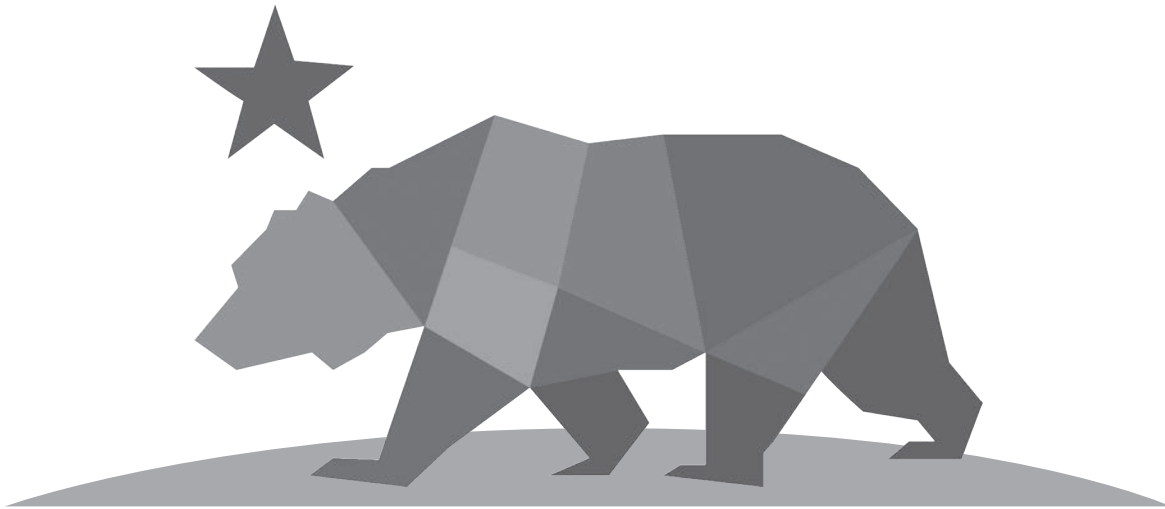


GOVERNOR'S BUDGET SUMMARY

2020-21



Gavin Newsom, Governor
State of California

To the California Legislature
Regular Session 2019-20



GOVERNOR
Gavin Newsom

January 10, 2020

To the members of the Senate and the Assembly of the California Legislature:

It's often said that budgets are statements of values. In America's most populous and productive state, our state Budget is more than that. It is a blueprint for a better quality of life and brighter future for millions of individuals striving and succeeding together—in pursuit of their own version of the California Dream.

Thanks to your leadership and support, we saved more than ever for a rainy day and paid off the state's budgetary wall of debt, while achieving our highest credit ratings in nearly two decades. We moved closer toward universal health care coverage, and we took on Big Pharma and rising prescription drug costs. California enacted the strongest renter protection package in the nation, provided a \$1,000 tax rebate to low-income families with young children to relieve the economic stress of working families and address childhood poverty, and made two years of community college tuition-free. California made the largest investment ever in K-12 schools and met the unprecedented challenge presented by wildfires with \$1 billion in disaster preparedness, response, and recovery.

California is stronger than ever today, and the Budget found in the pages ahead reflects our fortitude. Our state has provided the rocket fuel for the nation's economic expansion. We are the world's capital of innovation. We have more people with access to health care and higher education than any other state. California is showing the nation and the world what big-hearted, effective governance looks like.

In spite of this progress, there are deep, structural challenges that threaten our state's future and demand our urgent attention. These problems—catastrophic wildfires and their impacts, the expanding homelessness crisis, and growing inequality of opportunity—have been decades in the making and won't be fixed overnight. California can and must do more to tackle these challenges and fortify our future.

Our heroic emergency personnel and firefighters put out more than 7,800 fires last year—thanks in many cases to prepositioned assets and the newest weather technology. But wildfires fueled by climate change continue to threaten our people and our way of life. The Budget builds on this record investment by expanding firefighting technology and personnel.

Last year, California dedicated a record amount of emergency funding for cities and counties to fight homelessness and empowered cities and counties to quickly build more shelters and navigation centers, and to provide services. But addressing this issue takes much more than funding—it will take an all-of-the-above approach from state and local leaders, one that includes innovative mental health and substance use disorder treatment, and more shelters to help get people off the streets and into housing.

For too long, our state's prosperity has not been broadly shared. In 2019, California took bold action to expand access to opportunity and tackle the affordability crisis families are facing. We've sought to make it easier for every California family to afford to live and thrive in America's most beautiful state. This Budget doubles down on the war on unaffordability—from taking on health care costs and having the state produce our own generic drugs to expanding the use of state properties to build housing quickly.

Our state's best days are ahead of us. Through smart investments and tackling the most intractable problems, California can continue to lead the nation in growth and opportunity.

I look forward to our work together in the year ahead as we enact a budget that continues to move us closer to a California for All.

With respect,

s/s

Gavin Newsom

TABLE OF CONTENTS

Introduction	1
Summary Charts	17
Health and Human Services	23
Jobs and Economy	51
Early Childhood	61
K-12 Education	67
Higher Education	87
Homelessness	103
Housing	109
Climate Resilience	117
Emergency Preparedness and Response	129
Public Safety	135
Judicial Branch	147
Environmental Protection	153
Natural Resources	157
Statewide Issues and Various Departments	165
Infrastructure	179
Demographic Information	205
Economic Outlook	213
Revenue Estimates	223
Staff Assignments	245
Appendices and Schedules	247

INTRODUCTION

The Governor's Budget was developed against the backdrop of an extraordinarily strong economy. As 2020 begins, California's economy is the strongest in the nation, with a gross domestic product (GDP) of nearly \$3 trillion, representing the fifth largest economy in the world.

California's economic growth has fueled the nation's economy, which has been growing for a record 126 months. The state's unemployment rate is now at 3.9 percent, down from a peak of 12.2 percent during the Great Recession. The state's average annual real GDP growth of 3.8 percent has beaten that of Texas and Florida, and California is first in the nation in new business starts, venture capital, and manufacturing.

Even with California's strong economy, continued growth is uncertain due to the instability in global economic markets and the nation's political climate. Further, the state's strong economy has not lifted all Californians. Economic inequality persists between regions of the state and for many living within the state's more prosperous regions.

Building on the 2019 Budget Act, the Budget continues to build reserves and promotes a more effective government that can withstand a downturn in the economy, as well as emergencies and disasters. It squarely addresses the affordability crisis that too many Californians experience and continues unprecedented investments in promoting opportunity. The Budget continues to reflect the principle that maintaining a balanced

INTRODUCTION

budget and strong budget resiliency is non-negotiable and a necessary predicate for expanding programs, especially with the growing risks facing the state.

Last year, the Budget took steps to reduce the cost of prescription drugs, made a major investment to lower housing costs by spurring more housing development, and expanded the Earned Income Tax Credit (EITC) to provide an economic boost to working families and reduce childhood poverty. The Budget builds on these efforts by adding new proposals to address the affordability of health care and housing, support the increase in the state's minimum wage to \$13 per hour, and make bold steps to promote opportunity from cradle to career.

The Budget continues to tackle two persistent problems facing California: risks caused by climate change, including wildfires, and providing safe, reliable, affordable, and clean energy given the climate change impacts on utilities; and the increase in people living on the streets that affects communities throughout the state. Building on an investment of \$1 billion last year, the Budget tackles the root causes of homelessness with new approaches to expand affordable and supportive housing and to improve the state's behavioral health system.

The Budget also promotes effective government by enhancing California's ability to prevent and respond to emergencies, and continues critical work to bring government services into the digital age, including enhancing California's ability to prevent and respond to cyber threats.

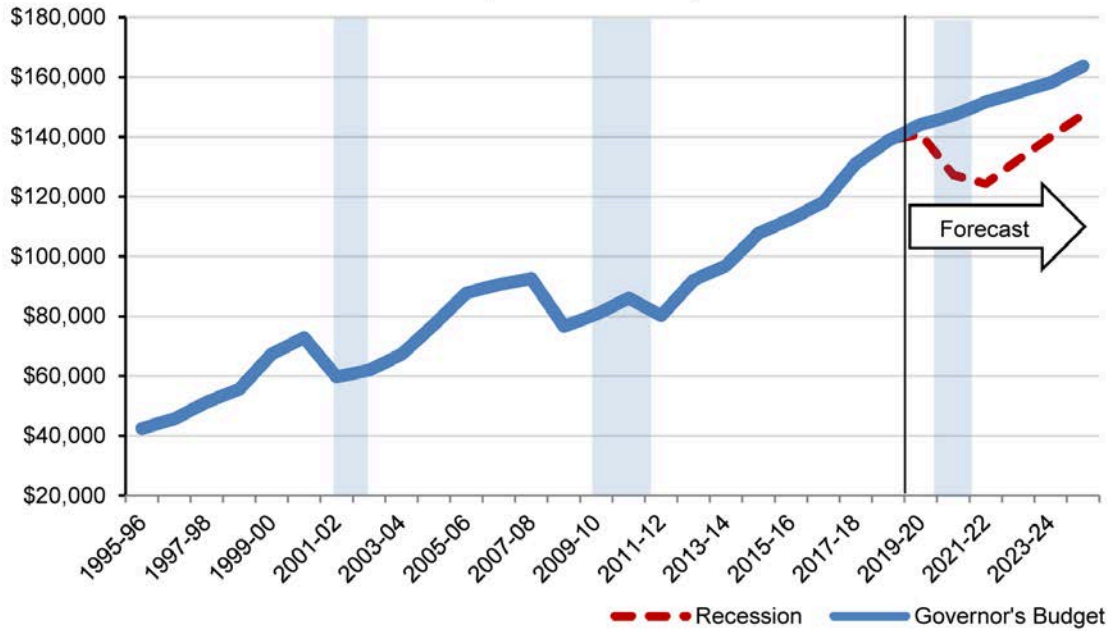
STRONG FOUNDATION, BUT INTENSIFIED RISKS

Now in its eleventh year, the nation's economic expansion marks the longest period of sustained growth since World War II. However, this expansion is occurring in the context of slowing global growth and growing uncertainty regarding the political climate and federal policies. State revenue growth is projected to be slower in each of the next four years compared to 2019-20, constraining new spending commitments.

In 2019, the state enacted a budget that committed the bulk of available resources to build reserves and pay down budgetary debts and unfunded liabilities. As a result, California is in a stronger fiscal position, with robust reserves.

The state is prepared for an economic downturn with reserves of \$21 billion. Even with these reserves, managing a recession will be challenging, as even a moderate recession could result in revenue declines of nearly \$70 billion and a budget deficit of over \$40 billion over three years.

**Annual Revenue Could Drop by
Tens of Billions of Dollars in a Recession**
(Dollars in Millions)



To promote a more effective government that is able to withstand a slowing economy, the 2019 Budget Act was structurally balanced in each fiscal year through 2022-23. This was accomplished in part with statutory provisions to suspend nearly \$2 billion in programmatic expansions on December 31, 2021.

While the state is currently projected to have reserves to cover the suspended programs through 2023-24, significant risks to the forecast remain. To maintain structural balance through 2023-24, the Budget proposes to continue the suspensions added by the 2019 Budget Act, but delays them by 18 months until July 1, 2023.

The forecast assumes federal approval of the Managed Care Organization tax authorized in Chapter 348, Statutes of 2019 (AB 115) with revenues beginning to accrue in 2021-22. With these revenues, the Budget is projected to remain structurally balanced through 2023-24.

In this Budget, as with last year's, the majority of the surplus is devoted to one-time spending. This approach enables the state to make significant investments in critical areas while also maintaining reserves.

ADDRESSING THE AFFORDABILITY CRISIS

HEALTH CARE COST CONTAINMENT

California continues to be a national leader in health care, but more needs to be done to advance health care affordability and universal access to health care for all Californians. The 2019 Budget Act reduced health care costs for individuals and families by stabilizing the individual insurance market, saving money on prescription drugs, and adding subsidies for more middle-class Californians. This year, the Administration will pursue new initiatives to increase price transparency, address hospital cost trends by region with a particular focus on increases driven by consolidation, and reduce unnecessary administrative costs by increasing the use of technology and value-based reimbursements. In these efforts, the Administration will focus on returning cost savings to consumers and employers. The Administration will also strengthen California's existing public option for health insurance to promote choice and affordability.

The Budget continues work to reduce prescription drug costs for taxpayers, employers, and consumers by expanding the state's ability to consider the best prices offered by manufacturers internationally, negotiate additional supplemental rebates, and increase the state's purchasing program to further consolidate the state's purchasing power. This spring the Administration will propose to establish a single market for drug pricing within the state, as well as the state's own generic drug label.

The Budget also expands full-scope Medi-Cal coverage to low-income undocumented Californians aged 65 and above. This investment moves the state towards universal coverage, which will further the state's cost containment goals.

HEALTHIER CALIFORNIA FOR ALL

The Budget proposes to transform Medi-Cal to achieve a healthier California with the Medi-Cal Healthier California for All initiative. It is designed to move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility, identifying and managing member risk and needs through enhanced care, and addressing social determinants of health.

In its last federal demonstration waiver, the state piloted a whole person care approach to better integrate services and treatment, and more effectively address social determinants of health. Medi-Cal Healthier California for All will build on that progress by pursuing structural changes to the state's behavioral health delivery system and expanding statewide wraparound services, such as housing and social services. The initiative will also make additional investments in prevention through incentives to

provide a broader range of services including preventive dental care. These steps will position the state's Medi-Cal system to better connect individuals—including children and youth in foster care, individuals experiencing homelessness, individuals with substance use disorders, and individuals involved in the justice system—to the services they need.

The Budget also includes funding to support counties in implementing the changes necessary for transformation of the county-run behavioral health and substance use disorder systems.

HOUSING

After decades of underproduction, Californians continue to face a staggering housing crisis. The 2019 Budget Act included \$1.75 billion to increase housing supply, including funding to local governments for planning and infrastructure, an investment in the state's housing loan program, and an expansion of state housing tax credits. The Administration also launched an effort to reuse excess state properties for innovative housing projects and worked to leverage additional capital from the private sector to build more housing.

The Budget authorizes \$500 million annually for the state's housing tax credit program. It continues to support the Administration's efforts to spur housing development by significantly increasing the number of excess state properties used for housing development, pursuing additional capital from the private sector for housing development, and revamping the state's regional housing goals. In addition, the Administration is streamlining state processes to accelerate housing production. The Administration is also committed to working with the Legislature on additional actions to expedite housing production, including changes to local zoning and permitting processes, as well as adding predictability and reducing the costs of development fees.

Last year, the state passed the strongest renter protections in the nation, which addresses two key causes of the housing crisis: price gouging and evictions. Beginning January 1, 2020, annual rent increases may not exceed 5 percent, plus inflation, and renters are protected from discriminatory and retaliatory evictions without cause.

Finally, the Administration continues work in accordance with Chapter 669, Statutes of 2019 (SB 113) to establish a trust with \$331 million that will provide borrower relief and support housing counselors or other legal aid agencies in representing homeowners and renters in housing-related matters.

PROMOTING OPPORTUNITY

EARLY CHILDHOOD

Over the long term, the Administration is committed to building a universal preschool system and a comprehensive, quality, and affordable child care system for California. To this end, the Administration is continuing development of a Master Plan for Early Learning and Care that will provide a roadmap for implementing this commitment. The Plan will be completed by October 1, 2020. The Budget builds on the historic investments made last year to expand access to child care, preschool and full-day kindergarten, with funding for 10,000 additional full day/full year preschool slots, moving the state closer to its goal of universal preschool for all income-eligible four-year-olds.

Reducing childhood poverty and health disparities is critical to improving outcomes for children. The Budget builds on major investments made last year to expand the EITC and increase California Work Opportunity and Responsibility to Kids (CalWORKs) grants by increasing the amount of child support payments retained by families on CalWORKs. The Budget also proposes to develop a new adverse childhood experiences cross-sector training program with the goal of reducing adverse childhood experiences and toxic stress by half in a generation.

The 2019 Budget Act expanded the Paid Family Leave benefit duration from six to eight weeks—moving two-thirds towards the goal of six months of paid family leave for two parents to bond with a new child. The Budget builds on this expansion by proposing to extend job protections to more employees, thereby expanding the number of families that can take advantage of this benefit.

Finally, the Administration is proposing to establish a new Department of Early Childhood Development under the Health and Human Services Agency effective July 1, 2021. This new department will better position the state to implement recommendations from the Master Plan for Early Learning and Care, and allow for better integration of services and outcomes for children in child care and other health and human services programs.

K-12 EDUCATION

The Budget proposes a historic level of funding for K-12 schools. Per pupil funding has grown by more than \$7,200 since its low point in 2011-12 and achievement gaps are closing for many students. Since the implementation of the Local Control Funding Formula, new standards, and the new accountability system, the state has seen some of the nation's steepest gains in reading and math, and achievement gaps are starting

to close for low-income children and children who enter school as English learners. However, achievement gaps are not closing broadly for students with disabilities and African American students.

To further strengthen the state's accountability system, the Administration is proposing additional changes to the Local Control Accountability Plan to improve transparency of how funds are expended for high-need student groups, and to require local educational agencies to identify actions and spending that did not occur as planned.

The state has a well documented, long-term, statewide teacher shortage in the areas of special education, science, and math. Certain regions of the state, including rural and high cost-of-living areas, have been more heavily impacted than others and report difficulty hiring fully credentialed teachers regardless of subject matter area. Recent studies link poor student outcomes directly to a high proportion of un-credentialed and underprepared teachers, especially in high-poverty schools. Most African American students are concentrated in only 23 districts and are in the highest poverty schools where there are fewer experienced teachers. To improve the number of prepared teachers in the state's high-poverty schools, the Budget proposes an investment of approximately \$900 million in teacher training, including professional development, educator service awards, and teacher residency programs. These investments will increase and improve the teacher workforce, which is foundational to improving student outcomes.

The 2019 Budget Act began a multi-year effort to reform the special education system to improve outcomes and incentivize inclusive models, prevention, and early intervention. The Budget builds on the new base rate funding provided last year with an additional \$250 million ongoing focused on early intervention. The teacher training investments will also focus on training for special education teachers, including early diagnosis of dyslexia.

The Budget also includes \$300 million one-time for grants and technical assistance to prepare and implement improvement plans at the state's lowest-performing schools, and includes \$300 million one-time for grants to develop community school models with innovative partnerships that support mental health and the whole child.

To better prepare California students for high-technology careers, the Budget makes critical investments in computer science instruction, including teacher training.

School nutrition programs play a critical role in supporting health outcomes for children. The Budget includes a 40-percent increase in state funding for school nutrition programs

INTRODUCTION

to boost the quality of meals provided and to expand access. The Budget also includes \$10 million for grants to foster innovative farm-to-school linkages that support sustainable agriculture and make more healthy foods available to school children.

Local educational agencies will also continue to benefit from the massive \$3.15 billion non-Proposition 98 General Fund payment made on their behalf to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) Schools Pool. An estimated \$850 million is buying down the employer contribution rates in 2019-20 and 2020-21 and the remaining \$2.3 billion is being paid toward long-term unfunded liabilities. Overall, these payments are expected to save schools \$6.9 billion over the next three decades.

HIGHER EDUCATION

Higher education continues to be a driving force of innovation in California's economy. However, the state's colleges and universities must continue to evolve and adapt to the changing needs of the state's economy. Further innovation and integration is needed across the state's higher education system to strengthen occupational pathways that also improve students' social and economic mobility.

The 2019 Budget Act included major investments in higher education that provided two years of tuition-free community college and increased enrollment and investments to improve student success across all segments. The Budget further expands enrollment, increases student supports, and encourages degree completion through innovative delivery methods, including University Extension centers.

JOBS, THE ECONOMY, AND PROTECTING THE ENVIRONMENT

More businesses start in California than anywhere in the United States, including many green technology businesses. Many of California's businesses become industry leaders. This is a direct result of the state's world-class colleges and universities, state-of-the-art laboratories, talented workforce, and commitment to combatting climate change. Further, the state continues to move towards a \$15 per hour minimum wage by 2023. The Budget reflects the next \$1 increase in the state's minimum wage, bringing it to \$13 per hour for most employees on January 1, 2020.

Income inequality persists and prosperity is not shared by all regions of the state. Last year, the Governor established the Future of Work Commission to create inclusive, long-term economic growth so that workers and their families share in the state's prosperity. The Commission is examining ways to broaden opportunity, better prepare

the state's workforce, modernize worker safety net protections, and preserve good jobs. The Commission will bring forward a set of recommendations later this spring.

Rapid advancements in technology, automation, and artificial intelligence are reshaping the economy and the nature of work, and the state needs to better align data, policy, and program analysis for the state's workforce training programs. The Budget includes funding to establish a new Department of Better Jobs and Higher Wages to consolidate the workforce functions currently dispersed across the Labor and Workforce Development Agency.

In recognition of the important role that small businesses play in the creation of jobs and regional economic development, the Budget also proposes to reduce the minimum franchise tax for small businesses, removing a barrier to entrepreneurship and job creation.

The Budget proposes major investments in Inland California communities that face higher unemployment and create fewer jobs in high-wage sectors. The Budget allocates additional ongoing funding to expand enrollment and increase operational support for the UC Riverside School of Medicine and to expand the UC San Francisco School of Medicine Fresno Branch Campus in partnership with UC Merced. The Budget also includes funding for a major new food innovation corridor in the Central Valley. This collaboration between academic institutions and industry will spur economic development in a region of the state that for decades has faced nearly double the unemployment rate of the entire state.

The Budget proposes a comprehensive approach to California's investments to protect the state's environment, address the effects of climate change, and promote resiliency. This Climate Budget includes \$12 billion over the next five years. Three key areas of the Climate Budget are a proposed climate resilience bond, Cap and Trade expenditures to continue the transition to a carbon-neutral economy, and a new Climate Catalyst Fund to promote the deployment of new technologies, especially by small businesses and emerging industries.

The Climate Catalyst Fund, which will be administered by the Infrastructure and Economic Development Bank, will finance investments in low-carbon transportation, sustainable agriculture, and waste diversion through low-interest loans. The Budget proposes to capitalize the Fund with \$1 billion General Fund over the next four years. The Fund will have a revolving loan structure that will leverage private capital and will support projects well into the future. It will be designed to support good jobs and a just transition to achieving California's climate goals.

INTRODUCTION

Finally, the Budget allocates \$53 billion to the state's infrastructure over the next five years, focusing on investments that underpin economic activity and create a sustainable and resilient California.

CRIMINAL JUSTICE

The Budget continues recent significant progress in creating a more effective, rational, and equitable criminal justice system. As a result of Public Safety Realignment in 2011, Propositions 47 and 57, and other efforts, California has significantly reduced its prison population. At the same time, it has created more incentives for inmates to participate in rehabilitation programs. If population trends hold, the Administration plans to end private prison contracts for male inmates this year, to phase out public prison contracts thereafter, and to close a state-operated prison within five years.

The Budget builds on important steps taken last year, including shifting juvenile justice to focus on rehabilitation and reentry, investing in restorative justice, community-based violence prevention, substance use disorder treatment, prison literacy, and pretrial diversion.

The Budget proposes to continue expansion of opportunities for rehabilitation and treatment—starting with the youngest offenders in state prison. The Budget proposes to cluster the 5,800 young offenders (under age 26) into campus-style environments within existing facilities, with specialized programming and educational opportunities. The Budget also includes a major investment in technology for inmates participating in academic programs and expanded access to higher education programming through partnerships with the California State University system.

A critical component of a well-functioning correctional system is a professional, well-trained workforce. Correctional officers and counselors play an especially important role in the rehabilitation efforts of inmates. The Budget includes a major proposal to enhance staff development through a new training facility and training program for correctional officers and counselors.

The Budget also proposes evidence-based reform of the probation system that will include reducing probation terms to a two-year maximum and increasing supervision for specified misdemeanors. These changes will improve public safety and reduce further incarceration.

Recognizing the financial hardship certain fines and fees have created for low-income individuals, the Budget includes resources to establish a statewide ability to pay program within the trial courts for both traffic and non-traffic infractions.

EMERGENCY RESPONSE AND EFFECTIVE GOVERNMENT

EMERGENCY RESPONSE

The 2019 Budget Act included nearly \$1 billion to enhance the state's emergency response capabilities. The Budget builds on this foundation with investments that further strengthen California's ability to prevent and respond to fires, and that provide the state's first responders with additional capabilities and support.

The Budget enhances the Department of Forestry and Fire Protection's operational capabilities by adding firefighter surge capacity during peak fire season, increasing the number of year-round engines, and providing further relief coverage to support state firefighter health and wellness. The Budget also increases the use of technology by obtaining Light Detection and Ranging (LiDAR) data to better inform resources management and hazard assessment decisions, and establishes a new Wildfire Forecast and Threat Intelligence Integration Center to analyze data on wildfire risk.

The Budget also devotes significant new resources to further improve cyber security. Building on recent initiatives, the Budget expands the California Cyber Security Integration Center and supports a full-time Joint Incident Response team for cyber threats. These investments offer additional protection in a time of growing cyber risks and enhance the state's emergency capabilities across all areas.

HOMELESSNESS CRISIS

Homelessness is an issue that impacts both urban and rural communities throughout the state, and puts stress on public resources from emergency rooms to jails and public works departments. It is a complex social services problem and must be combatted at its root causes, which is why the Budget introduces several new strategies to build on the \$1.15 billion provided to local governments in the last two budgets.

The Budget proposes a radical shift in the state's involvement to house the many unsheltered persons living in California, by launching the California Access to Housing and Services Fund with a \$750 million initial investment. This Fund will create a structure for developing affordable housing units, supplementing and augmenting rental subsidies, and stabilizing board and care homes. Funds will flow through contracts between the state and regional administrators and will be subject to a 10-percent administrative cap. These efforts will be coordinated with county services and designed to align to community needs. To the extent feasible, state funding will be coupled with the use of excess state properties to expedite availability of homelessness housing

INTRODUCTION

capacity. The Administration is asking the Legislature to take early action to establish this Fund so investments can be deployed this summer.

The changes proposed in the Medi-Cal Healthier California for All initiative will also contribute to addressing the homelessness crisis by transforming the Medi-Cal system to better serve individuals experiencing mental illness and homelessness. The Administration will also work to reform the state's behavioral health system, including changes to the Mental Health Services Act (Proposition 63) to better focus it on early intervention and people with mental illness who are also experiencing homelessness, or are involved in the criminal justice system, as well as strategies to strengthen enforcement of behavioral health parity laws.

SAFE, RELIABLE, AFFORDABLE, AND CLEAN ENERGY

Addressing the destabilizing effects of catastrophic wildfires on the state's electric utilities has been a primary focus of the Administration, which took decisive action in 2019 to more effectively prevent and fight fires, partnered with the Legislature to enact Chapter 79, Statutes of 2019 (AB 1054)—wildfire safety and utility transformation legislation—and assumed a leadership role in the resolution of the Pacific Gas & Electric (PG&E) bankruptcy. These efforts have paid off, stabilizing Southern California Edison and San Diego Gas & Electric, supporting investments in hardening electricity transmission at a lower cost to ratepayers, and making California safer and more resilient.

The state's goals are clear. Californians must have access to safe, reliable, affordable, and clean energy. California must continue to make progress on the state's climate change goals. And any resolution of the pending bankruptcy proceeding must fairly compensate victims, protect the workforce, and on average must be ratepayer neutral.

After PG&E's decades of mismanagement and neglect of its critical infrastructure, failed efforts to improve its safety culture, and its disruptive implementation of public safety power shutoffs, the company that emerges from bankruptcy must be poised for transformation as required by AB 1054. The Budget reflects necessary support for the Administration's efforts to achieve the required transformation of PG&E within the bankruptcy process. However, if protecting Californians' interests and ensuring the necessary transformation requires further intervention, including a state takeover of the utility, the Administration will work with the Legislature to secure necessary statutory changes, appropriations to support transactional and planning costs, and liquidity measures. Consistent with the Administration's commitment to maintain a balanced

budget and strong fiscal resiliency, any such action would be carefully structured in a manner that safeguards the state's General Fund.

EFFECTIVE GOVERNMENT

The state continues to improve the way it delivers services and invests in technology. The 2019 Budget Act included a major investment in a new Office of Digital Innovation that is charged with revamping the way government delivers service to Californians. This includes driving a customer-focused culture and providing additional information technology training across state government.

The Administration also continues major improvements at the Department of Motor Vehicles, including additional staffing and operational improvements to develop more mobile and online transaction capabilities and to make critical information technology improvements.

The Budget also expands the Department of Business Oversight's authority and capacity to protect consumers and foster the responsible development of new financial products. It establishes a new California Consumer Financial Protection Law, modeled on the activities of the federal Consumer Financial Protection Bureau, to provide consumers with more protection against unfair, deceptive, and abusive practices when accessing financial services and products.

BUILDING RESERVES AND REDUCING LIABILITIES

BUDGETARY RESERVES

The Budget continues to build additional reserves in the Budget Stabilization Account (commonly called the Rainy Day Fund). The Budget assumes an additional transfer of nearly \$2 billion in 2020-21 and an additional \$1.4 billion over the remainder of the three-year forecast period. The Rainy Day Fund balance is projected to be \$18 billion in 2020-21 and \$19.4 billion by 2023-24.

The Budget maintains \$900 million in the Safety Net Reserve, and also sets aside \$110 million more in the Public School System Stabilization Account, bringing its total balance to \$487 million.

Finally, the Budget reserves \$1.6 billion in the Special Fund for Economic Uncertainties to address emergencies and other unforeseen events.

Overall, the Budget has \$21 billion set aside in reserves.

PAYING DOWN UNFUNDED RETIREMENT LIABILITIES

Maintaining the fiscal health of the state’s retirement systems is critical to ensuring the long-term security of the state’s retirement benefits. The Budget dedicates all constitutionally required Proposition 2 debt payments to pay down the state's retirement liabilities. Proposition 2, passed by the voters in 2014, requires minimum annual payments toward eligible debts until 2029-30 and annual deposits into the state's rainy day fund.

Last year, the Budget set aside an additional \$6 billion to pay down the state's share of unfunded liabilities within CalPERS and CalSTRS. This included an additional \$3 billion General Fund above required Proposition 2 debt payments.

These supplemental payments to CalPERS and CalSTRS are each expected to generate savings to the state of \$7.4 billion over the next three decades.

Even with these commitments, California continues to have considerable unfunded retirement liabilities.

Retirement Liabilities
(Dollars in Millions)

	Outstanding Amount at Start of 2020-21 ^{2/}
Retirement Liabilities	
State Retiree Health	\$85,595
State Employee Pensions	59,714
Teachers' Pensions ^{1/}	101,992
Judges' Pensions	3,299
Total	\$250,600

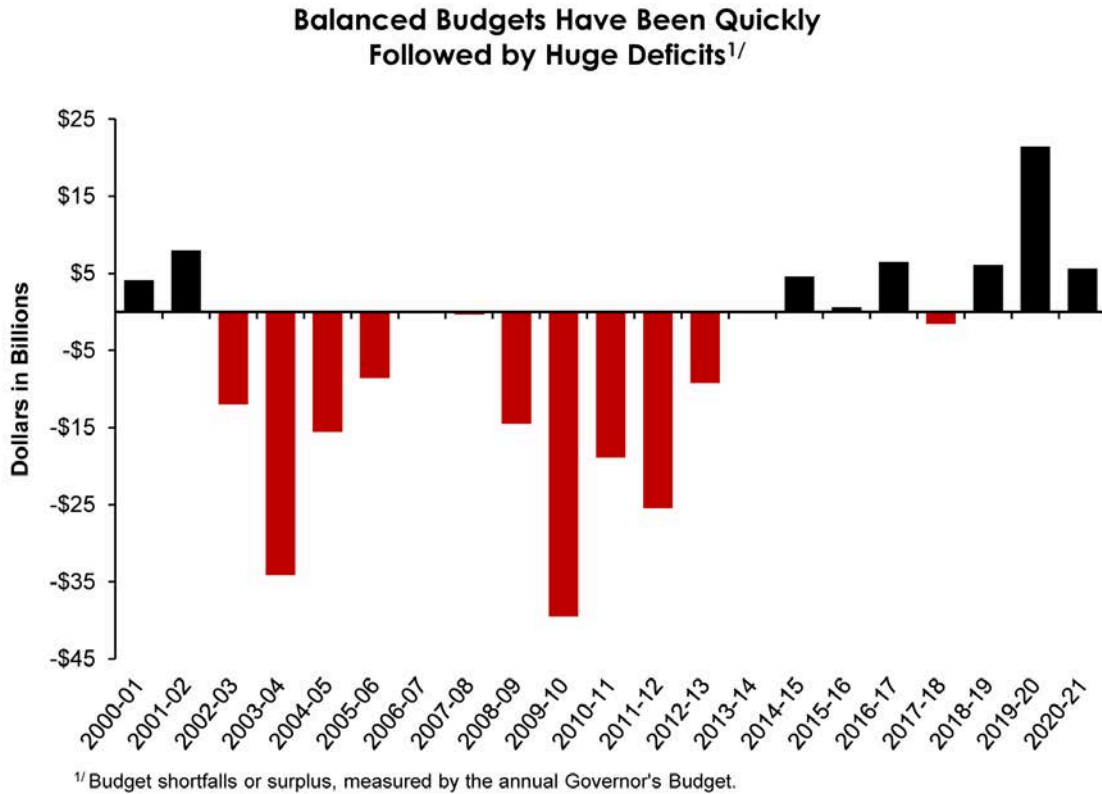
^{1/} The state portion of the unfunded liability for teachers' pensions is \$33.4 billion.
^{2/} For retiree health and pensions, the amounts reflect latest actuarial report available.

The Budget allocates the remaining required Proposition 2 debt payments to further reduce unfunded retirement liabilities, including \$340 million towards retiree health and \$817 million to repay the loan from the state's Surplus Money Investment Fund used to make a \$6 billion supplemental payment to CalPERS authorized in 2017.

Finally, under Proposition 2, an additional supplemental payment of \$1.1 billion will be made to CalPERS in 2023-24. This additional payment to CalPERS will generate \$2.3 billion in additional savings over the next three decades.

A STRONG FOUNDATION IS FUNDAMENTAL TO A CALIFORNIA FOR ALL

Maintaining California’s fiscal health is an ongoing challenge, particularly given the state’s volatile revenue base and limited spending flexibility. As shown in the figure, balanced budgets have been followed quickly by huge deficits. The Budget demands constant attention to stay in balance—especially in light of the record length of the economic expansion and ongoing federal uncertainty.



The Budget continues to prepare the state for an economic slowdown by building reserves. The Budget also makes strategic investments—mainly one-time—to expand opportunity, address affordability, and strengthen emergency preparedness and effective government. Building a strong fiscal foundation now is the best way the state can prepare for the future and continue to build a California for all.

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

2020-21 Governor's Budget
General Fund Budget Summary
(Dollars in Millions)

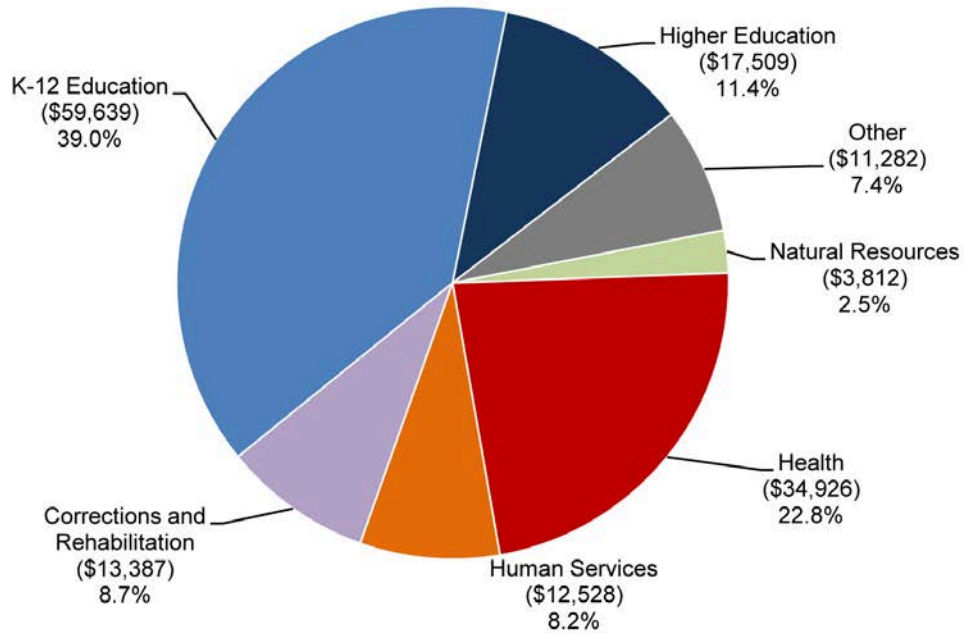
	2019-20	2020-21
Prior Year Balance	\$8,497	\$5,234
Revenues and Transfers	\$146,486	\$151,635
Total Resources Available	\$154,983	\$156,869
Non-Proposition 98 Expenditures	\$93,344	\$95,510
Proposition 98 Expenditures	\$56,405	\$57,573
Total Expenditures	\$149,749	\$153,083
Fund Balance	\$5,234	\$3,786
Reserve for Liquidation of Encumbrances	\$2,145	\$2,145
Special Fund for Economic Uncertainties	\$3,089	\$1,641
Public School System Stabilization Account	\$524	\$487
Safety Net Reserve	\$900	\$900
Budget Stabilization Account/Rainy Day Fund	\$16,018	\$17,977

General Fund Expenditures by Agency
(Dollars in Millions)

	2019-20	2020-21	Change from 2019-20	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$5,909	\$4,520	-\$1,389	-23.5%
Business, Consumer Services & Housing	1,465	348	-1,117	-76.2%
Transportation	287	240	-47	-16.4%
Natural Resources	3,812	3,812	-	-
Environmental Protection	672	140	-532	-79.2%
Health and Human Services	41,893	47,454	5,561	13.3%
Corrections and Rehabilitation	13,432	13,387	-45	-0.3%
K-12 Education	58,675	59,639	964	1.6%
Higher Education	17,490	17,509	19	0.1%
Labor and Workforce Development	186	159	-27	-14.5%
Government Operations	1,839	1,413	-426	-23.2%
General Government:				
Non-Agency Departments	1,025	987	-38	-3.7%
Tax Relief/Local Government	505	432	-73	-14.5%
Statewide Expenditures	2,558	3,043	485	19.0%
Total	\$149,749	\$153,083	\$3,335	2.2%

Note: Numbers may not add due to rounding.

2020-21
General Fund Expenditures
(Dollars in Millions)

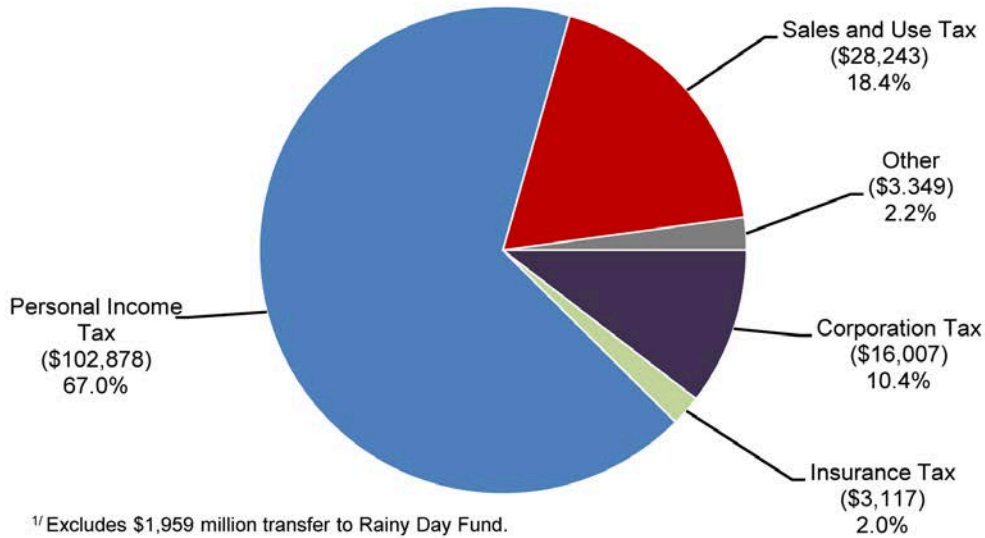


General Fund Revenue Sources
(Dollars in Millions)

	2019-20	2020-21	Change from 2019-20	
			Dollar Change	Percent Change
Personal Income Tax	\$101,682	\$102,878	\$1,196	1.2%
Sales and Use Tax	27,185	28,243	1,058	3.9%
Corporation Tax	15,305	16,007	702	4.6%
Insurance Tax	3,023	3,117	94	3.1%
Alcoholic Beverage Taxes and Fees	383	389	6	1.6%
Cigarette Tax	60	58	-2	-3.3%
Motor Vehicle Fees	35	38	3	8.6%
Other	863	2,864	2,001	231.9%
Subtotal	\$148,536	\$153,594	\$5,058	3.4%
Transfer to the Budget Stabilization Account/Rainy Day Fund	-2,050	-1,959	91	-4.4%
Total	\$146,486	\$151,635	\$5,149	3.5%

Note: Numbers may not add due to rounding.

2020-21
General Fund Revenues and Transfers^{1/}
(Dollars in Millions)



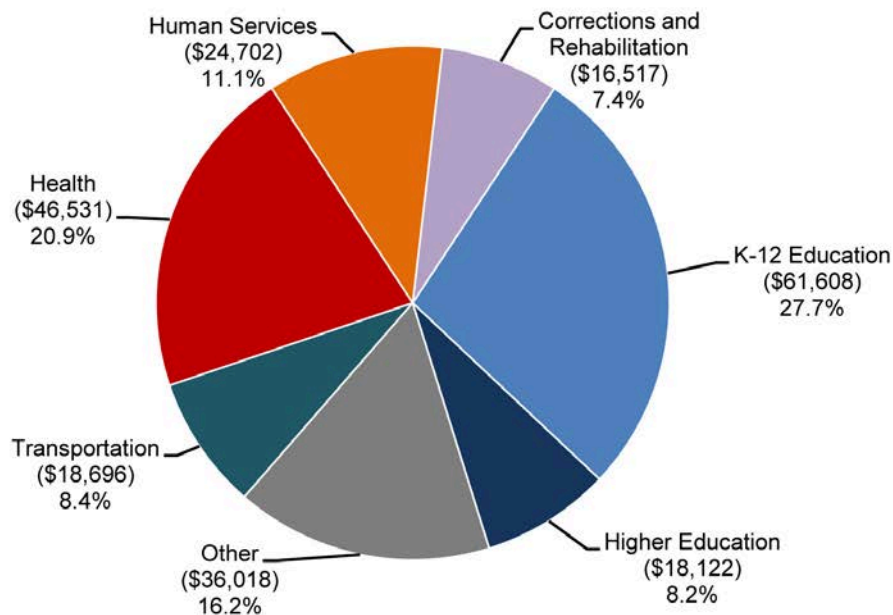
2020-21 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$4,520	\$3,915	\$554	\$8,989
Business, Consumer Services & Housing	348	1,023	1,083	2,454
Transportation	240	17,828	628	18,696
Natural Resources	3,812	1,769	1,092	6,674
Environmental Protection	140	3,769	18	3,927
Health and Human Services	47,454	23,779	-	71,233
Corrections and Rehabilitation	13,387	3,130	-	16,517
K-12 Education	59,639	428	1,541	61,608
Higher Education	17,509	195	419	18,122
Labor and Workforce Development	159	880	-	1,039
Government Operations	1,413	351	8	1,772
General Government:				
Non-Agency Departments	987	1,856	8	2,851
Tax Relief/Local Government	432	3,005	-	3,437
Statewide Expenditures	3,043	1,832	1	4,876
Total	\$153,083	\$63,758	\$5,352	\$222,193

Note: Numbers may not add due to rounding.

**2020-21
Total State Expenditures
(Including Selected Bond Funds)**
(Dollars in Millions)



2020-21 Revenue Sources

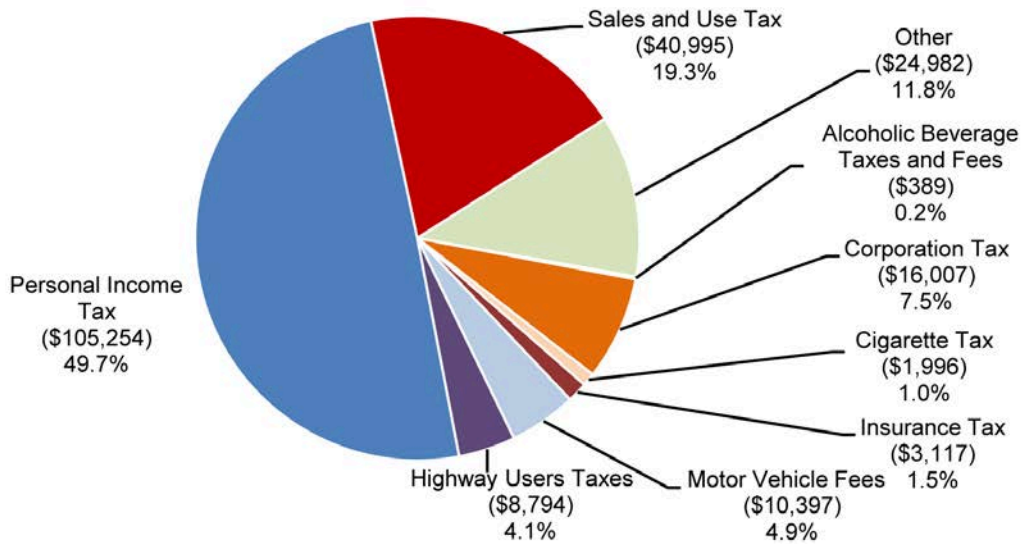
(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2019-20
Personal Income Tax	\$102,878	\$2,376	\$105,254	\$1,172
Sales and Use Tax	28,243	12,752	40,995	1,540
Corporation Tax	16,007	-	16,007	702
Highway Users Taxes	-	8,794	8,794	415
Insurance Tax	3,117	-	3,117	94
Alcoholic Beverage Taxes and Fees	389	-	389	6
Cigarette Tax	58	1,938	1,996	-9
Motor Vehicle Fees	38	10,359	10,397	391
Other	2,864	22,118	24,982	-1,739
Subtotal	\$153,594	\$58,337	\$211,931	\$2,572
Transfer to the Budget Stabilization Account/Rainy Day Fund	-1,959	1,959	-	-
Total	\$151,635	\$60,296	\$211,931	\$2,572

Note: Numbers may not add due to rounding.

2020-21 Total Revenues and Transfers

(Dollars in Millions)



HEALTH AND HUMAN SERVICES

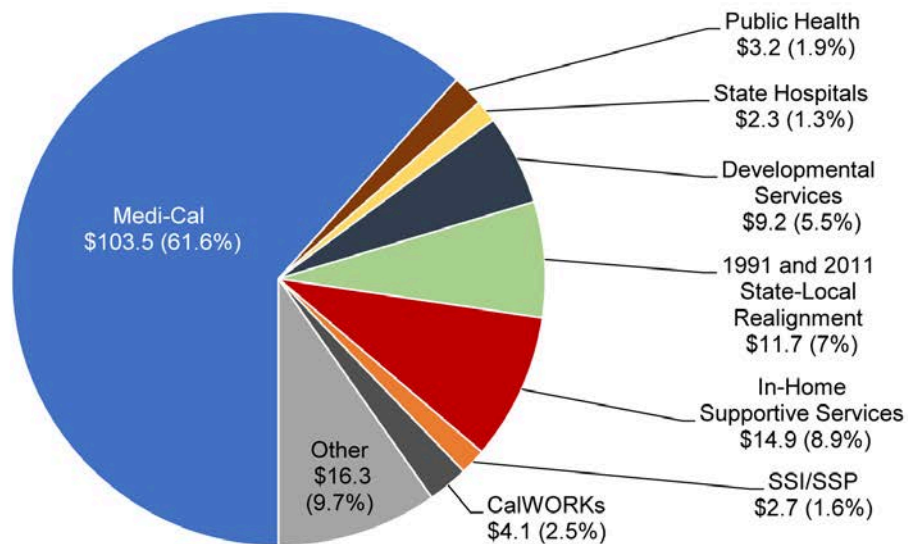
The Health and Human Services Agency oversees departments and state entities that provide health and social services to California's most vulnerable and at-risk residents. The Budget includes \$167.9 billion (\$47.4 billion General Fund and \$120.5 billion other funds) for all health and human services programs.

The Budget supports a healthy California for all through important investments that integrate health and human services, promote person-centered, data-driven public programs and services, and improve the lives of California's most vulnerable.

The 2019 Budget Act assumed the suspension of various health and human services investments effective December 31, 2021. These suspensions include, but are not limited to, Proposition 56 supplemental payment increases, reversing the 7-percent reduction in In-Home Supportive Services hours, and Developmental Services payment increases. The Budget proposes to continue the suspensions added by the 2019 Budget Act, but delay them by 18 months until July 1, 2023.

The Budget forecast assumes federal approval of the Managed Care Organization tax authorized in Chapter 348, Statutes of 2019 (AB 115) with revenue beginning to accrue in 2021-22.

Health and Human Services Proposed 2020-21 Funding^{1/}
All Funds
 (Dollars in Billions)



^{1/} Totals \$167.9 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$15.7 billion, and excludes \$38.7 million in Proposition 98 funding in the Department of Developmental Services', Department of Social Services', and Department of Youth and Community Restoration's budgets and county funds that do not flow through the state budget.

Note: Numbers may not add due to rounding.

Major Health and Human Services Program Caseloads

	2019-20 Revised	2020-21 Estimate	Change
Medi-Cal	12,834,700	12,880,436	45,736
California Children's Services (CCS) ^{1/}	14,497	14,497	0
CalWORKs	363,095	358,090	-5,005
CalFresh	1,902,319	1,980,713	78,394
SSI/SSP (support for aged, blind, and disabled)	1,206,032	1,184,493	-21,539
Child Welfare Services ^{2/}	111,446	109,996	-1,450
Foster Care	41,530	41,530	0
Adoption Assistance	88,118	89,134	1,016
In-Home Supportive Services	561,283	586,390	25,107
Regional Centers	350,047	368,622	18,575
State Hospitals ^{3/}	6,690	6,761	71
Developmental Centers ^{4/}	297	322	25
Vocational Rehabilitation	23,567	23,567	0
Youth and Community Restoration Average Daily Population	773	862	89

^{1/} Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS clients.

^{2/} Represents Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement service areas on a monthly basis. Due to transfers between each service area, cases may be reflected in more than one service area.

^{3/} Represents the year-end population, includes JBCT. Beginning in 2017-18, reflects psychiatric programs shifted from State Hospitals to CDCR.

^{4/} Represents average in-center population as of January 31 each year.

MAKING HEALTH CARE AFFORDABLE

The 2019 Budget Act made significant investments to expand coverage and increase the affordability of health care by:

- Instituting a state individual mandate to stabilize the health insurance market;
- Augmenting premium assistance for Covered California enrollees, making California the first state in the nation to provide additional state premium assistance for the middle class;
- Extending Medi-Cal to income-eligible young adults regardless of immigration status;
- Expanding eligibility for no-cost Medi-Cal for persons aged 65 and older and persons with disabilities up to 138 percent of the federal poverty level;
- Restoring optional benefits and extending full-scope Medi-Cal coverage to new mothers with a maternal mental health diagnosis;
- Expanding preventative services with a specific focus on screening for adverse childhood experiences;
- Increasing Medi-Cal provider rates;
- Repaying loans for doctors and dentists who agree to serve Medi-Cal patients in under-resourced parts of the state; and
- Addressing the high costs of prescription drugs.

These investments provide more Californians with coverage and strengthen the overall health care system by encouraging individuals to use preventative and primary care services. Keeping people covered and healthy slows the growth of the average Californian's personal health care expenses.

This year, the Budget proposes additional investments to continue this momentum on affordability and coverage in California's health care system. Specifically, the Budget includes bold plans to address health care cost trends, strengthen California's public option, lower prescription drug prices for all Californians, and continue progress towards universal health care. These efforts will focus on returning cost savings to consumers and employers and will align with the efforts of the Healthy California for All Commission, which is charged with exploring policy solutions that drive toward a unified health care system that is universal, affordable, high-quality, and equitable for all.

Central to the success of making health care affordable are efforts to reduce administrative burdens and improve data interoperability. The Administration is committed to continuing to work with providers, health plans, and other stakeholders to make these improvements.

OFFICE OF HEALTH CARE AFFORDABILITY

Improving the affordability of private insurance will benefit millions of working Californians, and this endeavor must be accompanied by efforts to address underlying cost drivers. Given the size and complexity of California's health care system, the Administration will propose the establishment of the Office of Health Care Affordability in spring 2020.

This Office will be charged with increasing price and quality transparency, developing specific strategies and cost targets for the different sectors of the health care industry, and financial consequences for entities that fail to meet these targets. The ultimate goal is for savings to return to consumers who are directly impacted by increasing health care costs.

The Office will also create strategies to address hospital cost trends by region, with a particular focus on cost increases driven by delivery system consolidation. To improve health outcomes, the Office will also work to establish standards to advance evidence-based and value-based payments to physicians, physician groups, and hospitals, as well as to advance administrative simplification.

STRENGTHENING CALIFORNIA'S PUBLIC OPTION

Since its inception in 2014, Covered California has provided the state with a public option by engaging in extensive vetting and negotiation with health insurance companies on premiums, networks, benefit design, and quality. As a result, 99.5 percent of individual market consumers have a choice of plans and some of the lowest premium increases in the nation. The state will leverage both Covered California and Medi-Cal to build an even more robust public option in California. The Health and Human Services Agency will develop options to strengthen enrollment, affordability, and choice through Covered California, including opportunities to leverage the statewide network of existing public Medi-Cal managed care plans.

