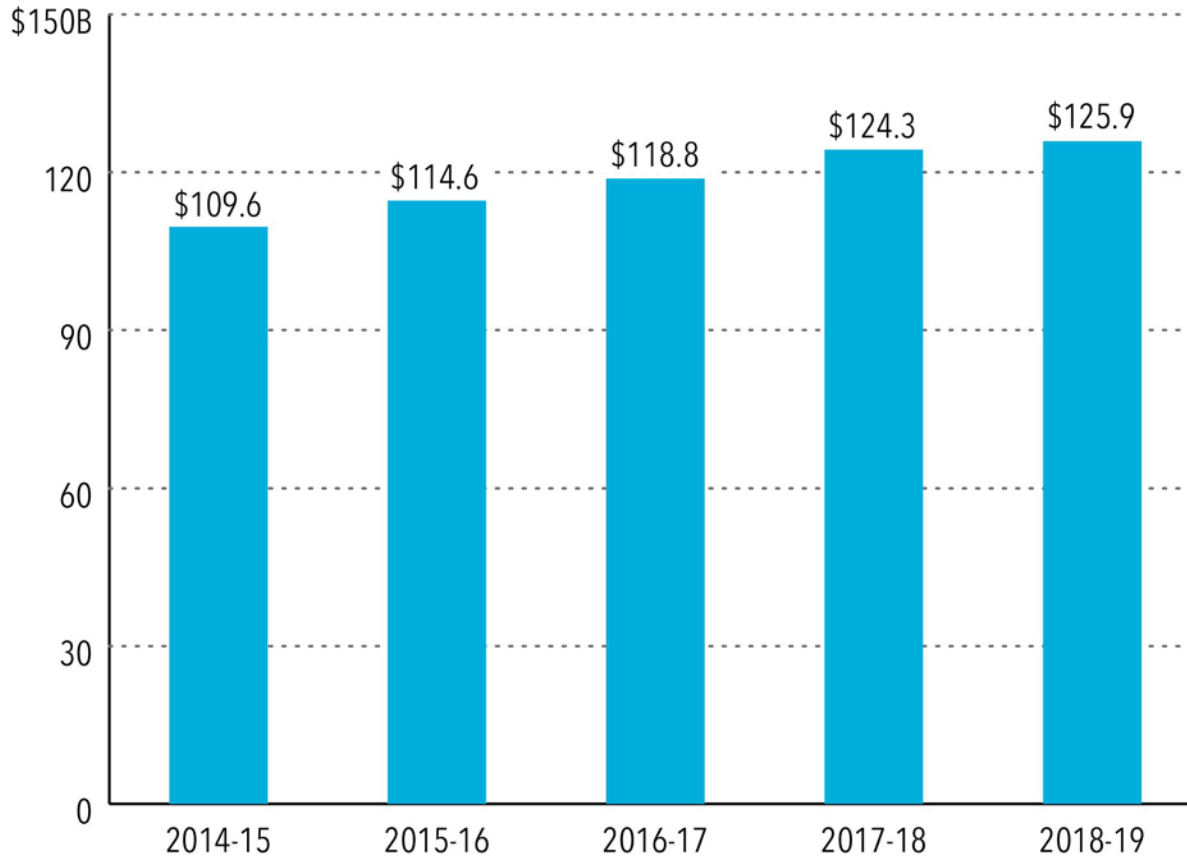
Note: Reflects total projected General Fund revenues, including a \$1.2 billion transfer to the state's rainy day fund in 2015-16 as a result of Proposition 2, the ballot measure passed by voters in November 2014.

