

2019-20

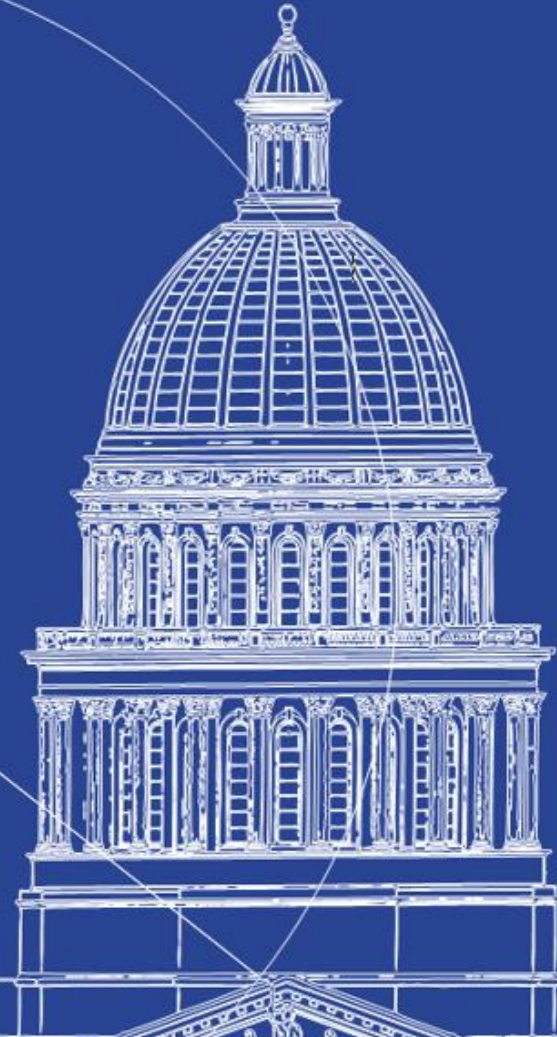
BLUEPRINT *for a* RESPONSIBLE BUDGET

***FUNDING PROGRESS
PROTECTING TOMORROW***



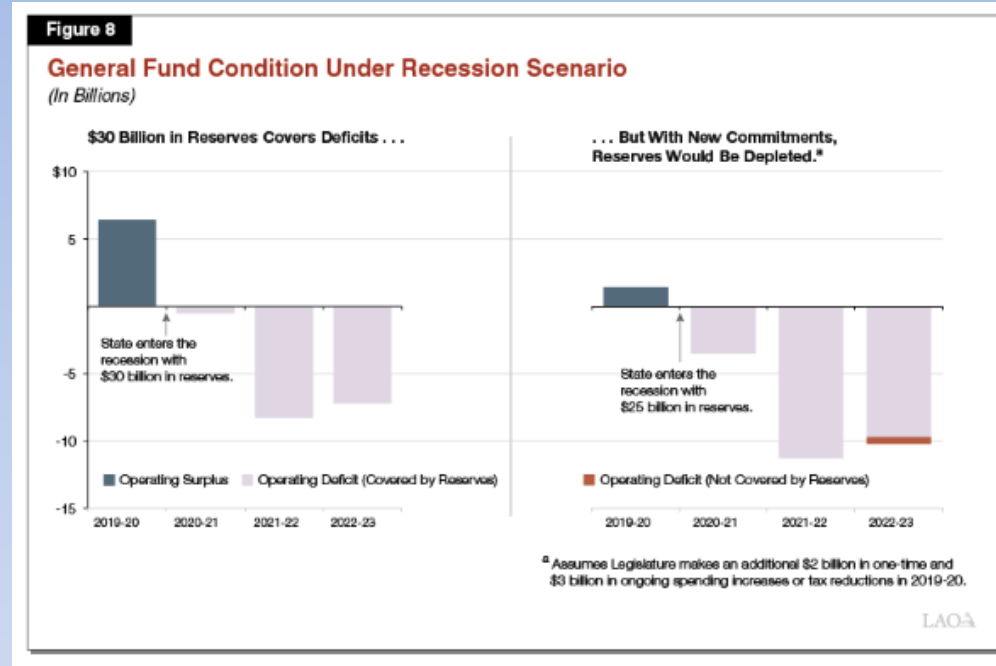
California State Assembly

Phil Ting



Economy Strong but Recession Looming

- ✓ CA economy booming.
- ✓ State Budget has record revenue and reserves due to responsible fiscal policy.
- ✓ But a recession is looming.
- ✓ Even \$3 billion in additional ongoing spending could bring us into deficit during a recession.