CONTINUING THE WORK TO REDUCE PRESCRIPTION DRUG COSTS

High prescription drug costs are a national problem that impacts all patients and drives up the cost of health care for everyone. Absent federal action to address these rising costs, the state will use its market power to secure better prices from pharmaceutical manufacturers for taxpayers, employers, and consumers.

In January 2019, Governor Newsom issued Executive Order N-01-19 to address increases in prescription drug costs, and the Department of Health Care Services began to transition pharmacy services from Medi-Cal managed care to a fee-for-service system. This transition will standardize the Medi-Cal pharmacy benefit statewide, improve the availability of pharmacy services with a pharmacy network that includes approximately 94 percent of the state's pharmacies, and strengthen California's ability to negotiate state supplemental drug rebates with drug manufacturers. The transition is estimated to result in hundreds of millions of dollars in annual General Fund savings by fiscal year 2022-23.

The Budget includes three proposals to reduce drug costs for taxpayers, employers, and consumers:

- **Medi-Cal Best Price**—Current law authorizes the Department of Health Care Services to negotiate state supplemental rebates based, in part, on the best prices that manufacturers provide to other purchasers within the United States. The Budget proposes to expand the Department's authority to consider the best prices offered by manufacturers internationally when conducting negotiations for state supplemental rebates.
- **Rebates for Non-Medi-Cal Drug Purchases**—Currently, the Department of Health Care Services receives federally mandated rebates and state-negotiated supplemental rebates from drug manufacturers for drugs purchased on behalf of Medi-Cal enrollees only. The Budget proposes to leverage the purchasing power of the Medi-Cal program to negotiate supplemental rebates on behalf of targeted populations outside the Medi-Cal program.
- **Increasing the State's Purchasing Program**—The Department of General Services will continue expanding partnerships with local pharmaceutical purchasers to solicit participation in, and troubleshoot barriers to, the state's pharmaceutical purchasing program.

In the spring of 2020, the Administration will propose two additional initiatives in this area:

- **Golden State Drug Pricing Schedule**—The Administration will propose to establish a single market for drug pricing within the state. This proposal would enable all purchasers—Medi-Cal, California Public Employees' Retirement System, Covered California, private insurers, self-insured employers, and others—to combine their purchasing power. Drug manufacturers would have to bid to sell their drugs—at a uniform price—in the California market. California would invoke a most-favored-nation clause in the manufacturer price bid, which would require manufacturers to offer prices at or below the price offered to any other state, nation, or global purchaser if they wish to sell their products in California.
- **Generic Contracting Program**—The Administration will negotiate partnerships to establish the state's own generic drug label. The state would contract with one or more generic drug manufacturers to manufacture certain generic drugs on behalf of the state and participating entities. This proposal will increase competition in the generic market, resulting in lower generic drug prices for all purchasers.

COMBATTING THE YOUTH VAPING EPIDEMIC

To address the rapidly increasing youth use of potent nicotine-based vaping products, the Budget proposes a new nicotine content-based E-cigarette tax. The vaping tax will begin on January 1, 2021, and will be \$2 for each 40 milligrams of nicotine in the product. The new tax will be in addition to all existing taxes on E-cigarettes, which are presently taxed as tobacco products under state law. Revenues from the new tax are expected to be \$32 million in 2020-21, and will be deposited into a new special fund to be used for administration, enforcement, youth prevention, and health care workforce programs.

The Budget includes \$9.9 million and 10.5 positions for the Department of Tax and Fee Administration to administer the proposed tax and \$7 million for the California Highway Patrol to establish a task force in collaboration with the Department of Justice dedicated to combatting the underground market in vaping products. Similar to the implementation of Proposition 56, the Administration anticipates proposing a spending plan for the remainder of the revenues in the 2021-22 Governor's Budget. In addition to the tax, the Administration will support a statewide ban of all flavored nicotine products as of January 1, 2021.

MAKING PROGRESS IN THE FIGHT AGAINST OPIOIDS

In response to increasing rates of opioid overdose deaths, the California Department of Public Health convened the Statewide Opioid Safety Workgroup to coordinate activities of over 40 state agencies and community organizations. California is making progress in addressing the epidemic. Opioid prescriptions have dropped significantly, and Medi-Cal prescriptions for buprenorphine—one of the most effective treatment options for opioid use disorder—increased six-fold in the last five years. California’s opioid overdose death rate—one-third of the national average—is on a slower upward trend than the rest of the nation.

The Budget continues efforts to combat opioid overdose through better prevention, early intervention, and treatment to stabilize conditions before they become severe. Specifically, the Budget includes \$89.2 million in 2019-20 for the Medication Assisted Treatment Expansion Project, which has added over 650 access points across the health care and criminal justice systems. The Project’s Naloxone Distribution Program, which aims to reduce opioid overdose through the provision of naloxone, helped reverse over 8,000 opioid overdoses as of October 2019. The Budget also includes \$426 million (\$62.6 million General Fund) to support the Drug Medi-Cal Organized Delivery System, which provides expanded substance use disorder treatment for Medi-Cal beneficiaries.

HEALTH AND HUMAN SERVICES AGENCY

DEPARTMENT OF EARLY CHILDHOOD DEVELOPMENT

The Budget proposes to establish the Department of Early Childhood Development under the Agency to promote a high-quality, affordable, and unified early childhood system that improves program integration and coordination. For additional information, see the Early Childhood chapter.

OFFICE OF THE SURGEON GENERAL

The Budget includes \$10 million one-time General Fund for the development of an adverse childhood experiences cross-sector training program that will be accredited by the Office of the Surgeon General, in addition to a statewide adverse childhood

experiences public awareness campaign. See the Early Childhood chapter for more information.

CENTER FOR DATA INSIGHTS AND INNOVATION

The Budget proposes to consolidate existing resources to establish a Center for Data Insights and Innovation within the Agency. The Center will focus on leveraging data to develop knowledge and insights to improve program delivery and drive system transformation across health and human services.

The Center will integrate the Office of Innovation, the Office of the Patient Advocate, and the Office of the Health Information Integrity to achieve the following outcomes: (1) improve the operational use and quality of integrated data for program planning, policy development, and rigorous research and evaluation; (2) increase the state's ability to create evidence-based programs and maximize federal reimbursements; (3) enhance the capacity of state staff to use linked data to inform policy and decision making; (4) increase collaboration between university-based researchers and state staff to translate data into knowledge; and (5) improve the rigor, transparency, and reproducibility of research with Agency data in order to create better services that generate more equitable outcomes for all Californians.

BEHAVIORAL HEALTH

The Administration is focused on improving outcomes for the state's behavioral health system through a number of initiatives that improve the integration and parity of behavioral health treatment with physical health. To further these efforts, the Administration is establishing the Behavioral Health Task Force at the Health and Human Services Agency. The Task Force will bring together relevant state departments, counties, consumers, health plans, providers, and other stakeholders. The Task Force will review existing policies and programs to improve the quality of care, and coordinate system transformation efforts to better prevent and respond to the impacts of mental illness and substance use disorders in California's communities.

As discussed later in this chapter, the Administration is proposing a new Medi-Cal Healthier California for All initiative to make Medi-Cal, including behavioral health benefits, a more consistent and seamless system.

Further, the Health and Human Services Agency and the Department of Managed Health Care will be working with health plans, providers, patient representatives, and

other parties to update and strengthen its enforcement of behavioral health parity laws and other health plan requirements. Enforcement efforts will focus on timely access to treatment, network adequacy, benefit design, and plan policies. The Administration will propose any updates to implement these efforts this spring.

PROPOSITION 63—MENTAL HEALTH SERVICES ACT

Proposition 63, also known as the Mental Health Services Act (MHSA), was approved by the voters in 2004 and imposes a 1-percent tax on personal income in excess of \$1 million. Revenue generated under the Act primarily supports county mental health services.

In 2018, audits determined there was insufficient action taken by the state to ensure that unspent MHSA funds were being recovered and reallocated under the statutory time frames. As a result, Chapter 328, Statutes of 2018 (SB 192) established a methodology for determining prudent county reserves of MHSA funds. Because of the change in methodology, it is estimated that counties currently have slightly more than \$500 million in local reserves, of which \$161 million must be shifted to mental health prevention and treatment services by June 30, 2020—a marked improvement from previous years.

The MHSA has become a foundational element of California's mental health system in the 15 years since Proposition 63 was enacted. However, communities behavioral health needs have evolved during that time and the Act should be updated to reflect this knowledge. Currently, MHSA funds cannot be used for substance use disorder treatment. The Act should be updated to better focus on people with mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention for youth. The Administration will submit a proposal in the spring regarding this proposed reform.

DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates basic services be included in the program, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; and early and periodic screening, diagnosis, and treatment services for children. In addition to these

mandatory services, the state provides optional benefits such as outpatient drugs, dental services, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

The Medi-Cal budget is \$105.2 billion (\$23.6 billion General Fund) in 2019-20 and \$107.4 billion (\$26.4 billion General Fund) in 2020-21. The Budget assumes that caseload will decrease approximately 1.3 percent from 2018-19 to 2019-20 and increase approximately 0.4 percent from 2019-20 to 2020-21. Medi-Cal is projected to cover approximately 12.9 million Californians, approximately one-third of the state's population, in 2020-21.

Chapter 348, Statutes of 2019 (AB 115) establishes a three-and-a-half year Managed Care Organization (MCO) provider tax, effective July 1, 2019. The federal government is currently reviewing the state's proposed tax structure. The Budget reflects these revenues beginning in 2021-22.

MEDI-CAL HEALTHIER CALIFORNIA FOR ALL

Medi-Cal has significantly expanded and changed over the last ten years, in large part due to the federal Patient Protection and Affordable Care Act. Since implementing the Affordable Care Act, the Department has undertaken many initiatives and embarked on innovative demonstration projects to improve the beneficiary experience.

Today, some Medi-Cal enrollees may need to access six or more separate delivery systems, including managed care, fee-for-service, mental health, substance use disorder, dental, developmental, and/or In Home Supportive Services. The need for care coordination increases with greater system fragmentation, greater clinical complexity, and/or decreased patient capacity for coordinating their own care. To improve clinical outcomes and assist beneficiaries with navigating this complex system, the Department is seeking to better coordinate between and integrate these delivery systems.

To this end, the Department is launching a Medi-Cal Healthier California for All initiative (formerly known as CalAIM, or the California Advancing and Innovating Medi-Cal initiative), which builds upon the critical successes of waiver demonstration programs such as Whole Person Care, the Coordinated Care Initiative, Health Homes, and public hospital system delivery transformation. Medi-Cal Healthier California for All proposes to

provide a wider array of services and supports for patients with complex and high needs.

Medi-Cal Healthier California for All has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing social determinants of health;
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems, and payment reform.

Transformation of the delivery system is necessary to improve outcomes for Medi-Cal beneficiaries as well as to achieve long-term cost avoidance. The reforms proposed through Medi-Cal Healthier California for All represent a comprehensive approach to achieving these goals. These changes will position the state to better connect individuals—including children and youth in foster care, individuals experiencing homelessness, individuals with substance use disorders, and individuals involved in the justice system—to the services they need. Attaining these goals will have significant impacts on an individual's health and quality of life, and through iterative system transformation, ultimately reduce the per-capita cost over time.

To implement the Medi-Cal Healthier California for All initiative effective January 1, 2021, the Budget includes \$695 million (\$348 million General Fund), growing to \$1.4 billion (\$695 million General Fund) in 2021-22 and 2022-23. This investment will provide for enhanced care management and in lieu of services, necessary infrastructure to expand whole person care approaches statewide, and build upon existing dental initiatives. Beginning in 2023-24, the Administration proposes to phase out infrastructure funding, resulting in ongoing cost of \$790 million (\$395 million General Fund). In addition, the Administration plans to submit a proposal in the spring for the state operations component of implementing the new Medi-Cal Healthier California for All initiative. The Budget includes a placeholder of \$40 million (\$20 million General Fund) for these costs.

In alignment with the Medi-Cal Healthier California for All initiative, the Budget includes \$45.1 million General Fund in 2020-21 and \$42 million General Fund in 2021-22 for the Department to implement a Behavioral Health Quality Improvement Program. This will provide funding to county-operated community mental health and substance use disorder systems to incentivize system changes and process improvements that will help counties prepare for opportunities through the Medi-Cal Healthier California for All

initiative. Improvements include enhanced data-sharing capability for care coordination and establishing the foundational elements of value-based payment such as data collection, performance measurement, and reporting. These core investments build off the \$70 million in the 2019 Budget Act to provide value-based provider payments for services and projects focused on behavioral health integration.

EXPANDING COVERAGE AND BENEFITS

Since the implementation of the Affordable Care Act, the percentage of Californians who are uninsured has dropped by more than half, to 7.2 percent. Last year, the state expanded eligibility for no-cost Medi-Cal for eligible persons age 65 and older and persons with disabilities up to 138 percent of the federal poverty level, and to otherwise eligible undocumented young adults through age 25. The 2019 Budget Act also restored optional benefits—including audiology and speech therapy services, podiatric services, optical lab and optician services, and incontinence cream/washes—and extended full-scope Medi-Cal coverage to new mothers with a maternal mental health diagnosis.

The Budget proposes to make additional progress towards universal coverage by expanding eligibility for full-scope Medi-Cal benefits to all persons aged 65 years and older, regardless of immigration status, no sooner than January 1, 2021. This proposal builds upon the children's Medi-Cal expansion under Chapter 18, Statutes of 2015 (SB 75), and the young adult Medi-Cal expansion under Chapter 67, Statutes of 2019 (SB 104).

The Budget includes \$80.5 million (\$64.2 million General Fund) for this expansion, including In-Home Supportive Services costs. It is anticipated that most undocumented persons aged 65 and older who will be eligible are already receiving federally required coverage for emergency care. This expansion will provide preventative care to an estimated 27,000 undocumented persons in the first year. Full implementation costs are projected to be approximately \$350 million (\$320 million General Fund) in 2022-23 and ongoing.

REFORMING NURSING FACILITY FINANCING

Currently, the state provides annual cost-based increases and quality incentive payments to nursing facilities, funded partially by a Quality Assurance Fee equivalent to 6 percent of facility revenues. The resulting revenue draws down additional federal funding.

The existing framework, authorized initially in 2004 and last extended in 2015, sunsets on July 31, 2020. The Budget proposes to reform the funding framework to move from a primarily cost-based methodology to one that better incentivizes value and quality. The intent of these reforms is to further enable nursing facilities to invest in quality patient care while assuring the long-term financial viability of these essential Medi-Cal providers.

Other Significant Adjustments:

- 2019-20 Budget—The Budget includes decreased expenditures in the Medi-Cal program of approximately \$91.7 million General Fund compared to the 2019 Budget Act. The majority of the current year decrease results from lower-than expected managed care and fee-for-service costs, and one-time reconciliations for activity in several prior fiscal years.
- Drug Rebate Fund Reserve—The Budget allocates \$181 million to the Medi-Cal Drug Rebate Fund reserve. This reserve is intended to alleviate the General Fund impact related to drug rebate volatility.
- Hearing Aids for Children—The Budget proposes to create a state program to assist families with the cost of hearing aids and related services for children without health insurance coverage for hearing aids in households with incomes up to 600 percent of the federal poverty level.
- Medi-Cal Rx (Pharmacy Carve-Out)—The Budget includes savings of \$178.3 million (\$69.5 million General Fund) associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service effective January 1, 2021.
- Supplemental Payment Pool for Non-Hospital 340B Clinics—The Budget proposes the creation of a new supplemental payment pool that would provide payments to non-hospital clinics for 340B pharmacy services. This proposal is linked to the Medi-Cal Rx initiative. The Budget includes \$52.5 million (\$26.3 million General Fund) for the program, assuming a January 1, 2021 implementation date.
- County Administration—The Budget includes an increase of \$67.7 million (\$23.7 million General Fund) for county eligibility determination activities based on growth in the California Consumer Price Index.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, and Disability Determination. The Budget includes \$29.5 billion (\$11.7 billion General Fund) for DSS programs in 2020-21.

Consistent with core government functions being performed by public employees, counties administer core social services programs on behalf of the state. Funding to support the administration of these programs has been systematically reviewed and adjusted over the past decade to reflect program changes and increased costs. The Administration is committed to continuing to work with the counties and the County Welfare Directors Association to make further adjustments, as needed.

Significant Adjustments:

- California Access to Housing and Services Fund—The Budget provides \$750 million one-time General Fund to establish a new fund, with the goal of reducing street-based homelessness and increasing the number of stable housing units. See the Homelessness chapter for additional information.
- CalFresh Application Assistance—The Budget includes \$5 million General Fund annually to maintain the GetCalFresh.org website, a statewide online application assistance tool that provides a streamlined application experience and allows clients to apply on multiple platforms. The website will be maintained until a CalSAWS statewide portal becomes operational and offers the same level of client service and language access.
- CalFresh Administration Budgeting Methodology—The Budget holds CalFresh county administration funding in 2020-21 to the 2019-20 level, resulting in increased costs of \$26.9 million General Fund. The Administration will continue to work with representatives of counties and the County Welfare Directors Association of California to develop recommendations for a new budgeting methodology to determine the annual funding level necessary to support CalFresh administration, with the goal of proposing the new methodology in the May Revision.

- Food Banks—The Budget includes \$20 million one-time General Fund for existing Emergency Food Assistance Program providers and food banks to support increased food purchases to partially mitigate the loss of CalFresh benefits due to federal rule changes.
- CalWORKs and CalFresh Program Improvement—The Budget includes \$3 million (\$1.3 million General Fund) to support increased staffing resources at DSS for the CalWORKs and CalFresh programs to improve program outcomes, services, administration, and oversight.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS

The CalWORKs program, California’s version of the federal Temporary Assistance for Needy Families (TANF) program, provides temporary cash assistance to low-income families with children to meet basic needs. It also provides welfare-to-work services so that families may become self-sufficient. Eligibility requirements and benefit levels are established by the state. Counties have flexibility in program design, services, and funding to meet local needs.

Total TANF expenditures are \$8.3 billion (state, local, and federal funds) in 2020-21. The amount budgeted includes \$5.7 billion for CalWORKs program expenditures and \$2.6 billion in other programs. Other programs include expenditures for Child Care, Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, Work Incentive Nutritional Supplement, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services. Average monthly CalWORKs caseload is estimated to be approximately 358,000 families in 2020-21, a 1.4-percent decrease from the revised 2019-20 projection. Due largely to an improving economy, caseload has decreased every year from a recent peak of 587,000 in 2010-11.

Other Significant Adjustments:

- CalWORKs Grant Increase—As referenced in the Early Childhood chapter, the Budget reflects a 3.1-percent increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2020, which is estimated to cost \$73.6 million in 2020-21 and \$98.1 million in 2021-22. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.

- **County Indigent Health Savings**—The Budget reflects \$589.8 million in projected county indigent health savings in 2020-21 to offset General Fund costs in the CalWORKs program, a decrease of \$13.1 million from 2019-20. This decrease is more than offset by additional indigent health net savings of \$301.3 million available from 2017-18.

IN-HOME SUPPORTIVE SERVICES

The IHSS program provides domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The Budget includes \$14.9 billion (\$5.2 billion General Fund) for the IHSS program in 2020-21, a 16-percent increase in General Fund costs over the revised 2019-20 level. Average monthly caseload in this program is estimated to be 586,000 recipients in 2020-21, a 4.5-percent increase from the revised 2019-20 projection.

Other Significant Adjustments:

- **Minimum Wage**—The Budget reflects \$1.1 billion (\$523.8 million General Fund) to support planned minimum wage increases of \$13 per hour on January 1, 2020 and \$14 per hour on January 1, 2021.
- **Full-Scope Medi-Cal Expansion for Undocumented Persons Aged 65 and Over**—The Budget includes \$5.9 million General Fund in 2020-21, growing to \$119.5 million General Fund in 2021-22, to support increased IHSS costs associated with the proposed expansion of full-scope Medi-Cal coverage for undocumented persons 65 years of age or older, beginning January 1, 2021. See the Department of Health Care Services section for more information.
- **Training for County Social Workers and Managers**—The Budget includes \$3.7 million (\$1.9 million General Fund) in 2020-21 and \$240,000 (\$120,000 General Fund) ongoing to support additional training for county social workers and managers in conducting needs assessments for IHSS recipients to promote consistency across all counties with respect to program requirements.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)

The federal SSI program provides a monthly cash benefit to eligible aged, blind, and disabled persons who meet the program's income and resource requirements. In California, the SSI payment is augmented with an SSP grant. These cash grants assist recipients with basic needs and living expenses. The federal Social Security Administration administers the SSI/SSP program, making eligibility determinations, computing grants, and issuing combined monthly checks to recipients. The state-only Cash Assistance Program for Immigrants (CAPI) provides monthly cash benefits to aged, blind, and disabled legal noncitizens who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes \$2.66 billion General Fund in 2020-21 for the SSI/SSP program. This represents a 1.6-percent decrease from the revised 2019-20 budget. The average monthly caseload in this program is estimated to be 1.18 million recipients in 2020-21, a 1.8-percent decrease from the 2019-20 projection. The SSI/SSP caseload consists of 69.4 percent disabled persons, 29.3 percent aged, and 1.4 percent blind.

Effective January 2020, the maximum SSI/SSP grant levels are \$943 per month for individuals and \$1,583 per month for couples. The projected growth in the Consumer Price Index is 1.7 percent for 2021. As a result, the maximum SSI/SSP monthly grant levels will increase by approximately \$13 and \$20 for individuals and couples, respectively, effective January 2021. CAPI benefits are equivalent to SSI/SSP benefits.

The 2019 Budget Act included \$25 million General Fund ongoing to assist homeless, disabled individuals applying for SSI/SSP benefits.

CHILDREN'S PROGRAMS

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare system provides a continuum of services to children who are either at risk of or have suffered abuse and neglect. Program success is measured in terms of improving the safety, permanence, and well-being of children and families served. The Budget includes \$598.9 million General Fund in 2020-21 for services to children and families in these programs, an increase of \$38.9 million General Fund, or 6.9 percent, over the 2019 Budget Act. When federal and 1991 and 2011 Realignment funds are included, total funding for children's programs is over \$6.4 billion in 2020-21.

HEALTH AND HUMAN SERVICES

In 2017, California began implementation of the Continuum of Care Reform (CCR), as enacted in Chapter 772, Statutes of 2015 (AB 403). The reforms emphasize home-based family care, improved service delivery, and increased the role of children and families in assessment and case planning. The reforms also provide for greater coordination of child welfare and mental health services. The Budget includes \$548.6 million (\$373 million General Fund) to continue implementation of CCR.

Since CCR efforts began, the number of California youth in congregate care settings has fallen from 5,500 to roughly 3,500 today, a decline of nearly 40 percent. Counties are accelerating approvals of home-based family care settings for children, and the number of resource families, intensive services foster care, and therapeutic foster care settings is increasing, as is the licensed capacity of short-term residential therapeutic programs.

Other Significant Adjustments:

- Child Welfare Workforce Development—The Budget includes \$11 million (\$5.6 million General Fund) to establish an additional child welfare social workers regional training academy in northern California (bringing the statewide total to five academies), increase ongoing training for social workers and supervisors, assess training effectiveness, and modernize how social worker training is monitored and used to inform workforce development planning.
- California Automated Response and Engagement System—The Budget includes \$54.4 million (\$27.2 million General Fund) to reflect updated project cost estimates, an increase of \$14.2 million General Fund compared to the 2019 Budget Act.

IMMIGRATION SERVICES

The Department of Social Services funds qualified nonprofit organizations to provide immigration services to immigrants who reside in California via the unaccompanied undocumented minors and Immigration Services Funding programs. The Budget continues to include \$65 million General Fund in 2020-21 and ongoing for immigration services.

In November 2019, \$5 million appropriated in the 2018 Budget Act was made available for Deferred Action for Childhood Arrivals (DACA) Legal Services. This funding, provided to qualified contractors, supports legal services, application-filing fees, and education and outreach services for individuals needing to renew their DACA immigration status. The Administration continues to monitor litigation regarding the DACA program.

Other Significant Adjustments:

- California Newcomer Education and Well-Being Project—The Budget includes \$15 million one-time Proposition 98 General Fund for the California Newcomer Education and Well-Being Project (CalNEW). CalNEW was established in 2017-18 to assist school districts in improving refugee and unaccompanied undocumented minors students' well-being, English-language proficiency, and academic performance. The funding, which is available over three years, will also provide school-based supports to immigrant families to address harms caused by the federal “public charge” rule.
- Immigration Legal Services on Community College Campuses—As referenced in the Higher Education chapter, the Budget includes \$10 million ongoing Proposition 98 General Fund for California Community College campuses to support the provision of immigration legal services.
- Social Entrepreneurs for Economic Development Initiative—The Budget includes \$10 million one-time General Fund for the California Workforce Development Board to launch the Social Entrepreneurs for Economic Development Initiative to provide micro-grants and entrepreneurial training to immigrants.
- Dreamer Resource Liaisons—As referenced in the Higher Education chapter, the Budget includes an increase of \$5.8 million ongoing Proposition 98 General Fund to fund Dreamer Resource Liaisons and student support services, including those related to career pathways and economic mobility, for immigrant students on community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645).

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides services to individuals with developmental disabilities as an entitlement. The Budget includes \$9.2 billion (\$5.7 billion General Fund) and estimates that approximately 369,000 individuals will receive developmental services by the end of 2020-21.

REFORMING THE FINANCING OF DEVELOPMENTAL SERVICES

The Budget proposes additional investments in developmental services and establishes a Developmental Services Performance Incentive Program. During the past ten years,

the composition of regional center consumers has significantly changed. Today's consumers have more significant behavioral and healthcare needs, and have shifted in age and ethnicity. Specifically, behavioral health needs have grown by 48 percent, while those with an autism spectrum diagnosis have grown by 177 percent.

DDS, in collaboration with the Developmental Services Task Force and other stakeholders, will make recommendations on how to reform the financing and streamlining of the developmental services delivery system to improve the quality of services delivered. This requires establishing a system that prioritizes outcomes, innovation, and value, which is driven by a funding structure that provides transparency, oversight, and accountability.

DEVELOPMENTAL SERVICES PERFORMANCE INCENTIVE PROGRAM

The Budget includes \$78 million (\$60 million General Fund) to establish a Performance Incentive Program for Developmental Services administered through the Regional Center system. The program will provide incentive payments to Regional Centers to increase the quality of services and addressing disparities while improving data collection to demonstrate value. The Performance Incentive Program is intended to align with each Regional Center's performance contract, but will require Regional Centers to meet an advanced tier of performance measures to receive additional payments.

The goals of the program are: (1) focusing on a quality system that values personal outcome goals for people, such as an improved life or meaningful activities; (2) developing service options to better meet the needs of individuals and families in a person-centered way; (3) promoting the most integrated community settings; and (4) increasing the number of individuals who are competitively employed.

STATE-OPERATED FACILITIES

In 2015, the state announced the planned closure of the three remaining developmental centers: Sonoma, Fairview, and the general treatment area of Porterville. The last residents at Fairview and the Porterville general treatment area are transitioning to the community in January 2020. The Department will continue operating the secure treatment program at Porterville, the Canyon Springs community facility, and state-operated acute crisis facilities in Northern, Central, and Southern California, with an estimated population of 322 by June 30, 2021. To reduce the number of individuals with developmental disabilities found incompetent to stand trial (IST) and

awaiting placement, the Budget includes \$8.9 million General Fund for the temporary activation of one 20-bed unit in the Porterville secure treatment program. The additional unit will sunset June 30, 2024, as more integrated community resources are developed.

COMMUNITY SERVICES

With the developmental center closures, the Department continues to strengthen its focus on community services and the safety net. The Budget includes \$7.5 million General Fund to develop five enhanced behavioral support homes with secure perimeters aimed at providing long-term IST placement, which would become operational in 2021-22, and \$1.1 million General Fund for post-placement follow-up activities with residents transitioning from the remaining developmental centers into the community.

Other Significant Adjustments:

- Supplemental Rate Increases for Additional Service Codes—The Budget includes \$18 million (\$10.8 million General Fund) in 2020-21 and \$35.9 million (\$21.6 million General Fund) in 2021-22 to provide supplemental rate increases for Early Start Specialized Therapeutic Services, Infant Development and Independent Living services, consistent with the supplemental rate increases included in the 2019 Budget Act.
- Enhanced Caseload Ratios for Young Children—The Budget includes \$16.5 million (\$11.2 million General Fund) to establish a reduced regional center service coordinator caseload ratio for consumers who are under the age of five years.
- Systemic, Therapeutic, Assessment, Resources and Treatment Training—The Budget includes \$4.5 million (\$2.6 million General Fund) to provide training on person-centered, trauma-informed, and evidence-based support services for individuals with co-occurring developmental disabilities and mental health needs.
- Warm Shutdown of Fairview Developmental Center—The Budget includes \$11.9 million General Fund to extend the warm shutdown period at Fairview Developmental Center through 2020-21 until a site assessment is completed to inform the disposition of the property.

DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals (DSH) administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The Budget includes \$2.2 billion (\$2 billion General Fund) in 2020-21 for support of the Department. The patient population is expected to reach 6,761 by the end of 2020-21, including patients receiving competency treatment in jail-based settings.

DIVERSION OF THE INCOMPETENT TO STAND TRIAL POPULATION

The Department continues to experience a growing number of incompetent to stand trial (IST) commitments—who are referred from trial courts—awaiting admission to the state hospital system. The number of ISTs pending placement into the state hospital system was approximately 800 individuals in December 2019.

To help address this need, the Budget includes \$24.6 million General Fund in 2020-21 to implement a Community Care Collaborative Pilot Program. This initiative will establish a six-year pilot program in three counties that provides incentives to treat and serve individuals deemed IST in the community. The total costs of the pilot program over six years is estimated to be \$364.2 million General Fund. This pilot program will primarily target development of community-based treatment options for individuals deemed IST and increase local investments in strategies to reduce the rate of arrests, rearrests, and cycling in and out of institutions for this population.

The Budget also includes \$8.9 million General Fund in 2020-21 and \$11.2 million General Fund annually thereafter to expand the Jail-Based Competency Treatment program to eight additional counties. This expansion is estimated to increase capacity by up to 63 beds in 2020-21. These efforts are intended to reduce the pending placement time and the waitlist for ISTs referred to DSH treatment programs.

IMPROVING IN-PATIENT CARE AND OUTCOMES

In 2013, the Department initiated a Clinical Staffing Study to develop a data-driven approach to standardize staffing at the five state hospitals. Through the Mission-Based Review process, the Department of Finance and State Hospitals completed an evaluation of the Hospital Forensic Departments and 24-Hour Care Nursing Services, and resources for both were included in the 2019 Budget Act. The Budget includes

\$39.9 million and 127.2 positions based on the evaluation of the two remaining components of the Clinical Staffing Study: Treatment Planning and Delivery and Protective Services.

- **Treatment Planning and Delivery**—The Budget includes \$32 million General Fund and 80.9 positions for the first year of a five-year phase-in to standardize clinician-to-patient ratios, significantly increasing the number of treatment teams and primary care physicians in the state hospitals. This will improve patient outcomes, result in shorter lengths of stay, and reduce patient violence and staff injuries. This proposal also funds two important initiatives: the implementation of trauma-informed care and the development of a comprehensive discharge planning program.
- **Protective Services**—The Budget includes \$7.9 million General Fund and 46.3 positions to support most protective services functions at Napa State Hospital and outside custody and executive leadership system-wide. This will reduce overtime hours and provide additional officers in housing units, which will improve security for patients and staff. The methodology developed for Napa is intended to serve as a model for the standardization at the other state hospitals.

INFRASTRUCTURE

The Budget also includes several investments in the state hospital system infrastructure. The Budget includes \$10.5 million General Fund beginning in 2020-21 and annually thereafter through fiscal year 2026-27, to mitigate ligature risks across the four hospitals accredited by The Joint Commission (TJC). This project is necessary to meet standards for acute psychiatric hospitals required by the federal Centers for Medicaid and Medicare Services, and to maintain TJC accreditation. In addition, the Budget includes \$49.3 million for critical replacements of roofs that have exceeded the useful life expectancy at the state hospitals. The proposal will provide for two roof replacement projects at Metropolitan State Hospital, four at Napa State Hospital, and one at Patton State Hospital.

DEPARTMENT OF YOUTH AND COMMUNITY RESTORATION

The 2019 Budget Act included resources to transition the Division of Juvenile Justice from the Department of Corrections and Rehabilitation to the Health and Human Services Agency as an independent department, effective July 1, 2020. The Budget includes

additional resources to establish the Division of Juvenile Justice as the Department of Youth and Community Restoration and support the administrative functions necessary to operate independently. The new department will consist of 1,415.9 positions and \$289.7 million (\$260.8 million General Fund) in 2020-21 and \$295.6 million (\$266.8 million General Fund) in 2021-22 and annually thereafter. The proposed funding level reflects the establishment of a new training academy, and continues funding for therapeutic communities (\$8 million General Fund ongoing).

This transition aligns with the rehabilitative mission and core values of the Agency by providing trauma-informed and developmentally appropriate services to youth in California's state juvenile justice system. This transition will improve the state's ability to provide youth in the juvenile justice system with the services necessary to return safely to the community and become responsible and successful adults.

In addition, the 2019 Budget Act included \$2 million for the Division of Juvenile Justice to partner with California Volunteers to assist current and recent Division of Juvenile Justice-committed youths in petitioning for honorable discharge designations by pairing those youth with credible messenger AmeriCorps volunteers who themselves had previous experience with the criminal justice system. The Division and California Volunteers have entered into an interagency agreement and are in the process of awarding a grant to an entity that will advertise the program and hire navigators to assist youth in seeking honorable discharge designations.

DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$3.2 billion (\$211.7 million General Fund) in 2020-21 for the Department.

CALIFORNIA COGNITIVE CARE COORDINATION INITIATIVE

The Budget includes \$3.6 million one-time General Fund to establish a coordination and training initiative through the Alzheimer's Disease Centers to develop a "train the trainer" program that will help family caregivers navigate the complexities of the disease. The new initiative will support caregivers by bridging the gap between the medical system and social services in order to treat the multiple and complicated dimensions of Alzheimer's Disease. The initiative aligns closely with work underway by the Governor's Alzheimer's Disease Preparedness and Prevention Task Force.

LICENSING AND CERTIFICATION

The Department of Public Health regulates many types of health care facilities and entities in the state. To meet mandated state licensing and certification workload, improve care, and better protect the safety of patients, the Budget proposes an additional \$32.9 million Licensing and Certification Program Fund and 92 positions for 2020-21. This augmentation will increase by \$24.5 million in fiscal year 2021-22 and \$5.4 million in in fiscal year 2022-23, supporting an additional 76.6 positions and the continued phase-in of resources for the Department's contract with Los Angeles County. These resources will allow the Department to complete licensure and re-licensure workload and the timely investigation of complaints to mitigate any future backlogs. In addition, the Budget proposes \$3 million from the Internal Departmental Quality Improvement Account to implement quality improvement projects and provide enhanced provider and program support within the Licensing and Certification Program. These resources will allow the Licensing and Certification Program to expand its capacity to better respond to stakeholders and future efforts to streamline and standardize practices.

2011 REALIGNMENT FUNDING

To provide services more efficiently and effectively, 2011 Realignment shifted responsibility and dedicated funding for public safety services to local governments. In addition, community mental health programs previously funded in 1991 Realignment are now funded primarily by revenue dedicated for 2011 Realignment.

The programs and funding for 2011 Realignment are funded through two sources: a state special fund sales tax rate of 1.0625 percent totaling \$7.8 billion, and \$749 million in Vehicle License Fees. These funds are deposited into the Local Revenue Fund 2011 for allocation to the counties and are constitutionally guaranteed for the purposes of 2011 Realignment.

2011 Realignment Estimate¹ - at 2020-21 Governor's Budget

	2018-19	2018-19 Growth	2019-20	2019-20 Growth	2020-21	2020-21 Growth
Law Enforcement Services	\$2,560.7		\$2,633.8		\$2,757.2	
Trial Court Security Subaccount	559.7	7.3	567.0	12.3	579.3	11.2
Enhancing Law Enforcement Activities Subaccount ²	489.9	221.3	489.9	257.4	489.9	259.1
Community Corrections Subaccount	1,311.2	54.8	1,366.0	92.6	1,458.6	83.6
District Attorney and Public Defender Subaccount	37.9	3.7	41.6	6.2	47.7	5.6
Juvenile Justice Subaccount	162.0	7.3	169.3	12.3	181.7	11.2
<i>Youthful Offender Block Grant Special Account</i>	(153.1)	(6.9)	(160.0)	(11.6)	(171.7)	(10.6)
<i>Juvenile Reentry Grant Special Account</i>	(8.9)	(0.4)	(9.3)	(0.7)	(10.0)	(0.6)
Growth, Law Enforcement Services		294.4		380.8		370.7
Mental Health³	1,120.6	6.8	1,120.6	11.4	1,120.6	10.4
Support Services	3,756.7		3,885.6		4,103.4	
Protective Services Subaccount	2,336.2	61.0	2,397.2	103.2	2,500.4	93.2
Behavioral Health Subaccount	1,420.5	67.8	1,488.4	114.7	1,603.0	103.5
<i>Women and Children's Residential Treatment Services</i>	(5.1)	-	(5.1)	-	(5.1)	-
Growth, Support Services		135.6		229.3		207.1
Account Total and Growth	\$7,868.0		\$8,250.1		\$8,559.0	
Revenue						
1.0625% Sales Tax	7,156.8		7,498.1		7,800.6	
General Fund Backfill ⁴	-	-	4.7	-	9.4	
Motor Vehicle License Fee	711.2		747.3		749.0	
Revenue Total	\$7,868.0		\$8,250.1		\$8,559.0	

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹ Dollars in millions.

² Base Allocation is capped at \$489.9 million. Growth does not add to the base.

³ Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

⁴ General Fund backfill pursuant to Revenue and Taxation Code sections 6363.9 and 6363.10.

Other Health and Human Services Adjustments:

- Child Support Payments—The Budget proposes to increase the amount of child support payments passed through to CalWORKs families, effective January 1, 2022, from the current \$50 to \$100 for a family with one child and \$200 for a family with two or more children (see the Early Childhood chapter for more information). The Budget also proposes statutory changes to forgive child support payment arrearages or past due amounts that are determined to be uncollectible, beginning January 1, 2022.
- Increased Support for Local Child Support Agencies—The Budget includes an increase of \$56 million (\$19.1 million General Fund) for Local Child Support Agency administrative costs. See the Early Childhood chapter for more information.

JOBS AND ECONOMY

The current historic economic expansion has reduced unemployment from a peak of 12.2 percent during the Great Recession to 3.9 percent in November 2019. Real per capita personal income has increased by almost 25 percent from 2007 to 2018. The poverty rate has declined from over 16 percent at the start of the decade to just under 12 percent in 2018, lower than it was in 2007. This strong economic growth has enabled billions in investments to improve schools and roads, to increase access to and the affordability of higher education, to meaningfully move towards universal health care, to create a robust state earned income tax credit program and to steadily increase the state's minimum wage. These investments have strengthened California and made it more resilient.

This economic expansion, fueled by the state's innovative entrepreneurs, world-class education systems, and millions of hardworking residents, has unevenly benefited all regions of the state. Wage and job growth have been uneven across the state and too many struggle to make ends meet, even in the most prosperous areas.

The Budget continues to make targeted investments to move toward a more sustainable and inclusive California. These include investing in schools, colleges, universities, health care, and safety net services. They also include training the workforce of the future, building resilient infrastructure, investing in healthy communities, and mitigating and adapting to climate change.

SUPPORTING BUSINESS CREATION

More businesses start in California than anywhere in the United States, including many green technology businesses. Many of California's new businesses have gone on to become industry leaders, a direct result of the state's world-class colleges and universities, state-of-the-art laboratories, a talented workforce, and commitment to combatting climate change.

To encourage new and small businesses, which are a major engine of economic growth in California and are particularly impactful in rural and less populated areas of the state, the Budget proposes a first-year exemption from the \$800 minimum tax paid by limited liability companies, limited partnerships, and limited liability partnerships. This will put these entities on equal footing with corporations, which already enjoy a first-year exemption from the minimum franchise tax. These changes are expected to provide around \$100 million in tax relief per year, and are subject to annual budget authorization.

INVESTING IN INFRASTRUCTURE

Infrastructure and capital assets allow for the delivery of public services and the movement of goods across the state, both of which are essential components in fostering continued jobs and economic growth. To support this, infrastructure planning must be driven by the current and future needs of Californians, including mitigating the life-threatening impacts of climate change.

The 2020 Five-Year Infrastructure Plan (Plan) reflects the Governor's proposal for investing \$53 billion in state infrastructure over the next five years. It focuses on how these investments can be leveraged to create a sustainable and resilient California. Key areas include:

- The Road Repair and Accountability Act of 2017—SB 1 was passed to address the state's transportation crisis, increasing transportation funding and instituting much-needed reforms. SB 1 increased the gas fuel tax by 12 cents, providing the first significant, stable, and on-going increase in state transportation funding in more than two decades. Annual revenue is approximately \$5.4 billion, \$3.5 billion of which is dedicated to road projects, rehabilitation, and maintenance. The remaining \$1.9 billion is allocated each year to local transit, multi-modal projects, and other transportation priorities. The infusion of new and significant resources has funded

almost 8,000 projects throughout the state and created thousands of new jobs, both at the state and local level. These investments allow the state to continue repairing and maintaining its vast infrastructure and keeps California’s economy growing.

- **Broadband for All**—Affordable high-speed Internet is vital to the daily lives of all Californians, such as receiving medical treatment, completing school homework, and taking advantage of emerging economic opportunities. Digital equity and inclusion—ensuring all communities enjoy the fruits of innovation—necessitates Broadband For All. The state’s Broadband For All strategy is composed of four principal elements: (1) mapping the state of connectivity in California, including whether, where, and at what speed Californians have access to affordable high-speed Internet; (2) investing new resources, including \$51.4 million to improve school connectivity; (3) optimizing use of existing resources, including approximately \$900 million over the next five years; and (4) prioritizing connectivity across executive actions and policies.
- **Water Resilience Portfolio**—The Sierra snowpack, one of the primary sources of the state’s water supplies, is decreasing, reducing natural water storage and altering winter and spring runoff patterns. As climate change continues to threaten the reliability of the state’s water supplies, the Administration is advancing a comprehensive strategy to build a climate-resilient water system: the Water Resilience Portfolio. The Plan reflects a \$4.75 billion climate resilience bond for the November 2020 ballot. The bond is structured around climate risks, with over 60 percent of the proposed bond funding dedicated to programs that align with priorities identified in the Water Resilience Portfolio.

For additional information, see the Infrastructure chapter.

TRANSITION TO CARBON NEUTRALITY

California is committed to achieving carbon neutrality by 2045 and reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050.

In recognition that the state’s ambitious climate policies are also economic and work force policies, with the potential to create a more inclusive and sustainable economy for all Californians, the Budget includes \$1 billion over the next four years for a new Climate Catalyst Fund. This investment will simultaneously benefit the state’s environment and economy across all regions. This new Fund will dramatically increase and leverage private sector investment to support climate-related projects. This

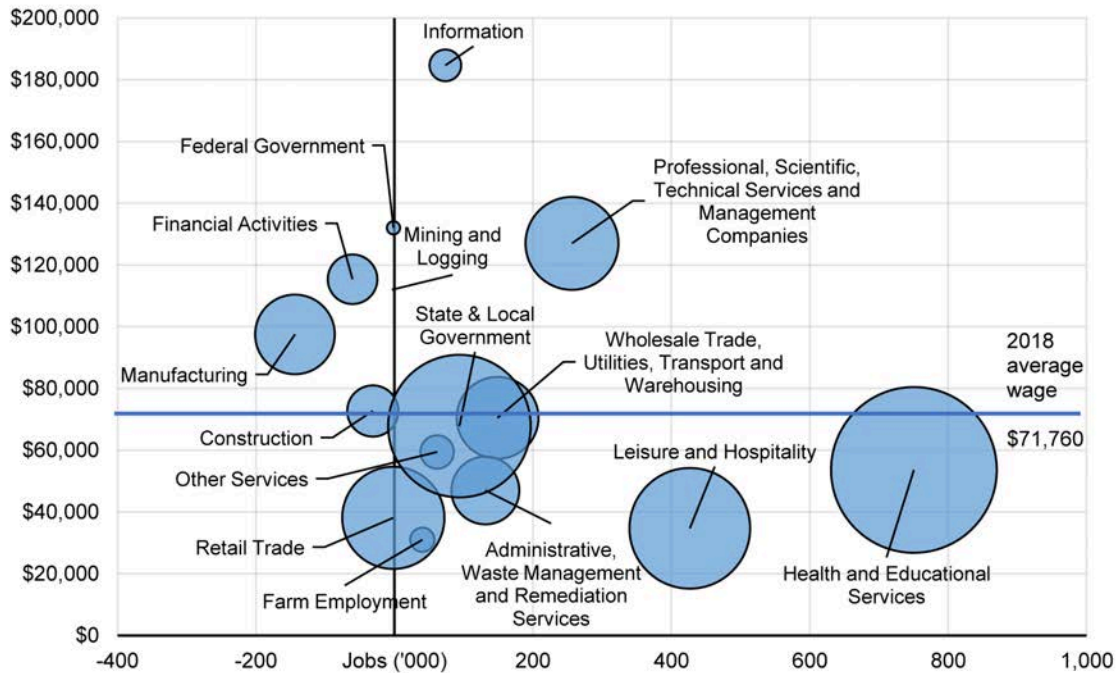
revolving loan fund will provide low-interest loans for a portfolio of projects, focused on areas that help meet the state's climate and equity goals, where technologies and infrastructure exist that could be deployed at much greater speed and scale but face barriers in the private market. Further, it will be designed to support good jobs and a just transition to achieving California's climate goals. For additional information, see the Climate Resilience chapter.

The Budget also reflects the continuation of a major commitment to preparing workers for a carbon-neutral economy by dedicating \$165 million over a five year period for multi-craft pre-apprenticeship programs to increase access to careers in the fast-growing construction industry and expanding the High Road Training Partnership program.

A STRONGER, MORE INCLUSIVE ECONOMY

As of November 2019, California had added more than 2 million payroll jobs since the last pre-recession peak in 2007. However, while average per capita income has increased almost 25 percent in real terms from 2007 to 2018, median household income was flat over that period. As can be seen in the figure on Jobs Added Since 2007 and Average Wages, most of the jobs added have been in lower-wage sectors that have employed the largest numbers of workers. For example, educational and health services added over 600,000 jobs to total around 2.7 million jobs in 2018 at an average wage of less than \$54,000.

Jobs Added Since 2007 and Average Wages
Bubble size indicates total number of 2018 jobs



Sources: CA Department of Finance; CA Employment Development Department, Labor Market Information Division

California's unemployment rate was at a record-low 3.9 percent in November 2019. Typically, low unemployment rates cause employers to raise wages and increase benefits to attract workers. But instead, median household income is stagnant and average wage growth is relatively low.

Income inequality persists and prosperity is not shared by all regions of the state. To create inclusive, long-term economic growth and ensure workers and their families share in that success, the Governor established the Future of Work Commission. The Commission is examining ways to broaden opportunity, better prepare the state's workforce, modernize worker safety-net protections, and preserve and grow good jobs. The Commission will bring forward a set of recommendations later this spring.

HIGHER WAGES FOR WORKING CALIFORNIANS

MINIMUM WAGE

The California state minimum wage increased by \$1 per hour on January 1, 2020 to reach \$12 per hour for businesses with 25 or fewer employees, and \$13 per hour for businesses with 26 or more employees.

Annual increases of \$1 per hour are scheduled to continue until the statewide minimum wage reaches \$15 per hour for everyone, indexed for inflation after that.

EARNED INCOME TAX CREDIT (EITC)

The 2019 Budget Act significantly expanded the EITC, by more than doubling the existing credit from \$400 million to \$1 billion. The expanded program extended credits to 1 million additional households, raising the number of households receiving the credit to 3 million. The expanded credit includes a \$1,000 credit for every family that otherwise qualifies for the credit and has at least one child under the age of 6. The Budget continues the expanded EITC, as well as outreach to encourage higher levels of household participation. In addition, the Budget continues development of a program that would allow workers to receive a portion of the EITC in monthly payments.

ENFORCEMENT OF LABOR LAWS

While new forms of work have provided flexibility for workers, the state has seen an increase in the use of independent contractors, rather than employees, that may be contributing to lower wage growth.

In California, employees are protected by labor laws that mandate a minimum wage, on-the-job breaks, paid time off, coverage for job injuries, unemployment insurance, reimbursement for expenses, health insurance in some instances, and protections against discrimination and harassment. These benefits can range in value from 25 to 50 percent of an hourly wage. For example, an employee making minimum wage of \$12 per hour would receive the equivalent of \$15 to \$18 per hour when benefits are included. By contrast, an independent contractor is paid per contract, and their revenue has to cover time spent working or waiting for a task, all of the insurance benefits, and expenses.

The misclassification of workers as independent contractors erodes worker protection and harms fair market competition, giving some employers an unfair advantage over competitors who pay their fair share of wages, payroll taxes, and benefits.

In 2018, the California Supreme Court issued a landmark ruling in the *Dynamex* decision, which established an employment test to determine whether a worker should be classified as an employee or independent contractor for certain purposes. This new standard presumes all workers are employees unless the employer can demonstrate a worker meets specified conditions, known as the ABC Employment Test.

Chapter 296, Statutes of 2019 (AB 5) codified the ABC Employment Test and expanded its application to include the Labor Code and the Unemployment Insurance Code. The Budget includes resources to enforce compliance with this new law, including:

- \$17.5 million for the Department of Industrial Relations to address workload associated with increased utilization of the workers' compensation program, investigations of labor law violations related to worker status, wage claim filings, and workplace health and safety inspections.
- \$3.4 million for the Employment Development Department to train staff and administer the ABC Employment Test, and to conduct hearings and investigations of worker status.
- \$780,000 for the Department of Justice to address increased enforcement actions and to prosecute cases involving misclassification of employees as independent contractors.

DEPARTMENT OF BETTER JOBS AND HIGHER WAGES

Historically, the state has created workforce programs in various entities in response to specific needs and available funding. This has resulted in a fragmented workforce system. Such programs include the Workforce Innovation and Opportunity Act Program in the California Workforce Development Board, employer services funded by the Wagner-Peyser Act in the Employment Development Department, and the Apprenticeship USA grant within the Department of Industrial Relations.

As rapid advancements in technology, automation, and artificial intelligence reshape the economy and the nature of work, more needs to be done to promote high-quality jobs and economic security for workers, families, and communities. Aligning fragmented workforce programs is a necessary component of these efforts. The Budget proposes a new Department of Better Jobs and Higher Wages and statutory changes to consolidate the workforce functions dispersed across the Labor and Workforce Development Agency. The Department will be comprised of the California Workforce Development Board, the Employment Training Panel, Workforce Services Branch and Labor Market Information Division, which are currently in the Employment Development

Department, and the Division of Apprenticeship Standards currently in the Department of Industrial Relations.

This reorganization is intended to better align data, policy, and program analysis of the state's workforce training programs. The new Department will help the education and training of workers for the jobs of the future. The Budget includes \$2.4 million one-time General Fund to establish executive staff for the new Department.

REGIONS RISE TOGETHER

Regions within the state can have very different growth patterns and challenges. In 2019, the Governor's Office of Business and Economic Development launched a Regions Rise Together initiative. Regions Rise Together seeks to overcome California's regional disparities by identifying and leveraging economic assets within each of the state's regions, as well as strengthening the connections among them. This includes working with local officials on their economic development plans.

The Budget includes \$758,000 ongoing General Fund for four positions for the Governor's Office of Business and Economic Development to be located in the Central Valley, Inland Empire, Central Coast, and North Coast to provide a focus on bringing business and economic development to these regions, by promoting the benefits of these regions and facilitating business expansion.

INVESTING IN INLAND CALIFORNIA

As referenced in the Higher Education chapter, the Budget includes \$25 million ongoing General Fund to support expanded enrollment for the UC Riverside School of Medicine and \$15 million ongoing General Fund to expand services provided by the UC San Francisco School of Medicine Fresno Branch Campus in partnership with UC Merced. These investments will improve access to health care in these underserved regions of the state.

The Budget also includes \$50 million one-time General Fund to support Fresno area regional investments that are focused on improving the economic mobility of Californians living in the region. Specifically, the Budget includes the following investments:

- Fresno-Merced Food Innovation Corridor—An increase of \$33 million one-time General Fund for the establishment of an innovation corridor to stimulate research

and development, commercialization, and innovation to support advanced sustainable agricultural production and high-quality jobs in the San Joaquin Valley. This collaboration between academic institutions and industry will spur additional economic development in a region of the state that for decades has faced nearly double the unemployment rate of the rest of the state.

- Fresno Integrated K-16 Education Collaborative—An increase of \$17 million one-time General Fund to support a plan to design educational pathways to improve social and economic mobility in the greater Fresno region. The project will increase educational attainment and economic mobility by building an efficient path for students in the region, from secondary school through college, and into jobs in high-wage, high-growth sectors.

