

Racial Equity Commission

Budget Equity Committee Meeting: February 20, 2025 at 10:00am

Virtual | In-Person Viewing Room Available at

1400 10th Street, Room 103, Sacramento, CA 95814



Call to Order & Opening Remarks

Commissioner Gabriel Maldonado
Budget Equity Committee Lead

Disclaimer

The information and opinions expressed by presenters or public commenters before the Commission reflect the views of the speaker. They do not necessarily represent the views of the Commission or the Office of Land Use and Climate Innovation.

Land Acknowledgement

Commissioner Gabriel Maldonado
Budget Equity Committee Lead

February 20, 2025 Commission Meeting

Review of the Agenda

Dr. Larissa Estes

Executive Director

California Racial Equity Commission

February 20, 2025 Commission Meeting

Public Meeting Agenda

- Welcome & Call to Order
- Public Comment on matters not on the agenda
- Consent Agenda – ACTION ITEM
- Overview of the California Budget Process and Committee Discussion
- Budget Equity Tools
- 15 Min RECESS
- Key Considerations and Additional Research – ACTION ITEM
- Next Steps for Staff Action
- Adjournment

Committee Roll Call and Public Comment Process

Atia Fairuz

Assistant Information Officer

Office of Land Use and Climate Innovation

Public Comment

In Person

- Complete and submit the online public comment card at the sign-in desk
- Separate public comment cards for each agenda item
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Public Comment on matters not on the agenda

Atia Fairuz

Assistant Information Officer

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Consent Agenda – ACTION ITEM

Approval of May 9, 2024 Meeting Minutes

Commissioner Gabriel Maldonado
Budget Equity Committee Lead

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Consent Agenda – ACTION ITEM

Approval of May 9, 2024 Meeting Minutes

Commissioner Gabriel Maldonado
Budget Equity Committee Lead

Overview of the California Budget Process and Committee Discussion

Chris Hoene

Executive Director

California Budget & Policy Center

February 20, 2025 Commission Meeting

Dollars & Democracy

An Introduction to the State Budget Process

California Budget & Policy Center



**Budgets are
statements
of our values
and priorities
and answer the
question of
what kind of
California do
we want?**



Budget choices affect all Californians.



Today we will:

- Discuss key facts about the state budget
- Review how California's Constitution shapes the budget process
- Highlight the key players, the timeline, and opportunities for public involvement



