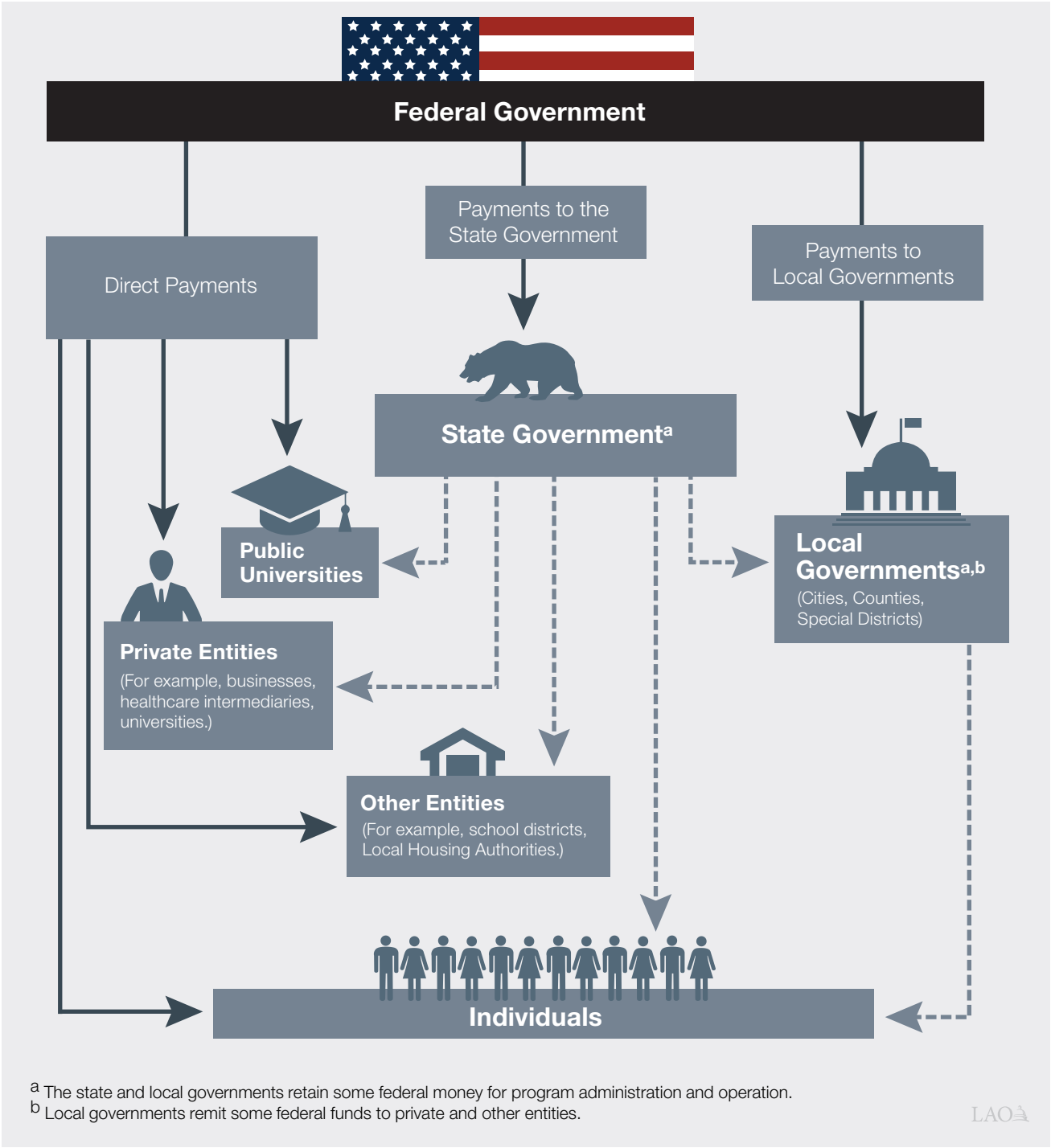
FEBRUARY 20, 2025

Federal Spending in California

PRESENTED TO: Assembly Budget Subcommittee No. 7
On Accountability and Oversight
Hon. Gregg Hart, Chair

LEGISLATIVE ANALYST'S OFFICE

How Federal Spending Reaches Californians



[a] The state and local governments retain some federal money for program administration and operation.
[b] Local governments remit some federal funds to private and other entities.