SUSTAINABLE GROUNDWATER

A significant number of groundwater basins in the Central Valley are critically overdrafted. In recognition that the amount of groundwater available for use will be lower than historical pumping levels that have depleted aquifers, the Administration is focused on supporting local communities' transition to sustainable groundwater use by aligning state investments and policies to enable implementation of the Sustainable Groundwater Management Act. The climate resilience bond proposes \$395 million for projects to implement Groundwater Sustainability Plans. In addition, the Budget proposes \$60 million General Fund to support planning and water trading pilot projects across critically overdrafted basins, and water efficiency improvements in depleted groundwater basins. For additional information, see the Climate Resilience and Infrastructure chapters.

EARLY CHILDHOOD

Providing children in California with a healthy start is one of the best investments the state can make. A growing body of research points to the link between early childhood interventions and improved outcomes years or even decades into the future, including higher education levels, better health, and stronger career opportunities. Investing in early childhood enables these outcomes in the future while strengthening families and reducing child poverty. The framework adopted last year is continued in this budget and promotes a healthy start in three ways: (1) early access for children to educational and health care services, including services for those with adverse childhood experiences, (2) a two-generation approach that invests in parents so they can invest more in their children, and (3) easing financial pressures on parents so they can escape the cycle of poverty and focus on healthy development of their kids in those critical first five years of a child's life.

INCREASING AND IMPROVING ACCESS TO EARLY LEARNING AND CARE

DEPARTMENT OF EARLY CHILDHOOD DEVELOPMENT

California's early childhood system has evolved iteratively, resulting in multiple programs, providers, funding streams, and levels of quality. The array of regulations, funding mechanisms, program standards, and governance structures can be difficult for families and early childhood providers and agencies to navigate.

EARLY CHILDHOOD

The Budget proposes to establish the Department of Early Childhood Development under the California Health and Human Services Agency (CHHS) effective July 1, 2021, to promote a high-quality, affordable, and unified early childhood system that improves program integration and coordination with other major programs serving young children. Consolidating child care funding streams and programs under a single system of state administration, in partnership with the Department of Education, which will continue to administer the State Preschool Program, and the State Board of Education, will create a coherent system of early childhood administration and maximize investments in high-quality early childhood programs for low-income children, their families, and the workforce.

The Budget includes \$8.5 million General Fund to establish a transition team at CHHS and will support staffing at the Department of Human Resources, CHHS, and the Department of Social Services to carry out child care collective bargaining activities pursuant to Chapter 385, Statutes of 2019 (AB 378).

MASTER PLAN FOR EARLY LEARNING AND CARE

The 2019 Budget Act included \$5 million one-time General Fund for a long-term strategic plan to provide a roadmap to universal preschool and a comprehensive, quality, and affordable child care system. The Master Plan for Early Learning and Care, administered by the Secretary of the Health and Human Services Agency, will examine ways the state can leverage public/private partnerships to fiscally sustain a universal preschool system and expanded child care system, determine high-need child care and preschool areas, contemplate changes to the current reimbursement rate system, and consider the impact of market rate changes on the cost of child care for unsubsidized families.

Final recommendations and findings from the Master Plan will be submitted by October 1, 2020.

In addition, to the Master Plan, the Administration has established the Early Childhood Policy Council, an advisory body that includes parents, providers, and relevant state agencies. The 2019 Budget Act also made major investments in data systems that integrate statewide provider and recipient information for the state's subsidized early learning and care programs.

SUBSIDIZED CHILD CARE

The 2019 Budget Act expanded child care for 9,400 children in the Alternative Payment Program and 3,000 children in the General Child Care Program. The 2019 Budget Act also included major expansions to access in the CalWORKs Stage 1 child care system by determining eligibility for a 12-month period and increasing access to the Emergency Child Care Bridge Program for Foster Children. Additionally, the 2019 Budget Act invested \$440 million to expand and improve child care facilities and invest in workforce development.

Building upon these investments, the Budget proposes the following increases for child care access:

- CalWORKs Stages 2 and 3 Child Care—A net increase of \$53.8 million non-Proposition 98 General Fund to reflect changes in CalWORKs child care cases, specifically a reduction in projected caseload in Stage 2 offset by an increase in projected caseload in Stage 3. Total costs for Stage 2 and 3 are \$588 million and \$583.1 million, respectively.
- General Child Care Slots—\$50 million ongoing funding from the Cannabis Fund to support over 3,000 General Child Care slots previously funded with General Fund, and an additional \$10.3 million Cannabis Fund for an increase of 621 General Child Care slots.

UNIVERSAL PRESCHOOL

An Administration priority is that all children, regardless of family income, have access to a high-quality preschool program before they begin kindergarten. The Budget continues the Administration's commitment to full-day, full-year access to State Preschool for all eligible low-income four-year-olds. Specifically, the Budget proposes an increase of \$31.9 million in 2020-21 and \$127 million ongoing non-Proposition 98 General Fund to support an additional 10,000 State Preschool slots at non-local educational agencies beginning April 1, 2021.

FULL-DAY KINDERGARTEN AND PRESCHOOL FACILITIES EXPANSION

The 2018 and 2019 Budget Acts included a total of \$400 million one-time non-Proposition 98 General Fund for eligible school districts to construct new, or retrofit existing, facilities to expand access to full-day kindergarten programs. Of this amount,

EARLY CHILDHOOD

roughly \$300 million remains available to support the goal of converting existing part-day kindergarten programs to full-day programs. As referenced in the K-12 Education chapter, the Budget proposes dedicating a portion of these funds to support the construction of preschool facilities that increase access to early education for young children on school campuses.

The 2018 and 2019 Budget Acts included a total of \$177 million to support the Inclusive Early Education Expansion Program, which provides funding to local educational agencies to construct or modify preschool facilities to serve students with exceptional needs or severe disabilities. As referenced in the K-12 Education chapter, the Budget also includes \$75 million Proposition 98 General Fund to further support this program.

Chapter 530, Statutes of 2019 (AB 48) placed a \$15 billion general obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters. AB 48 authorizes school districts to use facilities grant funding to support the construction and modernization of school district operated preschool facilities located on school campuses. If the Act is approved, the Administration will propose statute authorizing the State Allocation Board to provide a new construction or modernization per-pupil grant enhancement to local educational agencies proposing to construct or modernize facilities to expand preschool programs on school campuses. Participants would be required to use the applicable facility to expand the number of preschool students served by the local educational agency consistent with current preschool staffing standards.

EARLY CHILDHOOD HEALTH AND WELLNESS

The 2019 Budget Act included funding for expanded developmental screenings for children, trauma screenings for children and adults, and provider training for trauma screenings. Research shows that individuals who experienced adverse childhood experiences are at greater risk of heart disease, diabetes, and premature death. Identifying cases of trauma in children and adults and providing treatment can lower long-term health costs and support individual and family wellness and healing.

Nearly one-third of the state's population, and approximately 45 percent of new mothers, receive Medi-Cal benefits. In an effort to bolster early childhood supports and reduce health disparities for low-income families, the 2019 Budget Act included a major expansion to the CalWORKs Home Visiting Program, the California Home Visiting Program, and the Black Infant Health Program, including the California Perinatal Equity Initiative.

The Budget builds on the initiatives outlined above through the Medi-Cal Healthier California for All initiative, which is designed to move Medi-Cal to a more consistent and seamless system that focuses on outcomes and prevention. This initiative will improve services to children in the foster care system.

The Budget also includes \$10 million one-time General Fund for the development of an adverse childhood experiences cross-sector training program that will be accredited by the Office of the Surgeon General, as well as a statewide adverse childhood experiences public awareness campaign. The Surgeon General has set a bold goal of cutting adverse childhood experiences and toxic stress in half in a generation through raising awareness and strengthening response networks. The Surgeon General will engage leading experts and consultants to develop a series of trauma-informed trainings specific to key sectors, including early childhood, education, government, and law enforcement. These trainings will incorporate the latest evidence on trauma-informed and trauma-sensitive responses and will be made available statewide.

REDUCING CHILDHOOD POVERTY

The 2019 Budget Act included several major actions to reduce childhood poverty, which is critical to improving outcomes for children. First, it more than doubled the State's Earned Income Tax Credit (EITC) and provided a \$1,000 credit for qualifying families with young children. Second, it restructured the California Work Opportunity and Responsibility to Kids (CalWORKs) grant levels to better assist households where only children are aided. Finally, it established supplemental student financial aid access awards for students with dependent children. This two-generation approach to improving outcomes for children provides new or renewal CalGrant recipients up to \$6,000 for education expenses.

The Budget builds on the 2019 Budget Act to reduce childhood poverty by increasing the amount of child support payments passed through to CalWORKs families. Effective January 1, 2022, child support payments passed through to CalWORKs families will be increased from the current \$50 to \$100 for a family with one child and \$200 for a family with two or more children. This change is anticipated to result in an additional \$34 million annually passed through to approximately 160,000 CalWORKs families, and will reduce annual General Fund revenues by \$17 million. The Budget includes \$1.4 million (\$0.9 million General Fund) for the necessary automation changes needed to implement the proposal in 2021-22.

EARLY CHILDHOOD

The Budget also includes an increase of \$56 million (\$19.1 million General Fund) for Local Child Support Agency administrative costs. This increase represents the second year of a three-year, phased-in implementation of a new budgeting methodology. These resources create more equitable funding across all local agencies, reducing geographic disparities in funding for child support case management. The additional funding strengthens support for families with young children by increasing the ability of local agencies to collect and remit child support payments.

PAID FAMILY LEAVE

Research shows that providing paid parental leave leads to positive health and educational outcomes for children, greater economic security for parents, and less strain on finding and affording infant child care. In response, the 2019 Budget Act increased the Paid Family Leave (PFL) benefit duration from six to eight weeks for workers to bond with a new child or care for an ill family member, beginning July 1, 2020. This increase will move California two-thirds of the way to achieving the goal of six months of paid family leave to support parents bonding with their children. Continuing these efforts, the Budget takes additional steps to increase the use of PFL benefits including statutory changes to align PFL benefits with job protections and resources to support small businesses that extend the PFL benefits to their employees.

CHILD SAVINGS ACCOUNTS

Child savings accounts are accounts designated for a specific child to build assets over time through contributions from family, friends, government, non-governmental organizations, and/or the child. The accounts are generally opened with an initial contribution, or seed money, from a sponsoring organization. Eligible uses of the accounts are for tuition (normally for post-secondary education such as college, vocational, or technical schools), room and board, books, supplies and equipment, and mandatory fees.

The 2019 Budget Act included the following investments: \$25 million one-time General Fund to support grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account program; and \$25 million one-time General Fund to support college savings accounts at the ScholarShare Investment Board for eligible low-income California children born on or after July 1, 2020. The Administration is committed to continuing implementation and further promoting the creation of local programs.

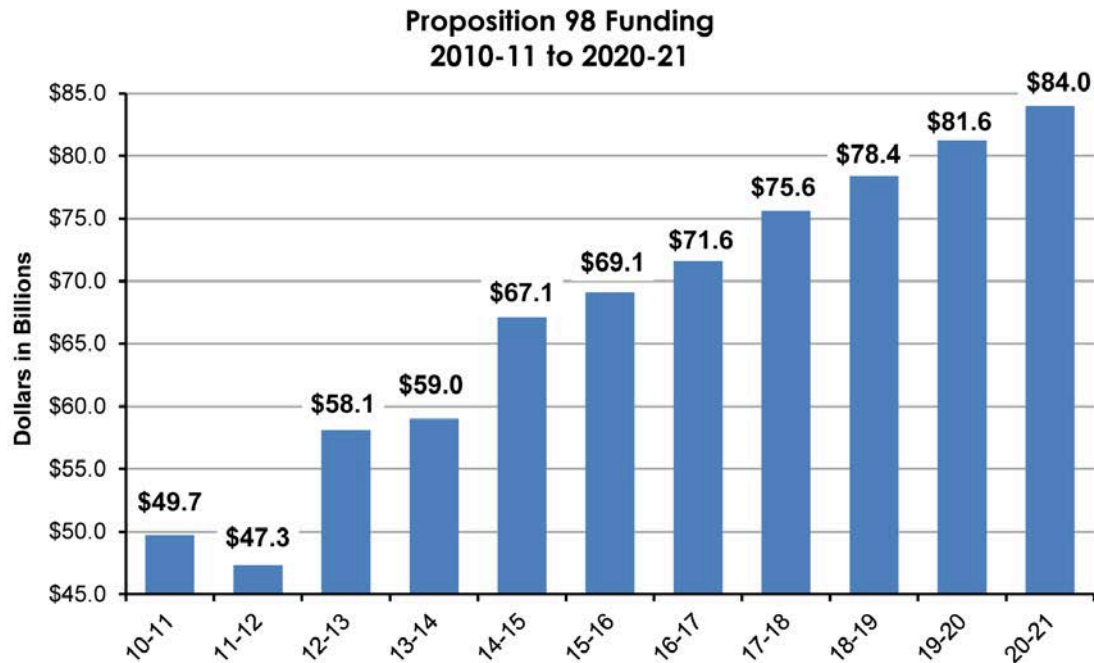
K-12 EDUCATION

California provides academic instruction and support services to nearly six million students in grades kindergarten through twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, approximately 1,000 local school districts, and more than 1,200 charter schools provides instruction in English, mathematics, history, science, and other core competencies to provide students with the skills they will need upon graduation to either enter the workforce or pursue higher education.

INVESTING IN EDUCATION

The Proposition 98 funding for K-12 schools and community colleges for 2020-21 is \$84 billion—an all-time high. When combined with more than \$819 million in settle-up payments for prior fiscal years, the Budget proposes an increased investment of \$3.8 billion in schools and community colleges.

The Budget proposes significant targeted investments that reflect the Administration's commitment to improving opportunities and outcomes for every child in public K-12 schools, while maximizing flexible funding in recognition of the fiscal challenges faced by many local educational agencies. Specifically, the Budget proposes a \$1.2 billion augmentation to the Local Control Funding Formula (LCFF), approximately \$900 million for educator recruitment and training, an increase of nearly \$900 million for special education, \$300 million for expanded supports and services for the state's neediest schools, \$300 million for the development of innovative community school models that



support student mental health, and \$70 million to improve and strengthen school meal programs. The Budget also proposes changes to improve fiscal accountability regarding the use of LCFF funds.

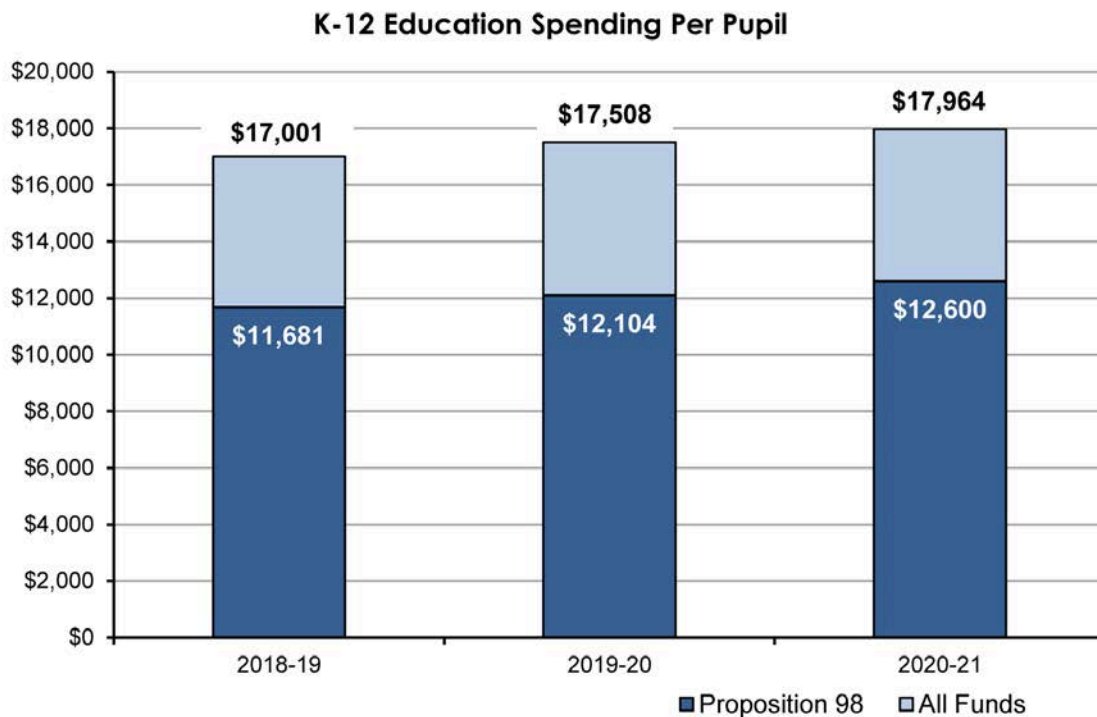
PROPOSITION 98

The annual funding level for K-12 schools and community colleges is determined by the Proposition 98 formula, a constitutional initiative approved by California voters in 1988 that guarantees K-12 schools and community colleges a minimum level of funding from state and local property taxes. Proposition 98 is designed to increase education funding each year by either: (1) funding K-14 education at its 1986-87 proportion of General Fund (known as Test 1), (2) applying growth in average daily attendance (ADA) and growth in per capita personal income to the prior year Proposition 98 funding level (known as Test 2), or (3) applying growth in ADA and growth in per capita General Fund to the prior year Proposition 98 funding level (known as Test 3). Due largely to projected increases in revenues and year-over-year declines in ADA, Test 1 is projected to be operative for fiscal years 2018-19 through 2020-21.

The Proposition 98 funding level for 2020-21 represents an increase of \$3 billion over the 2019-20 level funded in the 2019 Budget Act. The Proposition 98 funding levels for the 2018-19 and 2019-20 fiscal years increased from 2019 Budget Act levels by \$301.5 million

and \$517 million, respectively, due largely to an increase in property tax revenue in 2018-19 and increased General Fund revenues in both 2018-19 and 2019-20.

Reflecting the changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be \$17,508 in 2019-20 and \$17,964 in 2020-21—the highest level ever. Ongoing K-12 per-pupil expenditures of Proposition 98 funds are \$12,600 in 2020-21, an increase of \$496 per pupil over the level provided in 2019-20—and \$7,200 higher than its low point in 2011-12.



PUBLIC SCHOOL SYSTEM STABILIZATION ACCOUNT

Proposition 2, approved by the voters in 2014, established the Public School System Stabilization Account, also referred to as the Proposition 98 Rainy Day Fund, within the Proposition 98 Guarantee as a mechanism to lessen the impact of volatile state revenues on K-14 schools. In a fiscal year when all of the following conditions are met, a deposit is made into the Account:

- State General Fund revenues from capital gains exceed 8 percent of total revenues;
- Proposition 98 Test 1 is operative;

K-12 EDUCATION

- Proposition 98 maintenance factor obligations created prior to 2014-15 have been paid;
- The Proposition 98 required minimum funding level is not suspended; and
- The Proposition 98 funding level is greater than the prior year's funding level less any deposits into the Account, adjusted for attendance growth and inflation.

The Budget projects that a deposit into the Account is required in 2019-20. Pursuant to Proposition 2, the amount deposited into the Account is the difference between the Test 1 funding level and the higher of Test 2 or the prior year funding level adjusted for growth and inflation, but not more than the impact that capital gains revenues in excess of 8 percent of total revenues has on the minimum funding level. In 2019-20, this results in a required deposit of \$524.2 million, which represents an increase of \$147.7 million over the deposit projected at the 2019 Budget Act.

Deposits made into the Account must be spent in fiscal years in which the minimum Proposition 98 funding level is not sufficient to fund the prior year funded level adjusted for any deposits or withdrawals from the Account and adjusted for growth and inflation. Pursuant to Proposition 2, a withdrawal of \$37.6 million is projected to be made from the Account in 2020-21.

Under current law, there is a cap on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 Guarantee (approximately \$2.2 billion). Because the balance in 2020-21 is \$486.6 million, school district reserve caps are not required in 2021-22.

SUPPLEMENTAL PENSION PAYMENTS

Local educational agencies will also continue to benefit from the massive \$3.15 billion non-Proposition 98 General Fund payment made on their behalf to the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) Schools Pool. An estimated \$850 million is buying down the employer contribution rates in 2019-20 and 2020-21 and the remaining \$2.3 billion is being paid toward long-term unfunded liabilities. Overall, these payments are expected to save schools \$6.9 billion over the next three decades.

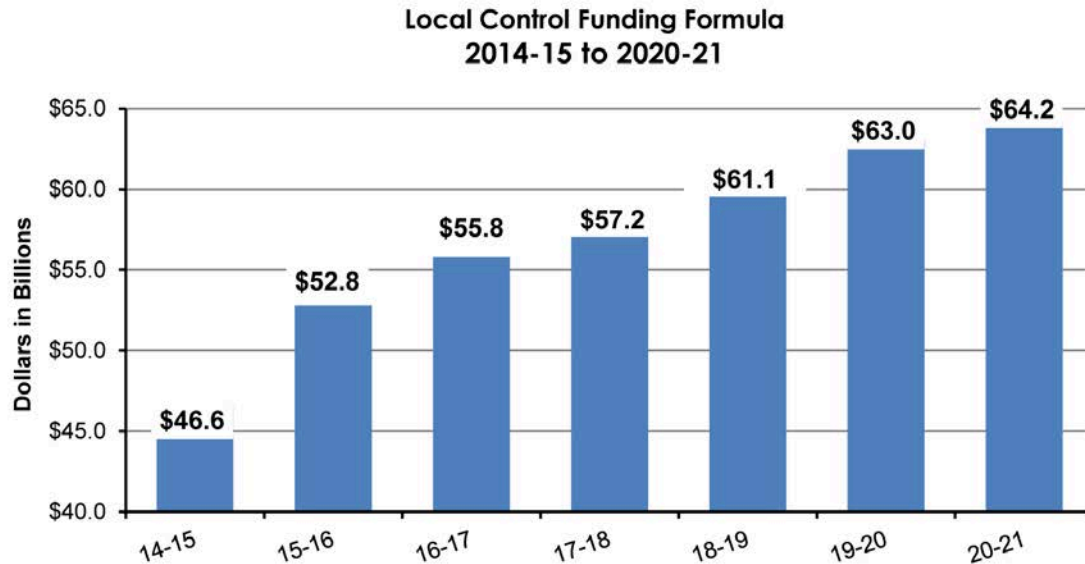
LOCAL CONTROL FUNDING FORMULA (LCFF)

The Administration is committed to funding public schools through the LCFF to support all students, with greater support for students from low-income families, English language learners, and youth in foster care. The formula was designed to account for research and practical experience that indicates that low-income students, English language learners, and youth in foster care often require supplemental services and supports to be successful in school. The formula includes the following major components:

- A base grant for each local educational agency per unit of average daily attendance, including an adjustment of 10.4 percent to the base grant to support lowering class sizes in grades K-3, and an adjustment of 2.6 percent to reflect the cost of operating career technical education programs in high schools.
- A 20-percent supplemental grant for English learners, students from low-income families, and youth in foster care to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5 percent of a local educational agency's base grant, based on the number of English learners, students from low-income families, and youth in foster care served by the local educational agency that comprise more than 55 percent of enrollment.

The county office of education formula includes: (1) a base grant for each county office of education per unit of average daily attendance to support instruction of students who attend community schools and juvenile court schools, and (2) unrestricted funding, inclusive of the resources necessary for administrative and technical support of local educational agencies in developing and approving local accountability plans based on the average daily attendance of all students in the county.

The Budget proposes a \$1.2 billion Proposition 98 General Fund increase for the LCFF, which reflects a 2.29 percent cost-of-living adjustment (COLA), and brings total LCFF funding to \$64.2 billion. Since the enactment of LCFF in 2013, the state has allocated over \$24.6 billion in additional ongoing resources to school districts and charter schools through the formula.



FISCAL ACCOUNTABILITY

As discussed in the prior section, a critical component of the LCFF is the additional funding provided to local educational agencies through supplemental and concentration grants. State law requires that local educational agencies increase or improve services provided to students who generate the grant funds (students from low-income families, English language learners, and youth in foster care) in proportion to the additional funding received, and document these increased or improved services in their Local Control and Accountability Plans (LCAPs), which include local educational agencies' three-year strategic spending plans to improve opportunities and outcomes for students. County superintendents of schools are required to review and approve school district LCAPs, which are developed with input from the local community and displayed on local educational agency websites.

Since the 2013 enactment of the state's educational accountability system, the Legislature and the State Board of Education have taken several actions to improve the LCAP. These include:

- Adoption of an LCAP template to provide consistency and clarity in local budgeting and strategic planning across the state.
- Improvements in the transparency and comparability of the local indicators for school site-level data.

- Development of the electronic template for the LCFF Budget Summary for Parents, which breaks down LCAP budgeting information to help stakeholders better understand local funding decisions.
- Various changes to streamline the LCAP and highlight its most important information, to improve families' ability to use it as a tool and engage in local decision-making.

Despite these reforms, concerns remain regarding the local budgeting of supplemental and concentration grant funds, and whether these funds are benefiting the students that generate them.

To further improve and strengthen LCFF fiscal accountability the Budget proposes \$600,000 one-time Proposition 98 General Fund to:

- Make statewide LCAP information easily accessible to the public through the development of an online LCAP portal. This portal will collect information from local educational agencies across the state using the revised LCAP template adopted by the State Board of Education. The new template includes an expenditure table that shows total LCFF funds expended on actions that increase or improve services for high-need student groups, and requires local educational agencies to identify actions from prior LCAPs that were not implemented as planned, including differences between planned and actual expenditures.
- Co-locate the School Accountability Report Card (SARC) and the LCAP online to make it easier for the public to access and compare both accountability tools.

Once completed, these new systems will provide easier access to statewide data on actions and expenditures included within LCAPs and how investments being made through LCFF are improving opportunities and outcomes for high-need students. Additionally, over the coming months, the Administration will engage in a process to identify potential avenues for strengthening accountability around the requirement for local educational agencies to provide increased or improved services for high-need students, particularly when actions described in an LCAP are not implemented as planned.

IMPROVING STUDENT OUTCOMES

California's education accountability system is built upon state, regional, and local partnerships and driven by a comprehensive set of student performance measures. The foundation for the system is the LCAP, which is created by local educational agencies in collaboration with their communities to support improved student outcomes.

Currently, student achievement across the state is measured using: (1) state test scores in English language arts and math, (2) English language acquisition for students with a home language other than English, (3) chronic absenteeism, (4) graduation rates, (5) suspension rates, and (6) a college/career readiness indicator. The online California School Dashboard displays statewide measures for all public schools, school districts, and county offices of education and breaks out data for more than a dozen student groups, including youth in foster care, homeless youth, students with disabilities, socioeconomically disadvantaged students, and English language learners, as well as by student race/ethnicity.

Data from the 2019 Dashboard highlights that while achievement gaps are narrowing for some student groups, persistent gaps remain. The Dashboard showed the achievement gap closing in various metrics for Latinx students, students with disabilities, low income students, and African American students. For example, African American students showed the largest graduation rate gain among student groups, students with disabilities made the greatest gains in math and English language arts, and gaps narrowed for Latinx students in college/career readiness, English language arts, and high school graduation.

However, students with disabilities, youth in foster care, homeless youth, and African American students are still more likely than their peers to score below the state standard on state English language arts and math tests. Youth in foster care are much more likely than their peers to be suspended from school and much less likely to graduate from high school. Students with disabilities, youth in foster care, and English language learners are less likely than their peers to finish high school ready for college or career.

Building upon the significant investments made in the 2019 Budget Act for special education, educator recruitment and training, early education, and longitudinal data collection, the Budget proposes augmentations to the following areas to target resources and support to programs aimed at closing the academic achievement gap and ensuring that teachers and school leaders have the tools necessary to improve outcomes for all students.

EDUCATOR RECRUITMENT AND PROFESSIONAL DEVELOPMENT

The state has a well documented, long-term, statewide teacher shortage in the areas of special education, science, and math. Certain regions of the state, including rural and high cost of living areas, have been more heavily impacted than others and report difficult hiring fully credentialed teachers regardless of subject matter area. A well-prepared teacher workforce is a significant factor in predicting high student achievement and in closing the achievement gap. Recent studies link poor student outcomes directly with a resulting high proportion of un-credentialed and under-prepared teachers especially in high poverty schools. Most African American students are concentrated in 23 districts that are in the highest poverty schools where there are fewer experienced teachers.

Schools are also finding it difficult to access and retain, at a reasonable cost, the services of educational specialists such as speech pathologists, psychologists, behaviorists, and occupational and physical therapists, whose services are crucial for students with exceptional needs. Additionally, educators and administrators have expressed that they are often unprepared or underprepared to meet the complex social-emotional needs of their students while delivering instruction in the increasingly rigorous curriculum required for students to be successful in the 21st century.

To expand and increase the preparedness of the state's public K-12 teacher and administrator workforce, especially in the state's low-income schools, the Budget allocates approximately \$900 million. This builds on \$147.4 million allocated for grants for students enrolled in a professional teacher preparation program who commit to working in a high-need field at a priority school; training and resources for classroom educators; and professional learning opportunities for public K-12 administrators and school leaders included in the 2019 Budget Act. The Budget proposes the following teacher training initiatives:

PROFESSIONAL DEVELOPMENT AND SUPPORT

- \$350 million one-time Proposition 98 General Fund to augment the funding provided in the 2019 Budget Act for the Educator Workforce Investment Grants, which support competitive grants for professional learning opportunities for teachers and paraprofessionals across the state. This new round of funding will be provided through a competitive process to local educational agencies to conduct training in the following high-need areas:

K-12 EDUCATION

- special education, including inclusive practices, universal design for learning, and dyslexia identification;
 - multi-tiered systems of support and mental health interventions;
 - supporting English language learners;
 - social-emotional learning and restorative practices;
 - non-discrimination, anti-bullying, and affirmative supports for LGBTQ and other marginalized students; and
 - computer science and science, technology, engineering, and math (STEM).
- \$18 million one-time Proposition 98 General Fund for the California Collaborative for Educational Excellence to bolster awareness of available services and supports for all local educational agencies in the topics listed above, to strengthen the capacity of local educational agencies to improve student outcomes in state priority areas.

EDUCATOR RECRUITMENT AND PREPARATION

- \$193 million one-time Proposition 98 General Fund for the Workforce Development Grant Program to address workforce shortages in high-need subjects and areas.
- \$175 million one-time Proposition 98 General Fund to expand the Teacher Residency Program, which supports locally sponsored, one-year intensive, mentored, clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need subject areas in high-need communities.
- \$100 million one-time Proposition 98 General Fund for the California Teacher Credential Award Program for \$20,000 stipends for fully credentialed teachers who complete four years of teaching service in a high-need subject at a high-need school.
- \$64.1 million one-time Proposition 98 General Fund to expand the California Classified School Employees Credentialing Program, which provides grants to K-12 local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

Additionally, the Budget proposes to suspend accreditation fees for institutions of higher education and local educational agencies that administer a teacher preparation program or induction program. The Commission on Teacher Credentialing collects approximately \$800,000 in these fees each year.

SPECIAL EDUCATION

Nationwide, local educational agencies are required by federal law to provide appropriate and comprehensive educational programs for students with disabilities, from ages 3 through 22. However, federal funding for support services for these students does not reflect the rising cost of special education services. Congress has set a goal of 40 percent for the federal share of costs of special education services, but averages only about 10 percent of costs in California. Additionally, the federal government provides the state with only a fraction of the funding necessary to support mandated services for preschool-age children with disabilities.

Recognizing these federal funding deficiencies, the state has significantly augmented funding to local educational agencies for special education services, providing approximately \$4 billion in 2019-20, compared to the federal allocation of \$1.3 billion. While the existing state special education funding formula is an improvement over previous models, the methodology remains complex and administratively costly, with base funding rates varying for Special Education Local Plan Areas (SELPA) across the state and a supplemental patchwork of add-ons with differing allocation formulas and spending restrictions.

As discussed in the previous section, the student academic achievement gap is most pronounced for children with disabilities. Of the student groups with data on the California School Dashboard, students with disabilities have the lowest statewide scores for mathematics, English language arts, and college/career readiness. However, from the 2017-18 school year to the 2018-19 school year, these students increased their scores on average in all of these areas (although the achievement gap for students with disabilities grew during this time as their peers' scores increased more quickly). This indicates a momentum that the state can build upon with targeted investments and policy improvements to support educators in maintaining this progress.

To improve local educational agencies' ability to effectively support students with disabilities, the 2019 Budget Act included a historic increase of \$645 million Proposition 98 General Fund for special education, providing all SELPA) with at least the statewide target rate for base special education funding, and increasing school districts' special education funding based on the number of children ages 3 to 5 years with exceptional needs being served. The continued allocation of these funds was contingent upon the adoption by the Legislature and Administration of reforms to the special education funding formula and special education accountability system as part of the 2020 Budget Act.

K-12 EDUCATION

To this end, in summer and fall 2019, the Administration and the Legislature engaged with researchers and collaborated with stakeholders, including staff from many local educational agencies and SELPAs, to determine best practices and opportunities to improve the state's system of special education. Feedback and findings varied, but there was general agreement that:

- Skillful teaching in inclusive classrooms improves outcomes for all students, not just students with disabilities;
- Needs associated with student mental health and social-emotional issues are becoming more prevalent;
- Many teachers are not fully prepared to adapt curriculum to meet the changing needs of students, especially students with disabilities in a general education classroom;
- Shortages in special education teachers and specialists make providing services more costly, less effective, and difficult to schedule; and
- A clear and consistent message from the state is needed to allow teachers, parents, administrators, and school boards to fully embrace a move towards more inclusive classrooms and eliminate education siloes.

In response to these findings, the Budget proposes a three-phase, multi-year process to improve special education finance, services, and student outcomes.

INITIAL PHASE: INCREASED FUNDING, A NEW FUNDING FORMULA, AND EXPANDED STATEWIDE SUPPORTS

For the 2020-21 fiscal year, the Budget proposes a new special education base formula that uses a three-year rolling average of local educational agency ADA (but still allocated to SELPAs) and includes a 15 percent increase in the Proposition 98 General Fund contribution to the base formula funding over the amount provided in the 2019 Budget Act. Most local educational agencies will see an increase in base funding; however, the approximately 100 local educational agencies with base rates higher than the proposed base rate will be held harmless. The ongoing increase in the base rate is funded with the \$645 million provided in the 2019 Budget Act for base rate increases and funding for preschool-age children with disabilities.

In addition to the new base rate funding formula, the Budget proposes an additional \$250 million ongoing Proposition 98 General Fund based on the number of children ages 3 to 5 years with exceptional needs served. Funding will be allocated on a

one-time basis to school districts based on the number of preschool-age children with disabilities that the district serves. School districts will be required to allocate these funds to increased or improved services.

For the 2020-21 fiscal year, the Budget proposes that all other existing AB 602 special education categorical funding sources remain as in current law until a finalized formula is adopted in future phases.

As discussed in the Educator Recruitment and Professional Development section, the Budget also proposes significant investments in special education professional development and workforce recruitment, including funding for the statewide system of support to provide assistance with special education programs to local educational agencies. Further, the Budget proposes \$500,000 one-time Proposition 98 General Fund for a study of the current SELPA governance and accountability structure, and \$600,000 one-time Proposition 98 General Fund for two workgroups to study improved accountability for special education service delivery and student outcomes.

Finally, the Budget proposes \$4 million one-time Proposition 98 General Fund for dyslexia research, training, and a statewide conference. Nearly 800,000 California students are diagnosed with a learning disability that qualifies them for special education services, with the majority of these students diagnosed with either speech and language delays or specific learning disabilities, including dyslexia. Effective interventions for these students include providing early access to skilled educators that are trained in evidence-based instructional strategies and multi-tiered systems of support.

FUTURE PHASES: FINALIZING THE FUNDING FORMULA, IMPLEMENTING REFORMS, AND IMPROVING SPECIALIZED SERVICES

In future phases, the Administration anticipates (1) finalizing the new special education funding formula to support equity, and more inclusive practices and early intervention services; (2) incorporating changes in statute based on recommendations from the governance and accountability workgroups established in the Budget; (3) pursuing reforms related to family and student engagement, including whole-child and family wrap-around services, and refining funding, accountability, and service delivery for specialized services such as out-of-home placements, non-public school placements, and the State Special Schools; and (4) incorporating recommendations from the Master Plan for Early Learning and Care into the K-12 infrastructure of early intervention services for young children with exceptional needs.

ADDRESSING THE ACHIEVEMENT GAP

To accelerate progress on eliminating the student achievement gap, the state will support school districts in developing innovative initiatives that improve student outcomes. The Budget proposes to build upon the state's existing investments in the statewide system of support that provides assistance to local educational agencies to address systemic issues that lead to poor outcomes for specific student groups.

COMMUNITY SCHOOLS

Conditions associated with poverty, including food insecurity, housing and employment instability, and inadequate health care, create substantial and compounding barriers to learning. Schools alone cannot alleviate all of the negative effects of poverty. However, a research-based strategy with strong evidence of success is the creation of “community schools”, which can mitigate the educational disadvantages associated with poverty and improve students’ attendance, behavior, and achievement by making schools a hub of community resources.

Community schools offer unique models to more efficiently and effectively provide integrated educational, health, and mental health services to students with a wide range of needs. Currently, some county offices of education and school districts support community school initiatives that offer coordinated access to a range of community services, on- or off-campus, including before and after school care.

The Budget proposes \$300 million one-time Proposition 98 General Fund to establish Community School grants for local educational agencies supporting innovative community school models. Specifically, the grants will provide resources to local educational agencies to implement programs aligned with the community school model, including:

- Integrated and coordinated student wrap-around services, including intensive health, mental health, and social services, as well as early screening and intervention for learning and other needs.
- Collaborative leadership and support for educators, including professional development in student mental and behavioral health, trauma-informed care, social-emotional learning, restorative justice, and other key areas.
- Increased family and community engagement, through activities including home visits and school climate surveys.
- Extended learning time and expanded learning opportunities.

OPPORTUNITY GRANTS

In 2019, based on student outcomes from the California School Dashboard, 333 school districts qualified for differentiated assistance from their county office of education. This means that at least one student group in each of these districts failed to make progress on two or more state priority areas. The California Collaborative for Educational Excellence (CCEE), along with specified lead county offices of education, guides the statewide system of support, which is the infrastructure in place in California to assist local educational agencies with finding the root causes of persistent low performance and creating and executing improvement plans to address those causes. Additionally, the CCEE is currently evaluating four school districts with multiple years of no or negative progress with multiple student groups for more comprehensive support and intervention.

The Budget proposes \$300 million one-time Proposition 98 General Fund to: (1) establish Opportunity Grants for the state's lowest-performing schools and school districts, and (2) expand the capacity of the CCEE in its role within the statewide system of support. The grants will pair resources and assistance that grantees receive through the statewide system of support and federal Title I to provide integrated and intensive interventions to close achievement gaps. Funds for the CCEE will be used to: (1) improve the school and school district review process, (2) expand educational leadership training, (3) provide expert assistance to support local improvement plan implementation, and (4) evaluate state and local continuous improvement efforts.

COMPUTER SCIENCE

It is a priority of the Administration that all students in the K-12 public school system are able to access computer science education to provide them with the skills they need to succeed. In an important step toward this goal, the State Board of Education adopted an implementation plan for California's first set of Computer Science Content Standards for K-12 schools in May 2019.

To support the implementation of the new standards, the 2019 Budget Act included investments in STEM and computer science training for teachers, broadband infrastructure, and a new California Computer Science Coordinator. To build upon the momentum created by these investments, the Budget proposes:

K-12 EDUCATION

- \$15 million one-time Proposition 98 General Fund for grants to local educational agencies to support the preparation of approximately 10,000 K-12 teachers to earn a supplementary authorization on their credential to teach computer science.
- \$2.5 million one-time Proposition 98 General Fund for a county office of education within the Statewide System of Support to identify, compile, and share computer science resources for professional development, curriculum, and best practices.
- \$1.3 million one-time non-Proposition 98 General Fund to develop a new UC Subject Matter Project in computer science and \$340,000 non-Proposition 98 General Fund for one cohort of approximately 1,200 educators to participate in the new project.

SCHOOL NUTRITION

State law requires California K-12 public schools to offer at least one nutritionally adequate meal to all income-eligible students each school day. School meals are a primary nutrition safety net for needy students, and research has shown that well-nourished youth are more likely to show up for class, stay in school, and succeed academically.

The federal government provides about \$2.6 billion to California for a variety of school nutrition programs, including the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, the Summer Food Service Program, and the California Fresh Fruit and Vegetable Program. The state augments the federal funding provided for school nutrition programs by approximately \$173 million Proposition 98 General Fund. These funds are disbursed to participating schools in the form of reimbursement for meals served to students whose families are at or below 185 percent of the federal poverty level.

The enactment of the LCFF in 2013 created a new funding incentive for local educational agencies to identify students eligible for free and reduced-price meals, as supplemental and concentration grant funding is allocated to local educational agencies in part based on the number of students eligible for the federal and state nutrition programs. However, there are some local educational agencies that choose not to participate in the federal and state nutrition programs. Anecdotal evidence suggests that their reasons for non-participation include the lack of flexibility in the programs' requirements, and the relatively low rate of reimbursement available.

To improve the quality of subsidized school meals and encourage participation in the state and federal school nutrition programs, the Budget proposes \$60 million Proposition

98 General Fund to increase funding for school nutrition. Additionally, the Budget proposes \$10 million Proposition 98 General Fund to provide training for school food service workers to promote healthier and more nutritious meals. Further, as discussed in the Statewide Issues and Various Departments chapter, the Budget proposes \$10 million non-Proposition 98 General Fund in 2020-21 and \$1.5 million annually thereafter for the California Department of Food and Agriculture to establish a Farm to School Grant Program to support California farmers and expand healthy food access by providing grants to schools.

SCHOOL FACILITIES

PUBLIC PRESCHOOL, K-12, AND COLLEGE HEALTH AND SAFETY BOND ACT OF 2020

Recognizing that the number of applications received by the State Allocation Board exceeded available voter-approved new construction and modernization bond funding, Chapter 530, Statutes of 2019 (AB 48) placed a \$15 billion general obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters. If approved, the Act would provide \$9 billion to support K-12 facilities construction, of which:

- \$5.2 billion would support modernization projects, including \$150 million to support lead in drinking water testing and remediation;
- \$2.8 billion would support new construction projects;
- \$500 million would support charter school construction projects; and
- \$500 million would support career technical education projects.

If the Act is approved by voters, AB 48 reforms the School Facilities Program to more equitably address the changing needs of K-12 school districts and charter schools, better promote energy efficiency, and to address lead in drinking water. The Act also contains provisions to assist school districts affected by natural disasters, and lowers fees to support construction of needed multifamily housing units. Core programmatic revisions include:

- Implementing an equitable formula to compute a school district’s state and local share of the costs for a new construction or modernization project;

K-12 EDUCATION

- Processing new construction and modernization applications on a quarterly basis based upon a specified priority processing order;
- Authorizing school districts to use new construction and modernization funding to provide access to broadband Internet, address seismic deficiencies, construct school kitchens, and construct or modernize transitional kindergarten classrooms, public preschool facilities, and facilities supporting school nurses and counselors;
- Setting aside up to 10 percent of the new construction and modernization funding to specifically support small school district facilities projects and enabling small school districts to reserve bond authority and be eligible for grants to procure technical assistance from specified public agencies; and
- Adjusting and expanding the eligibility provisions for school districts requesting financial hardship assistance.

If voters approve the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 in March of this year, the Administration will revise its proposed K-12 bond investments to address school district lead in drinking water testing and remediation, districts recovering from a natural disaster, and other priority areas not reflected in prior bond acts. The Infrastructure chapter includes additional details regarding the Public Preschool, K-12, and College Health and Safety Bond Act of 2020.

2016 BOND ACT INVESTMENTS

Proposition 51, approved by voters in November 2016, authorized a total of \$7 billion in state general obligation bonds for K-12 schools to be allocated through the School Facilities Program in place as of January 1, 2015. Approximately \$600 million in Proposition 51 bond funds were expended in each of the fiscal years 2017-18 and 2018-19. As in 2019-20, the Budget allocates \$1.5 billion Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in 2018-19.

KINDERGARTEN AND PRESCHOOL FACILITIES

The state has made significant investments in the improvement and expansion of kindergarten facilities, with the goal of moving more programs from part-day to full-day to improve educational outcomes for children and better accommodate working parents. The 2018 and 2019 Budget Acts included a total of \$400 million one-time non-Proposition 98 General Fund for eligible school districts to construct new, or retrofit

existing, facilities for full-day kindergarten programs. Of this amount, roughly \$300 million remains available to support the goal of converting existing part-day kindergarten programs to full-day programs. Funds in this program are prioritized for school districts with high rates of students receiving free and reduced price meals and enable eligible school districts to qualify for financial hardship funding similar to the traditional K-12 facilities program. The Budget proposes dedicating a portion of these funds to support the construction of preschool facilities on school campuses.

Additionally, as discussed in the Early Childhood chapter, the Budget proposes \$75 million Proposition 98 General Fund to expand the Inclusive Early Education Expansion Program. This program was created as part of the 2018 Budget Act and provides funding to local educational agencies to construct or modify preschool facilities to serve students with exceptional needs or severe disabilities. The program received a total of \$177 million in the 2018 and 2019 Budget Acts.

Further, as referenced in the Early Childhood chapter, if the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 is approved by voters in March, the Administration will propose statute authorizing the State Allocation Board to provide a new construction or modernization per-pupil grant enhancement to local educational agencies proposing to construct or modernize facilities to expand preschool programs on school campuses. Participants would be required to use the applicable facility to expand the number of preschool students served by the local educational agency consistent with current preschool staffing standards.

OTHER K-12 BUDGET ADJUSTMENTS

Significant Adjustments:

Local Property Tax Adjustments—An increase of \$7.3 million Proposition 98 General Fund for school districts and county offices of education in 2019-20 as a result of decreased offsetting property tax revenues, and a decrease of \$1.1 billion Proposition 98 General Fund for school districts and county offices of education in 2020-21 as a result of increased offsetting property taxes.

School District Average Daily Attendance—A decrease of \$268.5 million Proposition 98 General Fund in 2019-20 for school districts resulting from a decrease in projected average daily attendance from the 2019 Budget Act, and a decrease of \$175.1 million Proposition 98 General Fund in 2020-21 for school districts resulting from a further projected decline in average daily attendance for 2020-21.

K-12 EDUCATION

Cost-of-Living Adjustments—An increase of \$122.4 million Proposition 98 General Fund to reflect a 2.29 percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.

County Offices of Education—An increase of \$5.7 million Proposition 98 General Fund to reflect a 2.29-percent cost-of-living adjustment and average daily attendance changes applicable to the LCFF.

Fiscal Crisis Management and Assistance Team—An increase of \$695,000 Proposition 98 General Fund for: (1) increased workload related to school districts in fiscal distress and expanded training, and (2) improving staff recruitment.

Instructional Quality Commission—An increase of \$483,000 non-Proposition 98 General Fund on a one-time basis for the Instructional Quality Commission to continue its work on the development of model curriculum and frameworks.

HIGHER EDUCATION

Californians are building the workforce of the future by pursuing educational opportunities, forming regional partnerships, and establishing innovative companies. Higher education represents a key pathway for Californians to access education and training opportunities, develop the skills needed to meet the state's ever-changing workforce needs, and to improve their upward economic mobility. Enabling current and future students to successfully meet their higher education goals and achieve upward economic mobility is critical to creating a California for all. Building upon last year's investments, the Budget proposes continued investments in the state's universities and colleges, enabling them to further increase access to higher education, improve student success and timely degree completion, and close student achievement gaps.

The Budget addresses student cost pressures through California Community Colleges (CCCs) by reducing textbook costs, reducing time to degree completion and transfer, and supporting students' access to food through campus food pantries. The Budget also reflects investments in the University of California (UC) and California State University (CSU), with the expectation that both segments expand access, and continue efforts aimed at graduating more students, closing achievement gaps, meeting the educational needs of students in underserved regions of the state, and improving all students' time-to-degree completion.

OVERVIEW

The Budget proposes total funding of \$36 billion (\$21.2 billion General Fund and local property tax and \$14.8 billion other funds) for higher education. The total reflects growth of approximately \$111 million (an increase of \$376 million General Fund and local property taxes, and a decrease of \$265 million from other funds—largely attributable to one-time capital outlay expenditures) compared to revised 2019-20 expenditures. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

Higher Education Expenditures

(Dollars in Millions)

	2018-19	2019-20	2020-21	Change from 2019-20	
				Dollars	Percent
University of California					
Total Funds ^{1/}	\$9,052.3	\$9,395.5	\$9,520.7	\$125.2	1.3%
Ongoing General Fund	3,475.5	3,724.3	3,942.0	\$217.7	5.8%
One-Time General Fund	267.7	213.9	56.0	-	-
California State University					
Total Funds ^{1/}	\$7,439.8	\$8,026.1	\$7,916.9	-\$109.2	-1.4%
Ongoing General Fund	3,961.3	4,356.9	4,587.4	\$230.4	5.3%
One-Time General Fund	132.8	345.5	\$6.0	-	-
California Community Colleges					
Total Funds	\$15,125.4	\$15,661.7	\$15,801.8	\$140.1	0.9%
General Fund & Property Taxes	10,299.1	10,495.3	10,904.5	\$409.2	3.9%
California Student Aid Commission					
Total Funds	\$2,274.7	\$2,699.7	\$2,677.1	-\$22.6	-0.8%
Ongoing General Fund ^{2/}	1,189.4	1,618.9	1,656.4	\$37.5	2.3%
Other Higher Education ^{3/}					
Total Funds	\$71.8	\$92.7	\$69.2	-\$23.4	-25.3%
Ongoing General Fund	14.6	16.9	21.0	\$4.0	23.9%
One-Time General Fund	6.5	26.1	-	-	-
Total Funds	\$33,964.0	\$35,875.6	\$35,985.7	\$110.1	0.3%
General Fund	\$19,346.8	\$20,797.8	\$21,173.3	\$375.5	1.8%

^{1/} These totals include tuition and fee revenues and other funds the universities report as discretionary.

^{2/} General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately \$1 billion in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.

^{3/} This category includes expenditures for Hastings College of the Law and one-time funds in 2019-20 for the Scholarshare California Kids Investment and Development Savings Program.

FRESNO DRIVE

As referenced in the Jobs and Economy and Statewide Issues and Various Departments chapters, the Budget includes \$50 million one-time General Fund to support the Fresno Developing the Region's Inclusive & Vibrant Economy (DRIVE)

initiative, which proposes Fresno area regional investments focused on improving the economic mobility of Californians living in the region. Specifically, the Budget includes the following investments:

- **Fresno-Merced Food Innovation Corridor**—An increase of \$33 million one-time General Fund for the establishment of an innovation corridor to stimulate research and development, commercialization, and innovation to support advanced sustainable agricultural production and high-quality jobs in the San Joaquin Valley. The Department of Food and Agriculture will work with local educational institutions, the Governor’s Office of Business and Economic Development, and regional partners to prioritize and implement investments for this initiative, including leveraging philanthropic and private support.
- **Fresno Integrated K-16 Education Collaborative**—An increase of \$17 million one-time General Fund to support a plan to design educational pathways to improve social and economic mobility in the greater Fresno region. The project will increase educational attainment and economic mobility by building an efficient path for students in the region, from secondary school through college, and into jobs in high-wage, high-growth sectors.

CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the nation, serving roughly one-quarter of the nation's community college students, or approximately 2.1 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 115 campuses, and 78 educational centers. In 2018-19, the CCCs awarded over 98,000 certificates and 186,000 degrees and transferred over 103,000 students to four-year institutions.

CONTINUED IMPLEMENTATION OF THE STUDENT-CENTERED FUNDING FORMULA

The Budget continues supporting student success and closing longstanding achievement gaps in the CCC system. The Student-Centered Funding Formula was established in the 2018 Budget Act to address the shortcomings of a decades-old, enrollment-based apportionments formula by better prioritizing student access and success. The 2019 Budget Act included several refinements to provide more stability for colleges under the formula, including awarding funding for a student’s highest outcome earned for specified student success metrics, directing the CCC Chancellor’s

HIGHER EDUCATION

Office to recalculate the Student-Centered Funding Formula rates, and specifying that those rates be reflected in statute for the 2020-21 fiscal year.

Recognizing that the formula is in the second year of implementation, the Budget proposes no further refinements to the formula in fiscal year 2020-21. The Chancellor's Office is continuing to make improvements to its data collection and implementation plan to improve the accuracy of the data reported by districts for planning purposes. Additionally, the Funding Formula Oversight Committee recently recommended that the Administration and Legislature include a metric reflecting first-generation college students within the funding formula. The Administration supports this recommendation, but recognizes that incorporating this metric first requires the collection of first-generation student data that aligns with the Committee's recommended definition of a first-generation college student. The Administration expects the Chancellor's Office to develop guidance and collaborate with CCC districts to collect this data for inclusion in the formula.

The Administration also encourages the Chancellor's Office to work with districts and colleges to implement best practices that increase student access to financial aid under the federal Pell grant and the California College Promise Grant, which, in addition to allowing colleges to maximize resources under the formula's supplemental allocation, provides additional resources to students to support the costs to attend college.

EXPANDING AND SUPPORTING APPRENTICESHIP OPPORTUNITIES

The CCCs are central to training and developing the skilled workforce needed for the state to meet its ever-changing workforce needs, and the state must prepare students with the skills needed by employers not only today but into the future. The Budget includes \$83.2 million Proposition 98 General Fund to support the following apprenticeship investments:

- \$15 million Proposition 98 General Fund to augment the California Apprenticeship Initiative, which supports the creation of apprenticeship opportunities in priority and emerging industry sectors.
- \$20 million one-time Proposition 98 General Fund to expand work-based learning models and programs at community colleges, including working with faculty and employers to incorporate work-based learning into curriculum.