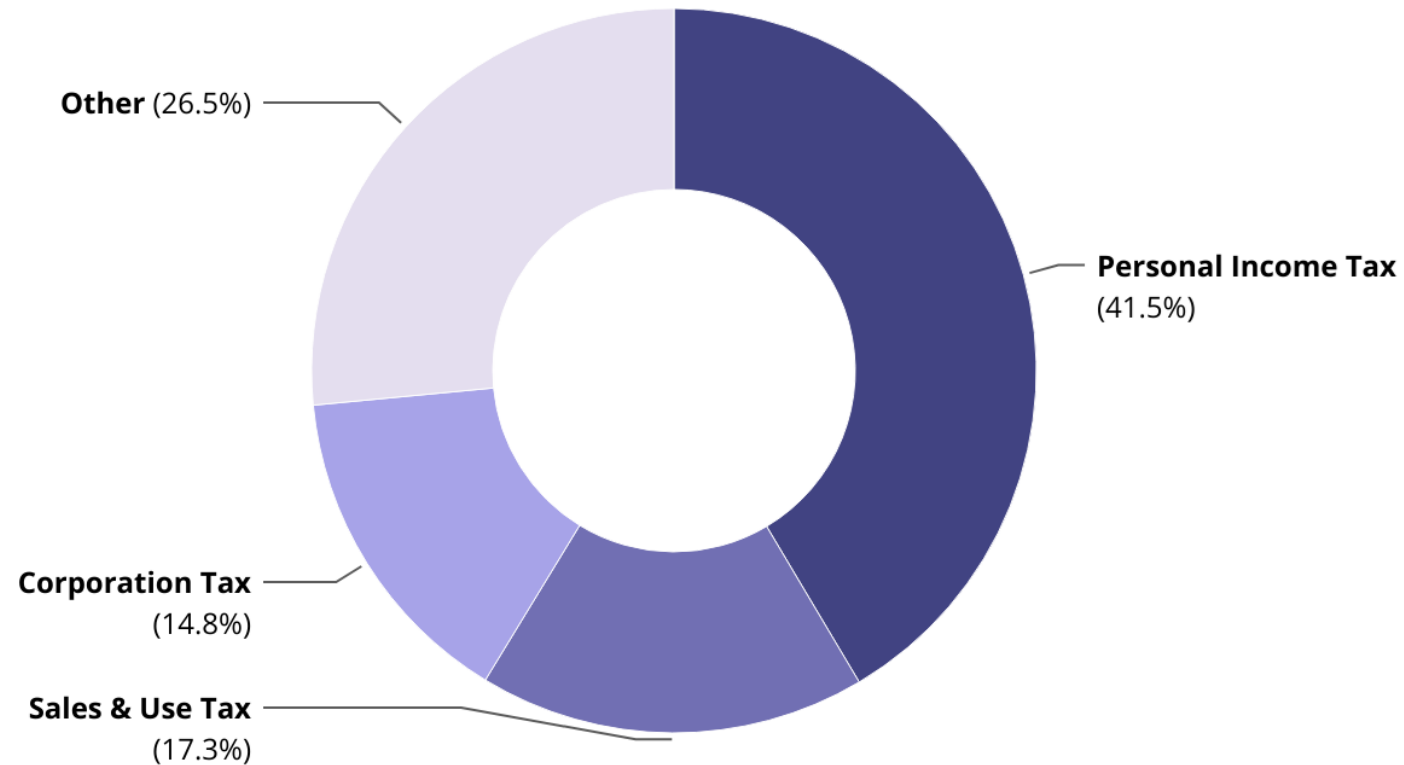


Part One

Key Facts About the State Budget

Most State Revenue Comes From the Personal Income Tax, the Sales & Use Tax, and the Corporation Tax

Estimated General Fund and Special Fund Revenue in the Enacted 2024-25 State Budget = \$288.2 Billion



Note: "Other" reflects loans and transfers — excluding transfers to/from the Budget Stabilization Account (the state's rainy day fund) — as well as a broad range of additional revenue sources, including taxes, fees, and fines.