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2018 Goals for California and Key Wins

✓ **Be Responsible**

- \$15.9 billion in Total Reserves, Filled Rainy Day Fund.
- Funded \$333.5 million in Deferred Maintenance.
- Reduced State Liabilities and Debts by \$1.7 billion.

✓ **Make Progress**

- \$500 million to Fight Homelessness.
- Fully funded Local Control Funding Formula - \$11,640 per pupil.
- Increased CalWORKs grants by 10 percent - \$71 more per month (\$360 million per year).
- Expanded Early Education - 13,407 new child care slots (\$1 billion over four years).
- Increased UC (\$20 million for 2,000 new students) and CSU Enrollment (\$120 million over four years for 3,641 new students), Total new UC/CSU investment - \$571 million (\$215 million more for UC and \$365 million more for CSU).
- Expanded EITC to cover working individuals who are aged 18 to 24 and over the age 65 – expected to provide \$420 million in credits to over 2 million Californians in 2018-19.
- Allocated \$1.3 billion of Proposition 56 revenue, mostly for Medi-Cal provider rates increases.

✓ **Do Our Job**

- Oversight and Reforms, including: Improving LCFF transparency, DMV Wait Times, Toxic Clean Up Process.



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2019 Blueprint: Funding Progress, Protecting Tomorrow

- ✓ Focus on One-Time Investments
- ✓ Keep Promises Made
- ✓ Pursue Long-Term Goals
- ✓ Get the Most From Your Government



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Focus on One-Time Investments

✓ Increase Total Reserves

- Goal = Reach 20% overall reserve; Current reserve only half that amount.
- LAO: amount needed to cover a Mild to Moderate Recession.

✓ Help Schools Acclimate to Rising Retirement Costs

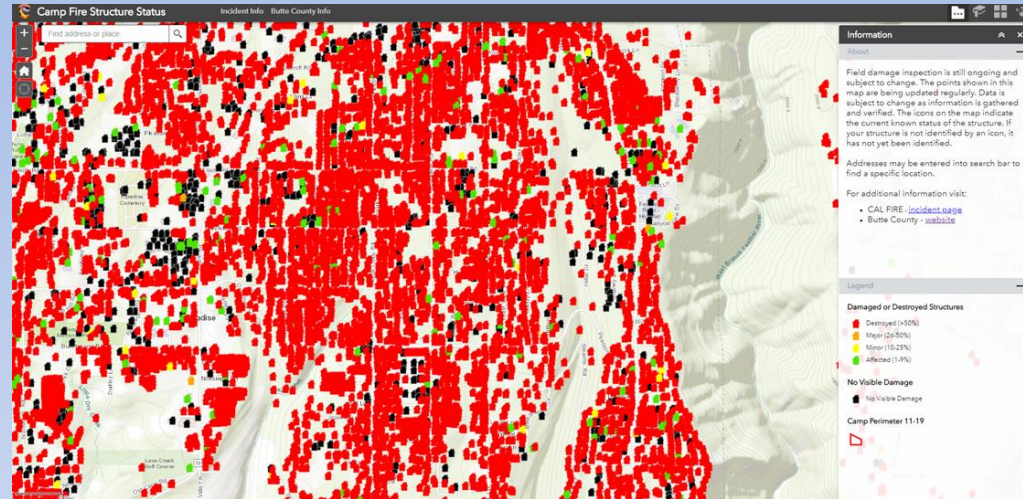
✓ Fund Infrastructure and Deferred Maintenance

✓ Address Unfunded Employee Liabilities



Keep Promises Made

- ✓ **Protect Communities from Wildfires, Prepare for Future Disasters and Assist in Recovery**
 - Appropriate the \$200 million for forest management and fuel reduction identified by SB 901.
 - Improve the 911 system.
 - Fund emergency response equipment and training.
 - Work with communities devastated by fire to help fund recovery.



