Budgets are statements about our values and priorities.
Federal Budget Policies: Context, Timelines, and Key Proposals
Federal Funds Account for More Than One-Third of California’s State Budget

Total Proposed 2017-18 Expenditures = $284.5 Billion

- Federal Funds: 36.9%
- State General Fund: 43.1%
- State Bond Funds: 0.8%
- State Special Funds: 19.2%

Source: Department of Finance
More Than 7 in 10 Federal Dollars Spent Through the State Budget Support Health and Human Services

Federal Funds Projected to Be Spent Through the State Budget in 2017-18 = $105.0 Billion

- Health and Human Services: 74.4%
- K-12 Education: 7.2%
- Labor and Workforce Development: 6.5%
- Higher Education: 4.9%
- Transportation: 4.7%
- Other*: 2.4%

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

Note: Percentages do not sum to 100 due to rounding.

Source: Department of Finance
Federal Proposals That Could Impact This Year’s Budget Debates

- Repealing the Affordable Care Act (ACA), including Medicaid (Medi-Cal), with no real replacement
- Dismantling the current safety net through block grants and caps on Medicaid and SNAP (food assistance)
- Deep federal budget cuts to other discretionary program and entitlements
- Major federal tax cuts that would force deeper cuts
Federal Timelines and Uncertainty Leading Up to Fiscal Year 2018 (Oct. 1)

- **May – June**
  - Congress adopts/extends FY 2017 appropriations.
  - House acts on FY 2017 reconciliation bill to repeal ACA.
  - President releases proposed FY 2018 budget.
  - Congress adopts FY 2018 budget resolutions and begins process of making FY 2018 appropriations?

- **July – September**
  - Senate may act on ACA repeal and replacement?
  - House-Senate conference on ACA repeal and replacement?
  - Congress raises the federal debt ceiling?
  - House begins to move tax cut/reform bill?
The Share of Residents Enrolled in Medi-Cal Exceeds 40 Percent in 20 Out of 58 Counties
Medi-Cal Enrollees as a Percentage of the Population, January 2016

Note: Percentages are estimates.
Source: Department of Finance and Department of Health Care Services
Use of Food Assistance Varies Across California, but Is the Highest in the San Joaquin Valley

Estimated CalFresh Participation as a Share of the Population, 2016-17

Note: Estimates are based on CalFresh participation during the first four months of the 2016-17 state fiscal year.
Source: Budget Center analysis of data from the Department of Finance and Department of Social Services
The latest on federal budget proposals...
Types of cuts proposed in President Trump’s FY 2018 Budget

- Dismantling of the social safety net
  - Additional Medi-Cal cuts ($610 billion on top of AHCA)
  - 25% cut in SNAP/CalFresh, with states authorized to reduce benefits or cover additional costs
  - Cuts to aid for seniors and people with disabilities
  - Restricting access to mixed-status immigrant households for the CTC and EITC

- Reduction or elimination of grants and funding for community development, housing, and workforce development (CDBG, LIHEAP, housing/rental assistance)

- Reductions in funding for arts, sciences, and research
Some Key Questions Likely to Shape the Coming Weeks’ Budget Debate

- Does the Senate move on their own version of an ACA repeal and replacement?

- What happens with the FY 2018 federal budget – some variation on new proposals or a continuing resolution?

- Where do tax reform and tax cuts fit into this equation?

- How does needing to raise the debt ceiling impact all of these deliberations?

- What will we see in the 2018 statewide elections – Governor’s race and ballot measures?