- \$48.2 million Proposition 98 General Fund, of which \$20.4 million is one-time, to support projected growth in reimbursable apprenticeship instructional hours.

STREAMLINING SUPPORT AND TECHNICAL ASSISTANCE

The state has historically provided funding to support systemwide technical assistance set-asides and systemwide initiatives to further the development, implementation, and evaluation of various community college categorical programs and initiatives. Many of these supports and initiatives have been established independently of one another, leading to a patchwork of supports and technical assistance for colleges that are not well-coordinated and that may not address the CCC's most pressing needs for technical assistance.

To further the coordination and delivery of systemwide technical assistance and systemwide initiatives, the Budget proposes consolidating the technical assistance set-asides for several categorical programs and several systemwide initiatives into a new California Community Colleges System Support Program. The program would provide for the enhanced coordination and delivery of systemwide technical assistance or systemwide initiatives to meet the CCC's evolving needs.

Other significant adjustments:

- CCC State Operations Support—An increase of \$166,000 non-Proposition 98 General Fund for one position for continued support of the Chancellor's Office's accounting operations.
- Staffing for Working Group on Community College Athlete Compensation—An increase of \$700,000 one-time non-Proposition 98 General Fund for the CCC Chancellor's Office to contract with an external organization to staff a working group on a community college athlete's use of the athlete's name, image, and likeness for compensation, pursuant to Chapter 383, Statutes of 2019 (SB 206).
- Apportionments Cost-of-Living Adjustment—An increase of \$167.2 million Proposition 98 General Fund for a 2.29-percent cost-of-living adjustment.
- Apportionments Enrollment Growth—An increase of \$31.9 million Proposition 98 General Fund available for enrollment growth.
- Apprenticeship Programs—An increase of \$83.2 million Proposition 98 General Fund for the following investments:

HIGHER EDUCATION

- \$48.2 million Proposition 98 General Fund, of which \$20.4 million is one-time, to support projected increases in apprenticeship instructional hours.
- \$15 million Proposition 98 General Fund to augment the California Apprenticeship Initiative to support the creation of apprenticeship opportunities in priority and emerging industry sectors.
- \$20 million one-time Proposition 98 General Fund to expand access to work-based learning models and programs at community colleges.
- Faculty Support—An increase of \$15 million one-time Proposition 98 General Fund for a pilot fellowship program for improving faculty diversity at community colleges and an increase of \$10 million one-time Proposition 98 General Fund for part-time faculty office hours.
- Food Pantries—An increase of \$11.4 million Proposition 98 General Fund to establish or support food pantries at community college campuses.
- Zero-Textbook-Cost Degrees—An increase of \$10 million one-time Proposition 98 General Fund to develop and implement zero-textbook-cost degrees using open educational resources.
- Legal Services—As referenced in the Health and Human Services chapter, an increase of \$10 million Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff on community college campuses.
- Dreamer Resource Liaisons—As referenced in the Health and Human Services chapter, an increase of \$5.8 million Proposition 98 General Fund to fund Dreamer Resource Liaisons and student support services, including those related to career pathways and economic mobility, for immigrant students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645).
- Instructional Materials for Dual Enrollment Students—An increase of \$5 million Proposition 98 General Fund for community colleges to provide instructional materials for dual enrollment students.
- Local Property Tax Adjustment—A decrease of \$191.1 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- CCC Facilities—An increase of general obligation bond funding of \$27.6 million for 24 new capital outlay projects. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51. Construction funding for continuing projects will be considered consistent with project schedules.

- 2020 Bond Act—Chapter 530, Statutes of 2019 (AB 48) places a \$15 billion general obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters, of which \$2 billion will fund CCC facilities. If the Act is approved, these additional resources will be available to fund CCC projects with a focus on the most critical to the system's reported capital needs and toward projects that have appropriate local matching resources.

CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll approximately 410,000 students. In 2018-19, the CSU awarded 127,400 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU is striving to better fulfill its mission through the Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an especially important institution for providing four-year education in some of the most underserved region of the state, including the Far North, the Central Valley, and the Inland Empire.

The Budget includes a five-percent increase in base resources, or \$199 million ongoing General Fund, to support the CSU's operational costs, expand CSU enrollment, and further achieve the goals of the CSU's Graduation Initiative 2025. In addition, the Budget includes \$6 million one-time General Fund to support the development or expansion of degree and certificate completion programs via the Extended and Continuing Education programs, with a focus on online programs.

These investments are provided with the expectation that CSU will continue to improve college affordability, support additional student enrollment at the most impacted campuses and programs, and continue making progress towards the goals of Graduation Initiative 2025, including improving degree completion of underrepresented groups.

GRADUATION INITIATIVE 2025

The CSU Graduation Initiative 2025, adopted by the Board of Trustees in 2016, commits the CSU to increasing the four-year graduation rate to at least 40 percent, increasing

the two-year graduation rate to at least 45 percent, and closing achievement gaps between different groups of students by 2025.

The CSU continues to make significant strides to meet these goals. The 2018-19 academic year resulted in a record high number of graduates, the highest ever four-year graduation rate for first-time students, and the highest ever two-year graduation rate for transfer students. The Administration expects the CSU to continue supporting the underlying goals of the Graduation Initiative, which will better improve students' timely degree completion and reduce students' total degree costs, and to focus on reducing equity gaps in degree completion by roughly one-fifth of the gap, consistent with CSU's broader commitment to equity.

EXTENDED AND CONTINUING EDUCATION FOR DEGREE COMPLETION

Millions of Californians have some college credits, but have not completed a degree, and are not currently enrolled in a higher education institution. To better enable these students to complete their degree or certificate program, the Budget includes \$6 million one-time General Fund to develop or expand degree and certificate completion programs through CSU Extended and Continuing Education programs, with a focus on the development of online programs. Providing additional options for those seeking to complete their degree or certificate will provide further opportunities to improve their long-term economic and social mobility.

Other significant adjustments:

- **Ongoing Base Growth**—An increase of \$199 million ongoing General Fund, which represents an increase in base resources of five percent, with the expectation that these funds will be used to support the University's operational costs, expand student access, and support continued progress toward achieving the goals of the Graduation Initiative 2025.
- **Expanded and Continuing Education**—An increase of \$6 million one-time General Fund to support the development and expansion of degree and certificate completion programs, with an emphasis on online programs.
- **Summer Financial Aid Program**—The Budget shifts the suspension date for the CSU Summer Financial Aid program from December 31, 2021 to June 30, 2023. The suspension would be lifted if the Administration determines through the 2023 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

- 2020 Bond Act—Chapter 530, Statutes of 2019 (AB 48) places a \$15 billion general obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters. If the Act is approved by voters, the Board of Trustees of the CSU would be required to adopt five-year campus plans that reflect specified affordable student housing information and goals. The Trustees would be required to consider several key inputs, including a campus’s affordable student housing plan, when determining whether to request state funding for a project, and \$2 billion in state General Obligation bonds would be allocated to support CSU projects. Further, if the Act is approved, the Administration will submit a CSU bond investment proposal to the Legislature to support proposed CSU projects that would address critical fire and life safety issues, seismic deficiencies, and critical deferred maintenance.

UNIVERSITY OF CALIFORNIA

The UC offers formal undergraduate and graduate education, is the public segment authorized to independently award doctoral degrees, and is designated as the state’s primary academic agency for research. Its 10 campuses enroll more than 280,000 students. In 2018-19, the UC awarded nearly 77,700 degrees. An additional 400,000 students participate in continuing education programs through the UC extension centers.

The Budget proposes a \$217.7 million ongoing General Fund augmentation to support a five-percent General Fund increase in base resources for UC campuses and the Division of Agriculture and Natural Resources; expanded enrollment and operational funding at the UC Riverside School of Medicine; service expansion for the UC San Francisco School of Medicine Fresno Branch Campus in partnership with UC Merced; the Center for Public Preparedness Multi-Campus Research Initiative; and baseline adjustments for immigrant legal services and graduate medical education.

In addition to this ongoing funding, the Budget proposes \$55.3 million one-time General Fund to develop a grant program for animal shelters, to support degree and certificate completion programs at UC extension centers, and to develop a UC Subject Matter Project in computer science.

These investments are provided with the expectation that UC will continue to focus on maintaining college affordability, increasing student access, improving timely degree completion, and reducing achievement gaps.

STUDENT ACCESS

UC indicates it will use funding provided in the 2019 Budget Act to serve approximately 3,200 additional resident undergraduate students in fiscal year 2019-20, and 1,600 additional resident undergraduate students in fiscal year 2020-21. The Administration expects the UC to use a portion of the flexible resources included in the Budget to further increase resident undergraduate enrollment in fiscal years 2020-21 and 2021-22.

To expand medical school enrollment and support medical school operating costs in specified regions of California with a critical shortage of medical professionals, the Budget includes \$25 million ongoing General Fund to expand enrollment and increase operational support for the UC Riverside School of Medicine, and \$15 million ongoing General Fund to expand the UC San Francisco School of Medicine Fresno Branch Campus in partnership with UC Merced.

DEGREE COMPLETION

Millions of Californians have some college credits and no degree, and are not currently enrolled in a college or university. Building upon a one-time \$15 million investment made in the 2019 Budget Act to support degree and certificate completion through UC extension, the Budget provides \$4 million one-time General Fund to support degree and certificate completion programs at UC extension centers, with a focus on the development of online programs. These funds will provide additional, flexible options for Californians to complete advanced credentials, improving their long-term economic and social mobility.

Other significant adjustments:

- **Base Growth**—An increase of \$169.2 million ongoing General Fund, which represents an increase in base resources of five percent, with the expectation that these funds will be used to increase undergraduate enrollment, and to support operational costs and student support services.
- **Agriculture and Natural Resources**—An increase of \$3.6 million ongoing General Fund, which represents an increase in base resources of five percent, to support operational costs for the Division of Agriculture and Natural Resources.

- Collaborative Research for Emergency Preparedness—An increase of \$3 million ongoing General Fund to support the UC San Diego Center for Public Preparedness Multi-Campus Research Initiative.
- Graduate Medical Education—An increase of \$2.3 million General Fund, of which \$1.6 million is ongoing, to offset declining Proposition 56 revenue supporting a statewide grant program to expand the number of available graduate medical residency slots.
- Grants for Animal Shelters—An increase of \$50 million one-time General Fund for the UC Davis Koret Shelter Medicine Program to develop a grant program for animal shelters. As referenced in the chapter on Statewide Issues and Various Departments, this program will provide expertise, support, and local assistance over a five-year period to help local communities achieve the state's policy goal that no adoptable or treatable dog or cat should be euthanized.
- UC Extension—An increase of \$4 million one-time General Fund for degree and certificate completion programs through UC extension centers, with a focus on the development of online degree completion programs.
- UC Subject Matter Project—An increase of \$1.3 million one-time General Fund to develop a UC Subject Matter Project in computer science and support an initial cohort of K-12 computer science educators.
- Summer Financial Aid Program—The Budget shifts the suspension date for the UC Summer Financial Aid program from December 31, 2021 to June 30, 2023. The suspension would be lifted if the Administration determines through the 2023 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- 2020 Bond Act—Chapter 530, Statutes of 2019 (AB 48) places a \$15 billion general obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters. If the Act is approved by voters, the UC Regents would be required to adopt five-year campus plans that reflect specified affordable student housing information and goals. The Regents would be required to consider several key inputs, including a campus's affordable student housing plan, when determining whether to request state funding for a project, and \$2 billion in state General Obligation bonds would be allocated to support UC and Hastings College of the Law projects. Further, if the Act is approved, the Administration will submit a UC bond investment proposal to the Legislature to support proposed UC projects that would address critical fire and life safety issues, seismic deficiencies, and critical deferred maintenance.

CALIFORNIA STUDENT AID COMMISSION

Administered by the California Student Aid Commission, the state's primary financial aid program is the Cal Grant Program. The Cal Grant entitlement program provides financial aid awards to students who meet specified eligibility criteria, and who attend one of the state's qualifying public institutions or independent and private institutions. Students who are ineligible for the Cal Grant entitlement program can compete for financial aid awards available through the Cal Grant competitive program.

The Budget assumes total financial aid expenditures of \$2.7 billion, of which \$2.6 billion supports the Cal Grant Program and Middle Class Scholarship. In 2018-19, over 147,000 students received new Cal Grant awards, and over 223,000 students received renewal awards.

IMPROVING COLLEGE AFFORDABILITY

The state's Cal Grant entitlement program is estimated to provide over 391,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2019-20. Of these awards, 41,000 competitive Cal Grant awards are annually available to students who demonstrate financial need, but do not meet all of the criteria to receive an entitlement award. The majority of Cal Grant awards provide a stipend to cover some living expenses, such as housing, food, and transportation. However, many students still struggle to afford the total costs of attending a higher education institution in California. The Budget includes CCC investments that are aimed at reducing textbook costs, reducing time-to-degree completion and transfer, and supporting students' access to food through campus food pantries.

The California Student Aid Commission recently convened a statewide workgroup to explore how the state's financial aid programs can best serve the needs of students and address the total cost of attendance of California's higher education institutions. The Administration expects the workgroup to consider strategies to mitigate the underlying drivers of non-tuition costs.

STUDENT LOAN AND DEBT SERVICE OUTREACH

Existing financial aid programs, including student and family loan programs, are intended to subsidize the cost of higher education, making these institutions more accessible. However, these programs can be difficult to understand and often cause

people to forego loans or accept sub-optimal terms or repayment plans. This often causes student loan debt, which once functioned as a temporary bridge or provided a reasonable method to afford college, to be viewed as a significant financial barrier, and lead to some students rejecting available loan aid.

The Budget includes \$5 million one-time General Fund to support the convening of a student loan working group and to provide student loan outreach. The workgroup will explore administrative strategies and concepts to better ensure students are able to access the most beneficial loan programs, repayment plans, and debt service forgiveness programs. This allocation would support the development of an informational website reflecting all available state and federal loan repayment plans, as well as information regarding local workshop opportunities that borrowers could attend to obtain assistance in understanding federal loans and federal loan repayments. This allocation would also support grants to public colleges and universities to notify borrowers of all available state and federal loan repayment options.

Other significant adjustments:

- Cal Grant Program Costs—A decrease of \$160.8 million in 2019-20 and \$63 million in 2020-21 to reflect a decrease in the number of new and renewal awardees in 2019-20 and 2020-21.
- Temporary Assistance for Needy Families (TANF) Reimbursements—A decrease of \$60.1 million in federal TANF reimbursements in 2020-21, which increases General Fund support for the Cal Grant program by an equal amount.
- Cal Grant Access Awards for Student Parents—An increase of \$21.6 million General Fund to reflect an increase in the number of estimated recipients in 2020-21.
- Tuition Award for Students at Private Nonprofit Institutions—The Budget assumes that independent institutions, as a sector, will meet the Associate Degrees for Transfer acceptance requirements needed to maintain the maximum Cal Grant tuition award at \$9,084 for students attending these schools. The Association of Independent California Colleges and Universities, which represents most of these institutions, will report on the sector's progress toward the goal in April 2020.
- Grant Delivery System—An increase of \$5.3 million General Fund to fund the third year of project costs for the Grant Delivery System Modernization Project.
- Student Loan Debt Service Workgroup and Outreach—An increase of \$5 million one-time General Fund to convene a workgroup to analyze student loan borrowing and loan repayment patterns, develop an outreach initiative to educate student

loan borrowers about their loans, lending practices, and available repayment options, and provide grants to public universities to inform current and former borrowers of currently available loan repayment options.

HASTINGS COLLEGE OF THE LAW

Hastings College of the Law is affiliated with the UC system, but is governed by its own Board of Governors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also has a Master of Laws program and a Master of Studies in Law program. In 2018-19, UC Hastings enrolled 964 full-time equivalent students. Of these, 940 were Juris Doctor students.

Other significant adjustment:

- Base Growth—An increase of \$1.4 million ongoing General Fund for operational costs.

CALIFORNIA STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information, and provides critical assistance to the libraries across the state. Additionally, the Library administers programs funded by state and federal funds to support local and public library programs.

Other significant adjustments:

- Lunch at the Library—An increase of \$1 million one-time General Fund for library districts to develop summer meal programs for students in low-income communities.
- Online Service Systems (Zip Books)—An increase of \$1 million one-time General Fund to support the online purchase and delivery of library books through the Zip Books Program. This no-cost service is an alternative to traditional interlibrary loan and enables library patrons to more efficiently request and receive books not available at their local library.
- Braille Institute of America in Los Angeles—An increase of \$500,000 ongoing General Fund to support services provided by the Braille Institute of America in Los Angeles.

- Statewide Library Broadband Services Augmentation—An increase of \$170,000 ongoing General Fund for continued participation in the Corporation for Education Network Initiatives in California.

HOMELESSNESS

Homelessness in California is no longer confined to urban corridors. It is now present in both urban and rural communities throughout the state and puts stress on public resources from emergency rooms to jails and public works departments. It is a complex social services problem and must be combatted at its root causes, which is why the Budget introduces several new strategies to complement the sizable investments to address this complicated problem.

The Budget proposes a radical shift in the state's involvement to augment local governments' efforts to shelter the many unsheltered persons living in California, by launching a new state fund for developing additional affordable housing units, supplementing and augmenting rental and operating subsidies, and stabilizing board and care homes. The Administration is asking the Legislature to take early action to establish this fund so that it can expedite the contracts and be ready to deploy investments this summer.

The Budget also proposes the Medi-Cal Healthier California for All initiative that will transform the state's Medi-Cal program to better serve people experiencing or at risk of homelessness who have serious health issues through enhanced case management and expanded investments in social determinants of health, like housing and social services. The Administration will also work to reform the state's behavioral health system, including making changes to the Mental Health Services Act (Proposition 63) to better serve persons experiencing mental illness and homelessness.

RECENT INVESTMENTS

Building on the 2018 Budget Act that provided \$500 million in emergency aid and support funding to local governments, targeted to fund capital improvements, such as creating emergency shelters and transitional housing, and establish or expand homeless prevention activities, the 2019 Budget Act invested \$1 billion to address homelessness. This included \$650 million in emergency aid to local governments and hundreds of millions of dollars for expanded health and social services targeted to homeless individuals and individuals at risk of becoming homeless. Other investments from the 2019 Budget Act are outlined as follows:

- \$120 million one-time General Fund to expand existing whole person care pilot programs that provide housing services, and for new whole person care-like pilots in counties that did not have existing programs.
- Major investments to expand the state's mental health workforce, including \$50 million one-time General Fund to increase training opportunities in existing mental health workforce programs administered by the Office of Statewide Health Planning and Development, and \$35 million one-time General Fund and \$25 million one-time Mental Health Services Fund to implement the new 2020-25 Workforce Employment Training Five-Year Plan.
- \$25 million one-time General Fund for the Bringing Families Home program, a county-matching grant program focused on reducing homelessness among families who are part of the child welfare system, and \$25 million ongoing General Fund for counties to assist eligible homeless individuals to seek out disability benefits from relevant programs.
- \$20 million General Fund for legal assistance for eviction prevention or other tenant defense assistance in landlord-tenant rental disputes, particularly for the homeless, indigent, disabled, elderly, and victims of domestic violence.
- \$19 million ongoing General Fund to the University of California, the California State University, and the California Community Colleges to support rapid rehousing of homeless and housing-insecure students.

Furthermore, the state substantially strengthened core safety-net programs including increasing cash assistance for low-income families (California Work Opportunity Responsibility for Kids), and permanently granting food stamp eligibility for low-income aged, blind and disabled persons receiving Supplemental Security Income/State Supplementary Payments. The state also expanded eligibility and benefits in

the Medi-Cal program that provides health care coverage to most of the state's indigent adults, including behavioral health services.

IMMEDIATE ACTIONS

Recent nationwide data released by the U.S. Department of Housing and Urban Development show that the homeless population continues to grow in California and across the nation, making additional investments critical and timely. In early January 2020, the Governor issued an executive order to take urgent actions to provide additional state aid to support local governments in addressing this crisis. The state will deploy state assets to specific counties, in partnership with philanthropy, to augment local shelter capacity. The Administration will also send out multi-agency strike teams to assist cities and counties in moving individuals from encampments into shelters and connecting them to services. The Administration is also partnering with local researchers to direct a study to better understand the root causes of the state's homelessness crisis.

These efforts will complement and build on solutions being crafted locally through the 100-Day Challenge the Governor issued to local governments in December 2019. These challenges are designed to bring communities together to collaborate, innovate, and execute a coordinated community response to address homelessness issues. The goal is to translate these actions into sustainable, scalable, long-term strategies that reduce homelessness.

To date, a number of California jurisdictions have already expressed interest in accepting this challenge. The Administration is encouraging more cities and counties to take immediate action by accepting their own 100-Day Challenges to end homelessness for specific targeted populations, such as veterans or youth, using funds provided in the 2018 and 2019 Budget Acts. Participating entities will receive additional technical assistance through the Homeless Coordinating and Financing Council to assist with these efforts and develop sustainable models. The state will also assist local communities in seeking philanthropic support for these 100-Day Challenges.

These efforts will be expedited by statutory changes made last year that streamlined construction of low-barrier navigation centers by exempting these types of structures built on public land from California Environmental Quality Act review.

The state is also leveraging its property to provide new assets to help address the state's homelessness crisis. The state has recently partnered with Los Angeles, San Jose, and San Francisco, to use highway underpasses and other California Department of

Transportation (Caltrans) properties adjacent to highways and state roads for temporary homeless housing, and the Governor has directed Caltrans to share a model template with all other jurisdictions in the state to expedite additional partnerships.

The Governor had previously directed the Department of General Services (DGS) to identify state-owned land that could be used for affordable housing development. The Governor has also directed DGS to immediately identify state-owned land that can be used for temporary shelters or permanent supportive housing. These state-owned properties can be leased more quickly and will be prioritized for funding from the new fund. The advantage of building on state property is a reduction in time it takes to develop projects because they do not need to go through local zoning and permitting process, thereby reducing overall project costs.

CALIFORNIA ACCESS TO HOUSING AND SERVICES FUND

The strategies outlined above are significant and are producing results. More homeless infrastructure is being built, but the state still has a severe shortage of affordable and supportive housing units. Furthermore, funding for housing and rental subsidies are generally limited to federal Housing Choice vouchers, where many jurisdictions have severe shortages and long waitlists. Other rental subsidies are either one-time or limited to populations in specific programs like the CalWORKs program, creating a patchwork of funding streams. To address these shortfalls, the Budget proposes a new state fund to provide additional rental subsidies and develop new, affordable housing units, and stabilize board and care homes.

The Budget includes \$750 million one-time General Fund to establish the California Access to Housing and Services Fund that will be administered by the state's Department of Social Services. The primary goals of the proposed Fund are to reduce homelessness by moving individuals and families into stable housing, and to increase the number of units available as a stable housing option for individuals and families who are homeless or at risk of becoming homeless. This approach represents a radical shift in the state's involvement to house the many unsheltered persons in California.

The Fund will flow through performance-based contracts between the state and regional administrators and will be subject to a 10-percent administrative cap. Regional administrators will provide short- and long-term rental subsidies, make small and medium-sized contributions to encourage development of new units in exchange for a rental credit, and stabilize board and care facilities by funding capital projects and/or operating subsidies. The Fund will also be used to engage with landlords to

secure units and negotiate individual client leases, provide tenancy support services, and coordinate case management with counties for those receiving rental subsidies to ensure they are enrolled in eligible public assistance programs. To the extent feasible, state funding will be coupled with the use of state properties to expedite the development of more affordable and supportive housing.

The Fund will also enable regional partners to pool federal, state, local, and private funds to stabilize the housing circumstances of the state's most vulnerable populations. Several jurisdictions, including Los Angeles, Santa Barbara, and Berkeley, have a similar fund where administrators leverage dollars to connect people to housing, provide financial supports to keep people in their homes, and increase affordable housing capacity.

OTHER EFFORTS TO REDUCE HOMELESSNESS

MEDI-CAL HEALTHIER CALIFORNIA FOR ALL

Medi-Cal Healthier California for All is a major effort proposed in the Budget to transform the state's Medi-Cal program. In addition to broad delivery system, program, and payment reforms across the Medi-Cal program, the proposal will focus on people experiencing or at risk of homelessness.

The initiative is designed to move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility, identifying and managing member risk and need through whole person care approaches, and addressing social determinants of health, such as housing and social services. The changes being pursued will position the Medi-Cal system to better connect individuals to the services they need, with a specific focus on improving care to individuals experiencing homelessness and/or substance use disorders, and individuals who are involved in the justice system. The Budget also includes funding to support counties in implementing the changes necessary for transformation of the county-run behavioral health and substance use disorder system. See the Health and Human Services chapter for additional information.

BEHAVIORAL HEALTH

The Administration is also focused on improving outcomes of the state's behavioral health system through a number of initiatives that improve the integration and parity of behavioral health treatment with physical health. The Administration is furthering these efforts by establishing a Behavioral Health Task Force that will bring together relevant state departments, counties, advocates, health plans, providers, and other

HOMELESSNESS

stakeholders to review existing policies and programs and coordinate system changes to prevent and respond to the impacts of mental illness and substance use disorders in California communities. The Administration will also work to reform the Mental Health Services Act (Proposition 63) to better focus on people with mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention of children. See the Health and Human Services chapter for additional information.

EXPANDING COMMUNITY TREATMENT OF THE INCOMPETENT TO STAND TRIAL POPULATION

The Budget proposes to implement a six-year Community Care Collaborative Pilot program in three counties to provide incentives to treat and serve individuals deemed incompetent to stand trial (IST) in the community. This program will primarily target the development of community-based treatment options for individuals who are experiencing mental illness and are homeless. This program will increase local investments in strategies to reduce the rate of arrests, rearrests, and cycling in and out of institutions for individuals who have been deemed incompetent to stand trial. The Budget also includes additional investments in treatment programs in the State Hospitals that will improve outcomes and transitions for individuals leaving the State Hospital system. See the Health and Human Services chapter for additional information.

HOUSING

After decades of underproduction, Californians now face a staggering housing crisis—not enough supply to match need and skyrocketing housing and rental costs. Affordability issues, once confined to coastal and urban regions, are now a problem across the state. When housing costs are accounted for, California has one of the highest poverty rates in the nation. Half of all renters are rent-burdened, meaning they spend more than 30 percent of their income toward housing. Nearly a third of all renters are severely rent-burdened, spending more than half of their income toward housing. Many must make the decision to pay for housing at the expense of basic necessities like health care and food, and many are one emergency away from losing their home. A lack of affordable housing directly contributes to increased homelessness.

Ultimately, local governments are responsible for land use decisions—including planning, zoning, and permitting for housing. A lack of adequate planning for housing, lengthy local review processes, and other local decisions have created barriers to building more housing. These barriers add to already significant development costs.

To address this problem and encourage local jurisdictions to build more, the state has provided a variety of tools to local governments so they can fulfill their housing responsibilities, including legislation to streamline the development process and technical assistance for local governments to plan for needed housing. More recently, the state has provided significant funding. The state will continue to play an active role so that necessary affordable and mixed income housing is being built across the state.

RECENT ACTIONS AND INVESTMENTS

Recent state investments include a dedicated ongoing revenue source for affordable housing through a real estate transaction fee. Estimated annual revenues from this fee are about \$289 million. Additionally, voters approved a \$4 billion housing bond pursuant to Chapter 365, Statutes of 2017 (SB 3), which will finance various existing housing programs, including infill infrastructure grants and the Multifamily Housing program, with \$1 billion to provide housing purchase assistance for veterans. And beginning in 2014, the state began investing 20 percent of Cap and Trade auction proceeds (around \$468 million in 2020-21) in the Affordable Housing and Sustainable Communities program to fund land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas emissions.

The 2019 Budget Act made a historic investment of \$1.75 billion in resources to support efforts to build, bolster, and accelerate housing production statewide. This included \$250 million for technical assistance and planning, \$500 million for infrastructure grants, \$500 million to finance the production and preservation of low- and moderate-income housing, and \$500 million to expand the state's housing tax credits. These investments are intended to jumpstart production as well as assist in the preservation of low and moderate income housing across the state.

To date, a portion of these investments have assisted over 12,000 new first-time home buyers. In February 2019, the first tranche of funding (\$40 million) from the new real estate transaction fee for the state's mixed income program was awarded and has closed construction financing on the development of 240 new multi-family units for seniors. An additional 1,000 units that were awarded funding are expected to begin construction in the upcoming summer. And for the first time in two decades, the large infusion of new state low-income housing tax credits will result in full utilization of federal private activity bonds.

Development fees are assessed by local governments to fund vital services, including schools, utilities and transportation. While they are a normal part of doing business, these fees are especially high in California and have contributed to the state's higher housing costs. Total development fees in California can exceed \$150,000 per unit, substantially increasing the cost of new housing. To promote the development of new housing, Chapter 530, Statutes of 2019 (AB 48) places a \$15 billion general obligation bond for school construction before the voters this spring. This bond includes provisions to promote the development of housing by bringing stability to school development fees until January 1, 2026. Specifically, the changes exempt multi-family housing

developments within one-half mile from a major transit stop from all school development fees and reduce school development fees applicable to all other multi-family housing projects by 20 percent.

The 2019 Budget Act recognized the need to create stable housing among renters and included \$20 million one-time General Fund for legal services. These services include pre-eviction and eviction legal services, counseling, and renter education. Funding for these services will help protect renters' legal rights and mitigate evictions across the state. Subsequent to the 2019 Budget Act, the state passed the strongest renter protection package in the nation. This package addresses two of the key causes of the housing crisis—price gouging and evictions. Beginning January 1, 2020, annual rent increases may not exceed five percent, plus inflation, and renters are protected from discriminatory and retaliatory evictions without cause.

Pursuant to Chapter 669, Statutes of 2019 (SB 113) and the appellate opinion in *National Asian American Coalition v. Newsom*, the Administration is exploring, with input from stakeholders, ways to establish and manage a trust to provide sustainable, ongoing legal assistance to California renters and homeowners in housing-related matters. In accordance with SB 113 and the court decision, \$331 million has been deposited into the National Mortgage Special Deposit Fund. After the funds are transferred to and managed in the trust, the trust will support local nonprofit programs to avoid preventable foreclosures by providing borrower relief and assist housing counselors or other legal aid agencies in representing renters in housing-related matters.

ECONOMIC DEVELOPMENT TOOLS

In addition to these investments, the 2019 Budget Act included statutory changes to make economic development tools more accessible for local governments. Changes were made to streamline the process for local governments to issue debt to finance infrastructure and facilitate housing development. This is to encourage the formation of more Enhanced Infrastructure Financing Districts, which will assist local governments by bringing in vital capital to develop necessary infrastructure and housing. Moreover, this capital can be paired with federal Opportunity Zones, leveraging even more investments for local governments.

INNOVATIVE AFFORDABLE HOUSING PROJECTS ON EXCESS STATE PROPERTY

As housing prices rise and affordability declines, the state, local jurisdictions, and developers must think differently and creatively. In January 2019, the Governor issued an innovation challenge inviting developers to pursue streamlined demonstration projects leading to affordable housing developments. This could include modular or manufactured construction, and other possibilities on excess state property. The Executive Order required the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to work together to produce a list of excess property suitable for these demonstration projects. As these excess parcels will not need upfront purchase capital, and are not subject to local requirements, affordable housing developers will have greater flexibility to use innovative techniques to produce units more quickly and cost-effectively than a traditional project.

The 2019 Budget Act included \$3.4 million one-time General Fund and \$782,000 ongoing General Fund to implement the Executive Order. Over three months, DGS reviewed over 44,000 parcels statewide to identify excess sites. DGS and HCD have identified approximately 100 parcels to initially focus on for low-cost, long-term ground leases for these innovative proposals.

The state is working with local governments on innovation challenge efforts. Nearly 20 cities and counties have expressed interest in partnering with the state on state parcels within their jurisdictions. The first Request for Proposals for an affordable housing project in the City of Stockton was released in September 2019 and received several responsive applications. Additionally, the state continues to actively work with the Capitol Area Development Authority on an affordable housing project within the Capitol Area Plan. The state is also about to begin procuring a developer for a parcel in South Lake Tahoe, with a Request for Qualifications expected to be released this January.

The Administration intends to continue to scale these efforts, and anticipates substantially increasing the number of solicitations for state parcels in the coming year.

PRIVATE INVESTMENTS

In addition to innovation challenges, the Administration continues to seek private philanthropy to continue to offset the cost of development. To date, the state has

succeeded in securing \$4.5 billion in commitments, including loans, from Apple, Google, and Facebook to finance affordable housing projects. The state will continue to pursue innovative opportunities to tap into private capital to further bolster housing production to supplement state and local efforts.

REVAMPING THE STATE PLANNING PROCESS FOR HOUSING

Adequate planning for housing is foundational to more housing being built across the state. The state assesses and calculates the housing needs for regions throughout California and works with local governments to develop housing elements in their general plan that will address housing demand. However, the regional housing needs allocation (RHNA) process has been woefully inadequate, allowing certain jurisdictions to negotiate their housing numbers down with little authority for the state to intervene and enforce requirements that adequate housing is permitted and built.

Recent legislative changes have provided HCD with more authority to oversee the planning process. In addition to enhanced oversight, there needs to be significant improvement to the RHNA process. The 2019 Budget Act initiated a new statewide assessment of regional housing needs. By 2023, HCD, in consultation with stakeholders, will revamp the next RHNA cycle to promote and streamline housing development. This will maximize the number of new homes for which California's cities and counties plan and zone. Importantly, the new process will provide for more ambitious goals to address California's housing crisis.

The 2019 Budget Act also provided for additional legal remedies to hold persistently non-compliant local governments accountable to their housing goals. This includes increasing fines, authorizing the State Controller to intercept funds to pay fines, and authorizing a court to appoint an agent to take actions to bring a jurisdiction into compliance. The state has taken and will continue to take an active role in supporting local jurisdictions as they come into compliance with their housing element, as demonstrated in February 2019 when the Administration met with leaders of non-compliant jurisdictions. Since that time, 16 of the initial 47 non-compliant jurisdictions have worked with HCD to become compliant. Likewise, the state will use its authority to take legal action against local jurisdictions found in consistent violation of their housing element, such as the City of Huntington Beach.

IMPROVING STATE HOUSING PROCESSES AND PROCEDURES

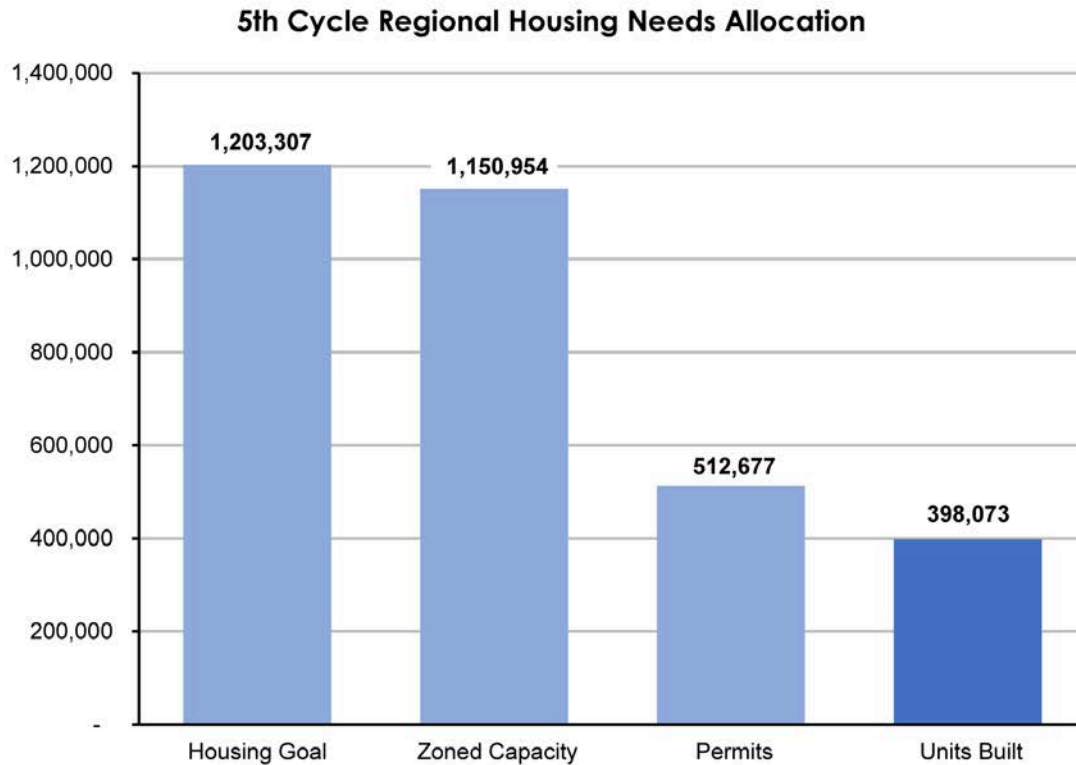
The sizable investments and important policy and legal changes made to date have paved a way for the state and local jurisdictions to address the decades-in-the-making housing crisis. Turning the tide will require a concerted commitment from the state and local jurisdictions to do more to streamline and reduce costs and to address other barriers to building. In recent years, California has passed legislation to expedite approvals for various housing projects and to increase density bonuses for affordable projects. Some local jurisdictions have enacted similar pro-housing policies, like by-right zoning and reduced impact fees. But much more must be done at both the state and local levels.

The Administration is implementing process improvements and reforms to better align its housing programs, which span multiple departments and agencies. Most recently, the state implemented a joint application process between the California Housing Finance Agency, the California Debt Limit Allocation Committee, and the California Tax Credit Allocation Committee for the administration of a mixed income housing program. The state continues to review internal processes and procedures of its housing entities to streamline housing policies, processes, and requirements in an effort to improve the coordination and disbursement of funding across government—removing potential barriers to greater housing production. This includes exploring over the next year the creation of an agency exclusively focused on housing and homelessness. It also includes using its existing authority and tools to address barriers to housing production. Lastly, it includes using excess properties for new housing, eliminating red tape, and speeding up the process to get much needed housing online.

Likewise, local jurisdictions must take action to reduce barriers and streamline processes necessary for needed housing development. Even with the significant investments in housing made by the state, to date, at an aggregate level, there is a sharp drop-off between zoning and permitting new housing units, and another drop off in the number of units constructed. According to numbers from the last RHNA cycle, local jurisdictions have permitted only 43 percent of the units needed to meet their housing needs. Furthermore, only 33 percent of needed units have actually been constructed.

This unworkable gap will likely widen in the next RHNA cycle.

The state will continue to pursue policy changes that support housing production as well as hold local jurisdictions accountable to remove barriers to more housing production in the state. The Budget includes \$10 million General Fund annually for the



next three years to support the state's efforts to increase housing production. The Administration is committed to working with the Legislature this year on additional actions to expedite housing production, including changes to local zoning and permitting processes, as well as adding predictability and reducing the costs of development fees.

TOTAL HOUSING INVESTMENT

Housing production and affordability remains a top priority for the Administration and a lack of affordable housing directly contributes to the homelessness epidemic seen across the state.

To address the housing crisis, the Budget builds upon its investments through a multi-pronged approach to increase housing production and help provide access to services to individuals and families with immediate needs. In total, the Budget includes \$6.8 billion across multiple departments and programs to address housing throughout the state.

2020-21 Affordable Housing Funding
(Dollars in Millions)

<i>Department</i>	<i>Program</i>	<i>Amount</i>
Department of Housing and Community Development	Veterans and Affordable Housing Bond Act Programs (SB 3)	\$563.0
	No Place Like Home Program	\$400.0
	Building Homes and Jobs Fund Programs (SB 2)	\$277.0
	Federal Funds	\$68.0
	Veterans Housing and Homelessness Prevention	\$75.0
	Various	\$45.0
California Housing Finance Agency ^{1/}	Single Family First Mortgage Lending	\$2,500.0
	Multifamily Conduit Lending	\$600.0
	Multifamily Permanent Lending	\$140.0
	Mixed-Income Loan Program	\$180.0
	Innovative Fund Programs	\$60.0
	Single Family Down Payment Assistance (SB 3)	\$85.0
	Special Needs Housing Program	\$25.0 ^{2/}
Tax Credit Allocation Committee	Low Income Housing Tax Credits (Federal)	\$295.0 ^{3/}
	Low Income Housing Tax Credits (State)	\$601.0
	Farmworker Housing Assistance Tax Credits	\$1.0
Strategic Growth Council ^{4/}	Affordable Housing and Sustainable Communities	\$468.0
Department of Veterans Affairs	CalVet Farm and Home Loan Program (SB 3)	\$220.0
Office of Emergency Services	Domestic Violence Housing First Program	\$34.0
	Transitional Housing Program	\$40.0
	Specialized Emergency Housing	\$10.0
	Domestic Violence Assistance, Equality in Prevention and Services, Human Trafficking Victim Assistance, North American Domestic Violence and Sexual Assault	- ^{5/}
California Department of Corrections and Rehabilitation	Integrated Services for Mentally-Ill Parolees	\$4.0
	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	- ^{5/}
Department of Social Services	CalWORKS Family Stabilization, Housing Component	\$46.9
	CalWORKS Housing Support Program	\$95.0
Department of Public Health	HIV Care Program	- ^{5/}
	Housing Opportunities for Persons with AIDS (HOPWA)	\$4.0
	Housing Plus Program	\$1.0
Total		\$6,837.9

1/ Amount is based on lending activities from 2018/19.

2/ Amount represents voluntary allocations of local Proposition 63 funds from 16 participating counties.

3/ This represents the estimated 9 percent tax credits to be allocated in 2020 plus the estimated amount of 4 percent credits to be awarded in 2020.

4/ The Affordable Housing and Sustainable Communities program amount reflects 20 percent of the projected Cap and Trade revenues. The Transformative Climate Communities (TCC) program (\$47.5 million in carryover available for 2020-21) funds various activities, including affordable housing.

5/ The State provides a number of wrap-around supportive services through these programs including housing, which cannot be separated from the program's overall budget.

CLIMATE RESILIENCE

For California, climate change is a real and present danger. In the past year, the state has experienced extreme winds and devastating wildfires, extreme heat, and flooding and mudslides. The state also continues to address longer-term, chronic climate impacts like sea level rise and the increasing volatility of its water supply.

California continues to lead in mitigating the risks from current climate impacts while aggressively reducing greenhouse gas emissions. The state must continue to be proactive in the face of clear threats to infrastructure and communities, critical ecosystems, and food systems, and continue to meet ambitious targets to reduce the very emissions that are responsible for these impacts. The state must do so with the recognition that climate policies are also economic and workforce policies, with the potential to help create a more inclusive and sustainable economy for all Californians.

REDUCING CLIMATE RISK WHILE TRANSITIONING TO CARBON NEUTRALITY

As a responsible member of the global community, the state must reduce climate risk, especially in the most climate-vulnerable communities, while transitioning to a carbon neutral economy by 2045. Key to this transition is achieving maximum decarbonization while also investing in land-based carbon removal strategies across all regions, sectors, and areas of government. At the same time, the state must invest in resilience in the face of an already-changing climate. Investing in these forward-looking strategies today will save lives and dollars tomorrow.

Executive Order N-19-19 directed the Department of Finance, in consultation with the Governor's Office of Planning and Research and the California Department of Human Resources, to develop a Climate Investment Framework for the California Public Employees' Retirement System, California State Teachers' Retirement System, and the University of California Retirement Plan. The framework will include an analysis of sound investment practices and where each pension fund currently stands in relation to statewide goals to support sustainable investments. The Department of Finance anticipates completion of the framework in spring 2020.

The Budget reflects the following priorities to address both short- and long-term climate risks:

- **Transportation—Decarbonization** in the state's largest sector of emissions by providing clean vehicles, clean fuels, low-carbon transportation options, and transit-oriented development, with enhanced prioritization on short-term environmental and public health benefits in disadvantaged and vulnerable communities.
- **Natural and Working Lands—Strategies** that increase sequestration and reduce emissions from the state's forests, agricultural lands, and conservation lands, and that support resilience across water systems.
- **Climate Resilience—Assistance** to regions and communities to become more resilient in the face of current and future climate impacts.

To tackle these goals at the scale and speed the science demands, the Administration proposes creating an integrated and comprehensive Climate Budget that prioritizes using government dollars to strategically leverage private sector capital in all three priority issue areas.

CLIMATE BUDGET

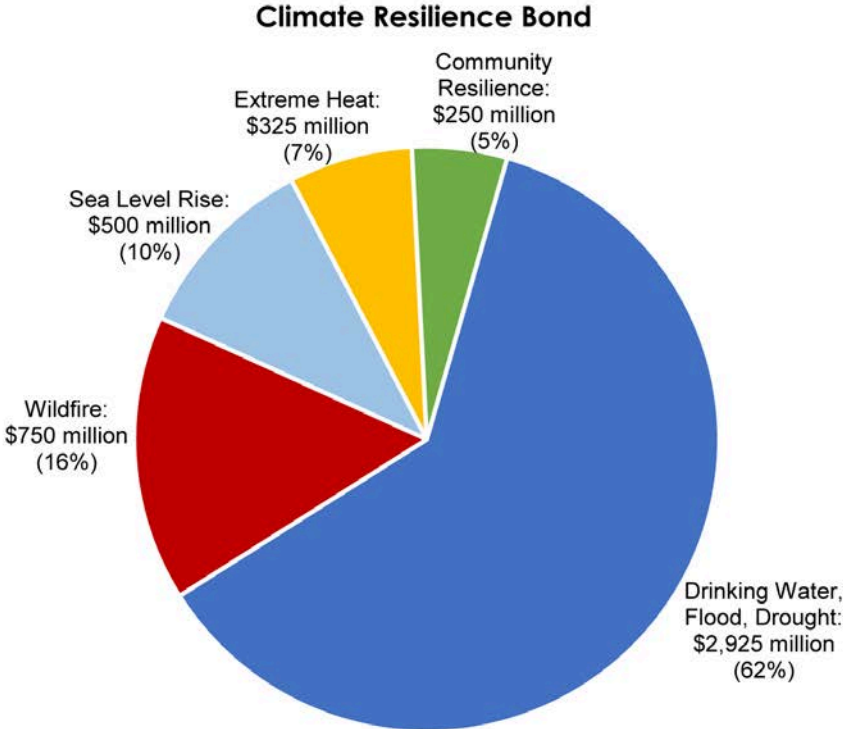
The Climate Budget takes a disciplined approach to government investment in meeting the state's priority climate goals of reducing climate risk while achieving carbon neutrality. The Climate Budget will invest \$12.5 billion over the next five years, including the following key components:

Climate Budget
(Dollars in Millions)

Funding Mechanism	2020-21 Total	5 Year Total
Climate Resilience Bond	-	\$4,750
Cap and Trade Expenditure Plan	\$965	\$4,825
Climate Catalyst Fund	\$250	\$1,000
General Fund One-Time Investments	\$169	\$169
General Fund Ongoing Expenditures	\$35	\$315
Existing Bond and Special Fund Expenditures	\$308	\$1,424
Total	\$1,727	\$12,483

CLIMATE RESILIENCE BOND

The Administration is proposing a \$4.75 billion climate resilience bond for the November 2020 ballot to support investments over the next five years to reduce specific climate risks across California through long-term investment in natural and built infrastructure, especially in the state’s most climate-vulnerable communities. The bond is structured based on climate risks, and approximately 80 percent of the funds are allocated to address immediate, near-term risks (floods, drought, and wildfires), while the remaining funds lay the groundwork for addressing long-term climate risk (sea level rise and extreme heat). The bond aligns with the Administration’s draft Water Resilience Portfolio in addressing drought and flood risks, and also makes strategic investments in community resilience. If approved by the voters, the bond will help the state move toward achieving carbon neutrality and carbon sequestration goals, and provide funding for programs that result in multiple benefits, leverage non-state funding, and help address liabilities such as the Salton Sea. For additional information on the draft Water Resilience Portfolio, see the Infrastructure chapter.



Climate Resilience Bond
(Dollars in Millions)

Investment Category	Department	Program	Amount
Drinking Water, Flood, Drought	Department of Water Resources / State Water Resources Control Board	Regional and Inter-regional Water Resilience	\$1,000
	Department of Water Resources	Sustainable Groundwater Management	\$395
	State Water Resources Control Board	Safe Drinking Water	\$360
	Department of Water Resources	Flood - Urban/USACE Projects	\$340
		Flood - Systemwide Multi-benefit	\$270
	Natural Resources Agency	Salton Sea	\$220
	California Department of Food and Agriculture	Environmental Farming Incentive Program	\$200
	Department of Fish and Wildlife	Enhanced Stream Flows and Fish Passage	\$140
	Subtotal	\$2,925	
Wildfire	Natural Resources Agency, CAL FIRE, and Office of Emergency Services	Hardening of Critical Community Infrastructure	\$500
	CAL FIRE	Forest Health	\$250
	Subtotal	\$750	
Sea Level Rise	Ocean Protection Council	Coastal Wetland Restoration	\$320
		Nature-Based Solutions to Build Resilience	\$130
		Demonstration Projects to Protect Critical Infrastructure	\$50
	Subtotal	\$500	
Extreme Heat	Natural Resources Agency	Urban Greening and Forestry	\$200
	Strategic Growth Council	Cool Surface Materials	\$125
	Subtotal	\$325	
Community Resilience	Strategic Growth Council	Community Resilience Planning	\$25
		Community Resiliency Centers	\$225
	Subtotal	\$250	
	Total	\$4,750	

DRINKING WATER, FLOOD, AND DROUGHT

Across various categories of water resilience approaches, 62 percent of the bond focuses on reducing risks to communities from climate impacts on water systems,

including floods, droughts, and degraded drinking water quality. The bond takes a regional and integrated state approach to these issues, recognizing that each area of the state faces different challenges and opportunities. These funds will be allocated to:

- Regional and Inter-regional Water Resilience—\$1 billion to support various water management programs and projects with a focus on regional and inter-regional water projects, including but not limited to: Integrated Regional Water Management projects; multi-benefit stormwater management; wastewater treatment; water reuse and recycling; water use efficiency and water conservation; water storage; water conveyance; watershed protection, restoration, and management; and water quality. This funding specifically supports the regional resilience approach identified in the draft Water Resilience Portfolio.
- Sustainable Groundwater Management—\$395 million to support local groundwater sustainability agencies implementing projects and programs related to the groundwater sustainability plans for critically overdrafted basins.
- Safe Drinking Water—\$360 million to provide grants and loans to disadvantaged communities to improve access to safe drinking water, including funding capital infrastructure costs for improved water supplies, treatment, and distribution to make vulnerable communities more resilient to the effects of climate change.
- Flood Control: Urban/U.S. Army Corps of Engineers Projects—\$340 million for Urban Flood Risk Reduction projects that provide the projected state cost share needs for various priority projects through 2024-25.
- Flood Control: Systemwide Multi-benefit—\$270 million to support multi-benefit flood risk reduction and ecosystem restoration efforts.
- Salton Sea—\$220 million to support Salton Sea habitat and air quality mitigation projects necessary for the 2018 Salton Sea Management Plan.
- Environmental Farming Incentive Program—\$200 million for grants, incentives, and demonstration projects to enhance agricultural lands for soil health, water quality and efficiency, biodiversity, resiliency, and habitat benefits. Specific projects include healthy soils, water efficiency, nutrient management, and other conservation practices on farms and ranches.
- Enhanced Stream Flows and Fish Passage—\$140 million to remove barriers to passage of native fish species and provide enhanced water flows, and reconnect aquatic habitat to help fish and wildlife endure drought and adapt to climate change.

WILDFIRE

In recognition of the unprecedented wildfires the state has experienced in recent years, the bond allocates \$750 million to harden critical public infrastructure in high fire-risk communities and makes additional investments in forest health. This forest health investment is complementary to the forest health and fuel reduction activities supported by the Greenhouse Gas Reduction Fund, and to the investments the Governor and Legislature have required that utilities make in high-risk areas across the state. These funds will be allocated to:

- **Hardening of Critical Community Infrastructure**—\$500 million to facilitate hardening of critical infrastructure, with a focus on low-income areas at significant risk of wildfires. Types of projects include hardening of drinking water infrastructure, emergency shelters (such as fairgrounds), and public medical facilities.
- **Forest Health**—\$250 million to support various long-term forest health projects, including reforestation; conservation easements; activities that promote long-term carbon storage; and upper watershed, riparian, mountain meadow, and inland wetland restoration.

SEA LEVEL RISE

Sea level rise is a chronic long-term threat facing the state's coastal communities. The bond invests \$500 million in reducing risks from sea level rise and changing ocean conditions. This complements funding from Proposition 68 and the Greenhouse Gas Reduction Fund to support coastal communities in planning for sea level rise. These funds will be allocated to:

- **Coastal Wetland Restoration**—\$320 million to support the restoration of coastal wetlands, which provide protection against sea level rise and flooding, enhance carbon sequestration, and provide benefits for biodiversity.
- **Nature-Based Solutions to Build Resilience**—\$130 million to support projects that build resilience of ocean ecosystems, such as kelp forests, seagrass habitat, eelgrass beds, and marine protected areas.
- **Demonstration Projects to Protect Critical Infrastructure**—\$50 million to support demonstration projects to protect infrastructure that is vulnerable to sea level rise and flooding such as roads, railways, sewage treatment plants, and power plants.

EXTREME HEAT

Extreme heat is both an immediate and chronic risk to many communities, especially in the Central Valley and inland regions. The bond invests \$325 million in proven cooling techniques such as urban greening and urban forestry, as well as in advanced materials for buildings and transportation systems that are designed to reflect rather than trap heat. Both sea level rise and extreme heat are areas where strategic bond investments today will help to create stronger and more resilient infrastructure over the next several decades. These funds will be allocated to:

- Urban Greening and Forestry—\$200 million to mitigate urban heat island impacts in the regions most affected by extreme heat. Funds would support urban forestry projects and an expanded urban greening program that supports the creation of green recreational parks in underserved areas.
- Cool Surface Materials—\$125 million for a new program to incentivize the use of "cool materials" in projects (e.g. paving and roofing) within vulnerable communities.