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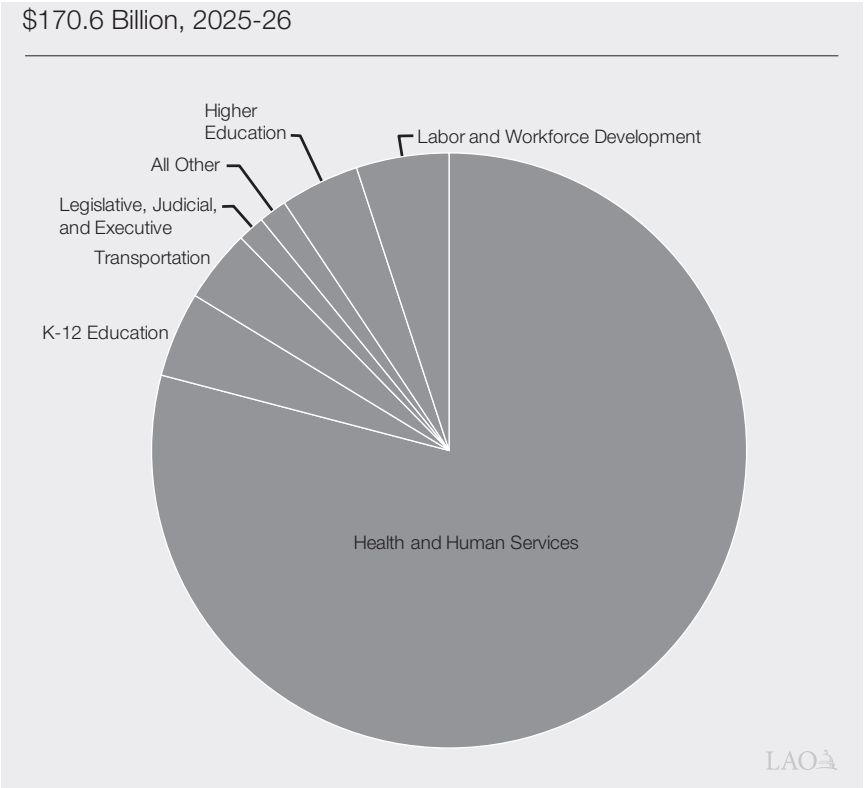
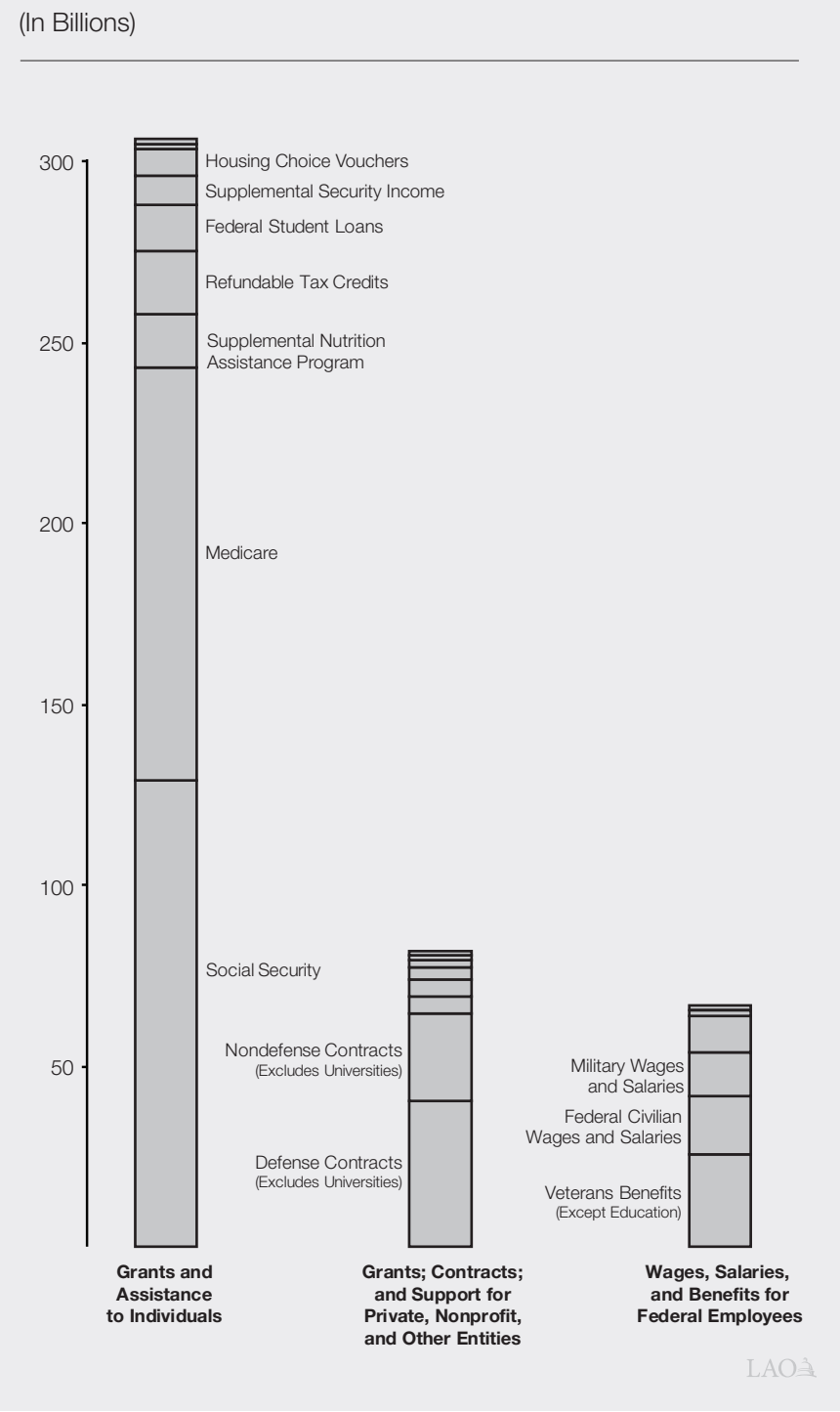
Distribution of Federal Funds in the State Budget by Agency