Source: Department of Finance



# Annual General Fund Revenues and Transfers

Dollars in Billions



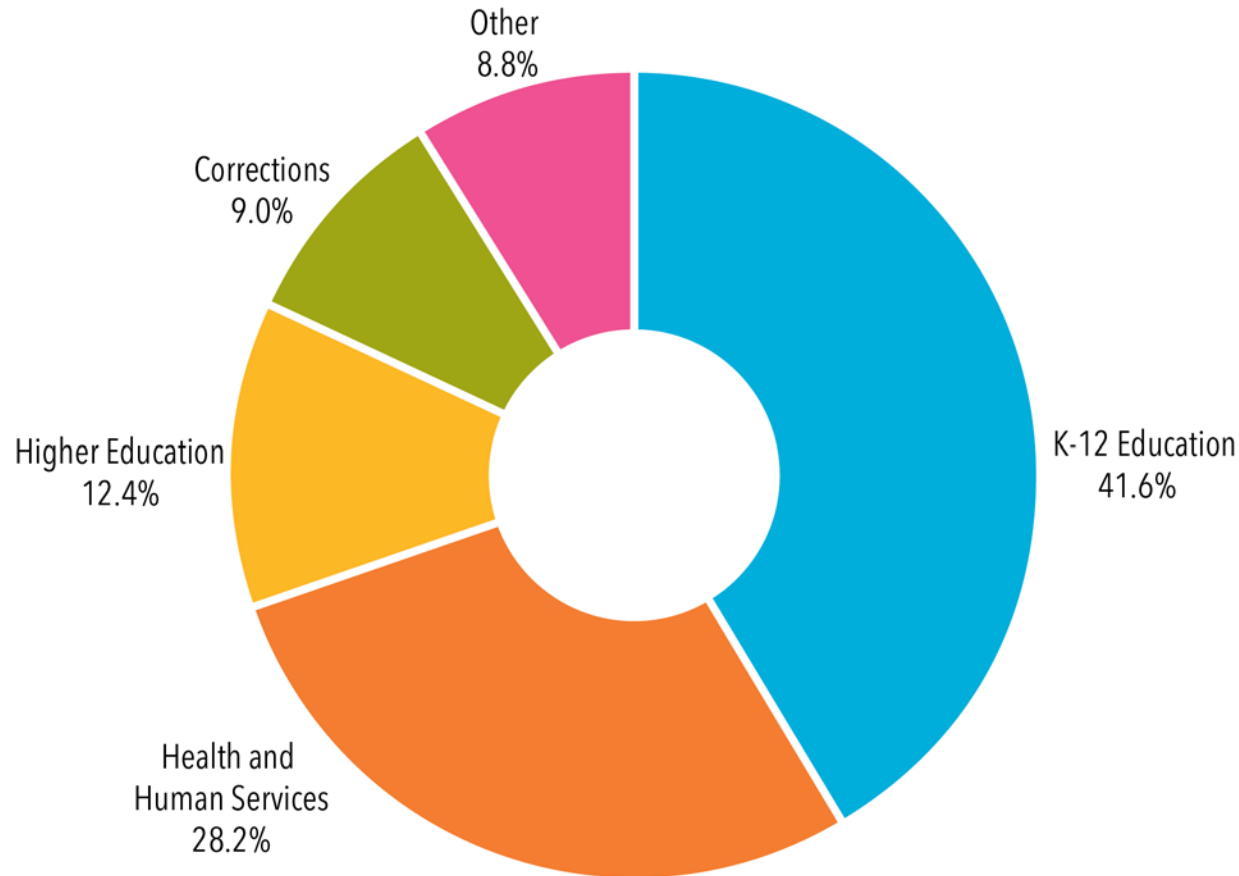
Note: 2014-15 is estimated; 2015-16 through 2018-19 are projected.  
Source: Department of Finance



# More Than Four in Five State General Fund Dollars Support Education or Health and Human Services

Proposed 2015-16 General Fund Expenditures = \$113.3 Billion

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Source: Department of Finance



