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An Overview of Federal Funding in California

LEGISLATIVE ANALYST'S OFFICE

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Assembly Budget Subcommittee No. 1 on
Health and Human Services
Hon. Holly J. Mitchell, Chair





Total Expenditures Within the State Budget

(Dollars in Millions)

Fund Type	Actual 2009-10	Estimated 2010-11	Enacted 2011-12	
			Amount	Percent of Total
General Fund	\$87,014	\$91,480	\$85,937	41%
Federal funds	89,088	91,459	79,182	38
Special funds	23,514	31,219	34,180	16
Selected bond funds	6,250	13,195	9,360	4
Totals	\$205,866	\$227,353	\$208,659	100%

- Expenditures of General Fund and federal funds comprise 79 percent of the budget in 2011-12 with General Fund slightly more than federal funds.
- Between 2010-11 and 2011-12, the decrease in federal funds is largely due to the phase-out of federal American Recovery and Reinvestment Act funds.



Federal Fund Expenditures by State Agency

(Dollars in Millions)

Agency	Enacted 2011-12	Percent of Total
Health and Human Services	\$40,966	52%
Labor and Workforce Development	19,709	25
Education	11,473	14
Business, Transportation, and Housing	4,707	6
Legislative, Judicial, and Executive	1,260	2
General Government	428	1
Natural Resources	280	—
Environmental Protection	200	—
Corrections and Rehabilitation	118	—
State and Consumer Services	40	—
Totals	\$79,182	100%

- Health and Human Services account for more than half of all federal funds appropriated in the state budget.
- Most of the \$20 billion for Labor and Workforce Development pays for unemployment insurance benefits.



Federal Funds in Health and Human Services Departments

(Dollars in Millions)

Department	Enacted 2011-12	Percent of Total
Health Care Services	\$29,187	71%
Social Services	6,998	17
Public Health	1,969	5
Managed Risk Medical Insurance Board	1,162	3
Child Support Services	490	1
Rehabilitation	351	1
Alcohol and Drug Programs	262	1
Community Services and Development	260	1
Aging	153	—
Other	134	—
Totals	\$40,966	100%

- A portion of the federal funds budgeted in the Department of Health Care Services are passed through to other state departments and local government entities that administer components of the Medi-Cal Program, such as In-Home Supportive Services.
- The almost \$7 billion in federal funds budgeted in the Department of Social Services goes to support three major federal programs: the Child Welfare System, the California Work Opportunity and Responsibility to Kids program, and administrative support for the Supplemental Nutrition Assistance Program (formerly known as Food Stamps).



Major Federal Funding Streams Outside the State Budget

- In addition to the approximately \$80 billion in federal funding that passes through the state budget, data from the U.S. Census Bureau suggest that the federal government directly expends about \$250 billion in California each year.

- These additional expenditures include payments to individuals, procurement contracts (such as defense), and the salaries and benefits for the civilian and military workforce residing in California.

- Changes to some direct federal programs could impact the health and human services safety net within California. These programs include:
 - Social Security
 - Medicare
 - Supplemental Security Income
 - Supplemental Nutritional Assistance Program (formerly known as Food Stamps)