COMMUNITY RESILIENCE

Finally, the bond provides \$250 million to invest directly in communities to bolster community resilience centers, and support local preparedness, planning, and education around resilience. This community-level support will help to provide a pipeline of locally defined and driven climate resilience projects and programs that are effectively positioned to leverage state, federal, and private investment opportunities, including during emergencies. These funds will be allocated to:

- Community Resilience Planning—\$25 million for planning activities to address community-specific climate risks and develop climate resilience plans.
- Community Resiliency Centers—\$225 million for the construction of new and retrofitting of existing facilities, including at fairgrounds, to support adaptation needs to address locally relevant climate risks. These centers will serve both as community evacuation and emergency response centers, and to build long-term resilience and recovery operations for local communities.

CAP AND TRADE EXPENDITURE PLAN

Another primary pillar of the Climate Budget is a proposed \$965 million Cap and Trade Expenditure Plan. The Budget supports several existing ongoing programs (such as CAL

FIRE's forest health and fuel reduction programs) while prioritizing emission reductions in the transportation sector, the largest greenhouse gas emissions source in California. To maximize and leverage appropriate resources as part of the integrated Climate Budget, the Cap and Trade Expenditure Plan focuses on areas that are most appropriate for direct government grant funding: support to disadvantaged communities and investments in research, capacity building, and workforce necessary to drive the state's long-term transition to carbon neutrality.

In particular, the Cap and Trade Expenditure Plan continues a strong focus on community air protection, and community engagement generally, by providing \$235 million to support the AB 617 program, which reduces exposure in communities most impacted by air pollution through community air monitoring and community emissions reduction programs. Complementing this funding is a focus on reducing emissions in the transportation sector and prioritizing disadvantaged communities and clean mobility options for lower-income households, which make up \$400 million in Cap and Trade spending. Key among these programs are those aimed at truck, bus, off-road, and agricultural vehicles, where emissions have a disproportionate impact on disadvantaged populations in both urban and rural communities. These programs also provide targeted incentives for consumers to purchase both new zero-emission vehicles, but also to retire older, higher-polluting vehicles in favor of more low-emission alternatives—one critical strategy for improving clean mobility options for lower-income households.

The Cap and Trade Expenditure Plan includes \$35 million in strategic investments to reduce short-lived climate pollutants, especially methane.

Finally, the Cap and Trade Expenditure Plan includes foundational support for the research, capacity building, technical assistance, and workforce training that underpins the entirety of the Climate Budget. These programs include the Fifth California Climate Change Assessment, which provides the foundation for state, regional, and local agencies and departments to work together to understand and address projected physical climate impacts across the state. This research, coupled with strategies to directly engage local and tribal leaders as partners on the Assessment and to build capacity at the local level to respond to climate threats, is included as a foundational element of a \$25 million ongoing investment.

2020-21 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Amount
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection and Local Programs to Reduce Air Pollution	\$200
		AB 617 - Local Air District Implementation	\$25
		AB 617 - Technical Assistance to Community Groups	\$10
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Program	\$125
		Clean Trucks, Buses and Off-Road Freight Equipment	\$150
		Enhanced Fleet Modernization Program, School Buses and Transportation Equity Projects	\$75
		Agricultural Diesel Engine Replacement and Upgrades	\$50
Healthy Forests	CAL FIRE	Healthy and Resilient Forests	\$165
		Forest Carbon Plan: Prescribed Fire and Fuel Reduction	\$35
		2019 Fire Safety and Prevention Legislation	\$8
Climate Smart Agriculture	Department of Food and Agriculture	Healthy Soils	\$18
Short-Lived Climate Pollutants	CalRecycle	Waste Diversion	\$15
	Department of Food and Agriculture	Methane Reduction	\$20
Integrated Climate Action: Mitigation and Resilience	Coastal Commission and SF Bay Conservation and Development Commission	Coastal Resilience	\$4
	California Conservation Corps	Energy Corps	\$7
Research and Technical Assistance	Natural Resources Agency, California Energy Commission, Office of Planning and Research, and Strategic Growth Council	Climate Change Research, Technical Assistance, and Capacity Building	\$25
Workforce Training	Workforce Development Board	Apprenticeships and Job Creation/Just Transition Strategies for a Carbon Neutral Economy	\$33
Total			\$965

TRANSIT AND SUSTAINABLE COMMUNITY INVESTMENTS

These Cap and Trade investments will build on the climate resilience and greenhouse gas emission reduction benefits of \$1.5 billion of annual continuous appropriation programs.

The Affordable Housing and Sustainable Communities Program supports the Administration's housing and transportation agendas by investing in integrated projects that have to date provided nearly 10,000 affordable housing units for low-income residents, as well as increased access to transit, walking, and biking. Additionally, the Transit and Intercity Rail Capital Program, Low Carbon Transit Operations Program, and High Speed Rail investments are building an integrated low-carbon transportation network and providing a foundation for sustainable community development, with a strong focus on the state's most disadvantaged communities in terms of economic, community, and workforce development. Combined with the ongoing support for safe drinking water in disadvantaged communities, these Cap and Trade investments provide a model for how California can continue to grow and prosper even as the state's population increases over the next decade.

CLIMATE CATALYST FUND

Recognizing the scale and immediacy of the climate problem and the need to dramatically increase and leverage private sector investment in these critical programs to maximize and direct state investments, the Budget includes a \$1 billion General Fund investment (\$250 million in 2020-21, with additional funding in later years) for a Climate Catalyst Fund, to be administered by the state's Infrastructure Economic Development Bank in consultation with the Strategic Growth Council and the Labor and Workforce Development Agency. This revolving loan fund will provide low-interest loans for a portfolio of climate-related projects, prioritized in areas that help meet the state's climate and equity goals, and where technologies and infrastructure exist that could be deployed at much greater speed and scale but face barriers in the private market.

As with the overall Climate Budget, the Fund will be structured and managed to simultaneously address the state's climate goals while also building an inclusive and sustainable economy across all California regions and for all California businesses and workers.

Climate Catalyst Fund projects would be focused on the following key areas, with a commitment to re-examine the state's climate priorities and adjust these investment areas as needed. Technologies listed below are examples, but not requirements, nor are they the only types of projects that may be considered.

- Transportation emission reduction—Zero-emission vehicles (ZEV) and charging infrastructure including light and heavy-duty ZEV vehicles (with a focus on those owned by individual operators and small businesses), transit and rail ZEV fleet and

equipment, advanced technology freight, electric school buses, and electric/hydrogen charging infrastructure.

- Climate smart agriculture and forestry—Dairy digesters, agricultural and off-road engine replacement (with a focus on vehicles owned by individual operators/small businesses), efficient on-farm irrigation, sustainable food processing, small business/landowner loans for forest management, and community hardening.
- Circular Economy—Municipal waste and recycling, compost, wood waste collection and utilization, and carbon/methane capture and utilization. This includes a special emphasis on small business owners and emerging technologies.

Other significant adjustments in the Climate Budget:

In addition to the components mentioned above, and to further help address immediate needs in anticipation of this proposed bond funding, the Climate Budget also includes the following:

- \$103 million one-time General Fund for efforts to support the draft Water Resilience Portfolio, including groundwater management, the State Water Efficiency and Enhancement Program, as well as investments in the New River and the Tijuana River.
- \$66 million one-time General Fund for Urban Flood Risk Reduction projects and for investments to help modernize operations for fish, wildlife, and habitat protection.
- \$35 million ongoing General Fund to support various resources investments that align with the draft Water Resilience Portfolio, including Sustainable Groundwater Management Act implementation and enhancements to the Department of Fish and Wildlife.
- \$257 million existing bond funds (\$1.4 billion over the next five years, primarily from Proposition 68) to continue to support strategic natural resources programs.
- \$51 million one-time Alternative and Renewable Fuel and Vehicle Technology Fund to the California Energy Commission to accelerate deployment of electric vehicle charging infrastructure.

This comprehensive approach supports programs that will achieve the state's long-term climate goals while creating a sustainable and inclusive economy for all Californians.

EMERGENCY PREPAREDNESS AND RESPONSE

Climate change continues to intensify and lengthen the fire season in California. Over the past several years, the state has experienced unprecedented wildfire activity with increases in the number and severity of wildfires. Ten of the most destructive fires have occurred since 2015. Additionally, growth in the wildland urban interface has put more Californians at risk than ever before. More than 25 million acres of the state's wildlands are classified as under very high or extreme fire threat.

2019 ACTIONS

In its first year, the Administration has taken decisive action to identify and implement recommendations and solutions to reduce wildfire risk; bolster the state's emergency preparedness, response, and recovery capacity; and protect vulnerable communities. The 2019 Budget Act included \$984 million (\$203 million ongoing) in additional funding to enhance the state's emergency response capabilities.

This funding includes major wildfire protection investments for the Department of Forestry and Fire Protection (CAL FIRE) to expand firefighting surge capacity, enhance aviation resources, and improve the use of technology. Specifically, these investments include resources to: (1) add 13 new year-round fire engines; (2) operate the large air tankers that will be transferred from the U.S. Air Force starting in 2020-21; (3) continue the replacement of CAL FIRE's Vietnam War-era helicopters with new state-of-the-art

helicopters; (4) review data gathered via remote sensing technology, situational awareness software, and satellite imagery to support incident command decision-making; and (5) operate 100 additional fire detection cameras.

In addition, Chapter 81, Statutes of 2019 (AB 111) added \$50.1 million in 2019-20 for the Public Utilities Commission (PUC) to review and enforce utility wildfire mitigation plans and implement Chapter 79, Statutes of 2019 (AB 1054). These bills were enacted to facilitate consumer access to safe, reliable, and affordable power by providing a durable solution to the problems arising from utility-caused wildfires. The bills establish a new Wildfire Safety Division, create procedures and standards applicable to catastrophic wildfire proceedings, codify the prudent manager standard for wildfire liability, and establish a Wildfire Fund and mechanisms to capitalize the fund to protect ratepayers.

The 2019-20 investments also included funding to facilitate immediate response by state and local governments during utility-led power shutoff events to help protect vulnerable populations and improve the resiliency of the state's critical infrastructure. A portion of this funding is dedicated to supporting grants to local and tribal governments to improve local preparedness for power shutoff events.

The Budget continues to build on these emergency response and preparedness efforts.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

Building on the expanded investments in 2019-20, the Budget includes \$120 million General Fund in 2020-21 (\$150 million ongoing) and 677 positions, phased in over five fiscal years, for additional resources that will provide CAL FIRE operational flexibility throughout peak fire season and beyond based on fire conditions. Depending on CAL FIRE's operational needs, these additional resources will be available to:

- (1) provide coverage behind personnel vacations, sick days, and training, while also providing additional resources during predictive weather events and major incidents;
- (2) provide an immediate resource pool to staff additional engines during late fall, winter, and early spring, should conditions require an increase to the existing 65 year-round engines; and
- (3) pre-position firefighting personnel in high-risk areas of the state by adding a fourth firefighter on a portion of CAL FIRE engines, as fire conditions dictate.

Relief staffing will directly benefit employee health and wellness by providing a larger resource pool for the new normal fire conditions, mitigating long periods of fighting fires

without respite. The Budget includes permanent funding to pre-position additional firefighting personnel on a portion of engines or staff engines earlier in the spring or later in the fall and winter, as fire conditions warrant, rather than continuing the current practice of adding additional firefighter surge capacity on a year-to-year basis.

WILDFIRE FORECAST AND THREAT INTELLIGENCE INTEGRATION CENTER

Chapter 405, Statutes of 2019 (SB 209) requires the Office of Emergency Services (Cal OES) and CAL FIRE to establish a Wildfire Forecast and Threat Intelligence Integration Center to: (1) provide intelligence and data regarding wildfire threats to government agencies; (2) develop intelligence products for public and private entities involved in wildfire risk mitigation efforts; and (3) serve as a central organizing hub for wildfire forecasting, weather information, threat intelligence gathering, and analysis.

The Budget includes \$9 million (\$8.8 million General Fund) and 22 positions across Cal OES, CAL FIRE, the Military Department, and the PUC to begin implementation of the Wildfire Forecast Center. This new Center will derive data and intelligence from multiple sources to build accurate, comprehensive, and timely weather impact information, thereby enhancing the state's emergency response and recovery capabilities. Among other benefits, these data will be used to develop forecasts for tracking and predicting critical fire weather systems and improve situational awareness of fire threat conditions in real-time.

WILDFIRE MITIGATION FINANCIAL ASSISTANCE PROGRAM—HOME HARDENING

Chapter 391, Statutes of 2019 (AB 38) authorizes the Wildfire Mitigation Financial Assistance Program through July 1, 2025 to: (1) encourage hardening of homes, businesses, and public buildings; and (2) facilitate vegetation management and defensible space activities.

The Budget includes \$110.1 million (\$26.8 million General Fund) to implement AB 38. Specifically, CAL FIRE and Cal OES will develop a Joint Powers Agreement to administer a \$100 million home hardening pilot program, with a focus on homes located in low-income communities in areas of high fire risk. Of this amount, \$25 million General Fund is proposed on a one-time basis, and the state will use this funding to leverage an additional \$75 million in federal hazard mitigation funding. In addition, the Budget includes \$8.3 million Greenhouse Gas Reduction Fund and 26 positions for CAL FIRE to support additional defensible space inspections and facilitate completion of a regional fire prevention capacity review pursuant to the requirements of AB 38.

OFFICE OF EMERGENCY SERVICES

Cal OES coordinates the state's emergency readiness through local, regional, and statewide training exercises and programs. California's mutual aid system is designed to provide sufficient resources to local jurisdictions when their own resources become inadequate or overwhelmed during an emergency event. During emergencies, Cal OES coordinates all local, inter-regional, and state agency activities. After the event, Cal OES functions as the state's liaison with FEMA to provide recovery assistance to local governments and individuals impacted by the event.

The Budget includes \$9.4 million (\$9.2 million General Fund) and 50 positions to enhance Cal OES' ability to anticipate, prepare for, respond to, and recover from disasters. These positions will provide the necessary programmatic and administrative resources to support Cal OES' increasingly complex mission and maximize eligible federal reimbursements.

In addition, the Budget includes \$16.7 million one-time General Fund to increase the amount of funding available through the California Disaster Assistance Act (CDAA), which is used to repair, restore, or replace public real property damaged or destroyed by a disaster, and to reimburse local government costs associated with certain activities undertaken in response to a state of emergency. This augmentation increases total CDAA funding included in the Budget to \$79.3 million.

COMMUNITY POWER RESILIENCY

Investor-owned utilities significantly expanded their use of power shutoffs in 2019, imposing hardships and new public safety considerations on California residents, first responders, and emergency managers. Although the size and scope of these power shutoffs were unprecedented, critical infrastructure and state operations continued with minimal impacts, in large part because of contingency planning across state government led by Cal OES. In particular, state government responded by filling significant vulnerabilities within the health care sector for the medically and socially vulnerable, affording economic relief to many of those impacted, and providing funding for local and tribal governments to develop resiliency measures for power shutoffs. The state simultaneously enacted emergency response measures and carried out evacuations in the face of multiple dangerous wildfires across the state.

The Budget includes \$50 million one-time General Fund to support additional preparedness measures that bolster community resiliency. Building on the state's

2019-20 power-resiliency investments, these measures will support critical services still vulnerable to power outage events, including schools, county election offices, and food storage reserves. This proposal will support a matching grant program to help local governments prepare for, respond to, and mitigate the impacts of power outages.

SEISMIC SAFETY

Initial operation of the California Earthquake Early Warning System began in October 2019 and is anticipated to be operational statewide by June 2021. The Budget includes \$17.3 million one-time California Earthquake Safety Fund, which relies on a \$17.3 million one-time General Fund loan, for operation and maintenance of the system. The General Fund loan will support these costs while ongoing revenue options continue to be evaluated and pursued. These funds will be used to support system operations and program management, an education and outreach campaign, and research and development to expand the system's earthquake mitigation uses. In addition, the system continues to improve and be integrated in critical facilities such as hospitals, schools, and public safety offices.

The Administration proposes transferring the Alfred E. Alquist Seismic Safety Commission, including its six positions and associated funding, to Cal OES beginning in 2020-21. To support this transfer, the Budget includes \$3 million (\$949,000 General Fund) in 2020-21 and \$2.7 million (\$713,000 General Fund) ongoing. As part of the state's broader preparedness efforts, the Commission will be better positioned to provide a coordinated framework for establishing earthquake safety policies and recommendations, and tracking the state's progress toward higher levels of seismic safety. The Budget also proposes a reduction in the number of appointed Commissioners from 20 to 15, and an expansion of the entities required to provide updates to the Commission on earthquake preparedness and seismic safety activities.

PUBLIC SAFETY

DEPARTMENT OF CORRECTIONS AND REHABILITATION

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. The Department strives to facilitate the successful reintegration of the individuals in its care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, rehabilitative and restorative justice programs. The Budget proposes total funding of \$13.4 billion (\$13.1 billion General Fund and \$306.5 million other funds) for the Department in 2020-21.

The 2019 Budget Act projected an overall adult inmate average daily population of 125,871 in 2019-20. The average daily adult inmate population is now projected to be 124,655, a decrease of 1 percent from spring projections. Current projections show the adult inmate population is trending downward and is expected to decrease by 939 offenders between 2019-20 and 2020-21. Proposition 57, the Public Safety and Rehabilitation Act of 2016, established a durable solution to end federal court oversight and create more incentives for inmates to participate in rehabilitative programs. Proposition 57 is currently estimated to reduce the average daily adult inmate population by approximately 8,600 in 2020-21, and by approximately 13,000 in 2022-23. The estimated impact of Proposition 57 has been incorporated into the population projections.

The 2019 Budget Act projected an overall parolee average daily population of 50,442 in 2019-20. The average daily parolee population is now projected to be 50,453 in 2020-21, an increase of less than 1 percent from spring projections.

PRISON CAPACITY

The adult prison population has steadily declined over many years, presenting opportunities for CDCR to reduce its reliance on contract prison capacity. After over a decade, CDCR terminated its final remaining contract to house inmates out-of-state in June 2019. In addition, CDCR terminated a contract with a private in-state facility for male inmates in September 2019. Given the projected continued decline in the inmate population throughout 2019-20 and 2020-21, the Budget reflects ending all private in-state contract correctional facilities for male inmates by April 2020. Moreover, the Budget reflects phasing out two of the remaining three male, public in-state contract correctional facilities by 2021, and the third is projected to be closed no later than July 2022. The Department projects that the population will decline by approximately 4,300 inmates between June 2021 and June 2024. If these population trends hold, the Administration will close a state-operated prison within the next five years.

FOCUS ON INMATE REHABILITATION AND REENTRY

The Administration is committed to improving outcomes for incarcerated individuals and enhancing public safety by improving rehabilitation and reentry programs. The 2019 Budget Act made critical near-term investments to support this long-term goal, such as improving inmate literacy, expanding substance use disorder treatment, and establishing new community reentry facilities. The Budget builds upon those investments by providing incarcerated individuals with additional tools to prepare themselves to reenter society, including funding for new and expanded programs. The Department is also considering options for increasing the number of inmates receiving a high school diploma in lieu of a California High School Equivalency Certificate, also known as a General Educational Development Test. In total, the Budget includes \$552.7 million General Fund for rehabilitative programs—nearly double the funding level in 2012-13.

YOUTH OFFENDER REHABILITATIVE COMMUNITIES

The landscape of youthful offender rehabilitation policy is changing. New advances in brain development research have revealed important differences in how young adult offenders can respond to rehabilitation, relative to older offenders. For example, research suggests that young offenders are more impressionable and amenable to

treatment than older offenders. The Budget includes \$6.2 million General Fund in 2020-21, and \$10.1 million ongoing, to establish Youth Offender Rehabilitative Communities. These are programs that house offenders under the age of 26 together at select adult institutions in campus-style environments conducive to positive behavioral programming. These communities will serve to connect youth offenders to positive mentors, as well as rehabilitative and educational programs targeted to their unique needs. A model program will be established at Valley State Prison in Chowchilla.

ACADEMIC INFORMATION TECHNOLOGY MODERNIZATION

Finding gainful employment is a significant challenge for many ex-offenders. While CDCR currently provides academic and vocational training to thousands of inmates to help prepare them with the skills demanded by employers, these programs lack access to technology, such as laptop computers, that facilitate learning and familiarize inmates with tools they will need to succeed in the modern workplace. The Budget includes \$26.9 million General Fund in 2020-21, eventually declining to \$18 million ongoing to provide increased access to modern technology for inmates participating in academic and vocational training to address this gap and better prepare inmates for reentry.

EXPANDING HIGHER EDUCATION OPPORTUNITIES

To further assist inmates with finding gainful employment and prepare them to enter the workforce, the Department is expanding post-secondary educational opportunities to inmates who have completed an associate's degree. The Department is planning to partner with the California State University system to establish bachelor's degree programs at several prisons, including Valley State Prison in Chowchilla. The Budget includes \$1.8 million General Fund in 2020-21, and \$3.5 million ongoing for tuition, books, materials, training, and equipment for students participating in the program.

EXPANDED INMATE VISITATION

Another challenge faced by many inmates upon release is the loss of family and community connections during their time of incarceration. Visitation provides inmates with the opportunity to establish and maintain a continuum of social support, including parent-child relationships, which are critical for successful reentry. The Budget includes \$4.6 million ongoing General Fund to add an additional visitation day at nine institutions.

STAFF DEVELOPMENT AND SUPPORT

Creating a prison environment that is safe and secure for staff, inmates, and visitors, and that is conducive to rehabilitation, requires a professional, well-trained workforce. Correctional officers and counselors play an especially important role in the rehabilitation efforts of the Department. The Budget includes \$21.4 million General Fund in 2020-21, declining to \$19.8 million ongoing General Fund in 2023-24, to enhance staff development through new training for correctional officers and counselors. These new efforts will involve the repurposing of the former Northern California Women's Facility into a new hands-on training facility and will focus on giving staff the tools to effectively communicate with inmates and encourage them to participate in rehabilitative programs. In addition, the Budget includes \$1.8 million ongoing General Fund to centralize the Department's discrimination complaint process. This will promote objectivity and fairness in the investigation of equal opportunity complaints.

INFRASTRUCTURE SUPPORT AND MODERNIZATION

The state's prison infrastructure is old and requires investments for the safety of staff and inmates. Although the state has made significant investments in upgrading health care facilities, some of the Department's core infrastructure has significantly deteriorated and improvements must be made.

ROOF REPLACEMENT

Failing prison roofs have resulted in damage to electrical systems and housing units, and interruptions in rehabilitation and education programs, and mental health treatment. The Budget includes \$78.2 million General Fund over two years for roof replacement projects, including design funding at Pelican Bay State Prison and California State Prison, Sacramento. This is part of a broad, multi-year plan to replace aging and deteriorating roofs across the state prison system. To date, ten institutions have received one-time funding for major roof replacement and repair projects. With funding for these 2 prisons, 15 remaining institutions are scheduled for future roof replacement and repair projects over the next 6 years.

HEALTH CARE FACILITY UPDATES AT THE CALIFORNIA REHABILITATION CENTER

Existing health care facilities at the California Rehabilitation Center are located in buildings approaching 75 years old that do not have adequate storage for medication and medical supplies, which restricts workflow and makes it difficult to maintain inmate-patient privacy. The Budget includes \$5.9 million one-time General Fund to

replace damaged flooring, walls, wall-mounted air conditioning units, counters, and storage spaces in existing health care treatment areas. This project will also replace existing medication distribution windows with newer windows that are consistent with current standards and will allow for improved medication distribution. The California Rehabilitation Center is one of the older facilities in the state prison system. These upgrades are necessary to maintain this facility, which is better situated to recruit staff, including health care staff.

SUICIDE PREVENTION INTAKE CELL RETROFITS

The Department is currently engaged in a multifaceted effort to prevent inmate suicides, consistent with a federal court mandate to improve the safety of its facilities, particularly for inmates experiencing mental health crises. One important element in this effort is the modification of physical infrastructure to reduce the opportunity for inmates to commit suicide. To further this effort, the Budget includes \$3.8 million one-time General Fund to retrofit 64 intake cells across the state to provide a safer environment for inmates entering segregated housing.

VIDEO SURVEILLANCE

In recent years, the Department has expanded its use of video surveillance in adult institutions to deter violence and other prohibited activities such as the distribution of contraband. In addition, video evidence has been a critical tool for investigating inmate violence and staff misconduct allegations. Recognizing the important role video surveillance plays in increasing institutional security, the Budget includes \$21.6 million General Fund in 2020-21 and \$2.1 million ongoing General Fund to expand video surveillance capabilities at Richard J. Donovan Correctional Facility, Salinas Valley State Prison, and California Institution for Women.

JUVENILE JUSTICE REORGANIZATION

The 2019 Budget Act included resources to begin the transition of the Division of Juvenile Justice from CDCR to the new Department of Youth and Community Restoration, within the California Health and Human Services Agency, effective July 1, 2020. The Budget transfers \$264.3 million (including \$258.9 million General Fund) and 1,303.9 positions from CDCR to reflect the transition of the Division of Juvenile Justice to the Department of Youth and Community Restoration (see the Health and Human Services chapter for additional information).

INMATE MEDICAL CARE AND MENTAL HEALTH SERVICES

The Budget continues the state's significant financial commitment to improve the Department's delivery of health care services to inmates. The Budget dedicates \$3.6 billion General Fund for health care services programs, which provide access to mental health, medical, and dental care that is consistent with the standards and scope of services appropriate within a custodial environment.

FEDERAL RECEIVERSHIP OVERSEEING PRISON MEDICAL CARE

In 2005, a federal court established a receivership to oversee prison medical care. To date, the Receiver has transitioned oversight of 19 institutions back to the state. The Budget includes \$9.9 million General Fund in 2020-21 and \$11.8 million ongoing General Fund in 2021-22, to enhance quality management and patient safety by providing staff to evaluate risks and implement best practices to improve the health care delivery system. The Budget also includes \$1.5 million General Fund in 2020-21, increasing to \$2.3 million ongoing General Fund by 2024-25, to establish dedicated funding for replacing and maintaining CDCR's medical imaging equipment. In addition, the Budget includes \$722,000 ongoing General Fund to support an electronic health care data exchange process to transfer health records to counties for inmates who are transitioning to county custody or the community. The timely sharing of electronic medical records will improve patient outcomes by allowing for enhanced continuity of care as inmates transition from prison. These improvements are intended to support the eventual full transition of medical care back to the state.

MENTAL HEALTH SERVICES

The Budget includes \$5.9 million General Fund in 2020-21, increasing to \$8.4 million ongoing General Fund by 2024-25, to support expansion of telepsychiatry, which uses secure videoconferencing to increase inmate access to mental health care services. The Budget also includes \$1.4 million ongoing General Fund for contract psychiatry services to meet the federal court order to fill at least 90 percent of the state prison system's psychiatry positions.

LOCAL PUBLIC SAFETY

ADULT PROBATION REFORM

The state can benefit from improved outcomes in the local probation system, as demonstrated in the California Community Corrections Performance Incentives Act of 2009 (SB 678). Research shows compulsory conditions are an effective way to connect justice-involved people with treatment and services to reduce their likelihood of cycling through the criminal justice system. However, the vast majority of offenders on probation for misdemeanor crimes are currently on banked caseloads, meaning they are not actively engaged in services and programs provided by probation. This lack of engagement creates churning in the criminal justice system where lower-level offenders do not receive the services and supervision they need to end the cycle of crime. More can be done to align existing evidence-based practices used with the felony probation population to the misdemeanor population, with a focus on supervision and services based on risk and needs assessments, and less on the singular factor of the offense category.

The Budget includes \$60 million General Fund annually for three years and \$30 million General Fund in 2023-24, to supervise and provide probation services for misdemeanants, with the aim of improving public safety by reducing recidivism of these individuals. The Budget also includes reforms to reduce felony and misdemeanor probation terms to two years, and allow for earned discharge for probationers. This conforms with research that suggests that the maximum time needed to engage probationers in behavior change and reduce the likelihood of reoffending is no more than two years, while also creating incentives for individuals to engage in treatment and services early on.

The Budget also includes \$11 million ongoing General Fund, in addition to baseline funding of \$113.8 million General Fund, to stabilize SB 678 funding provided to counties. SB 678 established a performance-based funding methodology to award counties that reduce the number of adult felony probationers they send to state prison by sharing a percentage of the savings the state accrues from not housing revoked offenders. However, the current funding methodology can result in significant year-to-year fluctuations and drive uncertainty in county probation spending. The Budget includes a stable ongoing amount to counties at a level consistent with their highest payment received from the state over the last three years, in addition to continued accountability measures.

POST-RELEASE COMMUNITY SUPERVISION

The Budget includes \$13.8 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post-Release Community Supervision as a result of the implementation of Proposition 57.

PROPOSITION 47 SAVINGS

In November 2014, voters passed Proposition 47, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. Proposition 47 requires the Department of Finance to annually estimate savings to the state resulting from the measure in the preceding fiscal year and that an equivalent amount from the General Fund be deposited into a special fund for specified purposes. The Department of Finance currently estimates net General Fund savings of \$122.5 million, an increase of \$44 million over the estimated savings in 2019-20. This increase is attributable primarily to increased savings resulting from the state's reduced reliance on contract facilities to house prison inmates. These funds will be allocated according to the formula outlined in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.

LOCAL JAIL OVERSIGHT

The Administration proposes to strengthen the state's oversight of county jails. The Board of State and Community Corrections will more actively engage counties regarding deficiencies identified as part of its inspections through its public board meeting process and by more frequent follow-up inspections. The Board will also provide additional technical assistance to those counties where issues are identified. Also, as part of the Title 15 jail standards review, the Board will make sure the standards are consistent with national best practices.

VICTIM SERVICES

The 2019 Budget Act included significant augmentations for several programs designed to improve victims' services and reduce victimization, including the California Violence Intervention and Prevention Program, the Family Violence Prevention Grant Program,

and restorative justice programs in state prisons. In addition, the Administration indicated its intent to consolidate victims' programs operated by the California Victim Compensation Board (CalVCB) and the Governor's Office of Emergency Services (Cal OES) as part of the 2020-21 Budget. While the Administration still intends to pursue this consolidation, the plan has been temporarily paused. Given the complexity of this consolidation and Cal OES' role in coordinating response and recovery efforts related to recent disasters, the Administration is reassessing the initially proposed timeline.

In the meantime, the Administration is taking steps to increase collaboration between CalVCB and Cal OES to enhance the quality of victims' services. For example, CalVCB is redesigning its website to centralize information about victims' programs offered throughout the state. In addition, CalVCB, in partnership with Cal OES, is conducting a public awareness and educational campaign through printed notices, television, radio public service announcements, and regional educational seminars to provide information for victims and service providers on how to apply for compensation through CalVCB's new online portal. The online portal allows victims to apply for compensation, check the status of their application and bills, submit documents, and communicate directly with CalVCB staff.

The Budget builds on the above efforts already underway by making the following additional investments in victims' services:

- Restitution Fund Backfill—\$23.5 million one-time General Fund to backfill declining fine and fee revenues in the Restitution Fund. This funding will allow CalVCB to continue operating at its current resource level.
- Legal Services for Victims—\$476,000 General Fund in 2020-21 and \$448,000 annually thereafter for the Department of Justice to provide legal services to victims. The Department of Justice served 326 victims in 2018-19, compared to 26 in 2015-16, largely due to the increased public awareness of the availability of legal services for victims.
- Victim Notification by the California Department of Corrections and Rehabilitation—\$354,000 ongoing funds (\$223,000 General Fund and \$131,000 other funds) to locate and notify affected victims of their rights during parole hearings, and to disburse restitution payments to eligible individuals.

IMPROVING INDIGENT DEFENSE

Currently, the Office of the State Public Defender's mission is focused on assisting individuals sentenced to death with post-conviction appeals. The Budget includes \$4 million General Fund in 2020-21 and \$3.5 million annually thereafter to expand the Office's mission to include improving the quality of indigent defense services provided by counties. The Office will use these resources to provide training and technical assistance for attorneys providing indigent defense, with the goal of promoting more effective representation statewide.

The Budget also includes \$10 million one-time General Fund for the Board of State and Community Corrections to administer a pilot program, in consultation with the Office of the State Public Defender, to supplement local funding for indigent criminal defense. This funding will also support the completion of an evaluation to determine the effectiveness of the grants in improving indigent defense services.

DEPARTMENT OF JUSTICE

As chief law officer of the state, the Attorney General has the responsibility to see that the laws of California are uniformly and adequately enforced. This responsibility is fulfilled through the diverse programs of the Department of Justice (DOJ). The Department provides legal services on behalf of the people of California; serves as legal counsel to state agencies; provides oversight, enforcement, education, and regulation of California's firearms laws; provides evaluation and analysis of physical evidence; and supports data needs of California's criminal justice community. The Budget includes total funding of approximately \$1.1 billion, including \$370.2 million General Fund, to support the DOJ.

BUREAU OF FIREARMS

INFORMATION TECHNOLOGY MODERNIZATION

The Department currently tracks firearms using 11 information technology systems that are antiquated, costly to update, and inefficient at gathering data. New firearms policies and reporting requirements are difficult to implement given the disconnected structure of these systems. The Budget includes \$2.4 million one-time Dealers' Record of Sale (DROS) Special Account to begin the planning and analysis phase of combining and modernizing the 11 existing firearms tracking systems. Modernizing these systems will

enable DOJ to respond to changing business needs and legislative mandates efficiently and in a cost-effective manner.

RECENTLY ENACTED LEGISLATION

The Budget also includes the following significant investments to implement recently enacted firearms legislation:

- Chapter 730, Statutes of 2019 (AB 879)—\$5 million General Fund in 2020-21 and 2021-22, to regulate and track the sale of firearm precursor parts. AB 879 requires the sale of firearm precursor parts to be conducted by or processed through a licensed firearm precursor part vendor beginning July 1, 2024. Precursor parts can be used to manufacture “ghost guns” that are untraceable due to a lack of serial numbers or identifying markers. Given the risk that such guns present to public safety, the Budget includes resources to accelerate the implementation of these requirements to July 1, 2022.
- Chapter 737, Statutes of 2019 (SB 61)—\$2.4 million DROS Special Account in 2020-21, \$1.4 million in 2021-22, and \$379,000 annually thereafter to implement and enforce the provisions of SB 61 that prohibit the sale of semiautomatic centerfire rifles to any person under 21 years of age, except a law enforcement officer or active duty member of the Armed Forces, and prohibit a person from making an application to purchase more than one semiautomatic centerfire rifle in any 30-day period.
- Chapter 738, Statutes of 2019 (SB 376)—\$981,000 DROS Special Account in 2020-21, \$306,000 in 2021-22, and \$232,000 annually thereafter to track and report annual firearms sales, loans, and transfers to enforce the provision under SB 376 that reduces the threshold for which a manufacturer’s license is required from 100 firearms manufactured annually to 50.

LEGAL SERVICES

HEALTHCARE RIGHTS AND ACCESS SECTION

In recent years, there has been an increase in healthcare litigation due to issues such as the opioid crisis, drug price-fixing, antitrust cases, and defenses of the Affordable Care Act. Currently, healthcare-related litigation is handled by separate units throughout the Department. The Budget includes \$9 million ongoing funds (\$2.2 million General Fund, \$3.7 million Attorney General Antitrust Account, and \$3.2 million Unfair Competition Law Fund) to establish a Healthcare Rights and Access Section to consolidate and

centralize healthcare litigation within DOJ. This approach allows the DOJ to handle the increase in healthcare litigation and develop expertise and specialization in this area of law.

OTHER SIGNIFICANT INVESTMENTS IN THE DEPARTMENT OF JUSTICE

The Budget also includes the following significant investments in DOJ:

- Bureau of Forensic Services—\$32 million one-time funds (\$22 million General Fund and \$10 million Fingerprint Fees Account) to backfill the continued decline in fine and fee revenues in the DNA Identification Fund. This funding will enable the Department to continue processing forensic evidence for client counties. The Budget also includes \$7.3 million ongoing General Fund to establish a replacement schedule to regularly maintain and replace forensic laboratory equipment, and to perform maintenance of state-owned laboratories.
- Tax Recovery in the Underground Economy (TRUE) Enforcement Teams (AB 1296)—\$5.7 million ongoing General Fund to bolster the two existing TRUE teams to fulfill requirements under AB 1296 to prosecute violations of labor, tax, insurance, and licensing laws by businesses and individuals in the underground economy.
- California Law Enforcement Telecommunications System (CLETS): Immigration (AB 1747)—\$2.8 million General Fund in 2020-21, \$3.3 million in 2021-22, and \$2.9 million annually thereafter to conduct investigations and audits to monitor compliance with AB 1747, which limits the use of CLETS for immigration enforcement purposes.
- Bureau of Gambling Control—\$5.4 million ongoing Gambling Control Fund to conduct field inspections, criminal investigations, and reviews of cardrooms and third party providers of proposition player services.
- Criminal Records: Automatic Relief (AB 1076)—\$3.6 million Fingerprint Fees Account in 2020-21, declining to \$1.9 million annually in 2023-24, to review records in statewide criminal justice databases to identify persons eligible to have their arrest or criminal conviction records withheld from disclosure and modify existing systems to grant such relief automatically.

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The trial courts are funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$4.3 billion (\$2.2 billion General Fund and \$2.1 billion other funds) in 2020-21 for the Judicial Branch, of which \$2.4 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

TRIAL COURT OPERATIONS

Three important historical events led to the current trial court system. First, the Trial Court Funding Act of 1997 consolidated the costs of operating California's trial courts at the state level. The Act was based on the premise that state funding of court operations was necessary to provide more uniform standards and procedures, economies of scale, structural efficiency, and access for the public. Second, California voters passed a constitutional amendment in 1998 that provided for voluntary unification of the superior and municipal courts in each county into a single, countywide trial court system. By 2001, all 58 counties had voted to unify their municipal and superior court operations. Third, the Trial Court Facilities Act of 2002 transferred responsibility and ownership of court facilities from counties to the state.

TRIAL COURT INVESTMENTS

The Budget continues the Administration's commitment to funding the trial courts by investing \$177.9 million ongoing General Fund. The investments outlined below are intended to complement efforts made by the Judicial Council to improve and modernize trial court operations, and increase access to justice statewide.

Each year, the cost of maintaining existing service levels in the court system grows due to the general inflationary pressures facing all government operations. In recognition of this, the Budget includes \$61.7 million ongoing General Fund for an overall three percent increase in funding. The Administration is committed to working with the Judicial Council to determine the best way to address future costs.

The Budget also includes \$45.9 million for trial court operations to be allocated by the Judicial Council to promote fiscal equity among the trial courts.

The Budget includes \$35.1 million ongoing General Fund in 2020-21 for trial court employee health benefit and retirement costs. The state began consistently funding the increased health and retirement benefit costs for the trial courts in 2014-15 when the trial courts made progress in implementing the Public Employees' Pension Reform Act of 2013.

The Budget includes \$35.2 million General Fund total to continue backfilling the Trial Court Trust Fund for the decline of revenues expected in 2020-21.

COURT NAVIGATOR PROGRAM

The Budget includes \$8.1 million General Fund in 2020-21 and \$15.5 million General Fund annually thereafter to add court navigators at trial courts to assist unrepresented individuals with navigating the complexities of the court system. Court navigators will help bridge access to justice gaps, improve customer service to court users, such as collaborative court participants and victims and family petitioners, and increase the positive impacts of existing self-help services.

INVESTMENTS IN INFORMATION TECHNOLOGY

The Chief Justice's Commission on the Future of California's Court System has recommended expanding the use of new technology in the courts to improve access to justice and to better serve Californians. In furtherance of this goal, the Budget includes \$10.3 million General Fund in 2020-21, decreasing to \$2.8 million ongoing in 2022-23 to advance projects in three areas: (1) investing in a data-driven forms platform to convert static forms into an electronic format; (2) building a virtual case management system that allows the Judicial Council to roll out online services statewide by interfacing with individual court case management systems; and (3) assisting trial courts in creating next-generation data centers and cloud-based solutions specific to their local environment.

The Budget also includes \$6.9 million General Fund in 2020-21 and \$11.3 million General Fund in 2021-22 to implement the second and third phases of an initiative to digitize court records in approximately 15 courts, including appellate and trial courts. Digitizing court records improves service to the public by enabling faster, easier, and more transparent access to relevant case information.

REDUCING CRIMINAL FINES AND FEES FOR LOW INCOME CALIFORNIANS

Over decades, the state has increased the fines, fees, assessments, and surcharges levied on individuals convicted of criminal offenses to generate funding for specific state and local programs and services. The Judicial Council estimates these fines and fees generated approximately \$1.4 billion in revenue in 2018-19.

Recognizing the financial hardship these increased fines and fees have created for low-income individuals, the 2019 Budget Act included \$3.4 million General Fund for the Judicial Council to implement an eight-court pilot program to allow indigent and low-income individuals to apply online to have their fines and fees from traffic infractions reduced in accordance with their ability to pay. Currently, four courts have implemented the pilot program, which reduces fines and fees for eligible participants by around 50 percent and allows them to make payments over a period of time.

The Budget includes \$11.5 million General Fund in 2020-21, increasing to \$56 million ongoing General Fund by 2023-24, to expand this program statewide and incorporate both traffic and non-traffic infractions. The ongoing costs include \$2 million to implement an online application system and \$54 million to backfill the estimated loss in revenue to support trial court operations as a result of the penalty reductions. The

JUDICIAL BRANCH

Judicial Council will implement this program on a phased schedule, with several courts joining each year.

Expanding the online ability to pay program statewide provides targeted relief for low-income individuals while maintaining accountability. Furthermore, it preserves judicial discretion and uses technology to make trial courts more efficient and equitable.

DEPENDENCY COUNSEL

The 2019 Budget Act included \$20 million ongoing General Fund to increase total dependency counsel state funding to \$156.7 million. The Budget continues this investment and continues to implement the Federal Families First Prevention Services Act, which allows court-appointed dependency counsel costs to be a reimbursable activity under the federal Title IV-E funding stream. The Budget estimates \$57 million in federal reimbursements, bringing the total amount available for dependency counsel in 2020-21 to \$213.7 million.

OTHER SIGNIFICANT JUDICIAL BRANCH INVESTMENTS

The Budget also includes the following for the Judicial Branch:

- Appointed Legal Counsel in Civil Cases—\$11.2 million ongoing Trial Court Trust Fund for Sargent Shriver Civil Counsel Act programs that provide legal representation for low-income litigants in civil cases.
- Language Access—\$8.9 million General Fund in 2020-21 and \$8.5 million General Fund annually thereafter for the increased costs of court interpreters and to purchase equipment for the newly established Video Remote Interpreting Program. This will bring the total funding to \$131.2 million annually.
- Appellate Court Appointed Counsel Projects—\$1.2 million ongoing General Fund to support increased costs for contractual services provided by the Supreme Court and the Courts of Appeal Court Appointed Counsel projects. This funding will be used to cover increased costs of rent, staff salaries and benefits, record collection and preservation, and training.
- Statutory Statewide External Audit Program—\$1 million ongoing General Fund for the State Controller's Office to complete audits of revenues, expenditures, and fund balances under each trial court's control.

- Trial Court Facility Maintenance—The Administration intends to work with the Judicial Council in the spring to formulate a plan to address maintenance of deteriorating conditions at trial court facilities constructed prior to 2007. The 2019 Budget Act included \$20.2 million ongoing General Fund to support maintenance and utilities of trial court facilities constructed since 2007.

ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency's programs promote the state's economic vitality in a sustainable manner by reducing greenhouse gas emissions, enhancing environmental quality, and protecting public health.

The Secretary coordinates the state's regulatory programs and ensures fair and consistent enforcement of environmental law. The Governor's Budget includes \$3.9 billion (\$139.8 million General Fund, \$3.8 billion special funds, and \$18 million bond funds) for programs included in this Agency.

The Administration's climate resilience efforts are outlined in the Infrastructure and Climate Resilience chapters.

MOVING TOWARD A CIRCULAR ECONOMY

Following recent shifts in international commodity markets, California can no longer rely on exporting recyclable materials abroad. California has an opportunity to lead in the development of a circular economy by reducing waste and reusing resources. By building upon state investments in recycling infrastructure and improving outdated systems, the state can move toward achieving a circular economy that begins and ends with a skilled workforce and commitment to environmental sustainability.

A guiding principle of a circular economy is planning for a product's next life on the front end, rather than attempting to find markets for products that were not designed

for recyclability. Creating a first-in-class system in California will also promote job development in the state.

The Administration is committed to working with the Legislature so producers have the responsibility and flexibility to meet recycling requirements for products that ultimately end up in the waste stream.

The Budget recognizes the need for low-interest financing for the infrastructure needed to create the new circular economy in California, as outlined in the proposed Climate Catalyst Fund. See the Climate Resilience chapter for a description of the Fund.

Within the broader picture of recycling, the California Beverage Container Recycling Program is an example of a system that provides clean, recyclable material, but is also in need of reform. The Administration will continue to collaborate with the Legislature to determine needed reforms, with a focus on consumer access.

DEPARTMENT OF TOXIC SUBSTANCES CONTROL REFORM

Beginning in 2018, the Department of Toxic Substances Control, in conjunction with the California Environmental Protection Agency, embarked on a strategic planning process that incorporated feedback from stakeholders.

In response to this public process, the Budget proposes both governance and fiscal reform in an effort to address the issues facing the Department. It is essential that any plan to improve the operations of the Department be accompanied by two elements: (1) fiscal reform to restructure fees that appropriately fund the activities of the Department, and (2) the creation of a board structure that provides transparency of departmental decision making and additional policy guidance.

GOVERNANCE

The Budget proposes statutory changes and funding to establish and staff a five-member board that will set fees through regulation, hear permit appeals, and provide strategic guidance to the Department. The board will also employ an Ombudsman. This will create a transparent decision-making process for all stakeholders. The Budget proposes \$3 million General Fund in 2020-21 for this board, with its costs eventually shifting to the Department's special funds.

FISCAL STABILITY

Providing the Department with the appropriate level of resources to carry out its statutory mandates is the other foundational principle of this vision. The Department has made progress improving permitting, enforcement, and the Safer Consumer Products program. However, the remaining challenges facing the Department cannot be addressed without sustainable funding sources. This effort will be comprised of three core elements:

- **Fee Authority**—The Budget proposes statutory changes to authorize the board to go through a public fee-setting process, with spending levels subject to the budget process. This will create fiscal stability into the future as circumstances change.
- **Hazardous Waste Fee Restructure**—Hazardous waste management fees should distribute the cost of managing hazardous waste and support the polluter pays principle. The proposed language will streamline the existing fee structure, and will provide the board with the ability to set fees through a public process.
- **Toxic Substances Control Account**—The Budget proposes statutory changes that would authorize the board to adjust the environmental fee through a public process. The Budget also proposes a one-time \$12 million General Fund backfill to this fund given its structural deficit.

Taken together, and in collaboration with stakeholders and the Legislature, these efforts will help move the Department toward meeting its statutory mandates while recognizing the complex set of issues the Department will continue to face.

SUSTAINABLE PEST MANAGEMENT

Pest management is essential to maintain public safety, food production, and the state's natural resources. Although pesticides are an important tool, employing integrated and sustainable pest management strategies can effectively control pests with fewer chemicals. Last year, the Department of Pesticide Regulation and the California Department of Food and Agriculture jointly established a cross-sector work group to identify, evaluate, and develop safer, practical, and more sustainable alternative pest management tools for California growers. The work group is focused on providing effective, short-term solutions and developing a five-year plan to help industry seek long-term solutions to pest management.

The Budget proposes \$350,000 General Fund one-time to fund the work group and accelerate the transition of the California agricultural industry to safer, more sustainable pest management solutions. The work group will expand its focus to system-wide approaches and will provide recommendations for a comprehensive approach to safer alternatives for pest management.

PROTECTING THE ENVIRONMENT FROM FEDERAL ROLLBACKS

In 2018, the U.S. Environmental Protection Agency disbanded a scientific advisory panel on fine particle air pollution, and has taken numerous steps to roll back standards for toxic air pollution and greenhouse gas emissions by power plants, oil and gas facilities, and other sources of air pollution. In addition, the U.S. Environmental Protection Agency has made limited progress in evaluating unassessed chemicals (fewer than 5 percent of 40,000 chemicals), and its assessments lack toxicity and exposure data to support its actions.

In response to these federal actions to roll back environmental protections, the Budget proposes additional measures to protect the environment:

- **Air Resources Board: Cutting Toxic Air Pollution in California Communities**—\$2.7 million special fund to develop new statewide regulations to reduce or eliminate exposure to air toxins from industrial and commercial facilities. This proposal will allow California to maintain environmental standards and help prevent unhealthy levels of toxic air pollution, particularly in communities that are overburdened by air pollution—even as federal standards in this area are eroded.
- **Office of Environmental Health Hazard Assessment: Evaluating Unassessed Chemicals Using Precision Prevention Methodologies**—\$6 million General Fund (\$5 million one-time) to develop and implement new risk assessment methods to evaluate the toxicology of unassessed chemicals, in partnership with the University of California. This proposal will allow the state to pioneer methodologies to identify the hazards and toxicities of unassessed chemicals to inform decisions on the use and safety of chemicals given the limited federal progress in this area.

For additional information on the state's efforts to protect against federal rollbacks to fish and wildlife protections, see the Natural Resources chapter.

NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Governor's Budget includes \$6.7 billion (\$3.8 billion General Fund, \$1.8 billion special funds, and \$1.1 billion bond funds) for programs included in this Agency.

The Agency's departments are on the frontlines of battling wildfires, navigating droughts and floods, and preparing for sea-level rise. They are also managing the transition beyond fossil fuels and helping California achieve its clean energy goals.

The Administration's resilience-oriented initiatives in this area include the draft Water Resilience Portfolio and investments to help address sea-level rise and protect high fire-risk communities, and are detailed in the Infrastructure and Climate Resilience chapters.

MODERNIZING AND IMPROVING BIODIVERSITY PROTECTION

The Budget advances core priorities in modernization, biodiversity, and regulatory efficiencies to protect and preserve California's natural resources.

Specifically, the Department of Fish and Wildlife, which serves as a trustee for California's natural resources, has worked with stakeholders on a statutorily mandated service-based budget analysis. Preliminary results, developed over the last year, have

identified gaps in specified levels of service. Although this is an initial analysis, the Budget helps address this gap through one-time General Fund investments, a permanent extension of limited-term funding that expires in 2020-21, and a shift of \$18.9 million General Fund ongoing from the Habitat Conservation Fund to strategically supplement the Department's biodiversity conservation program. This shift enables the Department to prioritize funding for the most pressing conservation priorities facing the state.

In addition, the Department of Fish and Wildlife will continue to refine the data and analyze and prioritize options to address identified constraints and challenges. This includes, but is not limited to, analyzing statutory, regulatory or policy adjustments that drive service level expectations; identifying streamlining opportunities to improve efficiency and effectiveness of resources; and identifying programmatic areas where redeployed resources could better align with identified needs.

California is a global biodiversity hotspot, with more types of plants and animals than almost any other state. However, this natural abundance is increasingly under threat from climate change. The Administration is advancing initiatives to better protect plants and animals before they become endangered.

MODERNIZING OPERATIONS

The Budget includes several one-time investments to transfer and modernize the state's biodiversity protection efforts, including:

- Light Detection and Ranging (LiDAR) and Remote Sensing—\$80 million General Fund to the Agency to collect and make publicly available high-quality airborne LiDAR data for the entire state, which will better inform resource management decisions across a variety of sectors, including forest management, vegetation treatment, infrastructure project planning, and hazard assessments for floods, fires, tsunamis, and landslides.
- Air Support to Protect Natural Resources—\$6 million General Fund to the Department of Fish and Wildlife to purchase a fixed wing aircraft to monitor species populations, identify declines that could lead to drastic effects on commercial and recreational fisheries, and patrol impacts to species.
- Wetlands Management—\$7.5 million General Fund to the Department of Fish and Wildlife to modernize water conveyance systems to better manage wetlands, buffer

against future climate scenarios, maximize benefits to wildlife, and reduce staff maintenance costs.

- Hatchery Operations—\$6.5 million General Fund to the Department of Fish and Wildlife to modernize hatchery facilities that build resilience against environmental stressors, provide greater operational reliability, and improve fish survival.

STABILIZING AND EXPANDING OPERATIONS

The Budget includes a permanent extension of \$30 million General Fund for the Department of Fish and Wildlife currently set to expire in 2020-21. These funds are necessary to support critical functions including conservation efforts, increased participation in hunting and fishing, connecting more Californians to the outdoors, and enhanced services to the public. The Budget also includes \$2.2 million ongoing General Fund and eight new positions to better care for more than one million acres of wildlife areas and ecological reserves owned and managed by the Department. Staff will develop culturally relevant biodiversity education programs involving communities that live near these areas to facilitate understanding of climate change risks and the importance of maintaining biodiversity. Finally, the Budget includes \$12.7 million ongoing General Fund and 34 positions to the Department to increase capacity to better protect species under threat of extinction.

CUTTING GREEN TAPE

Climate change and other unprecedented environmental changes demand improved approaches to protecting and stewarding California's natural places. Fortunately, promising opportunities exist to increase the pace and scale of environmental restoration and stewardship to benefit both nature and people.

California has established itself as a global leader in implementing solutions to many of the most intractable environmental problems. The Administration is advancing the Cutting Green Tape effort to enable environmentally beneficial work across the state more quickly, simply, and cost effectively.