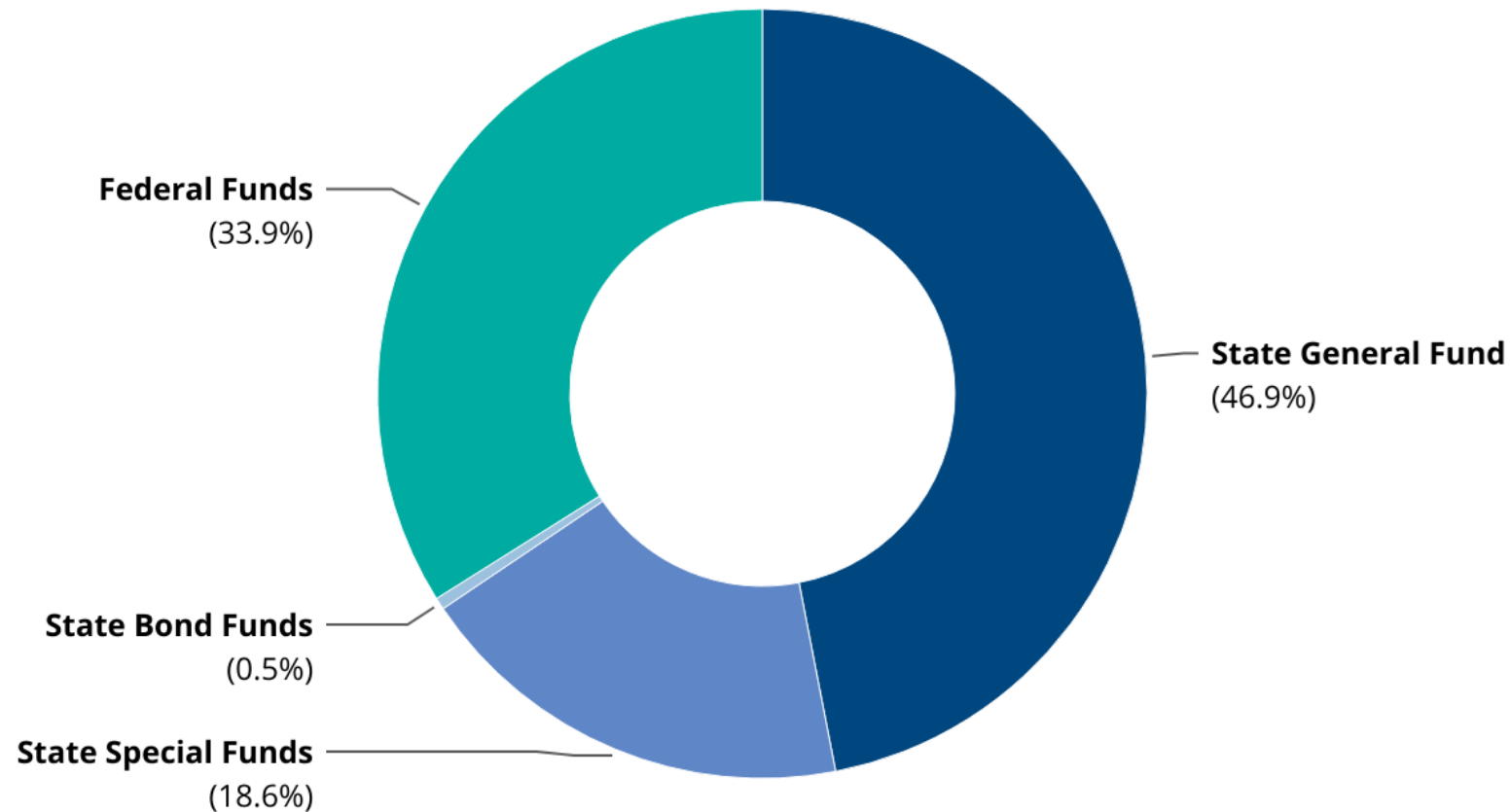
Source: Department of Finance



California Budget
& Policy Center

State Funds Account for Almost Two-Thirds of California's State Budget in 2024-25

Total Enacted 2024-25 Expenditures = \$450.8 Billion



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

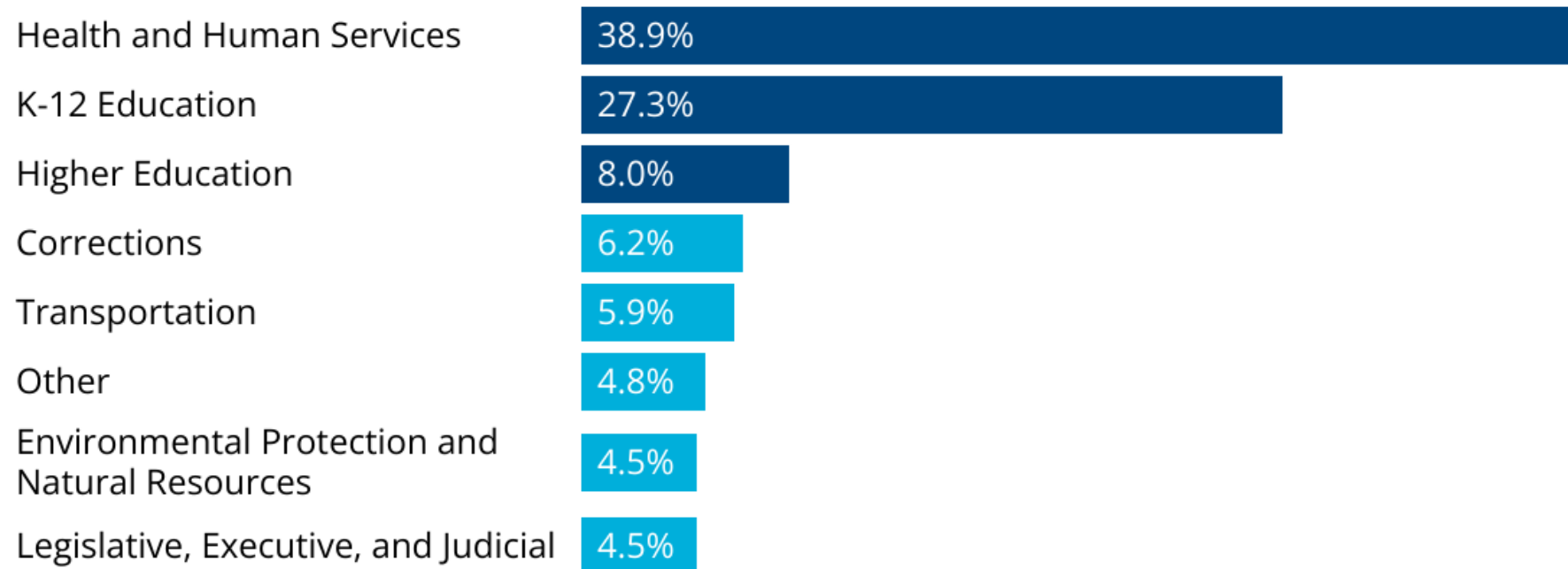
Source: Department of Finance

**The state budget
supports a broad
range of public
services and systems.**



3 in 4 State Dollars Support Health and Human Services, K-12 Education, or Higher Education