# **Proposition 2: Paying Down Budgetary Debt and Saving for a Rainy Day**

**Voter approval of Proposition 2 (2014)  
requires setting aside \$3.7 billion in 2015-16.**

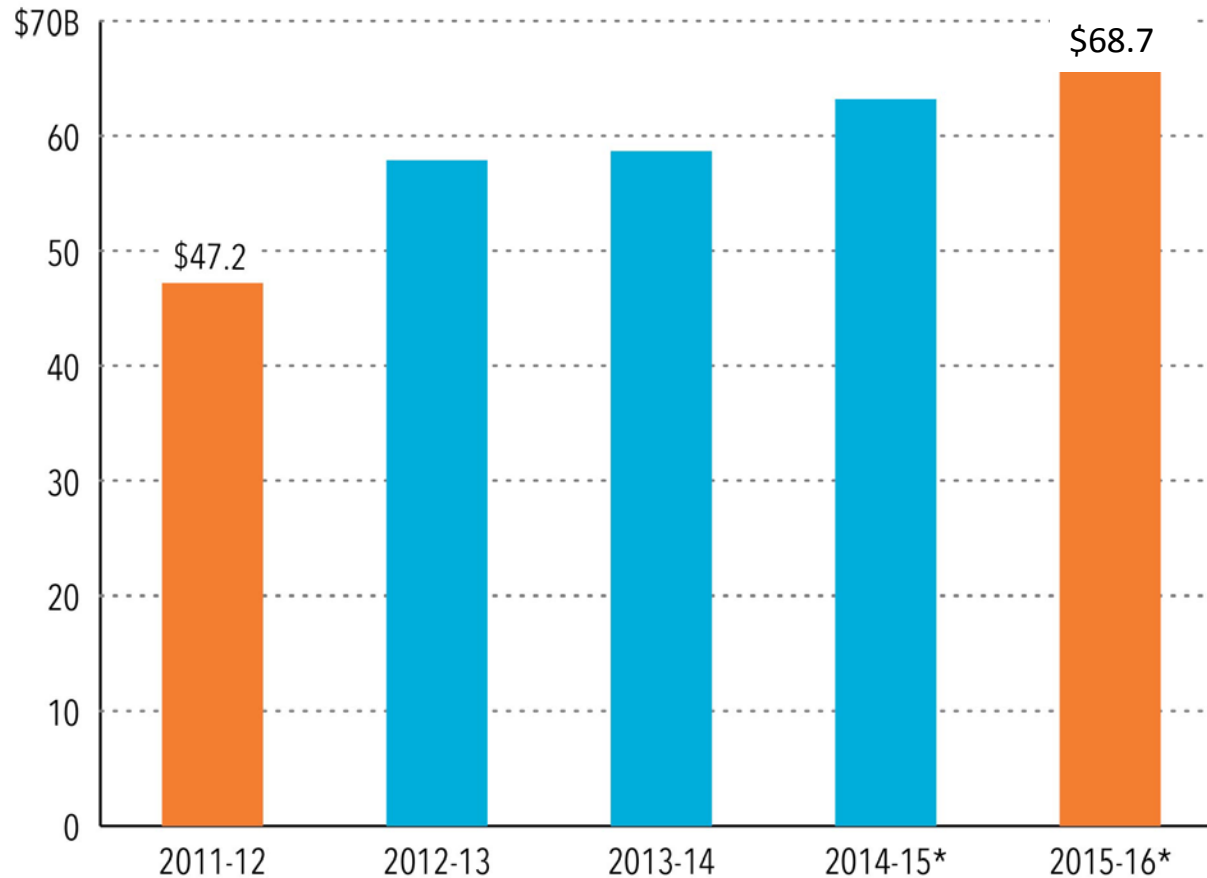


# **K-12 Education and California's Community Colleges**

**New revenues result in increased spending per student, paying down debt, and workforce investments.**



# Due to Higher State Revenues, the Minimum Funding Guarantee for K-14 Education Would Increase in 2015-16



Note: Figures are in 2015-16 dollars. Figures exclude child care and include preschool spending. Proposition 98 spending reflects both state General Fund and local property tax dollars. Source: Legislative Analyst's Office





