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THE CALIFORNIA REPUBLICAN CONGRESSIONAL DELEGATION  
AND  
THE CALIFORNIA DEMOCRATIC CONGRESSIONAL DELEGATION  
IN CONJUNCTION WITH  
THE PUBLIC POLICY INSTITUTE OF CALIFORNIA  
AND THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH  
invite you to attend a

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***Bipartisan California Staff Briefing:  
California's Share of Federal Spending,  
Taxes, and Formula Grants***

**Wednesday, November 12, 2003, at 4:00 p.m.  
U.S. Capitol Building, Room HC-9**

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On behalf of the bipartisan California Congressional Delegation, California Congressional staff is invited to a briefing regarding California's share of federal taxes and expenditures – and the “balance of payments” between the two – and a detailed discussion of the effect of grant formulas on California's federal receipts. The briefing will take place on Wednesday, November 12, at 4:00 pm in Room HC-9 of the U.S. Capitol Building.

For 15 years, California taxpayers have sent more dollars to Washington than the federal government has spent in the state on grants, contracts, salaries and direct payments. California Institute figures show that, in 2002, the deficit was a record \$58 billion, meaning the state received 77 cents for every \$1 paid in federal taxes. While most of the imbalance is to be expected (the state houses fewer older persons and more high-income persons than the national average), the discrepancy has focused public attention on the state-federal relationship. Formula grant programs – used to fund state and local activities in health care, transportation, education, nutrition, social services, law enforcement, and other areas – are the fastest growing component of the federal budget and strongly influence state receipts.

Much of the information for this briefing is derived from the *Federal Formula Grants and California* series, a joint venture between PPIC and the California Institute that has released six reports during the past year. Two of those reports examined general topics – California's share of all formula grants and the factors that drive those shares – and four reports detailed the mechanics of major grant programs: welfare, highway programs, special education, and Head Start. The next report, to be released in January, will examine homeland security grants. The series was developed at the request of the bipartisan leadership of California's congressional delegation and is produced by PPIC – an independent, nonpartisan policy research institute based in San Francisco – in collaboration with the California Institute. For additional information, visit <http://www.ppic.org> or <http://www.calinst.org> .