The Cutting Green Tape approach brings together regulatory agency staff, local governments, environmental conservation groups, and a range of other stakeholders and experts from across the state to improve permitting and funding efficiencies for ecological restoration and stewardship projects.

The Budget includes \$4 million in ongoing General Fund and 16 positions for the Department of Fish and Wildlife to increase the scale and pace of restoration work, and incorporate efficiencies into grant programs. The Department will form a restoration permitting team to provide early project consultation, hold permitting workshops, and incorporate the use of existing programmatic permitting options.

DEPARTMENT OF PARKS AND RECREATION—PARKS FOR ALL

Many Californians lack access to parks, open spaces, and natural and cultural amenities. The Administration is advancing initiatives to expand access to state parks and open spaces and invest in cultural resources to share their value with the public and protect them for future generations.

The Budget proposes \$65.1 million to advance the Parks for All initiative, which builds upon the Department of Parks and Recreation's recent foundational reforms to expand the park system and improve access to its many parks. Major components for the Parks for All initiative included in the Budget are:

- Establishing a New State Park—\$20 million General Fund to create a new state park. The Department will design a vision for the new park that is inclusive and supports equitable access for all Californians. The Department will work with various philanthropic, conservation, and park interest groups to secure a property and design the vision and operations for the new park.
- Acquiring Lands to Expand Parks—\$4.6 million bond funds to acquire inholding properties that expand existing state parks and provide other co-benefits such as protecting biodiversity.
- Improving Facilities in Urban Areas—\$8.7 million Proposition 68 funds to expand access to state parks in urban areas and make other improvements to parks that serve disadvantaged communities. Significant investments include:
 - Candlestick Point—\$2.6 million for design of the park build out.
 - Old Sacramento—\$583,000 to start the design of new riverfront improvements.
 - Improvements to Non-Profit Operated Parks—\$4.9 million for special repair and deferred maintenance projects.
 - Future Capital Outlay Project Scoping—\$650,000 to study the cost, schedule, and scope of future capital outlay projects.

- Improving Access for Underserved Populations—\$20 million General Fund to establish the Outdoor Equity Grants Program under Chapter 675, Statutes of 2019 (AB 209) to enable underserved and at-risk populations to participate in outdoor environmental educational experiences at state parks.
- Enhancing Access Programming—\$11.8 million to expand both technological and physical access to parks, as well as culturally inclusive enhancements to park programming and interpretive exhibits. Significant investments include:
 - Natural, Interpretive, and Cultural Project Programs—\$8.3 million Proposition 68 funds for the Natural Project Program to conserve and restore native plants and animals within State Parks (\$3.2 million), the Interpretive Project Program to develop new exhibits intended to bring parks to life and improve the visitor experience (\$2.6 million), and the Cultural Project Program to preserve history as it relates to State Parks (\$2.5 million).
 - Colonel Allensworth State Historic Park—\$572,000 Proposition 68 funds to begin design of a new visitor center building, exhibits, and associated site improvements in this underserved region.
 - K-12 Access Expansion—\$2.9 million Environmental License Plate Fund to expand access programs for K-12 students and teachers in low income and underserved communities.
- Eliminate Cost as Barriers for Low Income Individuals—To increase participation in a program that provides free day-use entry, the Department will partner with state and county social and public health programs to increase use of the low-income pass program.

MAINTAINING FISCAL STABILITY FOR BOATING PROGRAMS

The primary fund that supports boating-related activities, the Harbors and Watercraft Revolving Fund, has become structurally imbalanced over the course of several years. The Administration will explore options including, but not limited to, revenue increases and program expenditure reductions to best support the continuation of boating programs. The Administration will put forward a proposal later this year.

STRENGTHENING PARTNERSHIPS WITH TRIBES AND COMMUNITIES

Tribal communities have effectively stewarded California’s natural resources since before the state’s inception. The Administration recognizes this leadership and is interested in strengthening collaboration with California Native American tribes to better manage natural resources as well as working with communities directly impacted by natural resources management decisions.

To advance these priorities, the Budget proposes funding to support the establishment of the Truth and Healing Council and increase the Agency’s capacity to work with tribal nations and community-based organizations to further strengthen the Agency’s environmental justice program. Expanding this capacity will advance the Administration’s commitment to new partnerships with tribes and achieving environmental justice.

Other significant adjustments:

- Truth and Healing Council—\$450,000 annually through 2023-24 and \$225,000 in 2024-25 from the Environmental License Plate Fund to the Native American Heritage Commission to support the establishment of the Truth and Healing Council as identified in the Governor’s Executive Order N-15-19.
- Environmental Justice—\$360,000 ongoing from the Environmental License Plate Fund to the Agency to establish the positions of Assistant Secretary for Environmental Justice and Assistant Secretary for Tribal Affairs to support and expand the Agency’s effort to institutionalize environmental justice and tribal consultation practices into its program planning, development and implementation.

DEPARTMENT OF CONSERVATION—OIL AND GAS OVERSIGHT

California is the nation’s leader in reducing reliance on fossil fuels, limiting greenhouse gas emissions, and transitioning to a low-carbon economy. This transition includes strengthening oversight of oil and gas extraction to better protect people and the environment in a manner that facilitates a thoughtful economic transition.

Over the last year, the Administration has refocused the statutory mission of the division overseeing these activities, now called the California Geologic Energy Management Division (CalGEM), to prioritize protecting human health, safeguarding the environment, and advancing the state’s climate and energy goals. The Administration also

commissioned a first-ever study on how the state should manage the decline of oil supply as it moves to decarbonize the state's economy, and funded workforce investments to enable economic transition away from dependence on fossil fuels. These recent actions build upon progress made in recent years to strengthen CalGEM's regulations, professionalize its workforce, and more actively enforce the law.

Along with these improvements, the Budget includes additional resources for increased regulatory oversight, enforcement, and bonding level evaluations. The Budget includes \$24.3 million special fund and 128 new positions, phased in over three fiscal years, to strengthen field enforcement of existing laws and regulations, validate adequate bonding levels for operators to limit state financial liability, and improve public transparency of CalGEM's regulatory activities.

STATEWIDE ISSUES AND VARIOUS DEPARTMENTS

This chapter describes items in the Budget that are statewide issues or related to various departments.

CALIFORNIA LEADS AS AN EMPLOYER

The State of California has a responsibility to serve all Californians, which requires a workforce that reflects the state's diversity.

In September 2019, the Governor convened Secretaries, Undersecretaries, Directors, and Chief Deputy Directors for a forum to reflect and learn about ways to create a more inclusive, respectful, and equitable workplace.

Attendees of the forum volunteered to participate in four task forces addressing the following topics: Sexual Harassment and Discrimination Prevention and Response, Diversity and Inclusion, Public Safety Diversity, and Racial and Gender Pay Equity. The task forces are overseen by the Government Operations Agency with assistance from the Department of Human Resources (CalHR), State Personnel Board, and Department of Finance. Final recommendations of the task forces will be presented to the Governor by July 2020.

The state will use these recommendations to shape a bold vision to make the state workforce more inclusive and diverse. This will entail core reforms to how the state

recruits, onboards, develops, manages, and retains talent. A more diverse and inclusive workforce will make the state an “employer of choice.”

OFFICE OF DIGITAL INNOVATION

California is changing the way it delivers government services to the millions of Californians who interact with government every day. The state is building the foundation for the shift from a passive governance model that responds to statutory mandates to a pro-active, customer-focused service delivery model. The state needs to recast the relationship between Californians and their government, and redesign how government operates to enable modern service delivery. This requires a cultural shift in government that:

- Provides an intuitive customer experience—Residents should be able to interact with state government in the same way they receive non-governmental services—largely digital and often mobile-enabled.
- Engages and responds to residents—The state must broaden its engagement to improve its ability to deliver services and more effectively reach residents throughout the state.
- Tracks outcomes—The state needs to set open and transparent standards for customer service, deliver on those standards, and continue to learn and improve.

In its first year, the Administration has laid the foundation for this transformation by:

- Investing in digital service transformation capacity through the Office of Digital Innovation, which is under the Government Operations Agency;
- Conducting nationwide digital talent searches to fill key positions;
- Simplifying digital interactions with people starting with a redesign of the CA.gov website;
- Making data more accessible to the public by launching a Geographic Information System portal;
- Improving procurement with the flexible Request for Innovative Ideas approach; and
- Encouraging data sharing and data-informed decision making.

INFORMATION TECHNOLOGY SECURITY

The Budget includes \$11.3 million one-time (\$8.3 million General Fund) and \$38.8 million ongoing (\$29.4 million General Fund) and 85 positions to strengthen the state's information technology security operations.

The Administration is committed to protecting the state's critical information assets and infrastructure, which includes personal data. The state has taken numerous steps over the past decade to audit state entities' compliance with state security and privacy policies. This includes the creation of the California Cybersecurity Integration Center to coordinate information sharing with local, state, and federal agencies. The Department of Technology currently monitors cyber traffic continuously on the state's network and coordinates incident response.

The Budget provides funding to mature the state's overall security posture, improve statewide information security initiatives, analyze cyber threat intelligence, and respond to and mitigate potential threats.

DEPARTMENT OF MOTOR VEHICLES

A 2019 audit of the Department of Motor Vehicles (DMV) found its operations were not always efficient and effective in delivering services to its customers. The work of the DMV Strike Team resulted in additional recommendations to improve the operations at field offices, particularly as the department addresses the spike in customer transactions due to federal REAL ID implementation. In response to these findings, the 2019 Budget Act included \$242 million Motor Vehicle Account (MVA) in 2019-20 and \$200 million MVA in 2020-21 to address immediate needs and long-term improvements.

The DMV is making strides to improve public access and increase its ability to serve the public more efficiently. As of December 2019, the DMV hired an additional 926 temporary employees, and wait times, once exceeding several hours, have returned to target levels at most field offices throughout the state. Additionally, the DMV has made improvements to its training program with a greater focus on customer service.

The DMV has improved the overall customer service experience by expanding Internet capabilities in its field offices, enabling employees to better queue incoming customers, and adding a Chatbot feature to its website to assist customers with REAL ID questions, which reduces the need for customers to come to field offices. In addition, the DMV

piloted the acceptance of credit cards in field offices, and will accept credit cards in all field offices in 2020.

With an October 2020 deadline for REAL ID issuance, the DMV has engaged in a media campaign to educate the public about REAL ID requirements. The DMV is also working with international and regional airports to provide information and educate travelers about REAL ID requirements. The two-year funding allows the DMV to continue its efforts to meet the requirements of REAL ID and make necessary changes to improve daily operations and customer service.

PAYING DOWN UNFUNDED PENSION LIABILITIES

Reducing the state's \$165 billion unfunded pension liability is critical to ensuring the long-term security of the state's retirement benefits. The state has taken significant steps in addressing those liabilities by reforming public pension law under the Public Employees' Pension Reform Act of 2013 (PEPRA), and by implementing a funding strategy to pay down the California State Teachers' Retirement System (CalSTRS) unfunded liability. The state made unprecedented supplemental payments including \$6 billion to CalPERS in 2017-18 funded through a loan from the Surplus Money Investment Fund, which is projected to save the state a net of \$6 billion over the next three decades. In the 2019 Budget Act, the state committed \$3 billion to the California Public Employees' Retirement Systems (CalPERS) and \$2.9 billion to CalSTRS over the next few years. Collectively, these efforts have placed the state in better fiscal position for retirement security, and will help maintain a key recruitment tool for the state's workforce.

STATE EMPLOYEES' RETIREMENT CONTRIBUTIONS

The Budget includes \$7 billion one-time (\$4 billion General Fund) for the statutorily required annual state contribution to CalPERS for state pension costs. This is \$284 million higher than 2019-20. Included in these costs are \$739 million General Fund for California State University retirement costs.

In addition to the state's required contributions, the 2019 Budget Act included a \$3 billion supplemental pension payment authorized to be paid towards the unfunded liabilities of the CalPERS state retirement plans over fiscal years 2018-19 through 2022-23. The Budget proposes to accelerate the payment of the remaining \$500 million currently scheduled over fiscal years 2020-21 through 2022-23 into a single payment in 2019-20.

This proposed change will result in an additional \$42 million in estimated savings to the state over the next three decades.

TEACHERS' RETIREMENT CONTRIBUTIONS

The Budget also includes \$3.6 billion one-time General Fund for the statutorily required annual state contribution to CalSTRS. This is roughly \$268 million higher than 2019-20.

In addition to the state's required contributions, the 2019 Budget Act included a \$2.9 billion supplemental pension payment to be paid towards the state's share of the unfunded liability for the CalSTRS Defined Benefit Program over fiscal years 2019-20 through 2022-23 using available Proposition 2 debt payment funding. For 2020-21, the Budget includes \$802 million toward this payment.

STATE HEALTH CARE BENEFITS

The state is projected to spend approximately \$6.1 billion on health care benefits in 2020-21 for more than 850,000 state employees, retirees, and their family members. This includes \$2.4 billion for retiree health care benefits for 2020-21, which has grown by 75 percent compared to what the state paid in 2010-11 (\$1.4 billion).

Through the collective bargaining process, the state's 21 employee bargaining units and related excluded and exempt employees now prefund retiree health benefits. As a result, more than \$2 billion is currently set aside in the prefunding trust fund to pay for future retiree health benefits, which has an estimated \$85.6 billion unfunded liability to be paid down by 2046. By the end of 2019-20, the trust fund balance will approach \$2.6 billion in assets.

State Retirement and Health Care Contributions ^{1/2/}

(Dollars in Millions)

	CalPERS ^{3/}	CSU CalPERS	CalSTRS	JRS	JRS II	LRS ^{4/}	Active Health & Dental ^{5/}	Retiree Health & Dental	CSU Retiree Health	Employer OPEB Prefunding ^{6/}
2008-09	\$3,063		\$1,133	\$189	\$40		\$2,146	\$1,183		
2009-10	2,861		1,191	184	32		2,120	1,182		\$3
2010-11	3,230		1,200	166	54		2,277	1,387		2
2011-12	3,174		1,259	195	58		2,439	1,505		0
2012-13	2,948 ^{7/}	\$449 ^{7/}	1,303	160	51		2,567	1,365 ^{7/}	\$222 ^{7/}	0
2013-14	3,269	474	1,360	188	52	\$1	2,697	1,383	225	22
2014-15	4,042	543	1,486	179	63	1	2,797	1,462	256	38
2015-16	4,338	585	1,935	190	67	1	2,968	1,556	263	63
2016-17	4,754	621	2,473	202	68	1	3,104	1,623	272	342 ^{9/}
2017-18	5,188	661	2,790	199	80	1	3,192	1,695	285	189
2018-19	5,506	683	3,082	194	84	1	3,255	1,759	313	394
2019-20	5,946	716	3,323	263	87	1	3,443	1,892	331	562
2020-21 ^{8/}	6,303	739	3,591	225	87	1	3,713	2,068	362	703

^{1/} The chart does not include contributions for University of California pension or retiree health care costs.

^{2/} The chart does not reflect the \$6 billion supplemental pension payment to CalPERS in 2017-18 authorized by Chapter 50, Statutes of 2017 (SB 84), Chapter 33, Statutes of 2019 (SB 90), and Chapter 859, Statutes of 2019 (AB 118), authorized multiple one-time supplemental pension payments to CalPERS and CalSTRS, which are also not reflected in the chart.

^{3/} In addition to the Executive Branch, this includes Judicial and Legislative Branch employees. Contributions for judges and elected officials are included in JRS, JRS II, and LRS. Amounts displayed in this column reflect statewide contributions to the five CalPERS state plans, including contributions from employers that are not included in the annual Budget Act.

^{4/} The state continues to make employer contributions to the Legislators' Retirement System. The most recent estimated contribution amount reported by CalPERS is \$101,262 in 2019-20.

^{5/} These amounts include health, dental, and vision contributions for employees within state civil service, the Judicial and Legislative Branches, and the California State University (CSU).

^{6/} Amount reflects the employer contribution to pay down the Other Post-Employment Benefits (OPEB) unfunded liability.

^{7/} Beginning in 2012-13, CSU pension and health care costs are displayed separately.

^{8/} Estimated as of the 2020-21 Governor's Budget. Of the total estimated 2020-21 contributions, contributions sourced from the General Fund are estimated to be \$4,033 million for CalPERS, \$739 million for CSU CalPERS, \$1,744 million for Active Health and Dental, and \$335 million for OPEB Prefunding. Fiscal year 2020-21 contributions to CalSTRS, JRS, JRS II, LRS, and Retiree Health & Dental (including CSU) are all General Fund costs.

^{9/} Amount includes a one-time prefunding contribution of \$240 million pursuant to Chapter 2, Statutes of 2016 (AB 133).

EMPLOYEE COMPENSATION AND COLLECTIVE BARGAINING

The Budget includes \$1.5 billion ongoing (\$654 million General Fund) for increased employee compensation, health care costs for active state employees, and retiree health care prefunding for active employees. Included in these costs are collectively bargained salaries and benefit increases as a result of contract negotiations, including the recently negotiated contract with the Service Employees International Union, Local

1000, and pay increases related to minimum wage changes in Chapter 4, Statutes of 2016 (SB 3). Funding is also included for 2021 calendar year increases in health care premiums and enrollment.

Collective bargaining negotiations will commence with seven bargaining units representing Attorneys and Administrative Law Judges, Correctional Officers, Engineers, Scientists, Craft and Maintenance, Physicians/Dentists/Podiatrists, and Health and Social Services, whose contracts expire in late June or early July 2020.

CANNABIS

Enacted in 2015, the Medical Marijuana Regulation and Safety Act created a regulatory framework for medical cannabis in California, and distributed the responsibility for state licensing between three state entities—the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health. In November 2016, voters approved Proposition 64, the Adult-Use of Marijuana Act, which legalized the recreational sale and use of cannabis to people over the age of 21 and levied new excise taxes on the cultivation and retail sale of state-regulated cannabis. Chapter 27, Statutes of 2017 (SB 94), integrated medicinal and adult-use regulations to create the Medicinal and Adult-Use Cannabis Regulation and Safety Act, establishing a single regulatory system to govern the commercial cannabis industry in California.

REGULATION AND TAX REFORM

In an effort to improve access to licensing and simplify regulatory oversight of commercial cannabis activity, the Administration plans to consolidate the three licensing entities into a single Department of Cannabis Control by July 2021. Establishing a stand-alone department with dedicated enforcement will centralize and align critical regulatory functions to build a successful legal cannabis market, and create a single point of contact for cannabis licensees and local governments. The Administration will submit more details on this proposal in spring 2020.

As approved in Proposition 64, excise taxes are levied on the cultivation and retail sale of both adult-use and medicinal cannabis with tax revenues deposited into the Cannabis Tax Fund, to be allocated to various state entities pursuant to Proposition 64. The cannabis excise tax is forecast to generate \$479 million in 2019-20 and \$550 million in 2020-21. The forecast assumes continued growth of more than 15 percent annually as new businesses continue to enter the marketplace and local jurisdictions adjust to the

state's legal framework. In the near term, revenue estimates will be subject to significant uncertainty because the market has only recently been established.

The Administration also proposes to simplify tax administration for cannabis by changing the point of collection of cannabis taxes. The changes move the responsibility for the cultivation excise tax from the final distributor to the first and for the retail excise tax from the distributor to the retailer. Because the retail excise tax is currently collected by the distributor, the California Department of Tax and Fee Administration (CDTFA) must biannually estimate an average mark-up rate on cannabis products to determine a wholesale tax rate that ensures the tax paid by the distributor is equal to 15 percent of gross receipts at retail. Moving the incidence of this tax to the retailer will eliminate CDTFA's requirement to estimate product mark-ups and set wholesale tax rates. The changes will reduce the tax collection burden on the cannabis industry and simplify the tax collection process. The revenue impact from the changes includes a loss of revenue in 2020-21, as the excise tax would be collected later in the process, with a small increase in revenue in future years related to these changes.

The Administration, in consultation with the industry and stakeholders, will consider other changes to the existing cannabis tax structure, including the number of taxes and tax rates to simplify the system and to support a stronger, safer legal cannabis market.

UPDATED ALLOCATION OF THE CANNABIS TAX FUND

Proposition 64 specified the allocation of resources in the Cannabis Tax Fund, which are continuously appropriated. Pursuant to Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Budget estimates \$332.8 million will be available for these purposes in 2020-21, and the structure of these allocations is unchanged from 2019-20:

- Education, prevention, and treatment of youth substance use disorders and school retention—60 percent (\$199.7 million).
- Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—20 percent (\$66.6 million).
- Public safety-related activities—20 percent (\$66.6 million).

CALIFORNIA ARTS COUNCIL

The California Arts Council's mission is advancing California through the arts and creativity. The Council administers grants to support the state's arts and cultural communities through the development of partnerships with the public and private sectors to enhance the cultural, educational, social, and economic growth of California. The grant programs support arts education in school and community settings; system-engaged youth; recently incarcerated individuals; local and community economic development; recent immigrants and refugee communities; native communities; veterans and their families; and various arts service organizations, and are designed to serve populations and communities who are underrepresented in the arts and have reduced access to arts programs. The 2019 Budget Act provided \$10 million ongoing General Fund for grants made by the Council.

California Cultural Districts were established in 2015 through Chapter 396, Statutes of 2015 (AB 189). These districts leverage the state's artistic and cultural assets, and celebrate California's diversity, helping to grow and sustain grassroots arts and cultural opportunities, increasing the visibility of local artists and community participation in local arts and culture, and promoting socioeconomic and ethnic diversity. The Budget includes \$9 million one-time General Fund to support the existing 14 cultural districts and the addition of cultural districts in underrepresented areas, such as the Central Valley and Inland Empire. The Arts Council will coordinate outreach and engagement with non-governmental organizations and the philanthropic community in this effort.

The Budget also includes \$1 million one-time General Fund for the Arts Council to develop disaster preparedness guidelines and best practices at the county level to protect and preserve artifacts during a disaster.

CALIFORNIA CONSUMER FINANCIAL PROTECTION

California's economy and its people thrive when predatory business practices are policed and innovation is cultivated. This is especially true for consumer financial products, as evidenced by the financial crisis a decade ago. In response to the crisis, the federal Consumer Financial Protection Bureau (CFPB) was established to enforce consumer rights, monitor markets and identify patterns of abuse, and listen to and educate consumers. The federal government's rollback of the CFPB leaves Californians vulnerable to predatory businesses and leaves companies without the clarity they need to innovate.

STATEWIDE ISSUES AND VARIOUS DEPARTMENTS

Currently, the Department of Business Oversight (DBO) regulates certain financial services and oversees state-licensed financial institutions, including banks, credit unions, and money transmitters. DBO also licenses and regulates securities brokers and dealers, investment advisers, payday lenders, mortgage lenders, escrow agents, student loan servicers, and other commercial and consumer lenders.

The Budget expands DBO's authority and capacity to protect consumers and foster the responsible development of new financial products. To better reflect its current and future role, DBO's name will be changed to the Department of Financial Protection and Innovation. The Budget includes \$10.2 million Financial Protection Fund and 44 positions in 2020-21, growing to \$19.3 million and 90 positions ongoing in 2022-23, to establish and administer the California Consumer Financial Protection Law, which will provide consumers with more protection against unfair and deceptive practices when accessing financial services and products. This will be accomplished by expanding the Department's authority to pursue unlicensed financial services providers not currently subject to regulatory oversight such as debt collectors, credit reporting agencies, and financial technology (fintech) companies, among others.

Specific new activities include:

- Offering services to empower and educate consumers, especially older Americans, students, military service members, and recent immigrants;
- Licensing and examining new industries that are currently under-regulated;
- Analyzing patterns and developments in the market to inform evidence-based policies and enforcement;
- Protecting consumers through enforcement against unfair, deceptive, and abusive practices;
- Establishing a new Financial Technology Innovation Office that will proactively cultivate the responsible development of new consumer financial products;
- Offering legal support for the administration of the new law; and
- Expanding existing administrative and information technology staff to support the Department's increased regulatory responsibilities.

Initial costs for the new program will be covered by available settlement proceeds in the State Corporations and Financial Institutions Funds, with future costs covered by fees on the newly covered industries and increased fees on existing licensees.

CALIFORNIA VOLUNTEERS

As the State Service Commission for California, California Volunteers manages programs and initiatives aimed at increasing the number of Californians engaged in service and volunteering. California Volunteers supports AmeriCorps members serving statewide in programs that address critical community needs in education, public safety, health and human services, and the environment.

The 2019 Budget Act provided \$20 million to increase the number of AmeriCorps members. California Volunteers issued the first round of grants in fall 2019 to twelve new programs supporting 360 members. These new programs are focused on building service initiatives in underserved communities in the Central Valley. In addition, this funding supported an increase in the educational award provided to certain new and existing members from \$6,095 to \$10,000. California Volunteers anticipates issuing a second round of grants from the \$20 million to further expand the number of AmeriCorps members in 2020-21.

The Budget takes another important step towards expanding the AmeriCorps program and increasing opportunities for Californians to serve their communities. Specifically, the Budget includes \$1.7 million ongoing General Fund for administrative and strategic planning staff to support future service initiatives, including continuing to grow the AmeriCorps program. These staff will be responsible for volunteer initiative development, administrative and program oversight, AmeriCorps volunteer recruitment, development of strategic public/private volunteer partnerships, and conducting a service and volunteer public engagement campaign.

The Administration continues to work on expanding the state's AmeriCorps program to support needed increases in civic engagement and volunteering, with an update expected in spring 2020.

CALIFORNIA DEPARTMENT OF VETERANS AFFAIRS

The California Department of Veterans Affairs (CalVet) works to serve the nearly 1.6 million veterans and their families living in California. CalVet strives to ensure that veterans of every era and their families receive state and federal benefits and services they have earned and deserve as a result of selfless and honorable military service. CalVet operates eight homes throughout the state that provide residential and medical care services to aged or disabled California veterans who served on active duty.

CalVet also offers direct low-cost loans to acquire farms and homes. The Budget includes \$520.6 million (\$450.2 million General Fund) for CalVet.

CalVet recently released its statutorily required Master Plan for the overall operation of the veterans homes. The Master Plan discusses veteran population trends in California, the potential location of future facilities and alternate service delivery models, and includes several recommendations, some of which are reflected in the Budget as follows:

- **Realigning Levels of Care**—The Budget proposes to begin realigning levels of care by adjusting domiciliary populations at Barstow, Chula Vista, and Yountville; converting current Intermediate Care Facilities to Residential Care Facilities at Barstow and Yountville; and increasing Skilled Nursing Facility beds at Barstow. In examining its current services, CalVet identified significant community interest for the highest levels of care. For example, CalVet maintains a waitlist with nearly 85 percent of applicants seeking skilled nursing or memory care, while independent living and intermediate care units are underutilized. Residents needing intermediate care will be placed in either Residential Care or Skilled Nursing Facilities based on the severity of their treatment needs. This will provide a continuum of care for residents of the veterans homes. Current residents will not be displaced and realigning levels of care will be achieved following the attrition of existing residents. The Budget anticipates a \$2.5 million decrease in General Fund revenues in 2020-21 due to fewer residents and the associated reduction in federal per diem payments and other related revenue.
- **Mental Health Services for Veterans**—The Budget includes \$2.3 million ongoing General Fund to improve behavioral health services at the veterans homes by standardizing mental health support staffing.
- **Rightsizing Funding and Support for the Homes**—The Budget includes \$6.8 million ongoing General Fund related to funding shortfalls at the three oldest veterans homes. The funding will primarily support increased costs for maintenance and service contracts, supplies, workers' compensation, utilities, dietary supplies, and pharmaceuticals.

FARM TO SCHOOL PROGRAM

Farm to school programs are a vital way to improve the health and well-being of California school children through integrated nutrition education and healthy food

access. Hundreds of millions of meals are served each year in California schools, and expanding opportunities for local food procurement that is tied to nutrition education is essential for establishing healthy eating habits that children can carry into adulthood. Procurement of more California Grown food also supports connecting California's agriculture to California consumers.

The Budget proposes \$10 million one-time General Fund in 2020-21 and \$1.5 million annually thereafter for the California Department of Food and Agriculture to establish a Farm to School Grant Program. This program will help support California farmers and expand healthy food access in schools by providing grants to schools to establish programs that coordinate local and California Grown food procurement and utilization in school meals as well as food and agriculture education in classrooms and cafeterias through experiential learning opportunities in school gardens, on farms, and other culinary and agricultural pathways. This funding will also support the new Farm to School Working Group to advance farm to school implementation and explore how to create a more resilient and climate-smart food supply in California.

GRANTS FOR ANIMAL SHELTERS

The Budget includes an increase of \$50 million one-time General Fund for the University of California Davis Koret Shelter Medicine Program to develop a grant program for animal shelters. The program will include interactive group training for approximately 100 shelters, selected on a voluntary basis and prioritized by need; California and regional best practices summits; and an online resource library available to all shelters. Over a five-year period, this program will provide expertise, support, and local assistance to help local communities achieve the state's longstanding policy goal that no adoptable or treatable dog or cat is euthanized.

INFRASTRUCTURE

California is a microcosm of America and is the model for building a climate-resilient future. The goals the state has adopted and the policies it has set foreshadow the changes that society must make to address climate change. This leadership begins with what the state builds and owns and the resources and communities it protects.

The state supports, manages, or regulates significant physical infrastructure. As climate change accelerates, it is a primary obligation of government to improve and upgrade this infrastructure, and to do so in a way that promotes resiliency.

Infrastructure and capital assets allow for the delivery of public services and the movement of goods across the state, both of which are essential components in fostering continued economic growth in California. To continue economic growth, state infrastructure planning must be driven by the present and future needs of Californians, including mitigating the life-threatening impacts of climate change the state is already experiencing.

The 2020 Five-Year Infrastructure Plan (Plan) focuses on how the state's investment in infrastructure, which underpins economic activity, can be leveraged to create a sustainable and resilient California. The Plan recognizes that infrastructure investments are foundational to addressing climate change, expanding opportunity, and supporting economic growth.

This strategy is consistent with Executive Order N-19-19, in which the Governor directed state agencies with primary responsibility over major state-owned or operated assets—the Departments of Transportation and General Services—to align investments with the state’s climate goals. The Executive Order also directed the Department of Finance to work with the state’s pension funds on a framework to advance California’s climate leadership, protect taxpayers, and support the creation of high-road jobs.

This Plan describes how the state will focus its limited resources on core state responsibilities, including but not limited to the state’s responsibility to reduce risks from climate change while transitioning to a carbon neutral economy. The majority of the proposed funding in the Plan—more than 76 percent—is dedicated to the state’s transportation system, which makes up 40 percent of the state’s carbon emissions and is a central focus of the Administration’s Climate Budget.

The Plan also addresses other key areas, such as housing, water, and energy, where the state does not always own or operate critical infrastructure, but does play a leadership role by setting goals, eliminating roadblocks, and taking action to spur local government and private sector investment.

COMPONENTS OF THE PLAN

The Plan consists of four main elements: climate resilience, education, broadband, and other critical state infrastructure. Climate resilience consists of investments in housing, transportation, water, energy, and natural and working lands. Taken together, these components form a comprehensive strategy to modernize and expand California’s infrastructure.

The Plan reflects the Governor’s proposal for investing \$53 billion in state infrastructure over the next five years. See the Infrastructure Plan—Proposed Spending figure for a summary of the proposed funding by program area, and the Statewide Capital Funding by Department and Fund Source figure for a summary of the proposed funding by year, department, and fund source. Appendix 1, which provides background on state-owned infrastructure, and Appendix 2, which includes a detailed listing of the specific projects proposed to be funded. These appendices can be found on the Department of Finance’s website at www.dof.ca.gov.

Infrastructure Plan - Proposed Spending
 (Dollars in Thousands)

Capital Expenditures: Program Area	Five-Year Capital Funding
Judicial Branch	\$2,015,579
Transportation / High Speed Rail Authority	\$45,286,067
Natural Resources	\$1,367,059
Health and Human Services	\$25,048
Corrections and Rehabilitation	\$974,968
Education	\$1,007,093
General Government	\$2,636,595
Total	\$53,312,409

Statewide Capital Funding by Department and Fund Source

(Dollars in Thousands)

Program Area	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Judicial Branch						
Reassessment Projects	\$43,647	\$182,651	\$262,118	\$822,351	\$704,812	\$2,015,579
Subtotal	\$43,647	\$182,651	\$262,118	\$822,351	\$704,812	\$2,015,579
Transportation						
Department of Transportation	8,538,000	8,547,000	8,272,000	7,623,000	7,643,000	40,623,000
High Speed Rail Authority	0	291,000	0	0	3,881,000	4,172,000
California Highway Patrol	141,532	50,075	42,001	47,206	44,457	325,271
Department of Motor Vehicles	54,651	30,291	36,174	12,635	32,045	165,796
Subtotal	\$8,734,183	\$8,918,366	\$8,350,175	\$7,682,841	\$11,600,502	\$45,286,067
Natural Resources						
California Conservation Corps	65,045	125,573	6,790	0	0	197,408
Department of Fish and Wildlife	880	391	0	0	0	1,271
Department of Forestry and Fire Protection	65,642	126,438	184,008	194,853	219,632	790,573
Department of Parks and Recreation	44,055	42,918	41,096	76,625	24,641	229,335
Department of Water Resources	147,000	0	0	0	0	147,000
Tahoe Conservancy	1,472	0	0	0	0	1,472
Subtotal	\$324,094	\$295,320	\$231,894	\$271,478	\$244,273	\$1,367,059
Health and Human Services						
Department of State Hospitals	229	23,121	0	0	0	23,350
Department of Youth and Community Restoration	0	0	122	119	1,457	1,698
Subtotal	\$229	\$23,121	\$122	\$119	\$1,457	\$25,048
Corrections and Rehabilitation						
Department of Corrections and Rehabilitation	182,765	82,533	64,266	320,194	325,210	974,968
Subtotal	\$182,765	\$82,533	\$64,266	\$320,194	\$325,210	\$974,968
Education						
Department of Education	0	284	3,618	0	0	3,902
California Community Colleges	27,639	975,552	0	0	0	1,003,191
Subtotal	\$27,639	\$975,836	\$3,618	\$0	\$0	\$1,007,093
General Government						
Office of Emergency Services	377	57,316	0	0	0	57,693
Department of Justice	9,518	6,541	427,748	0	0	443,807
Department of General Services	721,680	17,227	854,366	16,214	6,272	1,615,759
Department of Food & Agriculture	15,262	56,043	0	2,227	47,302	120,834
Military Department	17,042	15,900	15,900	16,500	16,500	81,842
Department of Veterans Affairs	18,106	286,707	1,847	0	0	306,660
Infrastructure Planning	2,000	2,000	2,000	2,000	2,000	10,000
Subtotal	\$783,985	\$441,734	\$1,301,861	\$36,941	\$72,074	\$2,636,595
Statewide Total	\$10,096,542	\$10,919,561	\$10,214,054	\$9,133,924	\$12,948,328	\$53,312,409
Proposed, By Fund						
General Fund	289,587	329,697	209,562	327,379	564,027	1,720,252
Special Fund	2,791,998	3,127,622	2,730,734	2,511,729	6,399,270	17,561,353
Non-Governmental Cost Funds	1,074,681	513,278	1,675,878	1,121,141	833,741	5,218,719
General Obligation Bond Funds	233,411	1,017,802	46,440	29,185	0	1,326,838
Federal Funds	5,206,464	5,431,162	5,051,440	4,644,490	4,651,290	24,984,846
Reimbursements/Other Governmental Cost Funds	500,401	500,000	500,000	500,000	500,000	2,500,401
Total	\$10,096,542	\$10,919,561	\$10,214,054	\$9,133,924	\$12,948,328	\$53,312,409

CLIMATE RESILIENCE

In September 2019, the Governor built on and strengthened the state's climate goals through Executive Order N-19-19, which specifically points to the state's pension systems, transportation investments, and state-owned assets as areas where the state must proactively reduce climate risk while investing toward a carbon neutral future by 2045.

Specifically, state and local governments should work towards a future in which:

- People and communities can thrive in the face of climate change in a manner that minimizes risks to public health, safety, and economic stability, while maximizing equity and protecting the most vulnerable residents.
- Natural systems adjust and ecosystems continue to function in the face of change.
- Infrastructure withstands changing climate conditions while continuing to provide essential services.

Achieving a vision where California thrives in the face of a changing climate requires state and local governments to integrate climate risk assessment and adaptation into decisions affecting infrastructure, natural systems, and communities.

In November 2017, the Governor's Office of Planning and Research (OPR) published *Planning and Investing for a Resilient California: A Guidebook for State Agencies*, which provides guidance for state agencies on how to work toward this vision. The guidance emphasizes consideration of current and future climate conditions based on the best available science. It also prioritizes equity and inclusion, as well as coordination with local and regional partners.

In support of these goals, the Budget proposes \$12 billion over the next five years for a comprehensive Climate Budget, which combines Greenhouse Gas Reduction Fund investments with a proposed climate resilience bond and a new revolving loan fund. Taken as a whole, the Climate Budget prioritizes investments in transportation, including vehicles, fuels, and infrastructure, as well as land-based strategies to reduce climate risk throughout the state.

As a part of this package, the climate resilience bond, if approved by the voters in November 2020, will provide \$4.75 billion for resilience investments that reduce climate risks in the following areas: water, fire, extreme heat, and sea level rise. It also invests in local resilience centers to provide capacity and technical assistance at the community level.

In addition, the Climate Budget includes strategies specifically aimed at leveraging private sector resources to support the state's climate goals, recognizing that government cannot tackle these issues at the necessary speed and scale without engaging the private sector. For additional details on the Climate Budget, see the Climate Resilience chapter.

HOUSING

Recognizing that California is in the midst of a housing crisis due to decades of underproduction, the Budget continues to support implementation of recent significant investments to increase housing production. By partnering with local jurisdictions to support greater housing production, and by subsidizing the production of affordable and moderate-income housing, the state is creating the conditions for more housing, closer to job centers. This will lead to shorter commutes, which in turn results in better health outcomes, fewer greenhouse gas emissions, and a higher quality of life.

Over the next five years, the state will invest approximately \$17 billion to continue to bolster housing production, including an estimated \$2 billion from Cap and Trade proceeds for affordable housing and sustainable communities as well as \$1.75 billion one-time General Fund from the 2019 Budget Act to promote the production of housing as follows:

- \$250 million for planning grants to local governments for technical assistance in developing plans to reach statewide housing production goals.
- \$500 million for grants for infrastructure that support higher-density affordable and mixed-income housing in locations designated as infill.
- \$500 million to expand the Mixed-Income Loan Program at the California Housing Finance Agency to provide loans to developers for mixed-income developments.
- \$500 million ongoing for state tax credits for the development of new affordable housing and for deeper subsidies for preservation projects across the state, helping to maintain the state's overall housing availability.

In addition, the state has identified excess state properties to solicit affordable housing developers to build demonstration projects that use creative and streamlined approaches to building affordable and mixed-income housing.

To support long-term housing production, Chapter 159, Statutes of 2019 (AB 101) provides incentives for local governments to implement pro-housing policies that facilitate planning and construction of housing. At the same time, AB 101 allows courts to hold persistently non-compliant cities and counties accountable to meet their housing goals, including escalating fines and authority to appoint an agent of the court to take actions necessary to bring a jurisdiction into compliance.

The state will continue to pursue policy changes that support housing production as well as hold local jurisdictions accountable to remove barriers to more housing

production in the state. The Budget includes \$10 million General Fund annually for the next three years to support the state's efforts to increase housing production. The Administration is committed to working with the Legislature this year on additional actions to expedite housing production, including changes to local zoning and permitting processes, as well as adding predictability and reducing the costs of development fees. For additional details see the Housing chapter.

TRANSPORTATION

As California grapples with a housing crisis, the impacts on transportation access and affordability are increasingly apparent. Californians are driving more as they are forced to commute longer distances due to the lack of proximity between affordable housing options and job centers, further exacerbating California's aging road infrastructure as well as climate impacts from transportation. But there is also opportunity for innovative solutions as the sector experiences rapid change through electrification, automation, ride-sharing, and other mobility options. California, home to many of these innovations, must create a transportation system that is flexible and open to the potential for better travel options that meet the state's growing population needs while supporting sustainable, inclusive growth.

To tackle these challenges, over the next five years, the Plan invests approximately \$5 billion in public transit and rail infrastructure, and \$1.1 billion for active transportation projects, to increase access to multi-modal transportation options. Additionally, the Plan includes continued investment in High Speed Rail. This system will be an economic backbone for the Central Valley, promoting new housing and jobs near rail stations, and will also provide connectivity between Central Valley cities and, ultimately, the coasts.

The High Speed Rail Authority is continuing to construct the Central Valley segment completing electrified High Speed Rail from Merced to Bakersfield with Proposition 1A bonds, federal funds, and 25 percent of the continuously appropriated funding from annual Cap and Trade auction proceeds. Additionally, the state has committed \$1.1 billion to locally sponsored projects in northern and southern California that will improve local rail service and benefit High Speed Rail when the system is connected to those areas. The funding provides resources to continue meeting commitments to federal and regional partners, and advancing Phase 1 environmental clearances.

In addition to investing in new transportation options, it is critically important to maintain and restore California's aging road infrastructure. Well-maintained roads reduce wear and tear and also increase the fuel efficiency of vehicles. However, these investments

INFRASTRUCTURE

alone will not make a meaningful dent in the state's climate goals, and must be paired with specific programs intended to reduce overall vehicle miles traveled.

Over the next five years, \$22 billion will be available for new state highway repair and rehabilitation projects in the State Highway Operations and Protection Program (SHOPP). The Road Repair and Accountability Act of 2017, Chapter 5, Statutes of 2017 (SB 1), increased available SHOPP funding capacity by \$8 billion through 2022-23. As the state invests in ongoing road maintenance, it is critical that the state does so in a way that is resilient in the face of physical climate impacts like floods, fires, extreme heat, and sea level rise. The Climate Budget includes investment in the climate research that will underpin these decisions, as well as in programs such as cool road surface investment in areas of the state experiencing extreme heat impacts from climate change.

Over this same five-year period, \$3.3 billion will be available for the State Transportation Improvement Program, which provides funding for future multi-modal transportation improvements throughout California. This program supports the implementation of regional Sustainable Community Strategies (75 percent), as well as interregional travel (25 percent). An additional \$1 billion for partnerships with local transportation agencies is also included in the Plan.

These programs will complement other investments in low-carbon vehicles and fuels. For additional information on investments in low-carbon transportation programs, see the Climate Resilience chapter.

WATER

As climate change continues to threaten the reliability of the state's water infrastructure, the Administration is advancing a strategy to build a comprehensive, resilient water system, starting with the Governor's call for an integrated Water Resilience Portfolio in his Executive Order N-10-19. In the Order, the Governor directed the Administration to develop a comprehensive strategy for a climate-resilient water system. The Order directs the agencies to inventory current water supplies and the health of waterways, assess future demands and challenges, and identify key priorities for the state's water resilience portfolio.

WATER RESILIENCE PORTFOLIO

Pursuant to the Governor's Executive Order, the Administration has released a draft Water Resilience Portfolio that identifies the following priorities:

- **Maintain and diversify water supplies**—The state will continue to support regions to reduce reliance on any one water source and diversify supplies to enable flexibility as conditions change. Diversification will look different in each region based on available water resources. This effort will strengthen water security and reduce pressure on river systems across the state.
- **Protect and enhance natural systems**—State leadership is essential to restore the environmental health of many of the state's river systems to sustain fish and wildlife. This entails effective standard-setting, and more adaptive, holistic environmental management.
- **Build connections**—The state aims to improve physical infrastructure to store, move, and share water more flexibly and integrate water management through the shared use of science, data, and technology.
- **Be prepared**—Each region must prepare for new threats, including more intense floods, deeper droughts, and hotter temperatures. State guidance will enable preparation, protective actions, and adaptive management to weather these stresses.

The Budget prioritizes recommendations emerging from the Water Resilience Portfolio, with 62 percent of the proposed \$4.75 billion climate resilience bond dedicated to programs that align with priorities identified in the Portfolio. For additional information on the bond, see the Climate Resilience chapter.

The Water Resilience Portfolio and the Budget build on several Administration-sponsored initiatives already underway.

SAFE DRINKING WATER

To support access to clean and safe drinking water for all Californians, the Administration and Legislature partnered to establish an ongoing, stable funding source to help enable delivery of safe and affordable drinking water. The Safe and Affordable Drinking Water Fund (SB 200) provides up to \$130 million annually until 2030 to address the drinking water crisis.

The State Water Resources Control Board (Water Board) is developing a plan to deploy this ongoing funding in a way that complements and leverages existing work using federal State Revolving Fund dollars and one-time bond funds. During this first year of implementation, most of the funding will be used to address immediate drinking water

INFRASTRUCTURE

and public health needs, while planning gets underway for long-term solutions in hundreds of communities around the state.

VOLUNTARY AGREEMENTS

The Administration is also working with a broad range of water agencies and environmental conservation groups to develop voluntary agreements to implement the Water Board's Bay-Delta Water Quality Control Plan. The Water Board is required to update this plan to protect fish and wildlife, water quality, and other beneficial uses of water in the Delta and its key watersheds. Successful voluntary agreements hold the promise to adaptively manage enhanced flows and habitat to improve conditions for fish and wildlife. These agreements must undergo scientific peer review and environmental review under the California Environmental Quality Act. Voluntary agreements reflect a collaborative approach to water resources management and native fish and wildlife protection.

DELTA CONVEYANCE

California's main system of water conveyance, which moves a large portion of the state's surface water supply, continues to be under threat from flood, subsidence, earthquake, and climate change. The state-led water system that captures precipitation from the Sierra Nevada mountains and the Sacramento and San Joaquin rivers to provide drinking water to 27 million Californians faces major vulnerabilities as it travels through the Sacramento-San Joaquin Delta.

Most notably, the United States Geological Survey indicates there is a 66 percent probability in the next 30 years that a major northern California earthquake will occur that can disable the current levee-supported conveyance infrastructure in the Delta, threatening the drinking water for more than half of all Californians. Besides protecting statewide water supplies, modernized Delta conveyance for these water projects will facilitate water transfers and groundwater recharge in overdrawn basins.

The Administration is advancing a single-tunnel conveyance project under the Delta to protect this statewide source from levee collapse caused by a flood or earthquake and saltwater intrusion as sea levels rise. This project will be funded by water agencies that will benefit from improved supply reliability. The project is undergoing environmental review and includes significant public engagement to design a project to limit Delta impacts and provide local benefits.

SUSTAINABLE GROUNDWATER MANAGEMENT ACT

Agricultural water demand will likely continue to outpace available water supplies into the future. Simply put, California agricultural production is being shaped by limits on available water supply. The amount of groundwater available for use will be determined by the annual sustainable yield that each groundwater basin can provide under the Sustainable Groundwater Management Act (SGMA), and will be lower than historical pumping levels that have depleted aquifers.

The Administration is focused on supporting local communities' transition to sustainable groundwater use by aligning state investments and policies to enable implementation of SGMA, including: (1) reviewing Groundwater Sustainability Plans submitted in January 2020 and 2022 and assuring basin-wide alignment across the state's 260 new groundwater sustainability agencies, (2) maximizing groundwater recharge and groundwater banking by streamlining regulations to quickly allow for recharge during periods of extended high flows, including on agricultural land, and (3) supporting flexibility for groundwater sustainability agencies to trade water within basins by enabling and incentivizing transactional approaches, including groundwater markets, with rules that safeguard natural resources, small farmers, and disadvantaged communities.

In addition to the \$395 million proposed in the climate resilience bond for projects to implement Groundwater Sustainability Plans, the Budget proposes \$60 million General Fund to support local implementation of SGMA. For additional information, see the Climate Resilience chapter.

ENERGY

One of the most important tasks the state faces is to build a clean energy future that provides safe, reliable, and affordable energy, while meeting the state's climate goals.

Utility investments to modernize the state's electric transmission and distribution infrastructure will create a system that is resilient to wildfires and other risks, and supports future electricity generation and demand to meet the needs of all Californians. Resiliency investments include grid hardening and vegetation management, as well as grid segmentation and development of alternative power supply to better serve vulnerable areas. Investments in the energy sector will also drive the state's progress toward transportation electrification. This includes fueling infrastructure as well as clean power procurement to support the growing fleet of electric cars and trucks.

The state will continue to support initiatives that accelerate carbon reduction in the energy sector while reliably powering California's economy. In addition to increasing clean energy generation, this includes:

- Continued implementation of integrated resource planning;
- Progress in energy efficiency and storage technology;
- Further adoption of smart grid technology to automate and optimize the grid;
- Facilitating dynamic pricing;
- Demand response programs;
- Distributed generation; and
- Greater regional coordination.

These measures will play important roles in creating a strong foundation for California's energy future.

In July 2019, California enacted Chapter 79, Statutes of 2019 (AB 1054), and Chapter 81, Statutes of 2019 (AB 111), to protect consumer access to safe, reliable, and affordable power by providing a durable solution to the problems arising from utility-caused wildfires in California. It established a new Wildfire Safety Division, initially within the California Public Utilities Commission to provide specific expertise to oversee utility wildfire mitigation efforts and expenditures. Effective July 1, 2021, the division will be transferred to the Office of Energy Infrastructure Safety within the Natural Resources Agency. This legislation also established a wildfire fund supported in part with shareholder contributions to provide insurance for wildfire liabilities and to protect consumers' access to safe, reliable, and affordable power. The Budget includes \$30 million to implement these measures and regulatory efforts to prevent and mitigate utility-caused wildfires.

The Budget reflects necessary support for the Administration's efforts to achieve the required transformation of Pacific Gas & Electric as an investor-owned utility within the bankruptcy process. However, if protecting Californians' interests and ensuring the necessary transformation requires further intervention, including a state takeover of the utility, the Administration will work with the Legislature to secure necessary statutory changes, appropriations to support transactional and planning costs, and liquidity measures. Consistent with the Administration's commitment to maintain a balanced budget and strong fiscal resiliency, any such action would be carefully structured to safeguard the state's General Fund.

NATURAL AND WORKING LANDS

Carbon sequestration will have a central role in the state's long-term strategy to achieve carbon neutrality by 2045. This strategy requires California to enhance the state's natural and working lands by promoting these areas as carbon sinks rather than emission sources. In addition to carbon sequestration benefits, enhancing natural and working lands will strengthen the health and productivity of the state's agriculture sector, help keep air and water clean, and reduce risks to people and nature from climate impacts such as flooding, extreme heat, and catastrophic wildfires. As a result, investing in natural and working lands is a critical ingredient for economic growth, public safety, and climate resiliency.

Building on ongoing investments from the Cap and Trade program, the Budget includes investments in natural and working lands through the proposed climate resilience bond, which would invest \$4.75 billion specifically for natural and built infrastructure intended to reduce climate risks across the state. The bond is structured around climate risks, and natural and working land investments are woven through all of the risk categories. Investment into natural and working lands prioritizes projects that serve the dual purpose of reducing risks from physical climate impacts, and increasing the potential of our lands to serve as carbon sinks. For additional information, see the Climate Resilience chapter.

EDUCATION

The state's education system is a critical part of the state's infrastructure from cradle to career. These facilities provide the setting where the state's workforce is trained and the state's future prosperity is ultimately determined. The Budget includes investments in early learning and care, modernized and resilient K-12 facilities and the state's higher education system. It is critical that investments are made in the state's educational facilities to improve the climate resilience of these critical assets.

EARLY LEARNING

The state has made significant investments in the development of kindergarten facilities with the goal of moving more programs from part-day to full-day to improve educational outcomes for children and to better accommodate working parents. The 2018 and 2019 Budget Acts included a total of \$400 million one-time General Fund for eligible school districts to construct new, or retrofit existing, facilities for full-day kindergarten programs. Of this amount, roughly \$300 million remains available to support the goal of converting existing part-day kindergarten programs to full-day

programs. As referenced in the K-12 Education chapter, the Budget proposes dedicating a portion of these funds to support the construction of preschool facilities that will be used to expand access to preschool programs that will serve additional students.

As referenced in the Early Childhood chapter, the Budget includes \$75 million Proposition 98 General Fund for preschool facilities that provide inclusive early education. Additionally, the 2018 and 2019 Budget Acts allocated \$177 million to support the program, which provides funding to local educational agencies to construct or modify preschool facilities to serve students with exceptional needs or severe disabilities.

Further, as referenced in the Early Childhood chapter, if the Public Preschool, K-12, and College Health and Safety Bond Act of 2020 is approved by voters in March, the Administration will propose statute authorizing the State Allocation Board to provide a new construction or modernization per-pupil grant enhancement to local educational agencies proposing to construct or modernize facilities to expand preschool programs on school campuses. Participants would be required to use the applicable facility to expand the number of preschool students served by the local educational agency consistent with current preschool staffing standards.

K-12 EDUCATION STATE SCHOOL FACILITY PROGRAM

Since 1998, California voters have approved more than \$42 billion in statewide General Obligation bonds to construct or renovate public school classrooms used by the state's approximately six million K-12 students. The Budget Act includes \$2.3 billion General Fund to support the debt service costs associated with these bonds. In addition to state General Obligation bonds, school districts may use developer fees, local General Obligation bonds, and Mello-Roos bonds to construct additional classrooms or renovate existing classrooms. Since 2002, local voters have approved over \$114 billion in local General Obligation bonds to support their school facility needs.

The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51)—approved by voters in November 2016—authorized \$7 billion in state General Obligation bonds to support K-12 school facilities construction. These funds support new construction, modernization, retrofitting, career technical education, and charter school facility projects. The Budget continues to allocate \$1.5 billion Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in fiscal year 2018-19.