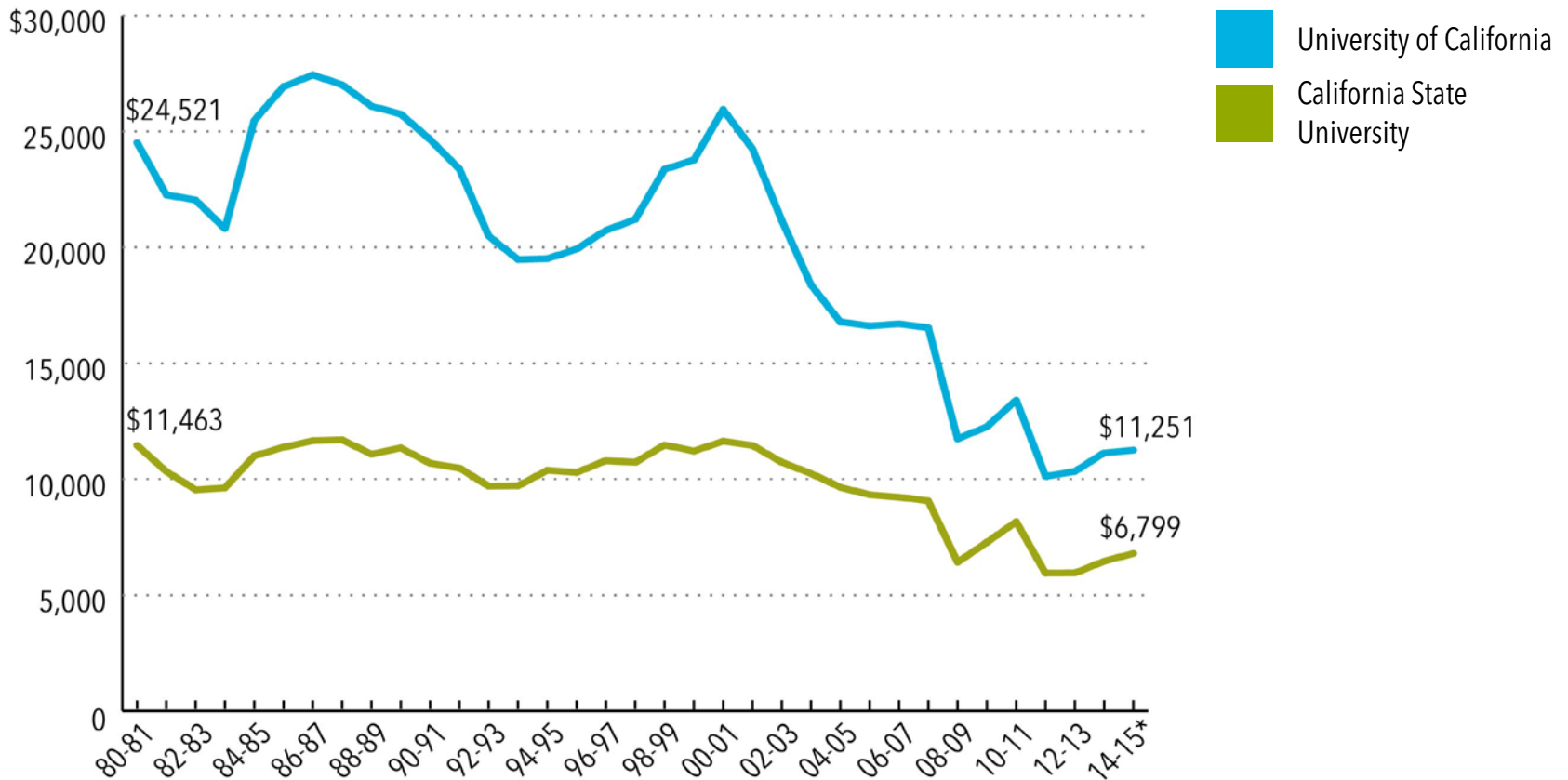
# Higher Education: The University of California and California State University

**Modest funding increases are contingent on tuition and fees remaining flat.**



# State Spending Per Student at CSU and UC Remains Near the Lowest Point in More Than 30 Years

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



\* Estimated

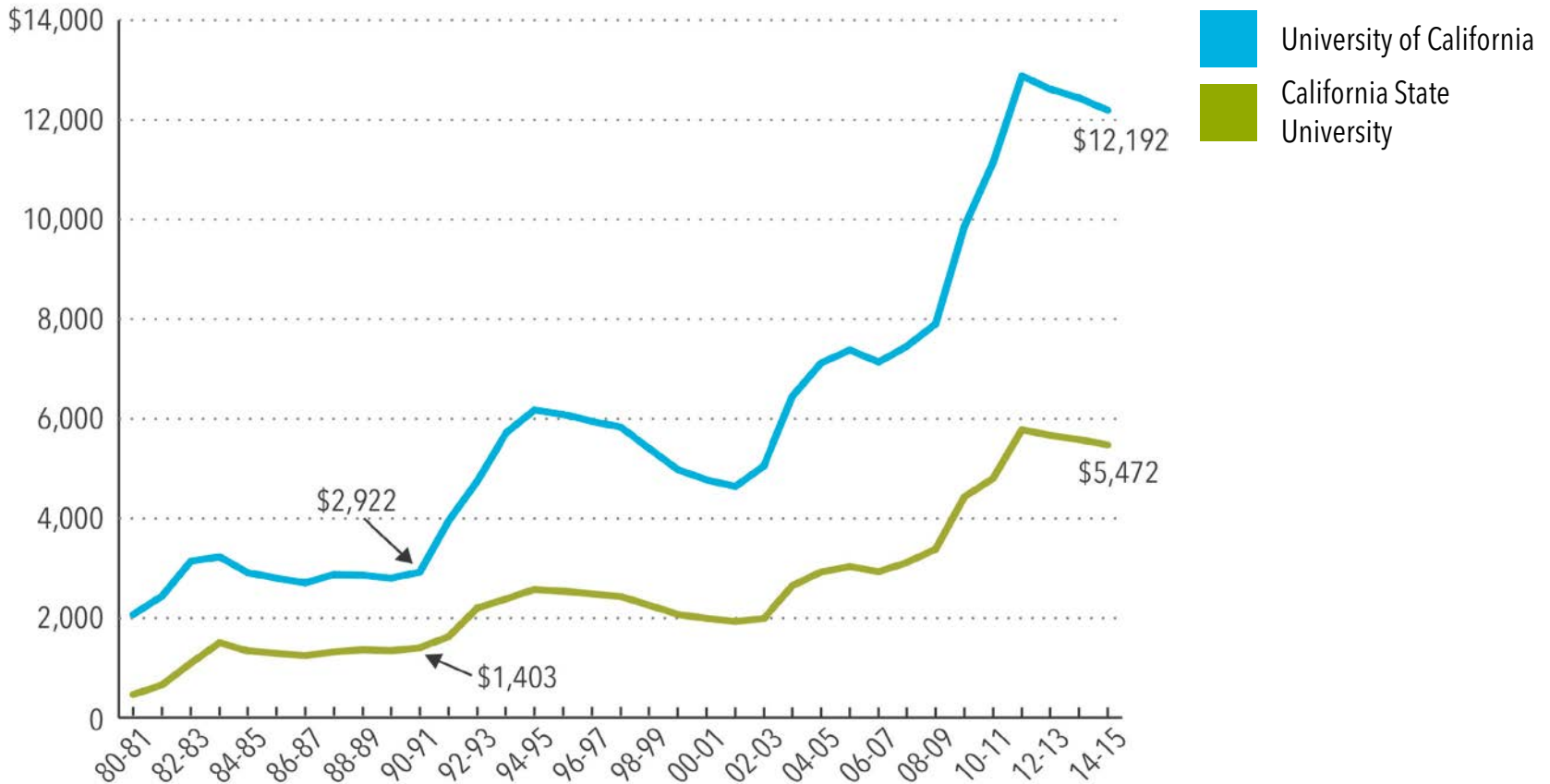
Note: Figures are in 2014-15 dollars and reflect "full-time equivalent" enrollment, which accounts for credits taken by each student relative to a full-time course load. Data exclude indirect state funding for CSU and UC attributable to Cal Grant tuition and fee payments.