Enacted 2024-25 General Fund and Special Fund Expenditures = \$295.5 Billion



Note: "Other" reflects a number of budget categories, including Business, Consumer Services, and Housing; and Labor and Workforce Development. Percentages do not sum to 100% due to rounding.

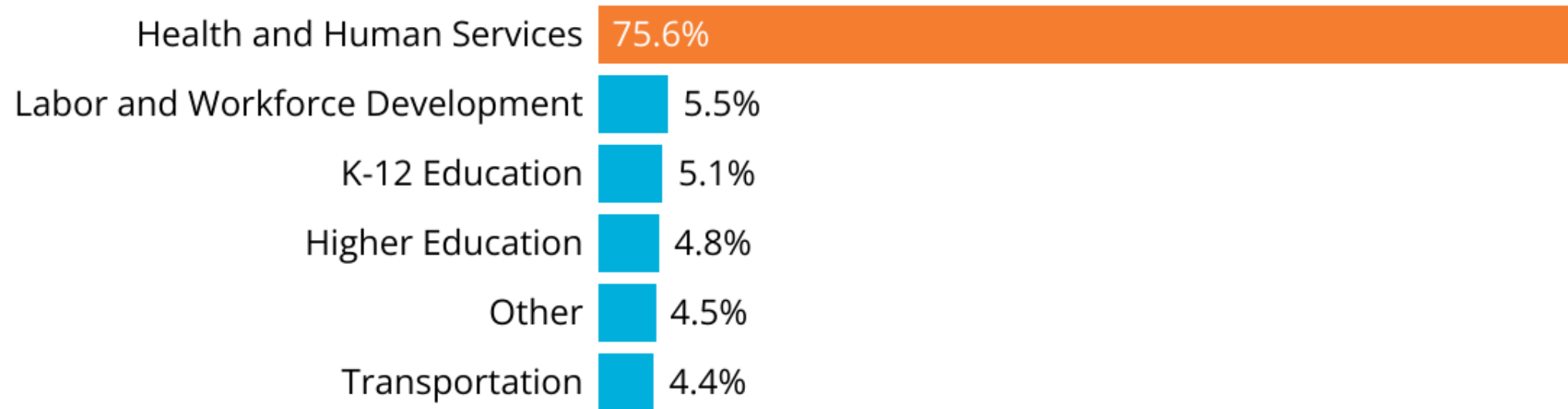
Source: Budget Center analysis of Department of Finance data



California Budget
& Policy Center

75% of Federal Funds Spent Through the State Budget Support Health & Human Services

Federal Funds Estimated to Be Spent Through the State Budget in 2024-25 = \$153 Billion



Note: "Other" reflects a number of budget categories, including Environmental Protection, Natural Resources, and Government Operations. Percentages do not sum to 100% due to rounding.

