

Budget Update

Governor's 2008-2009 Budget Proposal

January 31, 2008

On Thursday, January 10, 2007, Governor Schwarzenegger released his proposed budget for fiscal year 2008-2009. In addition, because of a large budget deficit, the Governor declared a fiscal emergency and called the Legislature into a special session to address the budget issue. These actions will cause the Legislature to begin working on the budget earlier this year.

Tobacco control programs funded through Prop. 99 are largely unaffected by budget cuts in the proposed budget 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 Governor's Budget Proposal	Change Amount ('07-'08 Budget to '08-'09 Proposal)	Percent Change ('07-'08 Budget to '08-'09 Proposal)
Department of Public Health				
<i>TCP Administration (includes funding from Unallocated Account)</i>	\$3.7 million*	\$3.7 million*	\$0	0%
<i>Media Campaign</i>	\$15.7 million	\$15.7 million	\$0	0%
<i>Competitive Grants</i>	\$15.44 million	\$15.44 million	\$0	0%
<i>TEROC/Evaluation</i>	\$3.91 million	\$3.91 million	\$0	0%
<i>Local Lead Agencies</i>	\$16.22 million	\$16.22 million	\$0	0%
Dept. of Education	\$23.05 million	\$23.08 million	\$0.03 million	<.01%

*TCP has historically received Unallocated Account (UA) funding to support its State Administration line item. While the amounts appropriated from the UA is currently unknown for fiscal year 2007-2008 and fiscal year 2008-2009, 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.

	2007-2008 Budget	2008-2009 Governor's Budget Proposal	Change Amount ('07-'08 Budget to '08-'09 Proposal)	Percent Change ('07-'08 Budget to '08-'09 Proposal)
Department of Public Health (Cancer Registry)	\$5.7 million	\$5.82 million	\$0.12 million	0.02%
University of California (TRDRP)	\$16.55 million	\$14.55 million	- \$2 million	- 12%

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 shows the key budget dates in a typical year. However, because the Governor declared a fiscal emergency and called the Legislature into special session, it is possible that some of these dates will be different this year.

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, January 31, 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.