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



# Since 1990-91, Tuition and Fees Have More Than Tripled at CSU and More Than Quadrupled at UC

## Systemwide Tuition and Fees for California Resident Undergraduates, Inflation-Adjusted



Note: Figures are in 2014-15 dollars. Without adjusting for inflation, systemwide tuition and fees at CSU and UC have been frozen since 2011-12.

Source: California State University and University of California



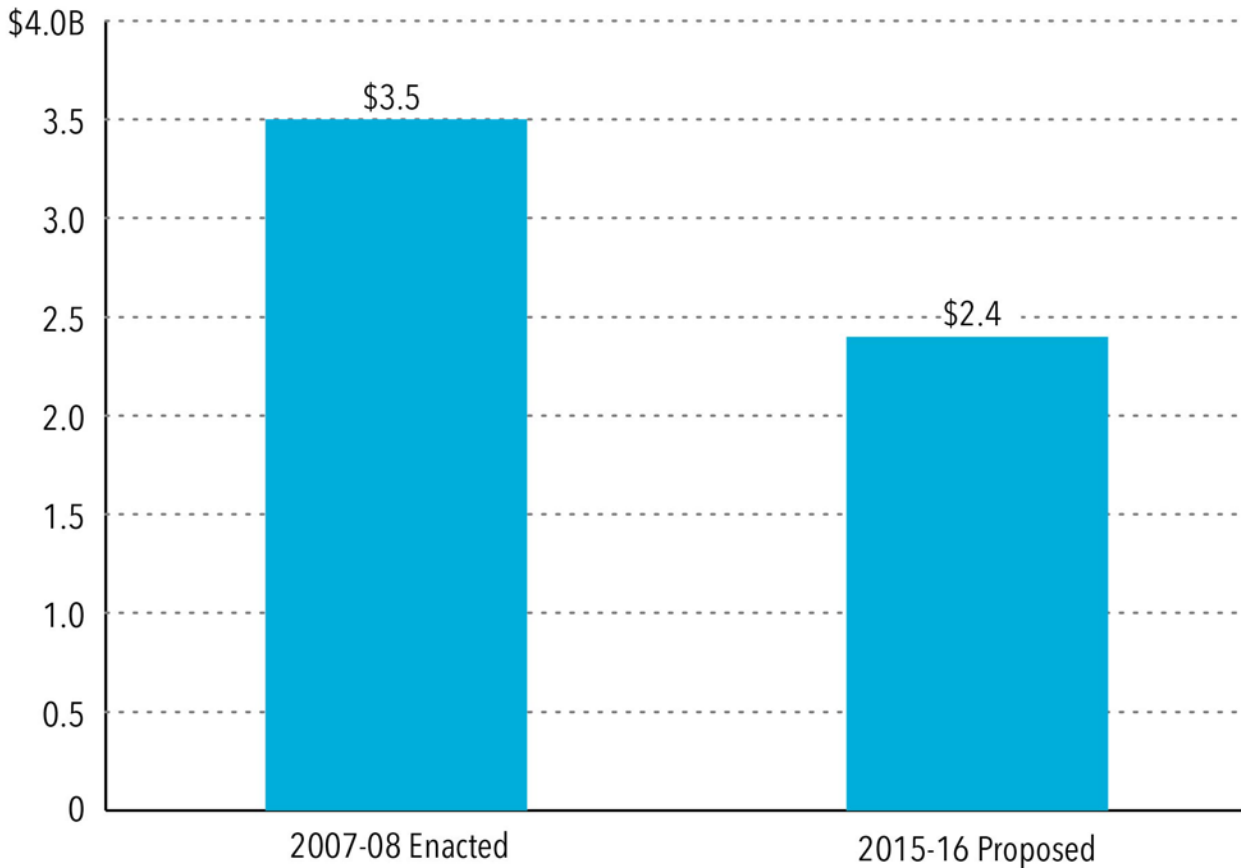
# Early Education: Child Care and Preschool