Source: Budget Center analysis of Department of Finance data



California Budget
& Policy Center

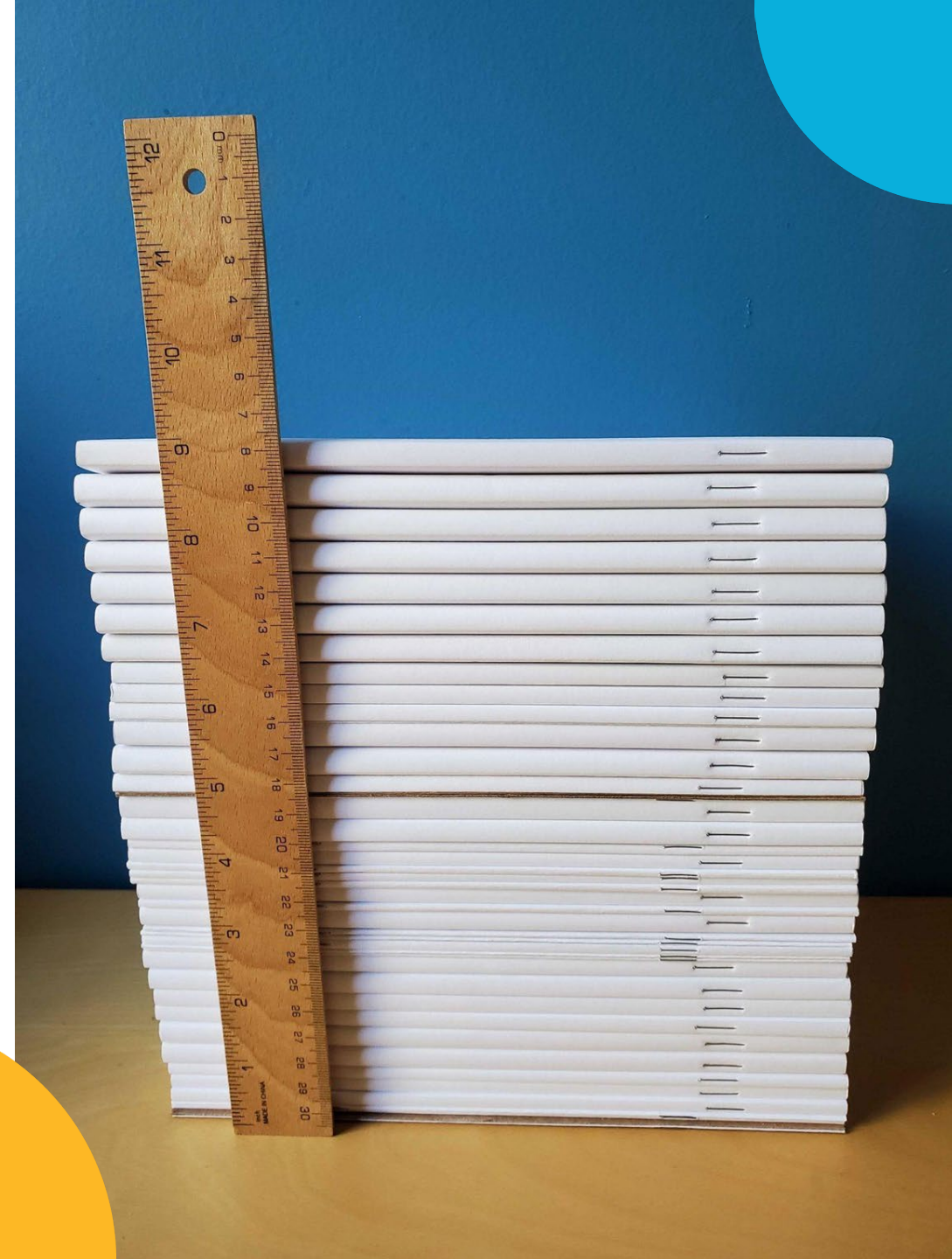
The state budget consists of a “package” of bills (budget bills + trailer bills + other bills).



The budget-related bills
signed into law in 2024
total **thousands of pages**.

Longest bill = **900+ pages**

Shortest bill = **3 pages**



What Are Budget Bills?

- **Budget bills provide appropriations.**
 - Appropriations are the individual line items in the budget.
 - They authorize a state department or other entity to spend money from a specific fund for a specific purpose.
- **In addition, budget bills:**
 - Move through the Assembly and Senate budget committees.
 - Are majority-vote bills — they can always be passed by a simple majority vote of each house.

Two Kinds of Budget Bills

- **Budget Act**

- This is the initial budget bill passed by the Legislature and signed by the governor for the new fiscal year.

- **“Budget Bill Junior”**

- This term describes any budget bill that amends the Budget Act, such as by increasing or reducing spending.
- There’s no limit on the number of Budget Bill Juniors that can be included in a budget package.

What Are Trailer Bills?

- **Trailer bills:**

- Generally make changes to state law related to the Budget Act.
- Must contain at least one appropriation *and* be listed in the Budget Act — requirements that directly link trailer bills to the state budget.

