

Budget Update

Governor's 2007-2008 Budget Proposal

January 31, 2007

On Wednesday, January 10, 2007, Governor Schwarzenegger released his proposed budget for fiscal year 2007-2008. The Governor's annual budget submission represents the starting point of the budget process. A breakdown of the Prop. 99 revenues for the Health Education Account and the Research Account for fiscal year 2007-2008 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.

	2006-2007 Budget (Includes mid-year adjustments)	2007-2008 Governor's Budget Proposal	Change Amount ('06-'07 Budget to '07-'08 Proposal)	Percent Change ('06-'07 Budget to '07-'08 Proposal)
Department of Public Health				
<i>TCS Administration (includes funding from Unallocated Account)</i>	\$4.01 million	\$3.08 million	-\$0.93 million*	-23.2%
<i>Media Campaign</i>	\$20 million	\$15.7 million	- \$4.3 million**	-21.5%
<i>Competitive Grants</i>	\$16.74 million	\$15.44 million	- \$1.3 million**	-7.8%
<i>TEROC/Evaluation</i>	\$5.71 million	\$3.91 million	- \$1.8 million**	-31.5%
<i>Local Lead Agencies</i>	\$16.22 million	\$16.22 million	\$0	0%
Dept. of Education	\$23 million	\$23.05 million	\$0.05 million	<.01%

*TCS has historically received Unallocated Account (UA) funding to support its State Administration line item. While the amount appropriated from the UA is currently unknown for fiscal year 2007-2008, it is expected to be at a level that maintains TCS' current level of staffing.

**The 2006-2007 budget figures include a one-time augment of \$7.4 million from state licensing fees. Budget decreases in the media campaign, competitive grants, and TEROC/Evaluation accounts result from this one-time augment and should not be viewed as funding cuts.

Proposition 99 - Research Account

The Research Account receives 5% of Prop 99 tax revenue.
All numbers are rounded.

	2006-2007 Budget (Includes mid-year adjustments)	2007-2008 Governor's Budget Proposal	Change Amount ('06-'07 Budget to '07-'08 Proposal)	Percent Change ('06-'07 Budget to '07-'08 Proposal)
Department of Health Services (Cancer Registry)	\$5.37 million	\$5.7 million	\$0.33 million	6.1%
University of California (TRDRP)	\$14.55 million	\$14.55 million	\$0	0.0%

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 in re-shaping this fiscal document. The following timeline delineates where the budget goes from here:

Late January/Early 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 2007-2008.

Center for Tobacco Policy & Organizing, January 31, 2007

If you have questions about this analysis, please contact The Center's Policy Coordinator, Justin Garrett, at (916) 442-4299, ext. 233 or jgarrett@alac.org or Paul Knepprath, Vice President, Government Relations, American Lung Association of California, at (916) 442-4446, ext. 224 or pknepprath@alac.org.

Sources: The 2007-2008 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.