Spending and the number of slots remain below pre-recession levels.



# Support for Child Care and Preschool Is \$1.1 Billion Below 2007-08, Even With Recent Increases in Funding

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



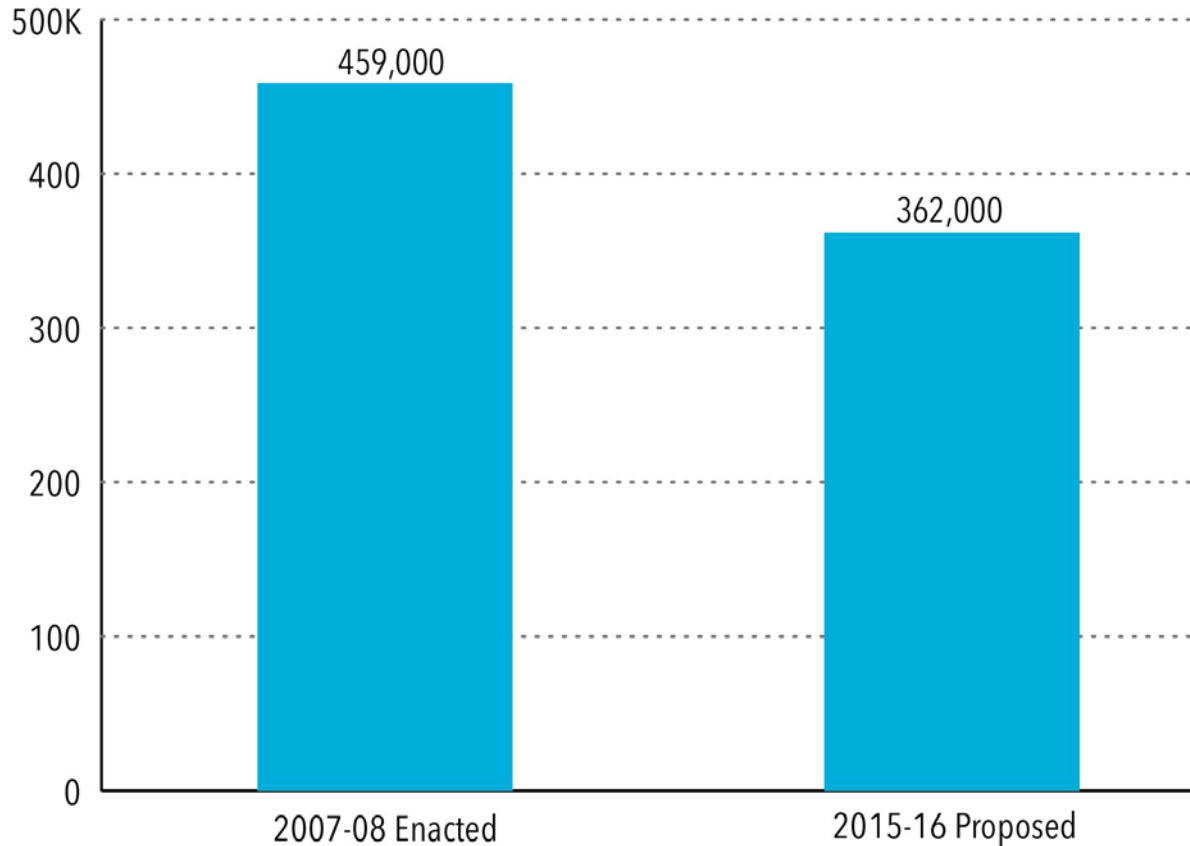
Note: Figures are in 2015-16 dollars and include federal and state funds. Child care includes CalWORKs and non-CalWORKs programs.  
Source: Department of Finance



