State Budget Update

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A Conservative Budget

= CSU Has Advocacy Work To Do
2019 Budget Highlights

- The 2019 budget proposal = $190.3 billion in total
- $5 billion more added to the Rainy Day “Piggy Bank.”
- The Rainy Day Fund provides $13.5 billion for a fiscal emergency.
  
  EX: $900 million is needed to refund the state coffers for emergency fire relief.
Why So Conservative?

Governor Brown has consistently warned of a looming recession.

He did not have a surplus when he became governor & this has been his #1 priority.

This is his last budget, so he was expected to propose a conservative budget.
Impacts to CA

- Bull Market, but Looming Recession
- Federal Tax Reform - SALT deductions
- Possible Federal Program Cuts to Social Services
- 2018 Fire Season
“We won’t know the true impacts of the federal tax changes on California’s economy until next spring, when individual taxes are filed.”

–Dominique (repeatedly)
CSU Allocation

- CSU expected a $102 million increase to the base budget, but got $92 million.
- That’s still @ 2.7% increase
- CSU worries that @ $153 million in mandatory costs won’t be funded
The CSU Base Operational Budget = $3.4 billion. *About equal to the UC.
The Governor’s proposed $92 million, or the CSU’s requested $283 million, would be... ON TOP OF the base operational funding.
What About The Rest of the Education Community?

- The Governor prioritized speeding-up the full funding of his 2013 K-12 education plan, the Local Control Funding Formula. An additional $3 billion was allocated.
- $120 million for a new state-wide online community college.
- Again, the UC was funded at the same level as the CSU.
Now What?

- We advocate, advocate, advocate!
- Feb. 1 SFSU meets with our state legislators to kick-off budget ask
- March 7 All CSU budget advocacy day
- Combine with social media activities
- We re-adjust our message in May and bring it home in June!
Stay Tuned!

ebudget.ca.gov