

Budget Update

Governor's 2008-2009 May Revise

May 29, 2008

On Wednesday, May 14, 2008, Governor Schwarzenegger released his May Revision (May Revise) that details proposed changes to the 2008-2009 budget proposal. The May Revise allows the Governor to take into consideration updated revenue and economic forecasts to adjust his January budget proposal.

There have been no significant changes to Prop. 99 programs from the January budget proposal. Tobacco control programs funded through Prop. 99 are largely unaffected by proposed statewide budget cuts in the May Revise because of the separate funding source for these programs. A breakdown of the Prop. 99 revenues for the Health Education Account and the Research Account for fiscal year 2008-2009 and an outline of the budget process are provided below.

Proposition 99 - Health Education Account

The Health Education Account receives 20% of Prop 99 tax revenue.

All numbers are rounded.

	2007-2008 Budget	2008-2009 January Budget Proposal	2008-2009 May Revise
Department of Public Health			
<i>TCP Administration (includes funding from Unallocated Account)</i>	\$3.9 million*	\$4.31 million*	\$4.31 million*
<i>Media Campaign</i>	\$15.7 million	\$15.7 million	\$15.7 million
<i>Competitive Grants</i>	\$15.44 million	\$15.44 million	\$15.44 million
<i>TEROC/Evaluation</i>	\$3.91 million	\$3.91 million	\$3.91 million
<i>Local Lead Agencies</i>	\$16.22 million	\$16.22 million	\$16.22 million
Dept. of Education	\$23.05 million	\$23.08 million	\$23.08 million

*TCP has historically received Unallocated Account (UA) funding to support its State Administration line item. Because the exact amount of funding is not finalized until the end of the fiscal year, these figures represent the best estimate. The amount from the UA is subject to change but expected to be at a level that maintains TCP's current level of staffing.

Proposition 99 - Research Account

The Research Account receives 5% of Prop 99 tax revenue.

All numbers are rounded.

	2007-2008 Budget	2008-2009 January Budget Proposal	2008-2009 May Revise
Department of Public Health (Cancer Registry)*	\$5.7 million	\$5.82 million	\$5.82 million
University of California (TRDRP)	\$16.55 million**	\$14.55 million	\$14.55 million

*As it has for the past several years, the Research Account includes a transfer from the University of California TRDRP to the Department of Public Health for the Cancer Registry, a statewide program that conducts surveillance and research on cancer in California.

**In fiscal year 2007-2008, the University of California (TRDRP) received a one-time addition of \$2 million from the unrestricted reserve. The budget decrease for the University of California (TRDRP) in 2008-2009 is due to this one-time addition and should not be viewed as a funding cut.

The Budget Process

The Governor's May Revise includes adjustments made to the January budget proposal based on updated revenue and economic forecasts. The Legislature will use this revised proposal to continue its work on passing a budget by the June 15 deadline. The following timeline details the budget process:

January

The Legislative Analyst submits its analysis of the Governor's proposed budget along with recommendations for changes to the budget.

March-May

Both the Senate and Assembly budget subcommittees hold hearings to review each specific appropriation in the budget document.

Mid May

The Governor must submit revisions to his January budget proposal by May 14. The "May Revise" is the Governor's budget adjusted for updated revenue projections.

Late May

The budget subcommittees will review and take action on the changes in the Governor's May Revise Budget and then report their recommendations to the full budget committee. The Senate and Assembly Budget committees then adopt a budget plan and this budget then will go to the full house for a vote.

June

The Constitutional deadline for approval of the budget by the Legislature is June 15. For passage, the budget bill is required to receive a two-thirds vote on the floor of each house. A Budget Conference Committee, made up of members of both houses, is established to work out any differences between the Senate and Assembly version of the bill. Once identical bills have received a two-thirds vote in each house it is passed on to the Governor for his signature.

July 1

This is the beginning of fiscal year 2008-2009.

Center for Tobacco Policy & Organizing, May 29, 2008

If you have questions about this analysis, please contact Justin Garrett (jgarrett@alac.org) or Paul Kneprath (pkneprath@alac.org) at (916) 554-5864 (LUNG).

Sources: The 2008-2009 budget proposal can be found on the Department of Finance budget website at www.ebudget.ca.gov and information about the budget process can be found at the Department of Finance (www.dof.ca.gov) website.