



SENATE BUDGET PLAN

STEP #1: *KEY VALUES*

Putting California's Wealth to Work *for a* More Equitable Economy



2022-23 STATE BUDGET



SENATE BUDGET PLAN

EVOLUTION

- » **STEP #1:** Key Values.....PRESENTED HERE
- » **STEP #2:** Detailed Senate Budget Priorities.....Early 2022
- » **STEP #3:** Senate/Legislature Version.....Late May
- » **STEP #4:** Final Version.....Mid June





SENATE BUDGET PLAN

INTRODUCTION

- ▶▶▶ California's rebounding economy is strong, but, as has been the case throughout the nation for decades, wealth has gone to the top leaving the middle class and struggling families behind.
- ▶▶▶ Thankfully, California's common sense, voter-approved revenue system results in those that have prospered the most contributing their share.
- ▶▶▶ Our revenue system, along with a decade of responsible budgeting, results in a healthy budget with a forecast of over \$50 billion in available Prop 98 and non-Prop 98 General Fund resources allowing the Senate to craft a transformative budget that puts our wealth to work for a more equitable California.
- ▶▶▶ The following values will be the guideposts as the Senate crafts the 2022-23 State Budget.



SENATE BUDGET PLAN

KEY VALUE #1

Sustain Progress:

- » Build upon historic reserves to protect ongoing programs from future temporary downturns.
- » Pay down state debts and retirement liabilities.
- » Utilize one-time funds for needed one-time/short-term purposes.
- » Maintain existing expenditure priorities that promote equity.
- » Expand oversight and accountability.



SENATE BUDGET PLAN

KEY VALUE #2

Strengthen Equity while Meeting Gann Limit Requirements:

- ▶▶▶ Maximize infrastructure investments, including for schools and higher education.
- ▶▶▶ Build on enacted targeted tax relief programs that benefit California families, such as the CalEITC, Child Tax Credit, and Small Business Relief.
- ▶▶▶ Adjust budget approaches to ensure ongoing commitments can be made to core programs – healthcare, safety net, and higher education.
- ▶▶▶ Consider future reforms to modernize Gann Limit while respecting original intent.



SENATE BUDGET PLAN

KEY VALUE #3

Build a More Equitable Economy:

- Support Getting Back to Work: Childcare, Small Businesses, and Essential Workforce.
- Strengthen Middle Class Families and Reduce Debt.
- Assist Families and Those in Need and Support Aging Californians.
- Focus on Health: Improve public health, mental health, access and affordability.
- Balance Public Safety and Justice.

CONTINUED>



SENATE BUDGET PLAN

KEY VALUE #3

Build a More Equitable Economy:

- » Address Housing Challenges: Homelessness, Affordable Housing, and Home Ownership.
- » Boost 21st Century Infrastructure: Including Transportation, Education, Broadband, Climate/Disaster Resiliency.
- » Close Learning Gap and Protect Local School Budgets.
- » Improve Higher Ed Quality, Affordability, and Accessibility.
- » Sustain California: Enhance Climate, Environment, and Resource Protection; Strengthen Wildfire Mitigation and Response.



SENATE BUDGET PLAN

CONCLUSION

- » A decade of responsible budgeting and a commonsense revenue system provides the Legislature with another opportunity to make transformative investments.
- » Surging revenues have brought the constitutional Gann Limit provisions into play which will guide and inform budget decisions.
- » With the benefit of public hearings, in-depth caucus discussions, and ultimately three-party negotiations, the Senate's budget priorities will evolve from our broad key values and be refined into fully developed priorities.
- » The Senate, in partnership with the Assembly and the Governor, looks forward to putting our wealth to work for a more equitable California.