

## Budget Update Governor's 2009-2010 Budget Proposal

February 6, 2009

On Wednesday, December 31, 2008, Governor Arnold Schwarzenegger released his proposed budget for fiscal year 2009-2010. This proposal would normally be the starting point for budget hearings and negotiations over the next several months. However, the situation is unique this year because California is facing a fiscal crisis. The California Legislature and the Governor are already working on and negotiating a budget for both the current fiscal year (2008-2009) and for 2009-2010 because it is estimated that the state is facing a \$40 billion deficit over the next 18 months.

There are no proposed funding decreases for tobacco control programs funded through Prop 99 in the budget proposal. In fact, two of the programs, Media Campaign and Competitive Grants, have proposed "one-time only" funding increases. These increases come from available balances in the Health Education Account that are beyond the required 5 percent reserve. While recent media reports and a recommendation by the Legislative Analyst's Office (LAO) have discussed using special funds (i.e. non-state general fund money including Prop 99, Prop 10, Prop 63) to address the current budget deficit, the Governor's budget has not proposed such measures for Proposition 99. A breakdown of the Prop 99 revenues for the Health Education Account and the Research Account for fiscal year 2009-2010 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.

	2008-2009 Budget	2009-2010 Governor's Budget Proposal	Change Amount ( '08-'09 Budget to '09-'10 Proposal)	Percent Change ( '08-'09 Budget to '09-'10 Proposal)
<b>Department of Public Health</b>				
<i>TCP Administration</i>	\$4.31 million	\$3.93 million*	n/a	n/a
<i>Media Campaign</i>	\$15.7 million	\$20.2 million	\$4.5 million	28.7%
<i>Competitive Grants</i>	\$15.44 million	\$17.74 million	\$2.3 million	14.9%
<i>TEROC/Evaluation</i>	\$3.91 million	\$3.92 million	\$0.01 million	0.3%
<i>Local Lead Agencies</i>	\$16.22 million	\$16.22 million	\$0	0%
<b>Dept. of Education</b>	\$23.08 million	\$23.09 million	\$0.01 million	< 0.1%

\*TCP has historically received Unallocated Account (a separate Prop 99 account) funding to support its State Administration line item. While the amounts appropriated from the Unallocated Account is currently unknown for fiscal year 2009-2010, it is 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.

	2008-2009 Budget	2009-2010 Governor's Budget Proposal	Change Amount ( '08-'09 Budget to '09-'10 Proposal)	Percent Change ( '08-'09 Budget to '09-'10 Proposal)
<b>Department of Public Health</b> (Cancer Registry)	\$5.82 million	\$5.84 million	\$0.02 million	0.3%
<b>University of California (TRDRP)</b>	\$14.55 million	\$14.51 million	- \$0.04 million	- 0.3%

### The Budget Process

The Governor's budget proposal each January is just the start of the budget process, as the Legislature will now play a major role. The following timeline shows the key budget dates in a typical year. However, because of the fiscal crisis, it is possible that the timeline will be different in 2009.

#### January-February

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 2009-2010.

**Center for Tobacco Policy & Organizing, February 6, 2009**

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*Sources: The 2009-2010 budget proposal can be found on the Department of Finance budget website at [www.ebudget.ca.gov](http://www.ebudget.ca.gov) and information about the budget process can be found at the Department of Finance ([www.dof.ca.gov](http://www.dof.ca.gov)) website.*

*This material was made possible by funds received from the California Department of Public Health, under contract #04-35335.*

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