

California state budget and finances



In California, as in other states, lawmakers and public officials are elected in large part to manage the state's complex finances. This includes generating **revenues** (money coming into the state from various sources) and approving **expenditures** (the money spent on governmental functions and servicing state debt). State budgets are complicated and fluid, as they depend on anticipated revenues and planned expenditures, which may change over the course of a fiscal year. All citizens are affected by their state's budget and financial situation; if revenues do not keep pace with expenditures, states generally have to raise taxes, cut services, borrow money, or a combination of the three. State budget decisions are also influenced by policy decisions at the national level, such as the Affordable Care Act or energy and environmental regulations, and issues at the local level, such as crime and the quality of education.

HIGHLIGHTS

- Between fiscal years 2014 and 2015, total government spending in California increased by approximately \$41.7 billion—from \$210.9 billion in fiscal year 2014 to an estimated \$252.6 billion in 2015. This represents a 16.49-percent increase.^{[1][2][3]}
- In California in fiscal year 2014, 55.7 percent of total tax revenues came from income taxes. Sales taxes and gross receipts accounted for 36.2 percent of total state tax collections.
- Education accounted for 28.8 percent of state expenditures in fiscal year 2015, while 24.3 percent went to Medicaid.

The California state budget and financial data presented here come from different years because the states and the federal government report and publish the information at different times.

Definitions

The following terms are used to describe a state's finances:

- **Revenues** come mainly from tax collections, licensing fees, federal aid, and returns on investments.
- **Expenditures** generally include spending on government salaries, infrastructure, education, public pensions, public assistance, corrections, Medicaid, and transportation.
- **State debt** refers to the money borrowed to make up for a deficit when revenues do not cover spending.
- The state **credit rating** is the grade given by a credit rating agency based on the general financial health of the state's government and economy.
- **State funds** include general and other state-based funds. A general fund is "the predominant fund for financing a state's operations." Other state funds are "restricted by law for particular governmental functions or activities."^[4]
- **Federal funds** are "funds received directly from the federal government."^[4]
- **Total spending** is calculated by adding together the totals for state and federal funds used for expenditures.

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General information

Budget calendar:

Annual

Fiscal year:

2017

State credit rating:

A (as of 2014)

Current governor:

Jerry Brown

Financial figures

Total spending (state and federal funds):

\$252.6 billion (estimated for 2015)

Per capita spending:

\$6,451.68 (estimated for 2015)

Total state tax collections:

\$138.1 billion (2014)

Per capita tax collections:

\$3,559.21 (2014)

State debt:

\$778 billion (as of 2014)

Per capita state debt:

\$20,449 (as of 2014)



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Note: This page contains information from several sources. As such, the information given varies somewhat by year, but reflects the most recent data available as of April 2016.