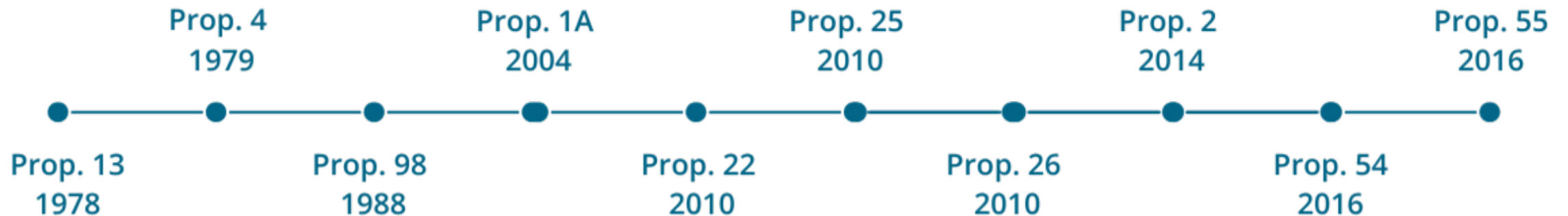
- **In addition, trailer bills:**

- Move through budget committees (like budget bills).
- Are organized by major policy areas, like housing and health.
- Generally can be passed by a simple majority vote.

Part Two **How California's** **Constitution** **Shapes the Budget** **Process**



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



Key State Budget Deadlines

Constitution	State Law	Constitution
January 10	May 14	June 15
Deadline for the governor to propose a budget for the upcoming fiscal year (starting July 1).	Deadline for the governor to release a revised budget ("May Revision") for the upcoming fiscal year.	Deadline for the Legislature to pass the initial budget bill for the upcoming fiscal year.

Legislators face financial penalties if they miss the June 15 deadline.

(Prop. 25 of 2010)

**Budget bills and most trailer bills
can be passed by a **simple
majority vote** of each house and
take effect immediately.**

(Prop. 25 of 2010)

**A two-thirds (supermajority)
vote of each house is needed to
approve any tax increase.**

(Prop. 26 of 2010)

Three Key Budget Formulas in the State Constitution

- **Prop. 98 (1988):** Guarantees a minimum annual 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 money for a rainy day.
- **Prop. 4 (1979, "Gann Limit"):** Caps spending by restricting the growth of certain appropriations from tax proceeds.

Part Three **Key Players, Timeline, and How to Get Involved in the State Budget**



Key Players in the State Budget Process

The Governor



Gavin Newsom
California Governor

The Legislature



Mike McGuire
Senate President pro
Tempore



Robert Rivas
Assembly Speaker

The Public



The governor has the
lead role in crafting
the budget.



**Governor's
Proposed Budget:
By January 10**



**Governor's
May Revision:
By May 14**



**Enacted State
Budget:
By Late June**



The Department of Finance welcomes you to the

**California Budget
2025-26**

Gavin Newsom Governor
State of California

Select Budget Year

Governor's Proposed Budget (January)	May Revision (May)	Enacted Budget (Summer)
The Budget proposed by the Governor	Changes to the Governor's Proposed Budget based upon the latest economic forecasts	The Budget passed by the Legislature and signed by the Governor

[Summary »](#)
[Detail »](#)

**The Legislature
reviews, revises, and
adds to the governor's
proposals, with help
from the Legislative
Analyst's Office.**



Scott Wiener



Chair
Senate Budget and Fiscal
Review Committee
(includes five
subcommittees)

Gabriel Petek



Legislative Analyst

Jesse Gabriel



Chair
Assembly Budget
Committee
(includes seven
subcommittees)

Budget subcommittees hold hearings to review the governor's proposals while also crafting their own state spending plans.

California State Assembly



Agenda

Assembly Budget Subcommittee No. 2
on Human Services, & Assembly Budget Subcommittee No. 3
on Education Finance

Assemblymembers Dr. Corey Jackson & David Alvarez, Chairs

Wednesday, March 24, 2024
10:00 A.M. – State Capitol, Rm 126

JOINT INFORMATIONAL HEARING

ITEMS TO BE HEARD		
Item	Description	Page
6100	California Department of Education	
5180	California Department of Social Services	
Issues	1. California Master Plan for Early Learning and Care 2. Universal Transitional Kindergarten Implementation 3. Childcare & Preschool Funding Rates Oversight 4. Childcare & Preschool Quality Improvement & Workforce Support 5. Breaking Barriers to Childcare Access	2 5 10 17 19

Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the committees.