Recognizing that the number of applications received by the State Allocation Board exceed available voter approved new construction and modernization bond funding, Chapter 530, Statutes of 2019 (AB 48) places a \$15 billion General Obligation bond—the Public Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020—on the March 3, 2020 ballot for consideration by the voters. If approved, the Act would provide \$9 billion to support K-12 facilities construction, of which:

- \$5.2 billion would support modernization projects, including \$150 million to support lead in drinking water testing and remediation.
- \$2.8 billion would support new construction projects.
- \$500 million would support charter school construction projects.
- \$500 million would support career technical education projects.

For more information, see the K-12 Education and Higher Education chapters.

SCHOOL FACILITIES PROGRAM REVISIONS

If the Act is approved by voters, AB 48 makes key changes to the School Facilities Program. AB 48's programmatic reforms more equitably address the changing needs of K-12 school districts and charter schools, better promote energy efficiency, address lead in drinking water, and assist school districts affected by natural disasters.

AB 48 also promotes the development of housing by bringing stability to developer fees until January 1, 2026. Specifically, the changes exempt multi-family housing developments within one-half mile from a major transit stop from level 1, 2, and 3 school developer fees and reduce school developer fees applicable to all other multi-family housing projects by 20 percent. The statutory changes also deem level 3 school developer fees inoperative until January 1, 2028. The statutory changes also increase local capacity to make needed school facility improvements by increasing local bonding capacity. In addition, AB 48 requires increased facility planning for school districts participating in the School Facilities Program.

HIGHER EDUCATION

Each year, millions of Californians pursue postsecondary degrees and certificates, enroll in courses, or participate in other kinds of education and training. The three public segments that support these educational opportunities include the University of California (UC), the California State University (CSU), and the California Community Colleges (CCCs).

UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY

The UC and CSU currently fund capital projects from within their annual support budget. This provides the universities with the flexibility to factor infrastructure development costs and priorities within their comprehensive fiscal plans. In accordance with statute, both the UC and the CSU submit annual capital outlay proposals for legislative review and Department of Finance approval. The CSU submitted capital proposals totaling \$2.6 billion (\$2.4 billion Statewide Revenue Bonds and \$190 million campus funds). CSU continues to prioritize and refine this project list. The UC submitted capital proposals totaling \$562.2 million (\$551.4 million General Fund-supported financing and \$10.8 million non-state resources). Final approved project lists for both CSU and UC will be submitted to the Legislature in April 2020.

If approved, the Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020 would allocate \$2 billion in state General Obligation bonds to support UC and Hastings College of the Law facilities projects, and \$2 billion in state General Obligation bonds to support CSU facilities projects.

If the Act is approved, AB 48 requires the Regents of the UC and the Board of Trustees of the CSU to adopt five-year campus housing plans that reflect specified affordable student housing information and goals. AB 48 also requires the Regents and Trustees to consider several key inputs, including a campus's affordable student housing plan, when determining whether to request state funding for a project.

CALIFORNIA COMMUNITY COLLEGES

In 2016, voters approved approximately \$2 billion in state General Obligation bonds to support the improvement and construction of community college facilities. Recently, CCCs have reported \$23 billion of capital needs over the next five years.

The state's CCC facilities investments should focus on the most critical of the CCC's reported capital needs and toward projects that have appropriate local matching resources. The Budget provides \$27.6 million for the CCCs to support 24 new capital outlay projects. Construction funding for continuing projects will be considered consistent with project schedule. Additionally, the Budget includes \$17.3 million one-time General Fund for CCCs to address deferred maintenance.

If approved, the Preschool, K-12, and College Health and Safety Bond Act (Act) of 2020 would allocate \$2 billion in state General Obligation bonds to support CCC projects.

BROADBAND FOR ALL

California has led a technological revolution defined by an unprecedented level of interconnectedness between communities and economies around the world. Nevertheless, many communities in California still lack access to affordable high-speed Internet: more than 675,000 households are not served by minimum thresholds of quality broadband.

These connectivity gaps primarily affect rural communities, low-income communities, and communities of color, exacerbating existing inequities across California communities. For working families, this can mean an inability to complete school homework, access medical treatment, search for jobs or telecommute, and engage in other essential aspects of daily life. For businesses, this means substantial—sometimes insurmountable—hurdles to taking advantage of emerging economic opportunities and building dynamic regional economies.

The state's Broadband for all strategy is composed of four principal elements: mapping the state of connectivity; investing new resources; optimizing use of existing resources; and coordinating government entities to prioritize connectivity across policies.

MAPPING THE STATE OF CONNECTIVITY

To understand the scope and nature of the challenge, the state of connectivity—whether, where, and at what speed Californians have access to affordable high-speed Internet—will be mapped. This mapping will employ a geographic information system (GIS)-based analysis using the following four available data sources:

- Census tract-level data of households without broadband access;
- Existing public and private broadband network infrastructure;
- GIS data on state-owned infrastructure and rights of way; and
- The costs of various middle- and last-mile hardware components.

The CPUC, which has led similar projects in the past, is well positioned to lead the effort to map the state's connectivity.

INVESTING NEW RESOURCES: BROADBAND IN EDUCATION

The state-sponsored K-12 High Speed Network provides local educational agencies with broadband network connectivity and Internet services, as well as videoconferencing coordination and support. The K-12 High-Speed Network also administers the Broadband Infrastructure Improvement Grant Program, which has a funding allocation of \$51.4 million Proposition 98 General Fund, to improve local educational agency broadband connectivity to ensure schools can administer computer-based assessments. These efforts expand support for learning opportunities in the classroom and allow for more opportunities to expose students to computer science courses.

The California Community College's (CCC's) Integrated Technology Categorical Program annually provides \$41.9 million Proposition 98 General Fund to support systemwide technology capabilities, such as systemwide broadband connectivity services, data security services, and access to statewide multimedia hosting and delivery services for colleges and districts.

In total, the state expects to provide \$260.9 million over the next five years for broadband infrastructure improvements and systemwide technology investments. Of this amount, \$51.4 million is allocated for K-12 purposes, and \$209.5 million for CCC purposes.

OPTIMIZING USE OF EXISTING RESOURCES

Informed by GIS-based mapping, the state will review existing fund sources available for broadband adoption and activities. This review will include the California Teleconnect Fund, the California Advanced Services Fund, and federal funding opportunities to maximize the return on existing investments. In total, these funds provide approximately \$900 million over the next five years that can be targeted to critical broadband activities statewide.

PRIORITIZING CONNECTIVITY ACROSS POLICIES

In addition to targeting resources to expand connectivity, the state will coordinate government entities to prioritize high-speed Internet across policies. For example, state projects that do not directly concern—but intersect with—broadband infrastructure could nonetheless be tailored to supplement and support the infrastructure. Greater coordination will unlock efficiencies across state priorities.

The California Department of Technology, which leads the California Broadband Council, will help to coordinate interagency action and convene stakeholders.

OTHER CRITICAL STATE INFRASTRUCTURE

The Plan also includes investments in capital assets that support core state functions, including state office buildings, fire protection facilities, state parks, correctional facilities, and courts, among others.

STATE OFFICE BUILDING PROGRAM

The Department of General Services (DGS) manages approximately 35.1 million square feet of space that supports a variety of state programs and functions.

The Budget includes \$721.7 million lease revenue bond financing for the continuation of the Gregory Bateson Building Renovation (\$183.6 million), the Jesse Unruh Building Renovation (\$116.8 million), and the Resources Building Renovation projects (\$421.3 million). These projects represent a continuation of the DGS Ten-Year Sequencing Plan, which provides a strategy for the renovation or replacement of state office buildings in the Sacramento region.

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The California Department of Forestry and Fire Protection operates more than 530 facilities statewide, including 234 fire stations, 112 telecommunications facilities, 39 conservation camps, 21 unit headquarters, 16 administrative headquarters, 12 air attack bases, 10 helitack bases, 8 state forests, 1 forestry nursery, 3 training academies, and various other facilities. These facilities support fire protection, the Office of the State Fire Marshal, and resource management efforts for more than 31 million acres of state-owned and private wildlands.

The Budget includes \$65.6 million (\$41 million General Fund and \$24.6 million lease revenue bond financing) for facility replacements, relocations, remodels, and funds to initiate the construction of barracks at three air attack bases to support the C-130 aircraft program.

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation consists of 280 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites totaling approximately 1.6 million acres of land.

The Budget includes \$20 million General Fund for a conservation acquisition that would create a new state park and would immediately provide public open space and

INFRASTRUCTURE

protect a unique ecosystem from private development. The vision for the park would include programs supporting equitable access. The Plan also includes \$24 million General Obligation bonds for improving facilities, enhancing access in existing parks, and for opportunity acquisitions.

For more information, see the Natural Resources chapter.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

The Department of Corrections and Rehabilitation (CDCR) maintains 37 youth and adult correctional facilities and 44 youth and adult camps. The Budget reflects the transfer of the youth facilities to the Health and Human Services Agency effective July 1, 2020. CDCR's aging infrastructure and changing population drive significant infrastructure needs.

The Budget includes \$182.8 million (\$91.7 million General Fund and \$91 million lease revenue bond financing) for projects that address a variety of infrastructure needs to support CDCR's programs.

ROOF REPLACEMENT PROJECTS

Failing prison roofs have resulted in damage to electrical systems and housing units, and interruptions in rehabilitation programs, education programs, and mental health treatment.

The Budget includes \$78.2 million General Fund over two years for roof replacement projects, including design funding, at Pelican Bay State Prison and California State Prison, Sacramento. This is part of a broad, multi-year plan to replace aging and deteriorating roofs across the state prison system. To date, ten institutions have received one-time funding for major roof replacement and repair projects. With funding for these 2 prisons, 15 remaining institutions are scheduled for future roof replacement and repair projects over the next 6 years.

HEALTH CARE FACILITY REPAIRS AT THE CALIFORNIA REHABILITATION CENTER

The Health Care Facility Improvement Program was implemented in 2012 to improve treatment and clinic space to provide an effective health care delivery system at 31 adult institutions, but did not include the California Rehabilitation Center. The existing health care treatment areas there are in buildings that are 75 years old, do not have adequate storage, restrict workflow, and make it difficult to maintain inmate-patient privacy. To address this, the Budget includes \$5.9 million one-time General Fund to replace damaged flooring, walls, wall-mounted air conditioning units, counters, and

storage spaces in existing health care treatment areas. This project will also replace existing medication distribution windows with newer windows that are consistent with current standards and will allow for improved medication distribution. The California Rehabilitation Center is one of the older facilities in the state prison system. These upgrades are necessary to maintain this facility, which is better situated than other facilities to recruit staff, including medical professionals.

SUICIDE PREVENTION INTAKE CELL RETROFITS

In response to federal class action lawsuits, CDCR continues to invest in efforts to improve the safety of its facilities, particularly for inmates experiencing mental health crises. Since 2006, CDCR has retrofitted 473 intake cells to be suicide resistant, which includes modifying cell doors and installing ligature-resistant fixtures. However, there are an insufficient number of suicide-resistant cells available to accommodate the number of Administration Segregation Unit admissions. The Budget includes \$3.8 million one-time General Fund to retrofit 64 additional intake cells across the state to provide a safer environment for inmates entering segregated housing.

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The Supreme Court is located in San Francisco and Los Angeles. The courts of appeal are organized into six districts and operate in nine different locations. The trial courts are located in 58 counties statewide, in approximately 450 facilities, and 2,100 courtrooms of approximately 16 million square feet of usable area and more than 21 million square feet of space under Judicial Council responsibility and management. The facilities of the Supreme Court, courts of appeal, and trial courts encompass not only the public courtroom spaces but also the chambers and workspaces where judicial officers and courtroom staff prepare for proceedings; secure areas, including holding cells; and building support functions.

REASSESSMENT OF TRIAL COURT CAPITAL OUTLAY PROJECTS

Chapter 45, Statutes of 2018 (SB 847) required the Judicial Council to conduct a reassessment of every trial court facility within the state and report the assessment results back to the Legislature by December 31, 2019. The Judicial Council released the results of the reassessment on December 6, 2019.

The Judicial Council approved the Reassessment of Trial Court capital outlay projects based on a prioritized needs-based and cost-based list. Overall, there are 80 projects identified through the reassessment that include both new construction and renovation

projects in 41 of the 58 trial courts. The total cost of all 80 projects is estimated at \$13.2 billion.

The Plan includes \$2 billion for court projects, assuming approximately five projects will be initiated each year for the next five years. The Administration anticipates proposing the first of the projects this spring, focusing on the most critical projects identified in the reassessment.

MAINTAINING EXISTING INFRASTRUCTURE

Historically, due to budget reductions and other fiscal challenges, the state has not consistently funded either the cost of maintaining its new capital investments or the deferred maintenance on existing infrastructure. For example, although billions of dollars have been spent over the past decade to build state facilities, less attention has been paid to the availability of permanent funds to maintain these facilities.

Deferred maintenance is maintenance that has not been completed to keep state-owned facilities in an acceptable and operable condition, and that is intended to maintain or extend their useful life. Actions such as replacing old equipment, repainting, reroofing, repairing wiring and plumbing, dredging river or stream beds to restore original flow capacity, and repairing roads are all examples of maintenance. In contrast, capital outlay is the creation of new buildings, additions to and modifications of existing buildings, and includes projects that generally expand the capacity or change the function of state-owned properties.

At present, the reported statewide deferred maintenance need totals approximately \$62 billion, as shown in the Identified Statewide Deferred Maintenance figure.

Transportation currently represents the area of the state with the highest level of deferred maintenance. Much of the state highway system was built between the 1950s and early 1970s to serve a growing economy and population. The state's population has continued to grow significantly in recent decades, resulting in a corresponding increase in vehicle miles traveled and placing additional pressure on an aging state highway system. Similarly, increased international trade, coupled with the country's dependence on the state's port system, has led to a substantial increase in trucking. As cars became more fuel efficient, revenues from excise taxes did not keep pace with the state's increasing need for highway maintenance and repairs.

Chapter 5, Statutes of 2017 (SB 1), the Road Repair and Accountability Act of 2017, was signed into law to address deteriorating road conditions by increasing funding to repair

Identified Statewide Deferred Maintenance^{1/}

(Dollars in Millions)

Department of Transportation	\$36,200
Department of Water Resources	12,000
University of California	6,210
Judicial Branch	2,472
Department of Corrections and Rehabilitation	1,172
Department of Parks and Recreation	1,157
Department of General Services	544
California State University	510
Department of State Hospitals	398
California Community Colleges	248
Department of Forestry and Fire Protection	148
Network of California Fairs	137
California Military Department	119
Department of Fish and Wildlife	71
Department of Veterans Affairs	66
California Highway Patrol	44
State Special Schools	44
Department of Developmental Services	25
Department of Motor Vehicles	22
Employment Development Department	18
California Exposition Park	15
Department of Food and Agriculture	10
Housing and Community Development	8
California Conservation Corps	4
Hastings College of the Law	3
Tahoe Conservancy	3
Office of Emergency Services	1
Total	\$61,649

^{1/}Represents total deferred maintenance need. Costs may be distributed between local, state, and federal entities.

the roadways, both on and off the State Highway System as well as addressing congestion, improving trade corridors, and promoting active transportation. SB 1 provides an average of nearly \$2 billion in additional annual funding for the maintenance and repair of the State Highway System. This funding is being targeted toward pavement, bridge, and culvert repair while allowing the state to maintain current funding levels for safety, emergency, and other transportation elements.

The state has made progress in the last several years in reducing deferred maintenance across state government and will make more in the coming years with SB 1 investments in the state's roads and other bond investments.

DEBT FINANCING

The state has long used debt financing as a tool for infrastructure investment, similar to the private sector. When the state borrows to pay for infrastructure, roughly one out of every two dollars spent on infrastructure investments pays interest costs, rather than construction costs. The amount of funds required to service the debt has increased steadily over past years.

Budget challenges in the early 2000s resulted in a greater reliance on debt financing, rather than pay-as-you-go spending. From 1974 to 1999, California voters authorized \$38.4 billion of General Obligation bonds. From 2000 to 2010, voters expanded the types of programs funded by bonds and authorized approximately \$111.9 billion of General Obligation bonds. Of all previously approved bonds, debt obligations of \$71.7 billion in General Obligation bonds and \$8.6 billion in lease revenue bonds remain outstanding. Additionally, as of December 1, 2019, there are \$32.7 billion of General Obligation and \$7.2 billion of lease revenue bonds that are authorized but not yet issued. The bonds will be issued when projects are approved and ready for construction. Additional information related to General Obligation and lease revenue bond issues can be found on the Department of Finance's website.

As shown in the Debt Service on General Obligation and Lease Revenue Bonds figure, debt service on infrastructure bonds is expected to increase to \$8.5 billion by 2023-24, assuming only limited new lease revenue bonds are authorized.

Debt Service on General Obligation and Lease Revenue Bonds

(Dollars in Millions)

Fiscal Year	All Funds			General Fund	
	General Fund Revenues	Debt Service	Debt Service Ratio ^{1/}	Debt Service	Debt Service Ratio ^{1/}
2018-19	\$139,379	\$7,942	5.70%	\$5,367	3.85%
2019-20 ^{e/}	\$146,486	\$7,960	5.43%	\$5,210	3.56%
2020-21 ^{e/}	\$151,635	\$8,230	5.43%	\$5,279	3.48%
2021-22 ^{e/}	\$157,255	\$8,382	5.33%	\$5,699	3.62%
2022-23 ^{e/}	\$160,903	\$8,247	5.13%	\$5,750	3.57%
2023-24 ^{e/}	\$164,088	\$8,534	5.20%	\$6,050	3.69%

^{1/} The debt service ratio expresses the state's debt service costs as a percentage of its General Fund revenues.
^{e/} Estimated

The debt service ratio is a measure of relative indebtedness. It expresses the state's debt service level as a percentage of its General Fund revenues. The debt service ratio is projected to decline slightly through 2022-23—mainly because of higher projected

revenues—to 3.57 percent, based on currently-authorized General Fund-supported General Obligation and lease revenue bond debt.

Both the bond market and bond rating agencies consider a number of factors when evaluating a state’s debt position. Two measures commonly used to determine a state’s debt position are debt as a percent of state personal income and debt per capita.

The ratio of a state’s debt to personal income is a reflection of the state’s debt compared to the state’s wealth. According to the 2019 State Debt Medians Report by Moody’s Investors Service, California’s total outstanding debt as a percentage of personal income is 3.7 percent. Although this is well above the national average of 2.8 percent (only two of the ten most populous states—New York and Illinois—have more debt as a percentage of personal income), it is a significant decrease from the total of 5.8 percent reported in 2013 (see the Comparison of State’s Debt Ratio to Other States figure).

Comparison of State’s Debt Ratio to Other States

<u>State</u>	<u>Percent of Personal Income</u>						
	2013	2014	2015	2016	2017	2018	2019
National Average	3.4	3.2	3.1	3	3	2.9	2.8
California	5.8	5.3	5	4.6	4.1	3.9	3.7
(50 state rank)	(9th)	(10th)	(10th)	(11th)	(13th)	(13th)	(15th)
New York	6.3	6.0	5.7	5.5	5.2	5.2	5
Illinois	5.7	5.6	5.7	5.2	4.9	5.6	5.1
Florida	2.8	2.5	2.5	2.5	2.2	2	1.7
Pennsylvania	2.8	2.6	2.5	2.5	2.7	2.6	3
Georgia	3.0	2.9	2.8	2.7	2.4	2.4	2.3
Ohio	2.8	2.7	2.7	2.6	2.5	2.5	2.5
North Carolina	2.4	2.1	2	1.9	1.6	1.5	1.2
Texas	1.5	1.5	1	0.9	0.8	0.9	0.8
Michigan	2.2	2.1	1.9	1.8	1.6	1.5	1.4

Source: Moody’s Investors Service 2019 State Debt Medians Reports.

Debt per capita measures each state resident’s share of the total debt outstanding. Last year, California’s per capita debt was estimated to be \$2,194, well above the national average of \$1,493 as reported by Moody’s (see the Comparison of State’s Debt Per Capita to Other States figure). California was eleventh among the states in 2019 in terms of overall debt per capita, and only two of the ten most populous states—New York and Illinois—had higher debt per capita. Similar to the debt as a percent of state personal income, the debt per capita has decreased from the total of \$2,565 reported in 2013, while the national average rose slightly over the same period.

Comparison of State's Debt Per Capita to Other States

<u>State</u>	<u>Debt Per Capita</u>						
	2013	2014	2015	2016	2017	2018	2019
National Average	\$1,416	\$1,436	\$1,419	\$1,431	\$1,473	\$1,477	\$1,493
California (50 state rank)	\$2,565 (7th)	\$2,465 (9th)	\$2,407 (9th)	\$2,323 (9th)	\$2,217 (9th)	\$2,188 (9th)	\$2,194 (11th)
New York	\$3,174	\$3,204	\$3,092	\$3,021	\$3,070	\$3,082	\$3,247
Illinois	\$2,526	\$2,580	\$2,681	\$2,522	\$2,511	\$2,919	\$2,752
Florida	\$1,087	\$1,008	\$973	\$1,038	\$961	\$889	\$812
Pennsylvania	\$1,208	\$1,172	\$1,117	\$1,172	\$1,337	\$1,311	\$1,577
Georgia	\$1,061	\$1,064	\$1,043	\$1,029	\$992	\$986	\$996
Ohio	\$1,047	\$1,087	\$1,109	\$1,091	\$1,087	\$1,118	\$1,156
North Carolina	\$853	\$806	\$739	\$721	\$659	\$611	\$531
Texas	\$580	\$614	\$406	\$383	\$383	\$410	\$389
Michigan	\$800	\$785	\$758	\$719	\$689	\$673	\$630

Source: Moody's Investor Service 2019 State Debt Medians Reports.

DEMOGRAPHIC INFORMATION

The 2020 U.S. Census will provide a benchmark for a California in transition. The state's population growth slowed to 0.35 percent in fiscal year 2018-19, due to fewer births, increasing deaths, and lower net migration. Slower growth is projected to continue for the state, with a total population of 45 million by 2060.

2020 U.S. CENSUS

The U.S. Constitution requires that a decennial census be conducted, with the next enumeration on April 1, 2020. These counts are used to reapportion Congress. In accordance with federal law, they are not subject to adjustment for any census undercount. The federal government also uses census data as a base for many of its data collection efforts. The state uses the decennial census data along with birth, death and migration data to produce state population numbers that are used by other governmental and research agencies for resource allocation and to produce other statistics describing the state.

A complete and accurate count is essential to ensuring resources are allocated fairly. Some groups that have historically been undercounted are renters, foreign-born residents, non-white residents, and those under five years old, especially those less than one year old. To mitigate this risk, California has allocated \$187.2 million to assist the U.S. Census Bureau in accurately counting the state's population. The state is conducting an extensive outreach program with statewide media campaigns and neighborhood level programs to encourage Californians to participate in the census.

DEMOGRAPHIC OUTLOOK

California's population was estimated at 39.96 million as of July 1, 2019, up 0.35 percent over July 1, 2018. The state's annualized average rate of growth since 2010 of 0.76 percent, although lower than in preceding decades, is comparable to the national growth rate during the same period, and more than three times the European Union's population growth rate of 0.2 percent.

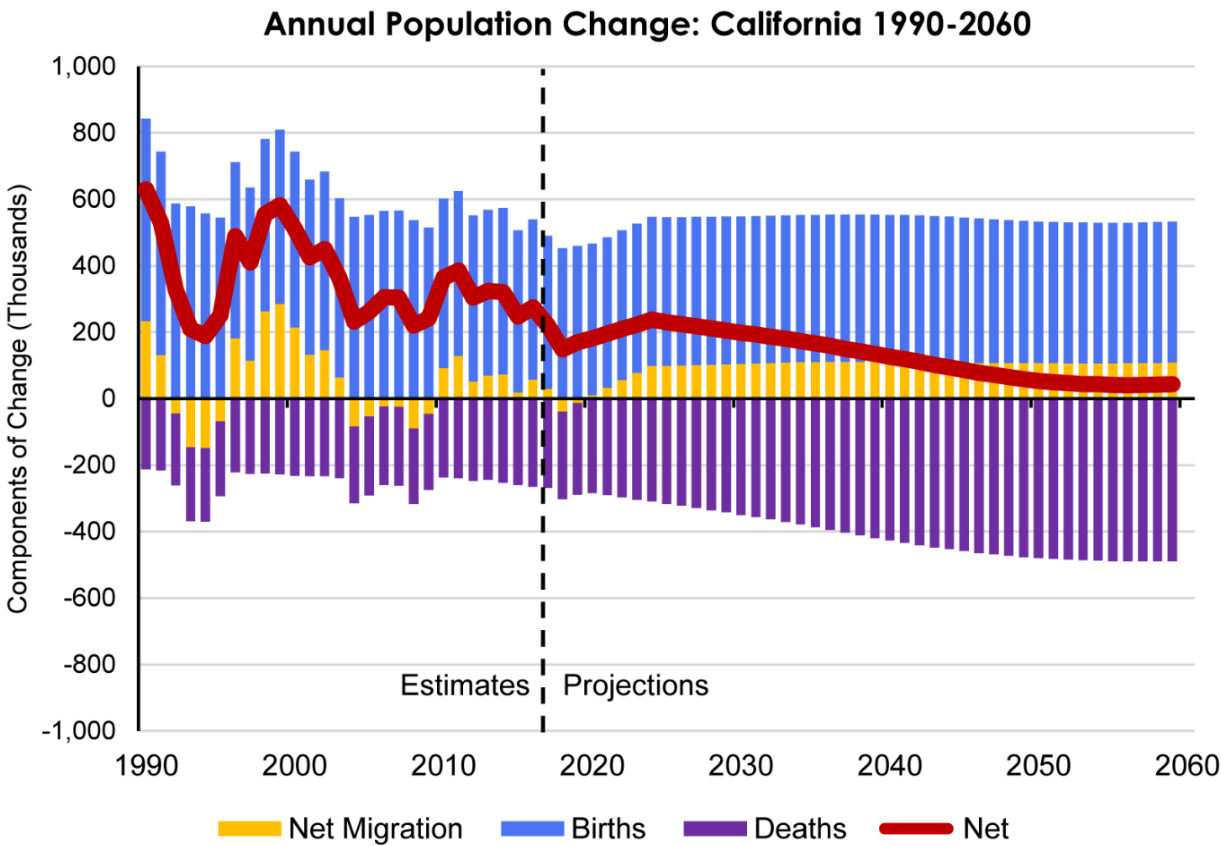
Regionally, inland counties continue to have the highest population growth rates, continuing a trend started in 2016. Most of the urban coastal counties have grown at a much slower pace and some have lost population. The smaller rural counties have lost population or grown very little with the exception of the counties surrounding Butte County due to the impact of the Camp Fire in 2018. The Camp Fire was the most destructive wildfire in California history and destroyed over 14,600 housing units, with a large number of people relocating to nearby counties.

Since 1975, California's population has grown from 21 million to almost 40 million—nearly doubling in 40 years. At its current rate of growth, the next doubling in population size would take around 200 years. People are having fewer children, correlated with changes in education, marriage, and work decisions. The state has also been experiencing lower net migration, with a sustained deficit in domestic net migration, and recent decreases in net foreign migration.

Births have declined from almost 510,000 in 2010-11 to just over 450,000 in 2018-19. As a consequence, enrollment and average daily attendance at California public schools have declined since the 2013-14 academic year. Deaths have increased from under 240,000 in 2010-11 to over 270,000 in 2018-19, as the share of the population over age 65 has grown from 11.5 percent in 2010 to 15 percent in 2019.

California continues to have positive international immigration, but both lower international migration and higher domestic out-migration led to a net outflow of almost 40,000 in 2019, marking the first time since 2010 that more people moved out of California than into the state. The state also experienced net outflows from 1993 to 1996 and from 2005 to 2010, offset by more births than deaths. (See figure on Components of Population Growth.)

Recently updated population projections reflect decreased expectations for future population growth. The net annual population increase is expected to fall to less than 100,000 by 2045, and close to zero net growth by 2060. Fewer births lead to fewer adults, which compounds the slowing growth over time. The current projections series



reach a total population of 45 million by 2060, rather than 50 million in the previous iteration.

The total fertility rate is projected to decline gradually from its current level of 1.65 children per woman to 1.55 by 2030. With a changing age structure, this leads to around 445,000 births in 2030, declining to around 425,000 by 2060. This reduction in births will continue to impact school enrollment as birth cohorts get smaller. Slowing improvements in life expectancy at birth since 2010, mostly as a result of stalled mortality improvements at young adult ages, have translated to a projection of modest increases in life expectancy in the coming decades. California’s current life expectancy at birth is estimated at 81.5 years and is projected to increase to 82.0 years by 2025. Deaths will continue to increase from 340,000 in 2030 to 490,000 by 2060. After around 2040, there will be more deaths than births each year.

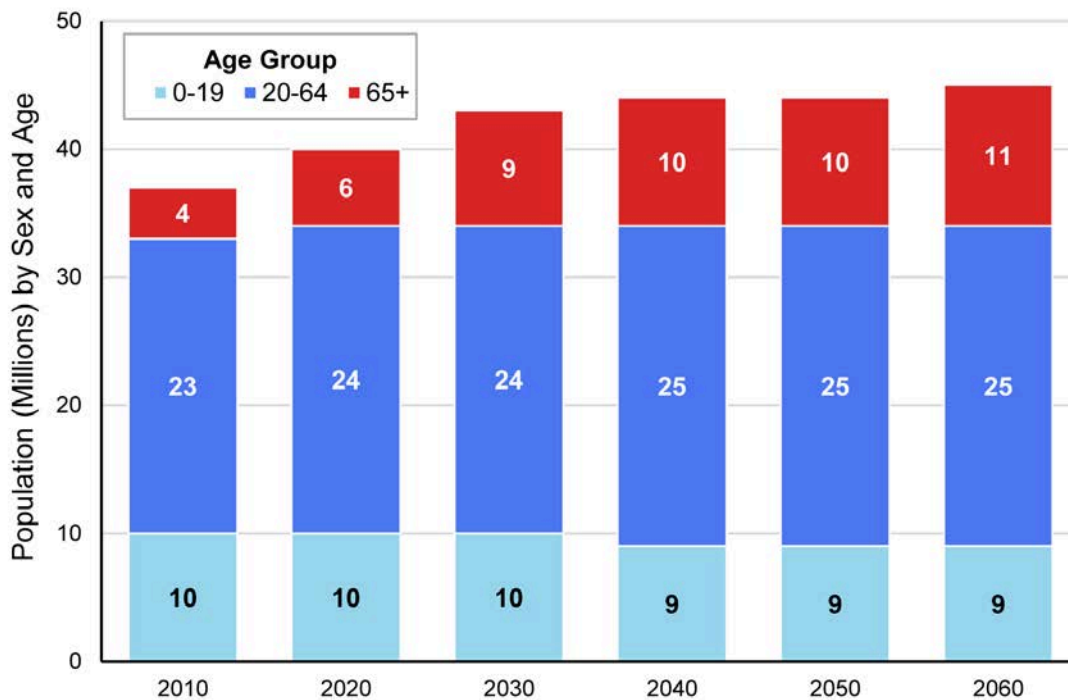
The new projections assume the state reverts to net migration flows of around 100,000 per year in the long term, in line with the average during 2010 through 2019, but significantly lower than levels observed during the period before 2005. In a scenario with zero net migration, the state’s population peaks at 42 million in 2038 and thereafter declines to 40 million by 2060. Other advanced countries, such as Japan, have already

DEMOGRAPHIC INFORMATION

begun losing population due to more deaths than births and historical patterns of low immigration.

The age structure of the population is also projected to change. (See Figure of Population by Age Group.) In the past, California has been a relatively young state, with one of the lowest percentages of the population aged 65 and over. This is due to its disproportionate share of baby boomers, those born 1946 to 1964. However, now that this cohort is entering retirement, the ratio of Californians over 65 to those ages 20-64—called the Old Age Dependency Ratio (OADR)—is increasing from around 19 per 100 in 2010 to 35 per 100 in 2030. The United States population according to latest Census Bureau projections will see similar trends to the state: the national OADR is projected to increase from 22 per 100 in 2010 to 37 per 100 by 2030.

Population by Age Group: 2010-2060

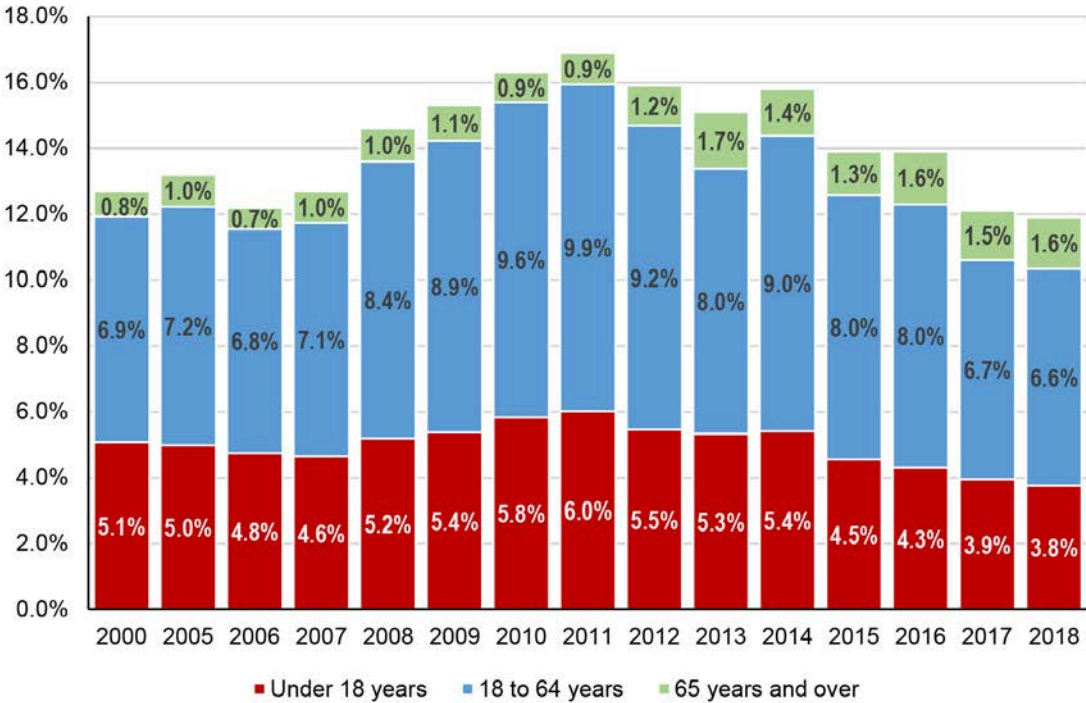


HOUSING AND INCOME

The official poverty rate for California in 2018 was 11.9 percent, down from a peak of 16.9 percent in 2011. This was the first time after the Great Recession that California poverty had fallen below pre-recessionary levels.

A person is considered to be in poverty if they live in a household with an income below the official threshold for that household type. For example, the 2018 poverty threshold for a single adult was \$12,784 and the threshold for a single parent with two children was \$20,231. Improvements in the economy have affected different household types in different ways, and changes in poverty can differ by age group. For persons age 0 to 17 and age 18 to 64, poverty has been on a downward trend in California with poverty in 2018 for persons age 0 to 17 at 16.5 percent compared to 24.3 percent in 2011. For persons age 18 to 64, the poverty rate in 2018 was 10.6 percent compared to 15.6 percent in 2011. By contrast, the poverty rate for seniors has trended upwards since 2010—7.8 percent in 2010 compared to 10.5 percent in 2018. The figure on Poverty Rates by Age shows more detail.

Poverty Rate and Age Composition



The record-low unemployment rates in California mean more people have work, but more demand for higher-skilled jobs can also affect participation rates. Labor force participation rates for those between 25 and 64 years old have declined by nearly 3 percent since 2000 for individuals with less than a bachelor’s degree (from 76 to 73 percent) and 2 percent for those with a college degree and higher (from 86 to 84 percent). Overall labor force participation among the 25-64 year old population has dropped approximately 1.5 percent as the number of those with a college degree have increased. In 2000, only 28 percent of Californians ages 25-64 had a bachelor’s

DEMOGRAPHIC INFORMATION

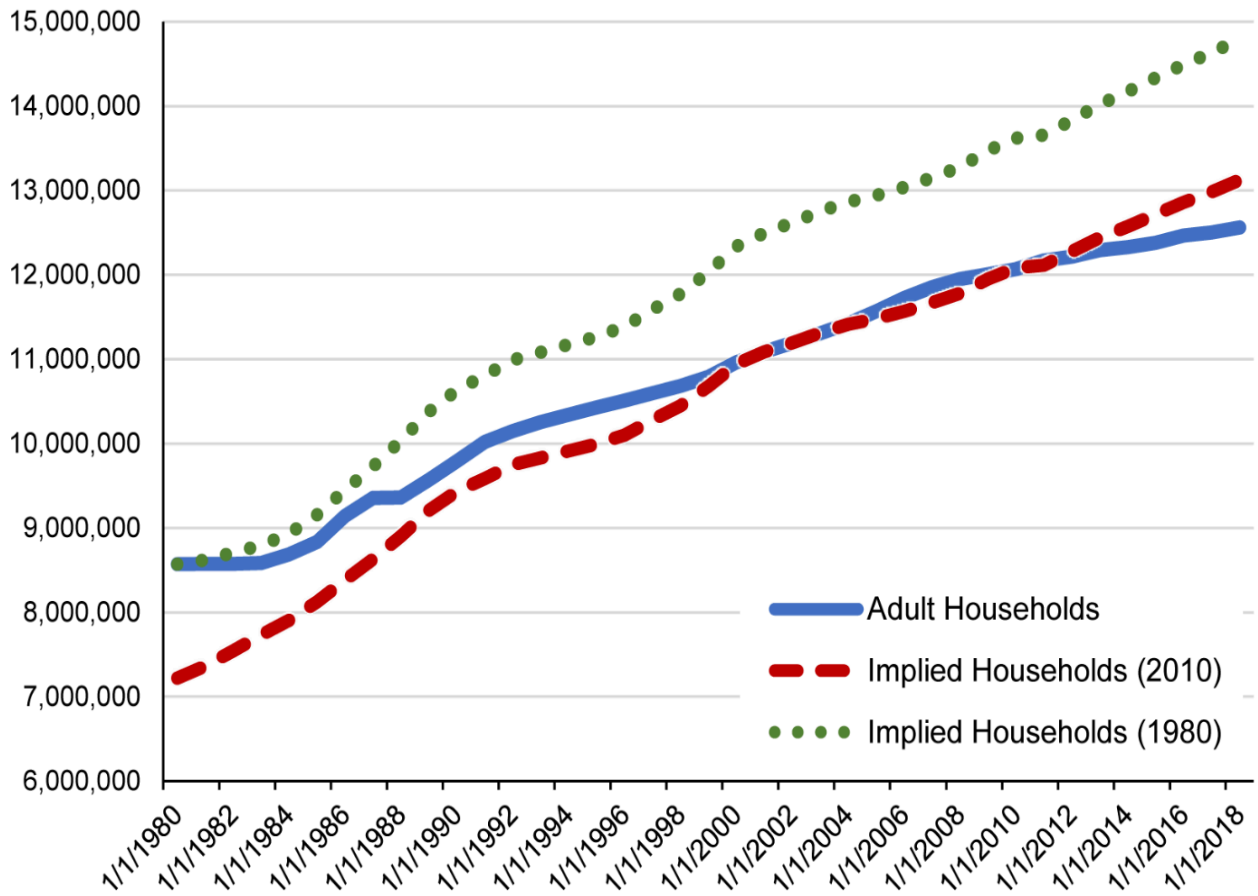
degree or higher, by contrast, in 2018 more than 34 percent fell in that group. For 25-64 year olds, among those with less than a bachelor's degree the poverty rate is 13.6 percent in contrast to those with a bachelor's degree or higher, where the poverty rate is 4.5 percent. The income gains to degree completion are seen also in tenure where a majority of those in California that own their homes have a bachelor's degree or better; likewise the majority of renters have less than a bachelor's degree.

In 2018, poverty rates ranged from 8.1 percent for the San Francisco metro area to 20.9 percent for the Fresno metro area. Poverty rates for five of the state's major metropolitan areas and the remainder of the state have fallen since 2010. However, the thresholds are set nationally, and do not take into account regional differences in the cost of living.

While overall rates of poverty are lower for most Californians in 2018, the housing shortfall continues to impact the overall ability of individuals to afford shelter. Among all Californians, 1 in 5 pay at least 50 percent of their income in housing costs. Among homeowners, this is as low as 13.4 percent. The young and old face the highest rent burdens with more than 30 percent of those 20 to 29 years old, and 39 percent of those over 65 paying more than 50 percent of their income for rent. For households earning below \$50,000, 62 percent are renters, and of those renters 57 percent pay more than 50 percent for housing, up from 54 percent in 2010. The trend continues among households earning between \$50,000 and \$100,000, where those paying more than 50 percent for rent has increased from 3.9 percent in 2010 to 6.4 percent in 2018.

The total housing stock in California consists of 9,186,000 single family housing units, 4,490,000 multi-family housing units and 560,000 mobile homes in 2019. Since the Great Recession, while housing growth has slowed overall, the state has also experienced increased multi-family housing growth not seen since the 1980's. As population growth diverges from housing growth the number of individuals in each household increases. While the two growth rates can differ over time, the state has consistently built less housing than needed for population growth since 2011. When the actual growth in the adult (25+) population of California is compared to the number of housing units historically necessary to accommodate that population's growth from 2000 through 2018, the two lines diverge, with a gap of almost 550,000 housing units at the end of the series in 2018. This gap is seen in the figure Actual Adult Households vs. Historical Adult Housing Demand.

Actual Adult Households vs. Historical Adult Housing Demand



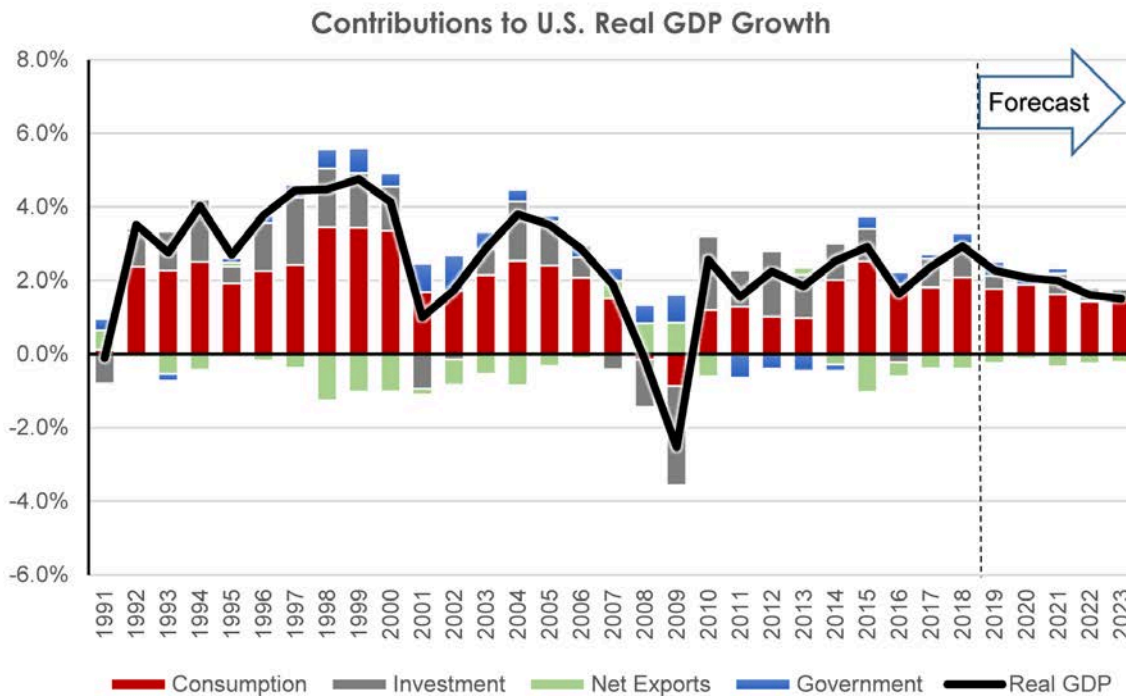
ECONOMIC OUTLOOK

The current economic expansion that began in 2009 is the longest the United States has experienced. Unemployment rates for the U.S. and California are now at historic low rates of 3.5 percent and 3.9 percent, respectively, as of November 2019. Growth is assumed to continue at a slowing pace through 2023-24. Risks that might affect national and state growth include trade disputes, stock market volatility, and a global economic slowdown, among others.

THE NATION—SLOWING GROWTH

For the U.S., real GDP growth is expected to continue at around 2 percent through 2021 before gradually falling to around 1.5 percent in 2022 and 2023 due to increased pressure from tariffs, slowing global economic growth, slower investments and other risks. The federal deficit is now almost \$1 trillion, limiting fiscal policy instruments in case of a potential downturn. Consumption will continue to be the main driver of economic growth as record low unemployment puts upward pressure on wages and consumer sentiment remains strong. (See figure on Contributions to U.S. Real GDP Growth.)

The U.S. unemployment rate fell to 3.5 percent in September 2019 and has stayed at around that level through November 2019—its lowest rate since December 1969. Through the first eleven months of the year, the U.S. has added 180,000 nonfarm jobs per month, on average, compared to 223,000 jobs per month during the same period in 2018. Since December 2007, just prior to the start of the Great Recession through November 2019, the U.S. has added almost 14.0 million nonfarm jobs. While the



Source: U.S. Bureau of Economic Analysis; CA Department of Finance, Governor's Budget Forecast.

nation has surpassed job counts from prior to the recession, the sectoral composition has seen marked changes. Goods-producing industries, including mining and logging, construction, and manufacturing, currently have almost 900,000 fewer jobs than the pre-recession peak. In contrast, service sector jobs have grown by almost 14.5 million during the same period. While wholesale trade has declined by around 13,000 jobs and information has declined by over 200,000 jobs, all other sectors have surpassed their pre-recession levels. Educational and health services did not experience any job loss during the recession and have now gained over 5.5 million jobs from the pre-recession period. Other sectors that have seen significant job increases include leisure and hospitality, which added 3.3 million jobs, and professional and business services, which have added almost 3.5 million jobs.

Continued GDP and labor force growth will result in a further decline of the unemployment rate to 3.4 percent by the second half of 2020, where it will remain for four consecutive quarters before gradually rising to above 4 percent by 2023. (See figure on U.S. and California Unemployment.)

In November 2019, U.S. inflation was 2.1 percent and is expected to remain around 2 percent throughout the forecast period. Housing and energy prices are forecast



to contribute around 60 percent towards overall inflation in the country. (See Figure on Contributions to U.S. and California Inflation.)

The Federal Reserve cut its benchmark rates by 25 basis points three consecutive times between July 2019 and October 2019, bringing the target range to between 1.50 percent and 1.75 percent. This is the first time that the Fed has cut interest rates since December 2008, when it lowered its benchmark setting to a range of 0.00 to 0.25 percent. December 2008 was the last cut in a series of downgrades that started in August 2007 when interest rates were over 5 percent. Lower interest rates can encourage increased business investment and consumer spending; however, as interest rates approach zero, there is limited room for further rate reductions.

CALIFORNIA—CONSTRAINED GROWTH

As with the rest of the nation, California's unemployment rate has continued to fall, averaging 3.9 percent in November 2019. Generally, such low levels of unemployment correspond to higher nominal wage growth due to the impact of the tight labor market as employers seek to attract and retain productive workers. Real per capita personal income in California has increased from around \$55,000 in 2007 to over \$63,500 in 2018.

Selected Economic Indicators

	2017	2018	Forecast				
			2019	2020	2021	2022	2023
United States							
Nominal gross domestic product, \$ billions	\$ 19,519	\$ 20,580	\$ 21,424	\$ 22,333	\$ 23,298	\$ 24,253	\$ 25,217
Real gross domestic product, percent change	2.4%	2.9%	2.3%	2.1%	2.0%	1.6%	1.5%
<i>Contributions to real GDP growth</i>							
Personal consumption expenditures	1.8%	2.1%	1.8%	1.9%	1.6%	1.4%	1.5%
Gross private domestic investment	0.8%	0.9%	0.4%	0.0%	0.6%	0.4%	0.3%
Net exports	-0.3%	-0.3%	-0.2%	-0.1%	-0.3%	-0.3%	-0.2%
Government purchases of goods and services	0.1%	0.3%	0.4%	0.3%	0.1%	0.1%	0.0%
Personal income, \$ billions	\$ 16,879	\$ 17,819	\$ 18,668	\$ 19,389	\$ 20,185	\$ 21,042	\$ 21,932
Corporate profits, percent change	-0.9%	0.7%	-3.3%	-1.0%	2.1%	5.3%	4.9%
Housing permits, thousands	1,282	1,318	--	--	--	--	--
Housing starts, thousands	1,209	1,250	1,255	1,268	1,256	1,279	1,259
Median sales price of existing homes	\$ 248,800	\$ 261,600	--	--	--	--	--
Federal funds rate, percent	1.0%	1.8%	2.2%	1.6%	2.0%	2.4%	2.6%
Consumer price index, percent change	2.1%	2.4%	1.8%	2.0%	1.8%	2.3%	2.3%
Unemployment rate, percent	4.4%	3.9%	3.7%	3.4%	3.5%	3.8%	4.3%
Civilian labor force, millions	160.3	162.1	163.5	165.3	166.6	167.8	168.6
Nonfarm employment, millions	146.6	149.1	151.4	153.3	154.4	155.0	155.2
California							
Personal income, \$ billions	\$ 2,370	\$ 2,514	\$ 2,634	\$ 2,757	\$ 2,874	\$ 2,995	\$ 3,120
California exports, percent change	5.2%	3.7%	--	--	--	--	--
Housing permits, thousands	114	117	115	128	142	155	167
Housing unit net change, thousands	85	77	--	--	--	--	--
Median sales price of existing homes	\$ 537,860	\$ 570,010	--	--	--	--	--
Consumer price index, percent change	2.9%	3.7%	3.0%	3.2%	3.1%	3.1%	3.1%
Unemployment rate, percent	4.8%	4.2%	4.2%	4.4%	4.4%	4.4%	4.4%
Civilian labor force, millions	19.2	19.4	19.5	19.6	19.7	19.8	19.9
Nonfarm employment, millions	16.8	17.2	17.5	17.9	18.0	18.1	18.2
<i>Percent of total nonfarm employment</i>							
Mining and logging	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Construction	4.8%	5.0%	5.1%	5.3%	5.4%	5.7%	5.9%
Manufacturing	7.8%	7.7%	7.7%	7.6%	7.5%	7.5%	7.4%
Trade, transportation, and utilities	17.9%	17.7%	17.5%	17.7%	17.8%	17.7%	17.7%
Information	3.1%	3.2%	3.2%	3.2%	3.1%	3.1%	3.1%
Financial activities	4.9%	4.9%	4.8%	4.8%	4.8%	4.8%	4.8%
Professional and business services	15.4%	15.5%	15.7%	15.7%	15.7%	15.6%	15.6%
Educational and health services	15.7%	15.8%	15.9%	15.9%	15.9%	16.0%	16.0%
Leisure and hospitality	11.6%	11.6%	11.6%	11.6%	11.6%	11.5%	11.5%
Other services	3.4%	3.3%	3.3%	3.5%	3.5%	3.5%	3.5%
Government	15.2%	15.1%	15.0%	14.8%	14.6%	14.5%	14.4%
<i>Forecast based on data available as of November 2019.</i>							
<i>Percent changes calculated from unrounded data.</i>							

At the same time, real median household income, or the mid-point of household income, has barely changed in over ten years—\$75,200 in 2007 and \$75,500 in 2018.

California is expected to continue to add payroll jobs through the forecast period, slowing to match labor force growth. (See figure on Selected Economic Indicators.) The forecast assumes a slight increase in payroll job growth in 2020 and 2021 as businesses

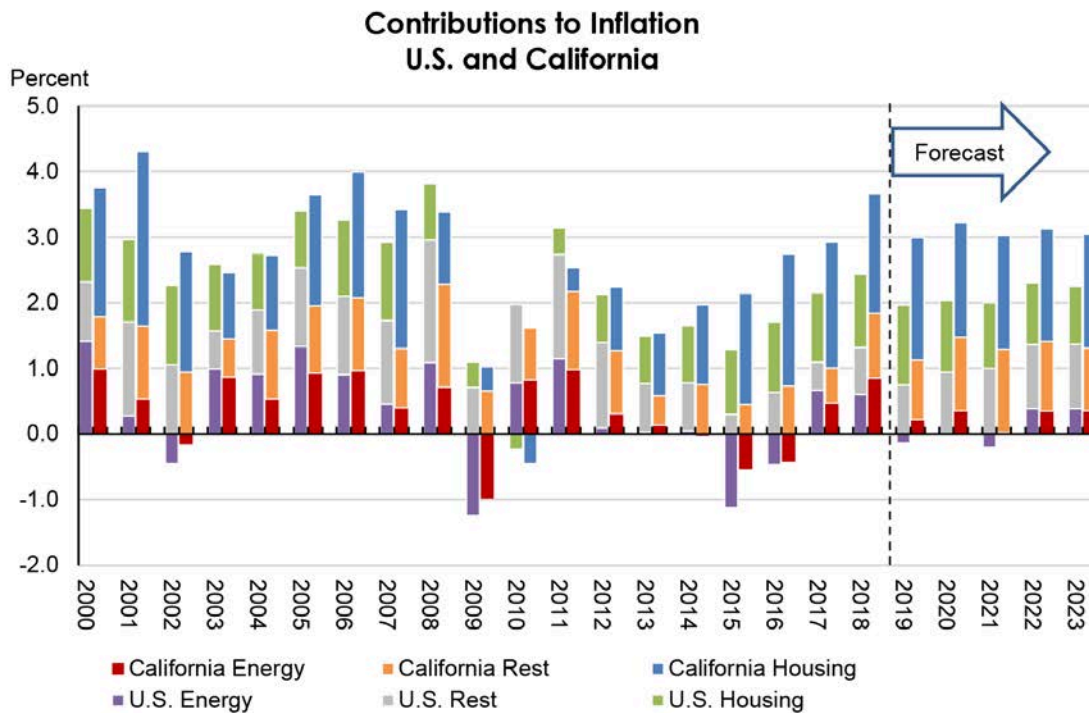
adjust to the new rules on independent contractors. The sectors that are projected to have the largest numbers of reclassifications include lower-wage service sectors including retail, education, hospitality, other services, wholesale trade and utilities, as well as transportation and warehousing.