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Keep Promises Made

- ✓ **Secure Ongoing Funding for Promises Already Made**
 - Continue CalWORKs grant increases to reduce Deep Poverty.
 - Provide ongoing funding for commitments made in the 2018 budget that:
 - Allow SSI-SSP recipients to finally receive food benefits;
 - Bolster UC and CSU enrollment;
 - Create new child care slots.
 - Renew and extend the Medi-Cal managed care organization tax and eliminate possible In Home Supportive Services hour reduction.
 - Continue the Low Performing Student Block Grant.



Pursue Long-Term Goals

- ✓ Invest in programs to expand affordable housing and prevent homelessness.
- ✓ Continue to expand the Earned Income Tax Credit for working poor families.
- ✓ Expand Early Education and After School programs.



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Pursue Long-Term Goals

- ✓ Provide Universal Access to Health Care.
- ✓ Revamp and Expand Financial Aid.
- ✓ Reduce recidivism through effective reentry employment and higher education programs for people leaving prison.



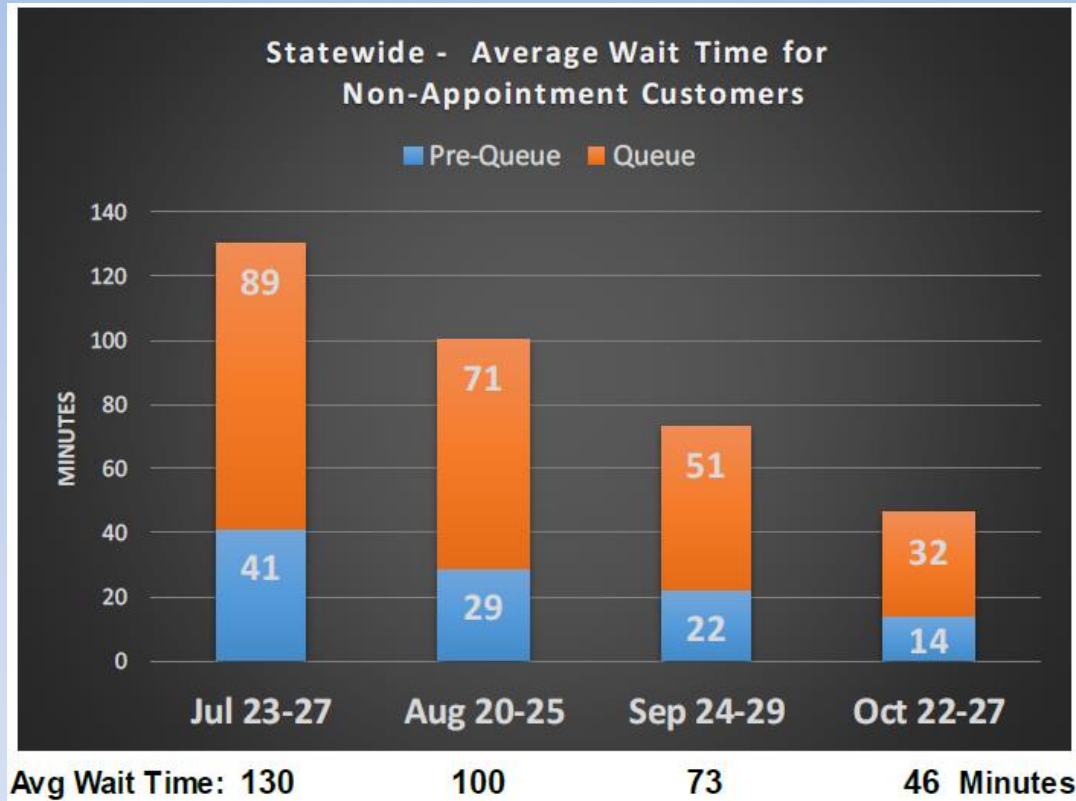
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Get the Most From Your Government

- ✓ Eliminate excessive DMV wait times.



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Get the Most From Your Government

- ✓ Help districts plan for the future, now that the Local Control Funding Formula is fully-funded, by developing a long-term funding mechanism for schools.
- ✓ Find a funding mechanism to provide clean drinking water to all California communities.
- ✓ Address the evolution of California's waste stream and update recycling programs to meet State goals.
- ✓ Prioritize enforcement efforts to prevent and stop internet crimes against children.
- ✓ Fix toxic contamination clean-up and enforcement processes.



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