Senate Budget and Fiscal Review— Scott Wiener, Chair

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair
Senator Dave Min
Senator Scott Wilk



Thursday, March 14, 2024
9:30 a.m. or Upon Adjournment of Session
1020 O Street- Room 2100

Consultants: Christopher Francis, Ph.D. and Elisa Wynne

Items for Discussion

Item	Department	Page
6440	University of California (UC)	2
6610	California State University (CSU)	2
Issue 1: UC and CSU System Updates		2
Issue 2: Higher Education Student Housing		9
6610	California State University (CSU)	14
Issue 3: CSU Enrollment		14
6440	University of California (UC)	18
Issue 4: UC Enrollment		18
Issue 5: Governor's Proposals for UC		23

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.



Members of the public have many ways to **make their voices heard in the budget process.**

Key Ways to Make Your Voice Heard

- **Submit support or opposition letters**
 - Submit letters through the budget committees' online portals: abgt.assembly.ca.gov & sbud.senate.ca.gov.
- **Provide public comment at budget subcommittee hearings**
 - Every hearing has at least one public comment period.
 - Time limits can be strict — there may only be enough time to state your name, organization, and position on an issue (“me too”).
- **If invited, provide testimony at a budget subcommittee hearing**
 - Hearings typically include invited testimony from multiple advocates, providing more time to share advocacy perspectives on key issues.

**To influence budget decisions,
focus on building relationships
with policymakers and their
staff.**

The Three Distinct Periods of the State Budget Process



Visit our website at calbudgetcenter.org



Welcome to the Budget Academy

The Budget Center's essential resources for understanding and navigating the California state budget — all in one place. Explore tools, videos, and expert insights designed to strengthen your advocacy and guide informed decision-making.

Have a question about the state budget? [Contact us.](#) →



[Learn the Lingo](#)

[Popular Resources](#)

[Explainer Videos](#)

[Infographic](#)

Circling back to where we started...

What is the state budget about?

What should it reflect?

Our values and priorities as Californians



Thank you!

1107 9th Street, Suite 310
Sacramento, California 95814
916-444-0500

choene@calbudgetcenter.org | 202-415-2770



California Budget
& Policy Center

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Budget Equity Tools

Sarah Lawton

Director of the Online Community

Government Alliance on Race and Equity (GARE)

Budget Equity Tools



Moderator:

Dr. Larissa Estes

Executive Director

California Racial Equity Commission



Guest Speaker:

Sarah Lawton

Director of the Online Community

Government Alliance on Race and Equity (GARE)