Direct Federal Spending to Individuals and Entities in California



Direct Federal Spending to Individuals and Entities in California (Detail)

(In Billions)

Type	Amount
Grants and Assistance to Individuals	
Social Security	$128.7
Medicare	114.0
Supplemental Nutrition Assistance Program—benefits	15.0
Medical care for veterans	9.6
Tax credits to low-income individuals for health insurance premiums	9.0
Federal student loans	8.0
Supplemental Security Income (SSI)	7.6
Housing choice vouchers	7.0
Earned Income Tax Credit (refundable amount)	4.7
Pell Grants	4.3
Child tax credit (refundable amount)	3.6
Head Start	1.5
All other housing support	0.8
Tax credits for education (refundable amount)	0.5
Other student financial aid	0.3
Telecommunications and associated infrastructure for schools and libraries	0.2
Total	**$314.9**
Grants; Contracts; and Support for Private, Nonprofit, and Other Entities	
Defense contracts (excludes universities)	$40.4
Nondefense contracts (excludes universities)	24.1
Research contracts and grants to public universities	4.9
Support for transit agencies	4.3
Transfers to nonprofits institutions	3.5
Research contracts and grants to private universities	2.3
Energy grants to companies and public utilities, rebates for clean school buses	1.2
Agriculture grants to farmers and forestry-related grants to companies	0.7
Total	**$81.3**
Wages, Salaries, and Benefits for Federal Employees	
Federal civilian wages and salaries	$25.4
Veterans benefits (except education)	16.2
Military wages and salaries	12.4
Education and vocational training for veterans	1.6
Railroad retirement and disability benefits	0.6
Total	**$56.3**
Grand Total	**$452.5**

Note: Excludes retirement benefits for federal employees.