# State Budget Cuts Have Reduced Child Care and Preschool Slots by More Than One-Fifth Since 2007-08

## Slots in California Funded With Federal and/or State Dollars

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Note: Child care includes CalWORKs and non-CalWORKs programs. A portion of the drop since 2007-08, roughly 3,000 slots, is due to a new methodology for calculating funded slots in several small child care programs.

Source: Department of Finance



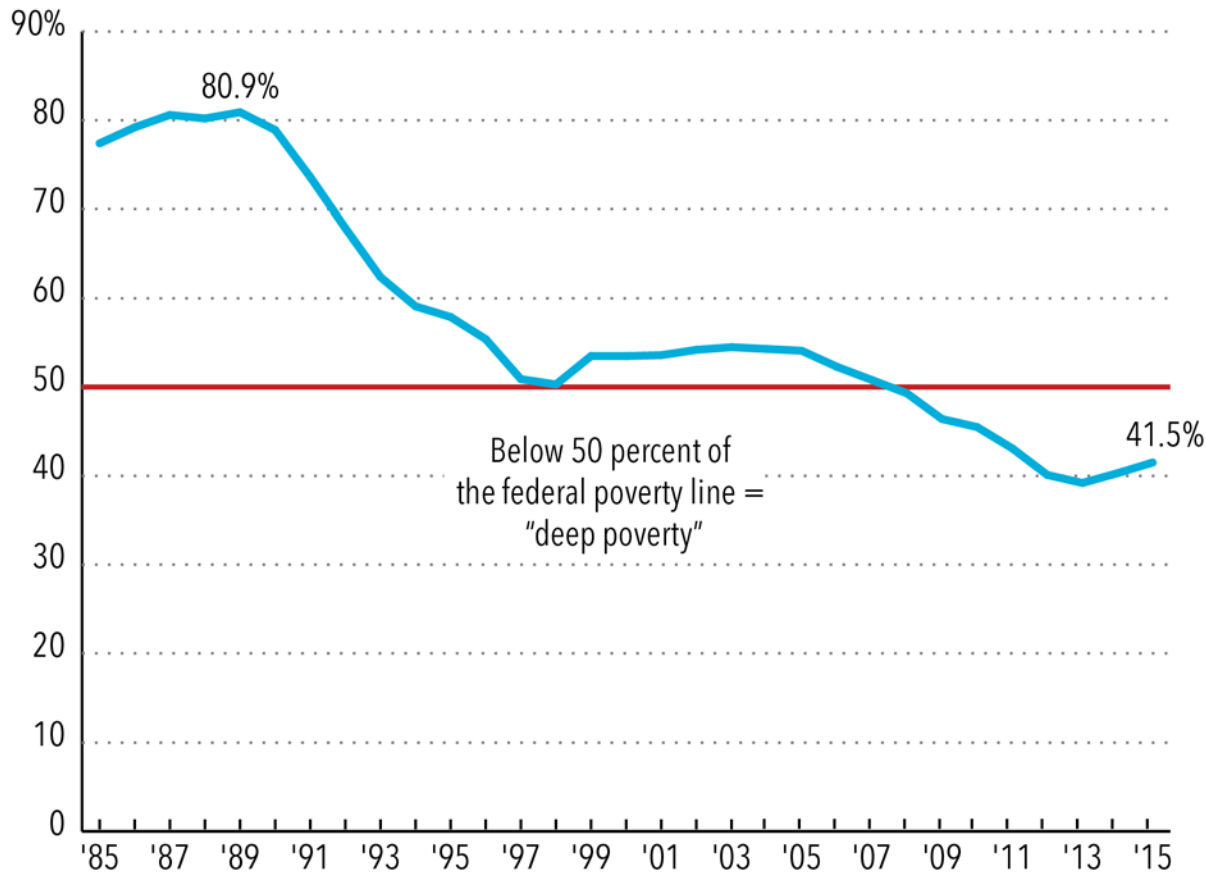
# Human Services

**A lack of reinvestment leaves the state's safety net severely weakened by years of funding cuts.**



# Under the Governor's Proposal, CalWORKs Grants Would Remain Far Below the Deep-Poverty Threshold

## Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line



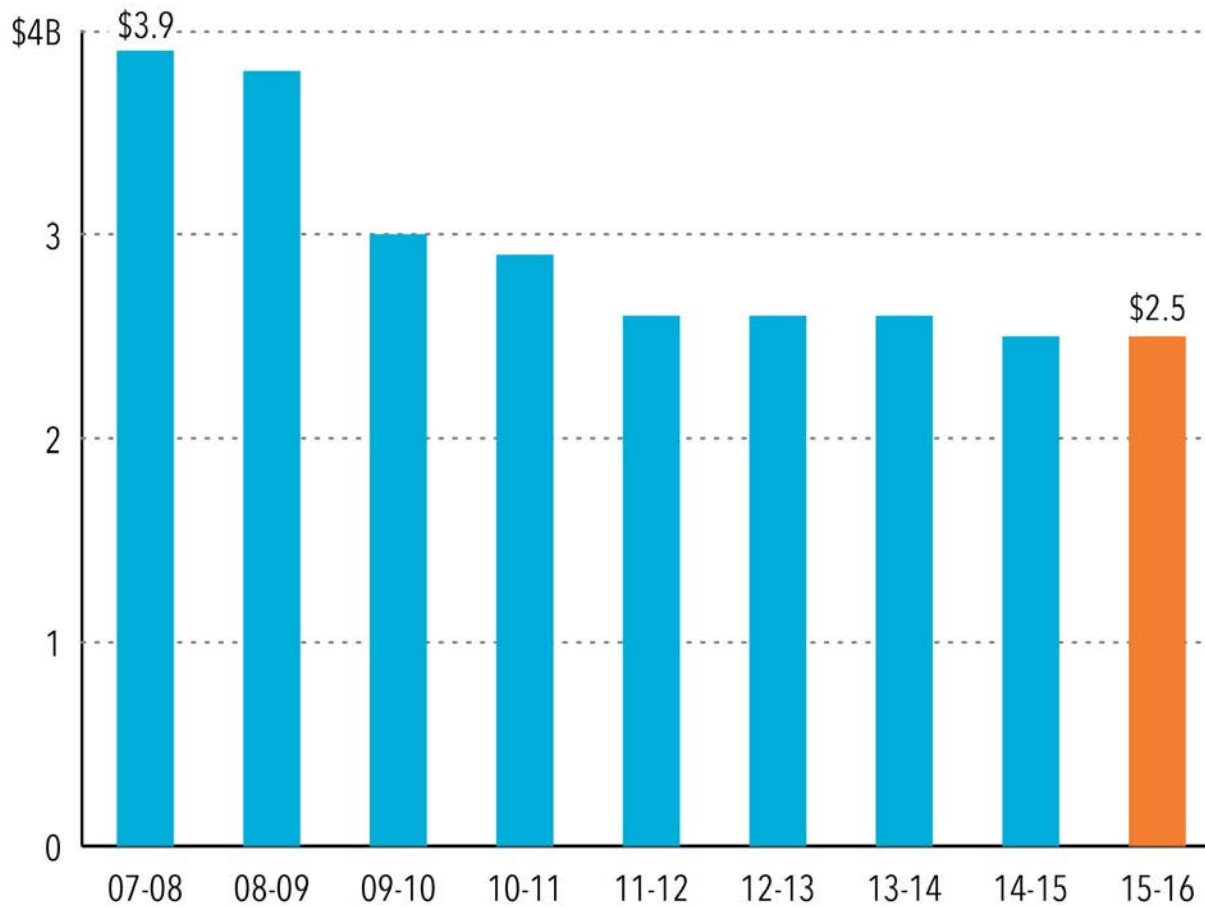
Note: Grants are for high-cost counties beginning in 1996. Prior to 1998, grants were provided through the Aid to Families with Dependent Children Program. The 2015 grant reflects a 5% increase scheduled for April 2015.  
Source: CBP analysis of Department of Social Services, US Department of Health and Human Services, and US Social Security Administration data





# Due to Budget Cuts, State Spending for SSI/SSP Grants Is More Than One-Third Below the 2007-08 Level

General Fund Expenditures in Billions, Inflation-Adjusted



Note: Figures are in 2015-16 dollars. All figures are estimates except for 2015-16, which is proposed.

Source: Department of Social Services



# Prospects for Reinvesting in Higher Education

**The scale of reinvestment needed will require new revenues and new financial models.**





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