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RECESS

15 Minutes

We will be back at **TBD**

Discussion of Key Considerations and Additional Research – ACTION ITEM

Joyce Chiao, Facilitator, Abundance

Timeline at a Glance

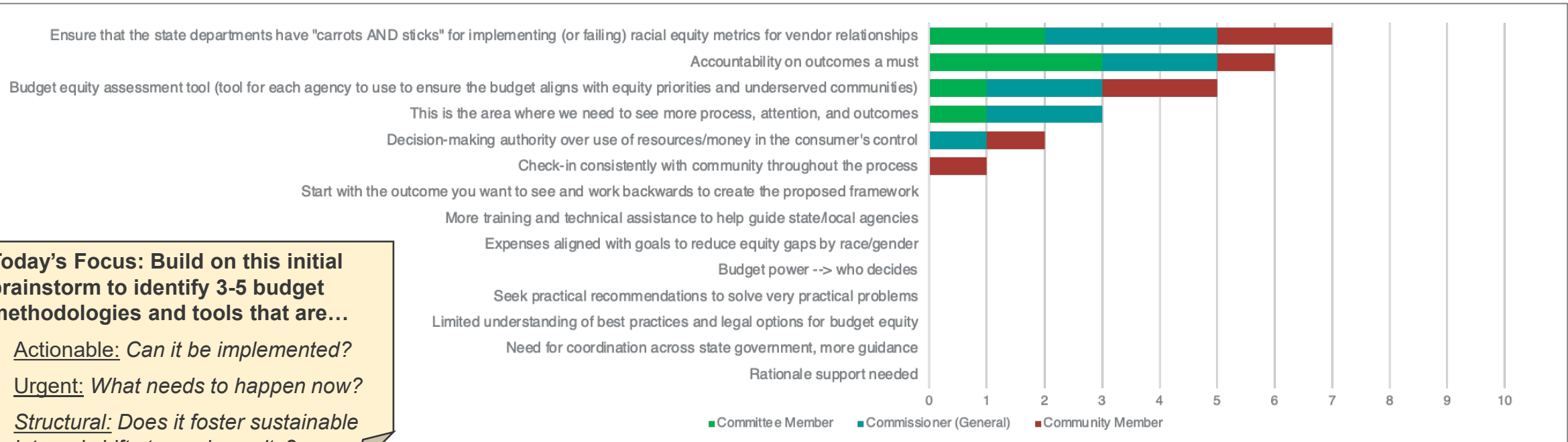


February 20, 2025 Commission Meeting

12/19 Discussion Results: Budget Equity

Quick Notable Observations about Budget Equity

- Three out of four Budget Equity Committee Members noted **accountability for outcomes** as a top opportunity to impact racial equity at the State level.
- This category resulted in the **greatest number of sticky note responses** [$n=14$].



Today's Focus: Build on this initial brainstorm to identify 3-5 budget methodologies and tools that are...

- Actionable: Can it be implemented?
- Urgent: What needs to happen now?
- Structural: Does it foster sustainable internal shifts towards equity?

Brainstorm + Discussion

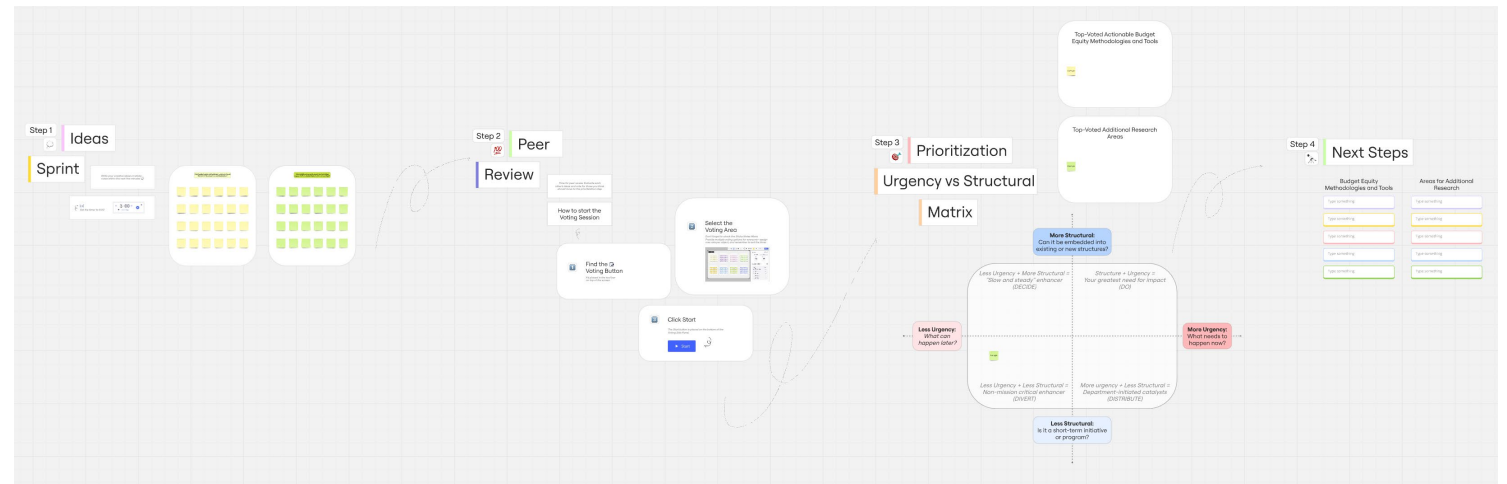
Our Goals:



Identify **3-5 budget equity methodologies and tools** to elevate to the Commission



Identify any **additional research areas** for staff to conduct between now and April



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Discussion of Key Considerations and Additional Research – ACTION ITEM

Joyce Chiao, Facilitator, Abundance

Next Steps for Staff Action

Dr. Larissa Estes

Executive Director

California Racial Equity Commission

Adjournment

Commissioner Gabriel Maldonado
Budget Equity Committee Lead

**Next Racial Equity
Commission Meeting:**

**Data Committee
Meeting**



February 20, 2025 – *Today at 3pm!*

Virtual

Website: racialequity.lci.ca.gov

Email: RacialEquityCommission@opr.ca.gov

Thank you!