Since prior to the Great Recession, California has added almost 2.1 million nonfarm jobs. As with the rest of the nation, goods-producing industries now have almost 64,000 fewer jobs than during the pre-recession peak. The largest decline was in manufacturing as the state lost about 110,000 jobs. It is not expected that manufacturing will regain jobs to their pre-recession level during this forecast period. The financial activities sector also has around 21,000 fewer jobs than their pre-recession peak. In the same period of economic expansion, service sector jobs have added approximately 2.2 million jobs, primarily in professional and business services (around 470,000), education and health services (around 831,000), and leisure and hospitality (around 461,000). Whereas the rest of the nation lost jobs in information, the state has added about 82,000 jobs during the post-recession period.

As the economy continues to grow at a modest but steady rate in a tight labor market, there will be an upward pressure on wages as employers look to attract and retain high-quality, productive workers. The forecast assumes real average wage gains accruing to lower-wage workers—a necessary condition to support consumption and for economic growth to continue.

California personal income is projected to grow at around 4 percent per year through the forecast period. Although unemployment is expected to remain low, transfer receipts will continue to grow at around 6 percent due to increasing Social Security payments to larger numbers of retirees.

Housing permits are assumed to increase gradually from current levels of around 115,000 to around 165,000 by 2023. (See figure on Number of Permits Issued per Year and Increase in Population.) In November 2019, the median sales price for an existing single family home in California reached almost \$590,000—more than double the national median price of around \$274,000. The continued slow growth in housing constrains job growth and is expected to remain the main driver of inflation in California.



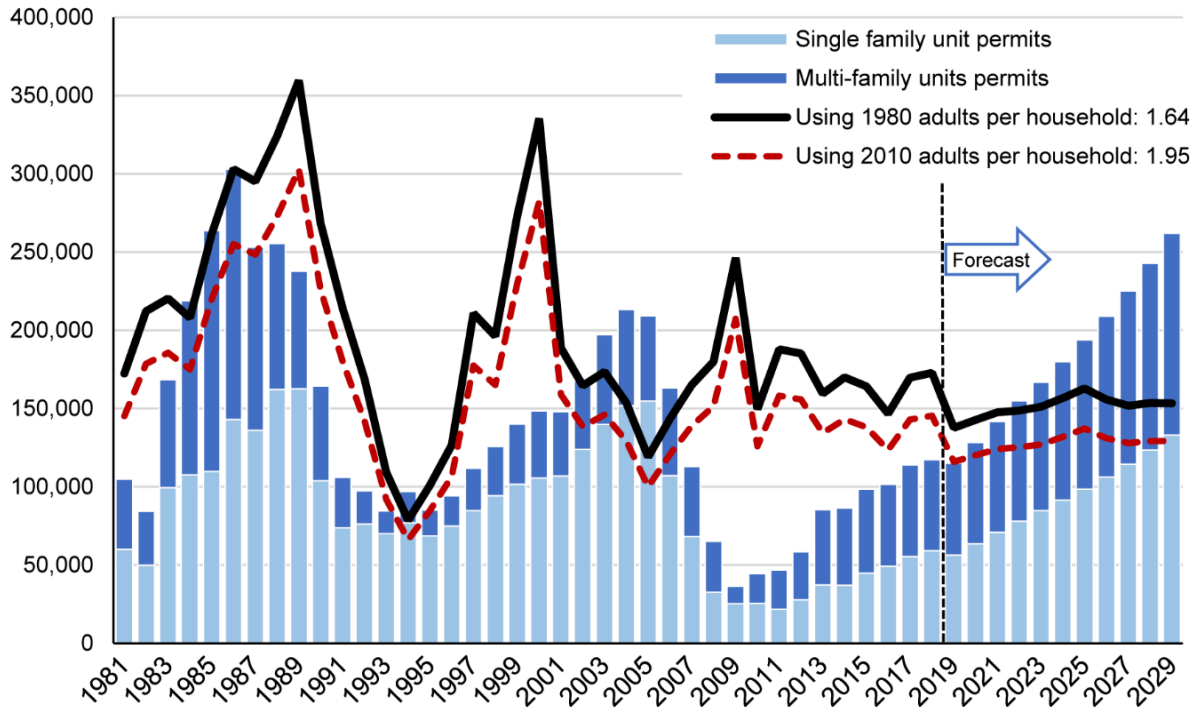
Source: U.S. Bureau of Labor Statistics; CA Department of Finance, Governor's Budget Forecast.

RISKS ARE RISING

Risks increased throughout 2019, with the additional waves of tariffs imposed between the U.S. and China in the second half of 2019, and due to further global economic slowdown. The three consecutive interest rate cuts by the Federal Reserve between July and October 2019 reflect this perception of increased risks and uncertainty, a significant policy shift from their December 2018 projection of three interest rate increases in 2019. While lower interest rates might have some positive impact on investment in the short run, low interest rates and federal deficits, which almost equal \$1 trillion, leave little room for stabilization during times of downturn. Besides these recent developments, the risks of a U.S. recession, stock market volatility, global economic slowdown, and policy divergences with the federal government remain.

In 2018, the U.S. imposed tariffs on imports from China amounting to a total annual trade value of \$250 billion, or around half of all imports from China, which were met by equivalent retaliatory tariffs from China on \$60 billion worth of U.S. exports to China. These actions precipitated further escalations on both sides. Through October 2019, California's merchandise exports were 3.2 percent lower compared to the same period in 2018 at \$144.5 billion and imports were 7 percent lower at \$341 billion. There have been episodes of stock market volatility associated with statements on both sides, and

Number of Permits Issued Per Year and Yearly Change in Adult Population



Note: 2019 to 2029 permits number are projected by CA Department of Finance.
 Source: California Homebuilding Foundation; CA Department of Finance; Governor's Budget Forecast.

the uncertainty surrounding the escalation or resolution of trade talks can deter businesses from investment.

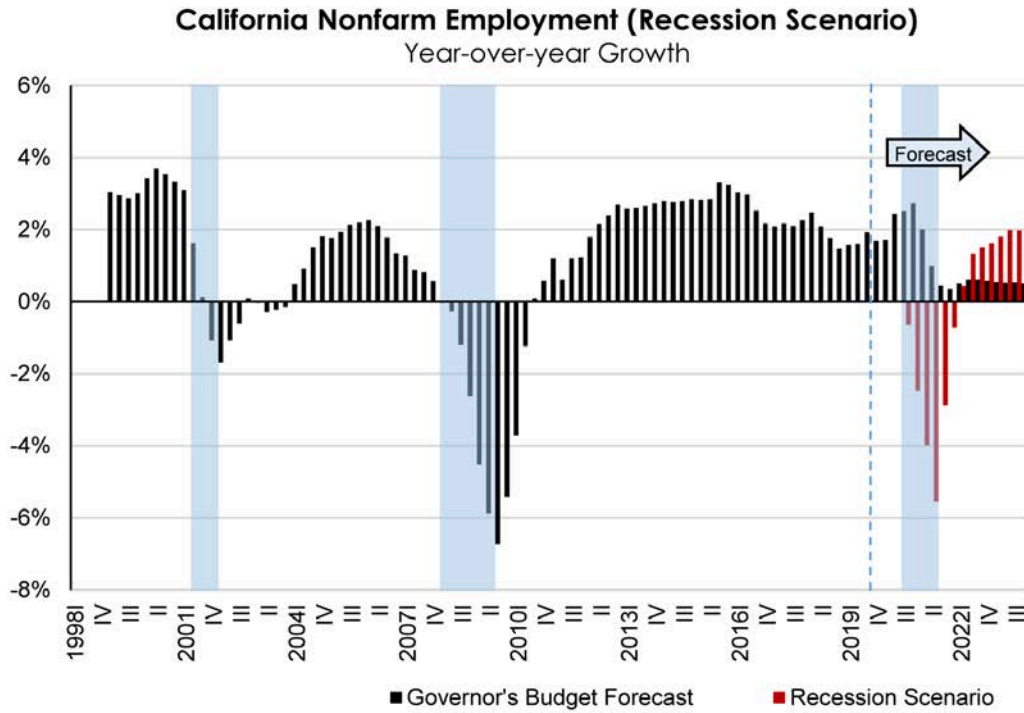
The Standard & Poor's 500 index (S&P 500) reached new record highs above 3,200 in December 2019. However, stock market volatility remains a significant risk to the outlook. Even absent a full recession, a stock market correction would likely have significant impacts on California.

In April 2019, the yield on the 10-year U.S. Treasury bond fell below the 3-month and 2-year U.S. Treasury bonds, before reverting back in the fourth quarter of 2019. Inversion of the yield curve generally means that the returns on long-term investments are perceived to be lower than for the short-term investments. It is also one of the most cited data points for recession worries, as yield curve inversions lasting two months or more have preceded nearly every recession in the post-World War II era, and contribute to increased uncertainty and decreased consumer and business confidence.

RECESSION SCENARIO

While this economic forecast does not include a recession, the Department of Finance has modeled a recession scenario, which assumes that real wage gains do not occur and that businesses overestimate consumers' purchasing power. The realization of the mismatch by businesses could lead to sudden readjustments and a subsequent slowdown, which will lead to a spiral of decreased demand, layoffs, and a generalized loss of business and consumer confidence. The scenario models the impacts of a fiscal year 2020-21 recession. The slowdown is assumed to be larger than the early 2000s recession but smaller than the 2009 recession. The unemployment rate would peak at 9.1 percent in the second quarter of 2021, compared to 6.9 percent and 12.3 percent for the 2001 and 2009 recessions, respectively. Nonfarm jobs would decrease by 5.5 percent, or by 990,000 jobs from peak to trough. This compares with a 8.3 percent or a 1.3 million jobs drop in the Great Recession. (See Figure on California Nonfarm Employment (Recession Scenario).) California personal income would decrease 3.4 percent from the second quarter of 2020 to the second quarter of 2021, versus a 0.9 percent and a 4.6 percent peak-to-trough decline for the 2001 and 2009 recessions, respectively. In the previous post-war recessions, the U.S. headline consumer price index year-over-year inflation rate generally remained above zero. However, in 2008-2009, inflation fell to a negative 1.6 percent in the third quarter of 2009 after peaking at 5.3 percent in the third quarter of 2008, a peak-to-trough decline of 6.9 percentage points. In the 2001 recession, inflation fell to 1.3 percent in the first half of 2002 after peaking at 3.4 percent in the first quarter of 2001, a peak-to-trough decline of 2.1 percentage points.

Beyond these more immediate risks, California faces some longer-term risks due to the state's divergence with federal policy and due to structural tensions. In particular, the state faces risk due to its housing shortage and aging population.



Shaded areas indicate U.S. recessions.
 Source: CA Employment Development Department, Labor Market Information Division; CA Department of Finance.

REVENUE ESTIMATES

California's economy and revenues are assumed to continue growing throughout the forecast, although risks are rising. The General Fund revenue forecast has improved relative to the 2019 Budget Act, reflecting strong corporate tax receipts, an upgraded wage forecast and a stock market that was stronger than expected. As a result, before accounting for transfers such as to the Rainy Day Fund, General Fund revenue is higher than the 2019 Budget Act projections by \$5.8 billion from 2018-19 through 2020-21. About \$1.8 billion of that increase reflects an update to anticipated reimbursements from the federal government for costs associated with wildfires in 2017 and 2018.

The 2020-21 Governor's Budget General Fund Revenue Forecast figure compares the revenue forecasts, by source, in the 2019 Budget Act and the Governor's Budget. Revenue, including transfers, is expected to be \$146 billion in 2019-20 and \$152 billion in 2020-21. The projected increase since the 2019 Budget Act is due largely to an improved outlook for corporation tax. The personal income tax forecast has been revised down, but that reduction is related to an assumed shift of proprietorship income from the personal income tax to the corporation tax. The sales tax forecast has not changed significantly. Over the next three fiscal years, personal income tax is down \$1.5 billion, sales tax is up \$129 million, and corporation tax is up almost \$5 billion. Accruals of revenues to previous years for corporation tax, personal income tax, and sales tax reduce the 2018-19 beginning balance by \$20 million.

The revenue forecast for personal income tax is reduced, due largely to a reduction in proprietorship income. This decline is offset partially by an upgrade in the wage

**2020-21 Governor's Budget
General Fund Revenue Forecast
Reconciliation with the 2019 Budget Act**
(Dollars in Millions)

Source	2019 Budget Act	Governor's Budget	Change From Budget Act Forecast	
Fiscal 2018-19: Preliminary				
Personal Income Tax	\$98,304	\$98,599	\$295	0.3%
Sales & Use Tax	26,100	26,128	28	0.1%
Corporation Tax	13,774	14,063	287	2.1%
Insurance Tax	2,643	2,723	80	3.0%
Alcoholic Beverage	381	378	-3	-0.8%
Cigarette	63	62	-1	-2.2%
Pooled Money Interest	602	648	45	7.6%
Other Revenues	1,045	1,223	178	17.0%
Subtotal	\$142,912	\$143,823	\$910	0.6%
Transfers ^{1/}	-4,378	-4,444	-66	1.5%
Total	\$138,534	\$139,379	\$845	0.6%
Fiscal 2019-20				
Personal Income Tax	\$102,413	\$101,682	-\$731	-0.7%
Sales & Use Tax	27,241	\$27,185	-56	-0.2%
Corporation Tax	13,133	\$15,305	2,172	16.5%
Insurance Tax	2,868	\$3,023	155	5.4%
Alcoholic Beverage	386	\$383	-3	-0.8%
Cigarette	62	\$60	-2	-2.6%
Pooled Money Interest	602	\$574	-29	-4.7%
Other Revenues	1,109	\$2,187	1,079	97.3%
Subtotal	\$147,814	\$150,399	\$2,585	1.7%
Transfers ^{1/}	-4,866	-3,913	953	-19.6%
Total	\$142,948	\$146,486	\$3,537	2.5%
Fiscal 2020-21				
Personal Income Tax	\$103,922	\$102,878	-\$1,045	-1.0%
Sales & Use Tax	28,086	28,243	157	0.6%
Corporation Tax	13,599	16,007	2,408	17.7%
Insurance Tax	2,934	3,117	182	6.2%
Alcoholic Beverage	392	389	-3	-0.8%
Cigarette	60	58	-2	-3.0%
Pooled Money Interest	736	514	-221	-30.1%
Other Revenues	1,347	2,198	851	63.2%
Subtotal	\$151,075	\$153,403	\$2,328	1.5%
Transfers ^{1/}	-4,009	-1,768	2,242	-55.9%
Total	\$147,066	\$151,635	\$4,569	3.1%
Three-Year Total			\$8,951	
Totals may not add because of rounding.				
^{1/} Includes transfers to Budget Stabilization Account for each year.				

forecast due to stronger wages in the first half of 2019 and somewhat improved wage forecast for 2020 and 2021, as well as by a strong stock market. Realized capital gains are expected to be higher for 2020 and 2021 than at the 2019 Budget Act due to the stock market strength in October and November of 2019. The sales tax forecast has changed very little, as an upgraded forecast for consumption was offset by a downgraded forecast for investment. The improved corporation tax forecast reflects very strong tax receipts. Based on the limited available data, this strength reflects, in part, a significant shift of proprietorship income from pass-through entities (such as S-corporations and limited liability companies) that are taxed by the personal income

tax to C-corporations taxed by the corporation tax. Changes in federal tax law adopted in 2017 have changed incentives for some businesses, particularly large businesses, so that some businesses may switch to C-corporation status.

The Capital Gains Revenue figure shows revenue from capital gains as a percentage of total General Fund tax revenue. As seen from this figure, the amount of capital gains revenue in the General Fund can vary greatly from year-to-year. For instance, in 2007, capital gains contributed \$10.9 billion to the General Fund. By 2009, the contribution from capital gains had dropped to \$2.3 billion. For 2019, capital gains are forecast to contribute \$15.3 billion to General Fund revenue—the highest amount ever.

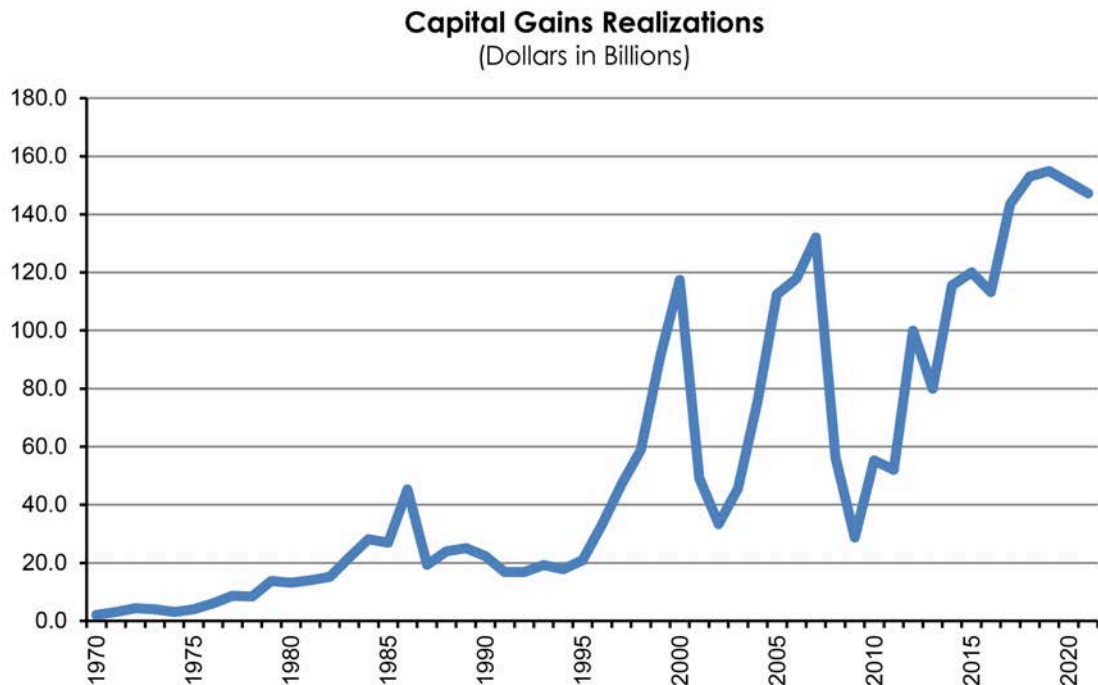
Capital Gains Revenue
As a Percent of General Fund Tax Revenues
(Dollars in Billions)

Annual Values	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^{e/}	2019 ^{e/}	2020 ^{e/}
Capital Gains Realizations	\$132.0	\$56.3	\$28.8	\$55.3	\$52.1	\$99.9	\$79.9	\$115.5	\$120.1	\$113.2	\$143.6	\$153.1	\$154.9	\$151.0
Tax Revenues from Capital Gains	\$10.9	\$4.6	\$2.3	\$4.7	\$4.2	\$10.4	\$7.6	\$11.3	\$11.8	\$11.5	\$14.1	\$15.2	\$15.3	\$14.8
Fiscal Year Values	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Tax Revenues from Capital Gains	\$9.0	\$3.9	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.2	\$15.1	\$14.7
Total General Fund Tax Revenues ^{1/}	\$101.3	\$81.7	\$86.6	\$92.0	\$85.3	\$97.6	\$103.0	\$113.8	\$118.9	\$122.1	\$135.1	\$142.9	\$148.5	\$151.7
Capital Gains Percentage	8.9%	4.7%	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.9%	10.0%	10.7%	10.7%	10.2%	9.7%

^{1/}Excluding transfers.
^{e/}Estimated

The Capital Gains Realizations figure shows capital gains reported on California tax returns from 1970 through projections for 2021. Although the level of capital gains has grown significantly since 1970 (along with the economy and total personal income tax revenue), capital gains volatility has been a constant. History shows that high levels of capital gains eventually drop off.

Forecasting capital gains is difficult because capital gains realizations are heavily dependent upon stock market performance. This forecast projects the Standard & Poor's 500 (S&P 500) will be at 3,120 in the first quarter of 2020 and will grow slowly for the next several years. The stock market has outperformed the 2019 Budget Act forecast in the last part of 2019. Nonetheless, a market correction remains a significant downside risk to the forecast. The forecast includes a significant increase in realized capital gains for 2020 and especially 2021, but only limited improvement in 2022 and later years.



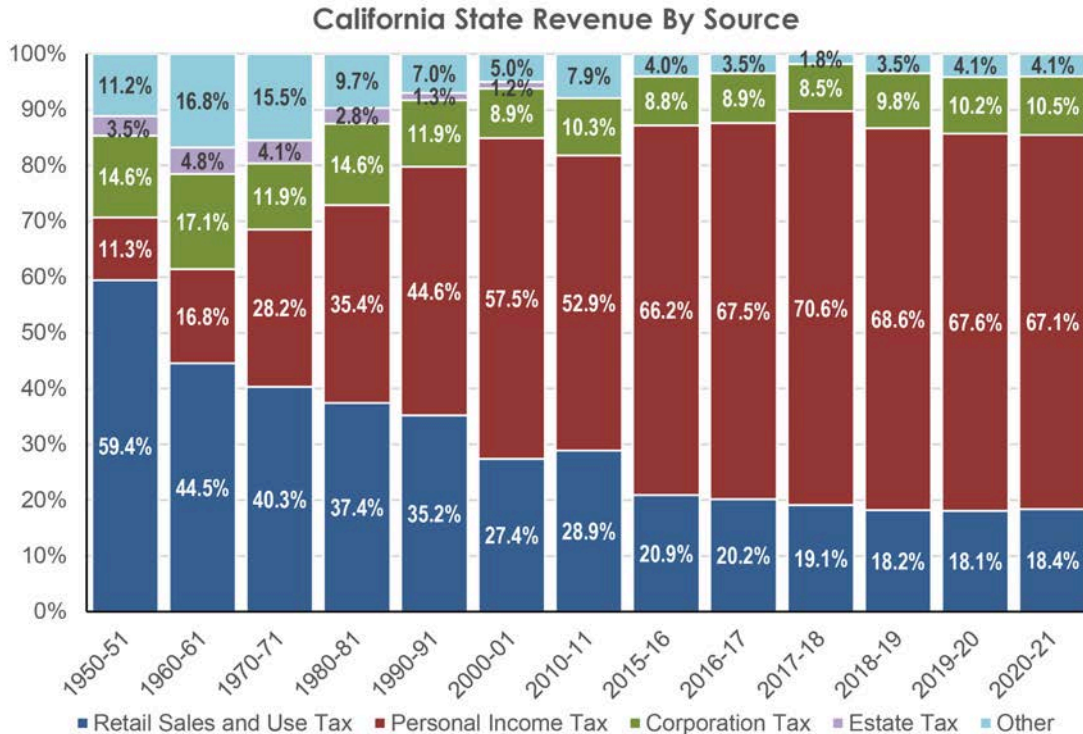
The highest-income Californians pay a large share of the state’s personal income tax. For the 2017 tax year, the top 1 percent of income earners paid over 47 percent of personal income taxes. This percentage has been greater than 40 percent in every year since 2004, except for 2009. The share of total adjusted gross income from the top 1 percent of income earners has increased from 13.8 percent in 1993 to 24 percent in 2017. This number has exceeded 20 percent also in every year since 2004, except for 2009. Consequently, changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

These two related phenomena—significant reliance of the General Fund on capital gains and on taxes paid by a small portion of the population—underscore the difficulty of forecasting personal income tax revenue. Proposition 2 helps address some of the state's revenue volatility by requiring the transfer of capital gains revenue that is greater than 8 percent of General Fund tax revenue to the Rainy Day Fund and to pay down state debts. The Rainy Day Fund can be drawn down only if the Governor declares a budget emergency and, even then, no more than 50 percent of the Fund can be drawn down in the first year.

GENERAL FUND REVENUE

The California State Revenue by Source figure shows how the breakdown of General Fund revenues by tax source has changed over time. In 1950-51, sales tax revenue made up over 50 percent of General Fund revenues while personal income tax

revenue made up just more than 11 percent. That relationship has changed dramatically over time, and, for 2020-21, personal income tax makes up 67.1 percent of all General Fund revenues.



LONG-TERM FORECAST

The Long-Term Revenue Forecast figure shows the forecast for the three largest General Fund revenues from 2018-19 through 2023-24. Total General Fund revenue from these sources is expected to grow from \$138.8 billion in 2018-19 to \$158.2 billion in 2023-24. The average year-over-year growth rate for this period is 2.6 percent.

Long-Term Revenue Forecast - Three Largest Sources

(General Fund Revenue - Dollars in Billions)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Average Year-Over-Year Growth
Personal Income Tax	\$98.6	\$101.7	\$102.9	\$106.1	\$108.1	\$110.0	2.2%
Sales and Use Tax	26.1	27.2	28.2	29.0	29.7	30.4	3.1%
Corporation Tax	14.1	15.3	16.0	16.5	17.0	17.6	4.6%
Total	\$138.8	\$144.2	\$147.1	\$151.5	\$154.7	\$158.0	2.6%

Note: Numbers may not add due to rounding.

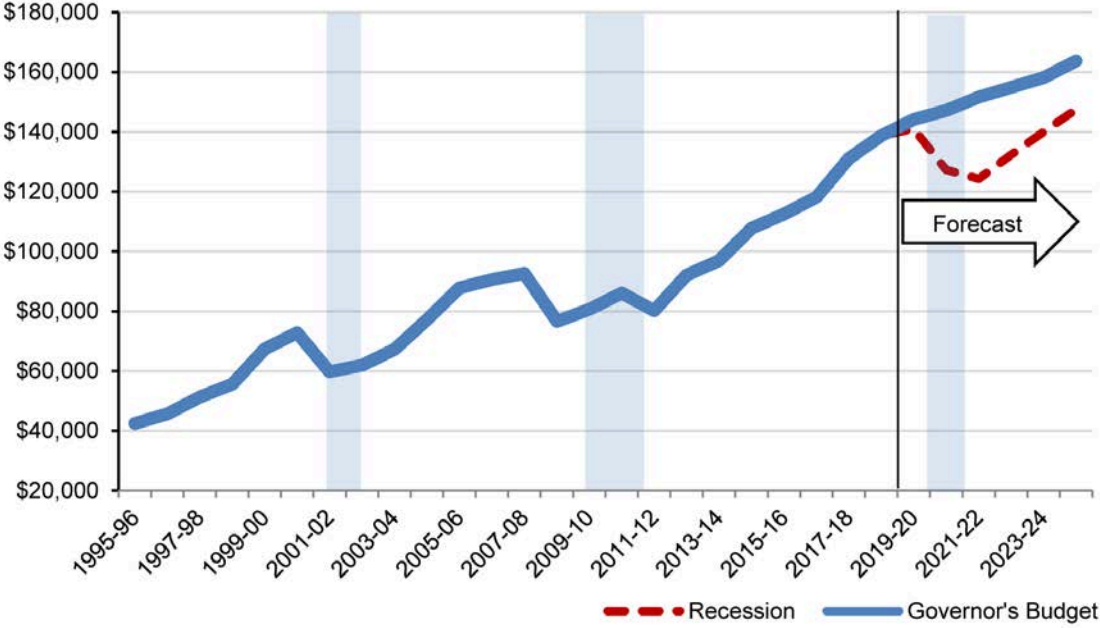
The economic forecast reflects continued steady but slowing growth, with real GDP growth falling to 1.5 percent by 2023.

PLANNING FOR THE NEXT RECESSION

Economic growth is forecast to continue over the next few years, although the current expansion is the longest on record, having matched the length of the expansion during the 1990s by July 2019. As discussed in the Economic Outlook chapter, there are several risk factors that could either lead to a recession or cause a significant slowdown in revenue growth. A global economic slowdown or other external shocks, such as fallout from Brexit, or growing imbalances in certain economic sectors are all factors that threaten the continuation of economic growth. In addition, with high federal deficits and the federal funds interest rate below 2 percent, fiscal expansion and interest rate cuts may offer less leverage during a downturn. The homeownership rate fell from 60 percent before the last recession to 55 percent in 2018, leaving fewer Californians with home equity to cushion a recession. As more workers approach retirement age, layoffs may affect their ability to work and rebuild retirement savings. Since more Californians will have fewer reserves to deal with a downturn, it is likely that consumption, and thus sales tax revenue, would be more sensitive to a downturn than it was in the previous recession.

Even in a moderate recession, revenue declines could be significant. The Recession Scenario Revenue figure shows a history of California's three largest revenue sources—personal income tax, sales tax, and corporation tax—along with revenue projections for the budget forecast and for a scenario that assumes a one-year recession in 2020-21. Under this scenario, revenue losses result from a decline in wages of about \$115 billion compared to the forecast (about 8 percent) and by a drop in capital gains realizations due to a 45-percent stock market correction. The shaded areas in this figure show the timing of the 2001 recession, the 2008-09 recession, and the 2020-21 recession scenario. While the actual revenue declines in the past two recessions were significant (as shown in this figure), tax law changes temporarily increased revenues to lessen the declines. Revenue losses in this recession forecast would total close to \$50 billion (an average of \$25 billion per year) for two years, continue with more years of revenue declines in the range of \$15 to \$20 billion, and lead to a permanently lower revenue base compared to the current forecast.

Annual Revenue Could Drop by Tens of Billions of Dollars in a Recession
(Dollars in Millions)



PERSONAL INCOME TAX

The personal income tax is expected to generate \$98.6 billion in 2018-19, \$101.7 billion in 2019-20, and \$102.9 billion in 2020-21. These figures reflect an increase of \$295 million in 2018-19, and declines of \$731 million in 2019-20 and \$1 billion in 2020-21, relative to the 2019 Budget Act. The personal income tax is the state’s largest revenue source and is expected to comprise 67.1 percent of all General Fund revenues in 2020-21.

Modeled closely on federal income tax law, California's personal income tax is imposed on net taxable income—gross income less exclusions and deductions. The tax rate structure is progressive over the income spectrum. Since the 2012 tax year, the marginal rates ranged from 1 percent to 12.3 percent, not including a 1-percent surcharge on taxable income above \$1 million for the Mental Health Services tax. Proposition 30 created three additional income tax brackets beginning in 2012 with rates of 10.3 percent for taxable income above \$500,000, 11.3 percent for taxable income above \$600,000, and 12.3 percent for taxable income above \$1 million, with the income thresholds indexed for inflation. Proposition 30 held these tax brackets in effect for seven years—tax years 2012 to 2018. Voters approved Proposition 55 in November 2016, extending the three additional tax brackets through tax year 2030.

The largest income source for the personal income tax is wages and salaries. Although the year-over-year growth rate for wages tends to be less volatile than other income

REVENUE ESTIMATES

sources, wages and salaries include some unpredictable types of compensation such as stock grants, restricted stock units, stock options, and bonus payments. In 2017, taxes attributable to wages and salaries accounted for nearly 58 percent of personal income tax revenues.

A higher forecast for economic wage growth is expected to increase withholding receipts by about \$1.3 billion through fiscal year 2020-21. Economic wage growth in 2019 was revised higher in 2019 from 4.8 to 5.2 percent. Due in large part to the expected reclassification of some employees from independent contractors to wage employees beginning in 2020, the forecasted growth for economic wages is increased from 4.5 percent to 5.9 percent in 2020. This increase is primarily a shift from proprietorship to wage income and therefore does not have a significant impact on the forecast. However, underlying wage growth prior to the shift is about 0.4 percentage point higher. Economic wage growth in 2021 was revised slightly higher from 3.7 percent to 3.9 percent.

This forecast assumes that some pass-through entities have and will convert to C-corporations or new entities will be more likely to choose the C-corporation structure due to the federal tax law changes of 2017. While this change significantly decreases personal income tax receipts, it is largely offset by higher corporate tax receipts. As a result of this shift, the forecast significantly downgrades partnership income growth from positive 4.4 percent to negative 4.1 percent in 2019 and from positive 4.4 percent to negative 3.3 percent in 2020.

CAPITAL GAINS

Taxes attributable to capital gains made up 16.6 percent of personal income tax revenue in 2017, which is only 4.8 percentage points below the last cyclical peak in 2007 of 21.4 percent. Capital gains realizations in 2020 and 2021 were revised higher since the Budget Act forecast from \$147 billion to \$151 billion, and from \$139 billion to \$147 billion, respectively, based on stronger-than-expected stock market performance. This forecast projects that the S&P 500 will be at 3,120 in the first quarter of 2020, and will grow annually at approximately 0.36 percent. The 2019 Budget Act had forecast the S&P 500 to be at 2,916 in the first quarter of 2020, and to grow at 0.5 percent per year. Capital gains decline from their peak levels in 2020 to reach 4.5 percent of personal income by 2023, one year later than assumed in the Budget Act. Due to the very slow growth expected from the stock market due to its current high valuation, year-over-year declines in capital gains realizations are expected for 2021, 2022, and 2023.

A portion of personal income tax revenue is deposited into a special fund instead of the General Fund. Proposition 63, passed in November 2004, imposes a surcharge of 1 percent on taxable income over \$1 million. Revenue from the surcharge is transferred to the Mental Health Services Fund and used to fund mental health programs. Revenues of \$2.4 billion are estimated for 2018-19. Annual revenues of \$2.4 billion are projected for 2019-20 and 2020-21 as well. The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2018-19 through 2020-21 are shown in the Personal Income Tax Revenue figure.

Personal Income Tax Revenue

(Dollars in Thousands)

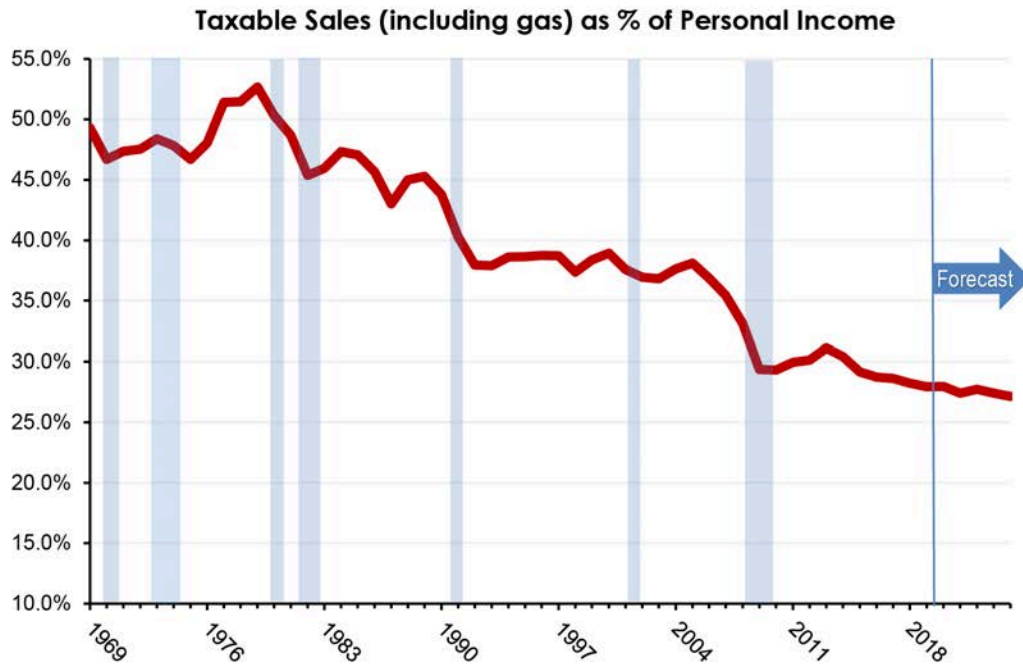
	2018-19 Preliminary	2019-20 Forecast	2020-21 Forecast
General Fund	\$98,599,337	\$101,681,968	\$102,877,717
Mental Health Services Fund	2,358,678	2,400,364	2,376,132
Total	\$100,958,015	\$104,082,332	\$105,253,849

SALES AND USE TAX

The sales and use tax (sales tax) generated General Fund revenue of \$26.1 billion in 2018-19 and is expected to generate \$27.2 billion in 2019-20 and \$28.2 billion in 2020-21. Relative to the Budget Act, these figures reflect an increase of \$28 million in 2018-19, a reduction of \$56 million in 2019-20, and an increase of \$157 million in 2020-21. Receipts from the sales tax, the state's second largest revenue source, are expected to contribute 18.4 percent of all General Fund revenues in 2020-21.

The sales tax is generally applied to the sale of merchandise, including vehicles, in the state. Sales tax revenues are forecast by relating taxable sales to consumption of goods and business investment. Forecasted levels of sales tax revenue are relatively similar to those of the Budget Act, with an upgraded forecast for consumer spending roughly offsetting a downgraded forecast for private investment. The modest increase in the forecast is due to higher cannabis sales and a slower-than-expected uptake of CalSavers Retirement Savings Program. Finally, the forecast continues to reflect the long-term trend of deterioration of the sales tax base. This deterioration is evidenced by taxable sales as a percentage of personal income declining from over 50 percent in the late 1970s to 28 percent today as shown in the Taxable Sales as a Percentage of Personal Income figure.

REVENUE ESTIMATES



The State Sales Tax Revenue figure displays total sales tax revenues for the General Fund and various special funds for 2018-19 through 2020-21.

State Sales Tax Revenue (Dollars in Thousands)

	2018-19 Actual	2019-20 Forecast	2020-21 Forecast
General Fund	\$26,127,759	\$27,185,012	\$28,242,790
Sales and Use Tax-1991 Realignment	3,671,203	3,855,237	3,987,242
Sales and Use Tax-2011 Realignment	7,156,787	7,498,144	7,800,647
Public Transportation Account	925,818	916,246	964,441
Total	\$37,881,567	\$39,454,639	\$40,995,120

The State and Local Sales Tax Rates figure displays the individual elements of the state and local sales tax rates.

The Combined State and Local Sales and Use Tax Rates by County figure shows combined state and local tax rates for each county, including special rates for certain cities within those counties.

State and Local Sales and Use Tax Rates (as of January 1, 2020)

State Rates		
General Fund	3.94%	The permanent rate of 3.94% may be temporarily reduced by 0.25% if General Fund operating reserves exceed specified levels.
Local Revenue Fund 2011	1.06%	Revenues attributable to a rate of 1.0625 percent are dedicated to the Local Revenue Fund 2011 for realignment.
Local Revenue Fund	0.50%	Dedicated to local governments to fund health and social services programs transferred to counties as part of 1991 state-local realignment.
Local Uniform Rates^{1/}		
Bradley-Burns	1.00%	Imposed by city and county ordinance for general purpose use. ^{2/}
Transportation Rate	0.25%	Dedicated for county transportation purposes.
Local Public Safety Fund	0.50%	Dedicated to cities and counties for public safety purposes by Proposition 172.
Local Add-on Rates^{3/}		
Transactions and Use Taxes	up to 2.00%	May be levied in 0.125% or 0.25% increments up to a combined maximum of 2.00% in any county. ^{4/} Any ordinance authorizing a transactions and use tax requires approval by the local governing board and local voters.

^{1/}These locally imposed taxes are collected by the state for each county and city and are not included in the state's revenue totals.

^{2/}The city tax constitutes a credit against the county tax. The combined rate is never more than 1 percent in any area.

^{3/}These taxes may be imposed by voters in cities, counties, or special districts. The revenues are collected by the state for each jurisdiction and are not included in the state's revenue totals.

^{4/}Various jurisdictions are authorized in statute to have a higher cap than 2.00%.

Combined State and Local Sales and Use Tax Rates by County

(city rate provided if different from the county rate)

Rates in Effect on January 1, 2020

County	Tax Rate	County	Tax Rate	County	Tax Rate
Alameda	9.25%	Marin	8.25%	San Joaquin	7.75%
Alameda, Albany, Hayward,	9.75%	Novato	8.50%	Lodi, Manteca, Tracy	8.25%
Newark, San Leandro,		San Anselmo, Sausalito	8.75%	Lathrop	8.75%
Union City		Corte Madera, Fairfax,	9.00%	Stockton	9.00%
Alpine	7.25%	Larkspur, San Rafael		San Luis Obispo	7.25%
Amador	7.75%	Mariposa	7.75%	Arroyo Grande, Atascadero,	7.75%
Butte	7.25%	Mendocino	7.375%	Grover Beach, Morro Bay,	
Paradise	7.75%	Point Arena, Willits	7.875%	Paso Robles, Pismo Beach,	
Oroville	8.25%	Fort Bragg	8.375%	San Luis Obispo	
Calaveras	7.25%	Ukiah	8.875%	San Mateo	9.25%
Angel's Camp	7.75%	Merced	7.75%	Burlingame, San Mateo	9.50%
Colusa	7.25%	Atwater, Gustine, Merced	8.25%	Belmont, East Palo Alto	9.75%
Williams	7.75%	Los Banos	8.75%	Redwood City,	
Contra Costa	8.25%	Modoc	7.25%	South San Francisco	
Concord, Hercules, Orinda,	8.75%	Mono	7.25%	Santa Barbara	7.75%
Pittsburg, Pleasant Hill,		Mammoth Lakes	7.75%	Guadalupe	8.00%
San Pablo		Monterey	7.750%	Santa Barbara, Santa Maria	8.75%
Antioch, Martinez, Moraga,	9.25%	Gonzales	8.250%	Carpinteria	9.00%
Pinole, Richmond,		Carmel-by-the-Sea, King City	8.750%	Santa Clara	9.00%
El Cerrito	9.75%	Monterey, Pacific Grove,		Los Gatos	9.125%
Del Norte	7.50%	King City, Sand City, Soledad		Campbell, San Jose	9.250%
El Dorado	7.25%	Del Rey Oaks, Marina	9.250%	Santa Cruz	8.50%
South Lake Tahoe	7.75%	Salinas, Seaside		Capitola, Scotts Valley	9.00%
Placerville	8.25%	Greenfield	9.50%	Watsonville, Santa Cruz	9.25%
Fresno	7.975%	Napa	7.75%	Shasta	7.25%
Reedley, Selma	8.475%	St. Helena	8.25%	Anderson	7.75%
Sanger	8.725%	Nevada	7.50%	Sierra	7.25%
Coalinga, Fowler, Huron,	8.975%	Truckee	8.25%	Siskiyou	7.25%
Kerman, Kingsburg		Nevada City	8.375%	Mount Shasta, Weed	7.50%
Glenn	7.25%	Grass Valley	8.50%	Dunsmuir, Yreka	7.75%
Orland	7.75%	Orange	7.75%	Solano	7.375%
Humboldt	7.75%	La Habra	8.25%	Rio Vista, Vacaville	8.125%
Arcata, Eureka, Fortuna,	8.50%	Fountain Valley, Garden Grove,	8.75%	Benicia, Fairfield,	8.375%
Trinidad		La Palma, Placentia, Seal Beach,		Suisun City, Vallejo	
Rio Dell	8.75%	Stanton, Westminster		Sonoma	8.25%
Imperial	7.75%	Santa Ana	9.25%	Healdsburg, Rohnert Park,	8.75%
Calexico, El Centro	8.25%	Placer	7.25%	Sonoma	
Inyo	7.75%	Loomis	7.50%	Santa Rosa, Sebastopol	9.00%
Kern	7.25%	Roseville	7.75%	Cotati	9.25%
Arvin, Bakersfield, Delano,	8.25%	Plumas	7.25%	Stanislaus	7.875%
Ridgecrest, Wasco		Riverside	7.75%	Ceres, Oakdale	8.375%
Kings	7.25%	Cathedral City, Coachella,	8.75%	Sutter	7.25%
Corcoran	8.25%	Hemet, Indio, La Quinta,		Tehama	7.25%
Lake	7.25%	Menifee, Murrieta, Norco,		Red Bluff	7.50%
Clearlake, Lakeport	8.75%	Riverside, Temecula, Wildomar		Corning	7.75%
Lassen	7.25%	Palm Springs	9.25%	Trinity	7.25%
Los Angeles	9.50%	Sacramento	7.75%	Tulare	7.75%
Avalon, Commerce, Downey,	10.00%	Galt, Rancho Cordova	8.25%	Tulare	8.25%
El Monte, Inglewood,		Isleton, Sacramento	8.75%	Visalia, Dinuba	8.50%
La Puente, San Fernando,		San Benito	8.25%	Farmersville, Lindsay,	8.75%
South El Monte		San Juan Bautista	9.00%	Woodlake	
Burbank, Compton, Covina,	10.25%	Hollister	9.25%	Porterville	9.25%
Cudahy, Culver City, Glendale,		San Bernardino	7.75%	Tuolumne	7.25%
Glendora, Hawthorne,		Montclair, San Bernardino	8.00%	Sonora	7.75%
Huntington Park, Lawndale,		Barstow, Yucca Valley	8.75%	Ventura	7.25%
Long Beach, Lynwood,		San Diego	7.75%	Oxnard, Ventura	7.75%
Pico Rivera, Pasadena,		El Cajon, Oceanside, Vista	8.25%	Santa Paula	8.25%
Pomona, Santa Monica,		La Mesa	8.50%	Port Hueneme	8.75%
South Gate		Chula Vista, Del Mar,	8.75%	Yolo	7.25%
Santa Fe Springs	10.50%	National City		Woodland	8.00%
Madera	7.75%	San Francisco	8.50%	Davis, West Sacramento	8.25%
Madera	8.25%			Yuba	7.25%
Chowchilla	8.75%			Wheatland	7.75%
				Marysville	8.25%

Motor vehicle and parts dealers were the largest contributors to the sales tax base in calendar year 2018, comprising around 12.7 percent of taxable sales. Food service sales were the second-largest contributor to the sales tax base in 2018, with close to 12 percent. The third most significant contributor to the sales tax base is wholesale trade, which comprised 11.6 percent of the sales tax base.

Since July 1, 2010, the General Fund portion of the sales tax no longer applies to gasoline. Taxable sales, excluding gasoline, increased by 4.8 percent in 2017-18. Based on preliminary data, estimates of taxable sales increased by 3.2 percent in 2018-19. Taxable sales are expected to increase by 4.8 percent in 2019-20 and 4.0 percent in 2020-21.

A General Fund sales tax exemption for manufacturing equipment commenced July 1, 2014. The sales tax exemption applies to purchases of manufacturing or biotechnology research and development equipment valued at up to \$200 million in qualifying purchases per business per year. The exemption was expanded beginning in 2018 to include manufacturing equipment used in electric power generation and agricultural processing. The revenue loss from the utilization of this exemption was \$264 million in 2018-19, and is forecast to be \$265 million in 2019-20 and \$277 million in 2020-21.

The U.S. Supreme Court's ruling in *Wayfair v. South Dakota* in June 2018 clarified states' authority to require out-of-state sellers to collect use tax. Previously, California individuals were responsible for reporting and paying use tax on out-of-state purchases. The California Department of Tax and Fee Administration required out-of-state retailers to collect and remit use tax beginning on April 1, 2019 if in the preceding or current calendar year their sales into California exceed \$100,000 or 200 or more separate on-line transactions. Additionally, California passed the Marketplace Facilitator Act, Chapter 5, Statutes of 2019, which raises the sales threshold to \$500,000, eliminates the 200 transaction test, and mandates that online marketplace operators such as Amazon and eBay collect and remit sales tax for all sales made on their platforms beginning October 1, 2019. The *Wayfair* decision and Marketplace Facilitator Act are expected to lead to increased use tax compliance, resulting in an additional \$554 million in tax revenue in 2019-20 and \$664 million in 2020-21, which is unchanged from the 2019 Budget Act forecast.

CORPORATION TAX

The corporation tax is expected to generate \$14.1 billion in 2018-19, \$15.3 billion in 2019-20, and \$16.1 billion in 2020-21. These figures reflect increases of \$288 million in 2018-19, \$2.2 billion in 2019-20, and \$2.5 billion in 2020-21. Corporation tax revenues are expected to contribute 10.4 percent of all General Fund revenues in 2020-21, down more than 4 percentage points from the 14.6 percent contributed in 1980-81.

The strong upgrade to the corporation tax forecast is due in large part to the assumption that the federal tax changes of 2017 will result in the shifting of a portion of pass-through income, which is taxed under the personal income tax, to corporate income. This assumption reflects strong cash trends in the corporate tax above what could reasonably be expected from profit growth, the 2017 cut in the federal corporate tax rate from 35 percent to 21 percent, and the announcements of conversions to C-corporations of several large public companies in the private equity and energy space. This shift is expected to occur primarily in 2018, 2019, and 2020, but is expected to be permanent.

INSURANCE TAX

Most insurance policies written in California are subject to a 2.35-percent gross premiums tax. This tax takes the place of all other state and local taxes on insurance companies except those on real property and motor vehicles. In general, the basis of the tax is the amount of "gross premiums" received, less returned premiums. The insurance tax is expected to generate General Fund revenues of \$3.0 billion in 2019-20 and \$3.1 billion in 2020-21. These figures reflect an increase of \$155 million in 2019-20 and \$182 million in 2020-21.

ALCOHOLIC BEVERAGE TAXES

In addition to the sales tax paid by retail purchasers, California levies an excise tax on distributors of beer, wine, and distilled spirits. The tax rates per gallon are applied as follows: (1) \$0.20 for beer, dry wine, and sweet wine; (2) \$0.30 for sparkling wine; and (3) \$3.30 for distilled spirits.

Alcoholic beverage revenue estimates for each type of beverage are based on projections of total per capita consumption and population growth. Overall, consumption of alcoholic beverages is expected to grow by 1.4 percent in 2019-20 and

1.4 percent in 2020-21. Revenues from this tax were \$378 million in 2018-19 and are forecast to be \$383 million in 2019-20 and \$389 million in 2020-21.

CANNABIS EXCISE TAXES

Proposition 64, commonly referred to as the Adult Use of Marijuana Act, levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis as of January 1, 2018. The cultivation tax is paid on all recreational and medicinal cultivation of cannabis, and will increase, to adjust for inflation, to \$9.65 per ounce of flower, \$2.89 per ounce of trim, and \$1.35 per ounce of fresh cannabis plant on January 1, 2020. In addition, there is a 15-percent tax on the retail price of cannabis. The Budget includes a proposal to simplify the tax structure by moving the collection of the retail excise tax from the distributor to the retailer and moving the collection of the cultivation tax from the last distributor to the first. Cannabis excise taxes generated \$299 million in 2018-19 and are expected to generate \$479 million in 2019-20 and \$550 million in 2020-21. (See the Statewide Issues and Various Departments chapter for additional discussion.)

CIGARETTE TAX

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), passed by the voters in November 2016, increased the excise tax rate on cigarettes, tobacco products, and electronic cigarettes. The excise tax increased by \$2 from 87 cents to \$2.87 per pack of 20 cigarettes on distributors selling cigarettes in California, effective April 1, 2017. The equivalent excise tax on the distribution of other tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff also increased by \$2 from a \$1.37-equivalent to a \$3.37-equivalent tax, effective July 1, 2017. Lastly, Proposition 56 newly imposes the \$3.37-equivalent tobacco products tax on electronic cigarettes. The \$1.37-equivalent portion of that tax was imposed beginning April 1, 2017 while the additional \$2-equivalent tax was imposed beginning July 1, 2017. The ad valorem excise tax rate on other tobacco products is calculated annually by the California Department of Tax and Fee Administration based on the wholesale price of cigarettes and the excise tax on cigarettes.

Revenues from the tax on cigarettes and other tobacco products are distributed as follows:

- Ten cents of the per-pack tax is allocated to the General Fund.

REVENUE ESTIMATES

- Fifty cents of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products, goes to the California Children and Families First Trust Fund for distribution according to the provisions of Proposition 10 of 1998.
- Twenty-five cents of the per-pack tax, and a rate equivalent to 87 cents levied on non-cigarette tobacco products and electronic cigarettes, is allocated to the Cigarette and Tobacco Products Surtax Fund for distribution as determined by Proposition 99 of 1988.
- Two cents of the per-pack tax is deposited into the Breast Cancer Fund.
- As of April 1, 2017, two dollars of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products and electronic cigarettes, goes to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund for distribution according to the provisions of Proposition 56 of 2016.

Projections of cigarette tax revenues are based on projected per capita consumption of cigarettes, population growth, and the impact from the higher smoking age as well as the increased prices due to Proposition 56. Revenue estimates for other tobacco products, which now include electronic cigarettes, also reflect recent law changes. The cumulative effect of product price and tax increases, the increasingly restrictive environments for smokers, and anti-smoking campaigns (including state campaigns funded by Proposition 99 Tobacco Tax and Health Protection Act revenues and revenues from the Master Tobacco Settlement) have reduced cigarette consumption considerably.

Annual per capita consumption (based on population ages 18-64) was 184 packs in 1980-81, 123 packs in 1989-90, 84 packs in 1997-98, and 31 packs in 2018-19. Total tax-paid packs of cigarettes sold in 2018-19 were 624 million. In 2020-21, tax-paid packs of cigarettes sold are forecast to decline to 585 million.

The Tobacco Tax Revenue figure shows the distribution of tobacco tax revenues to the General Fund and various special funds for 2018-19 through 2020-21.

In order to address the rapidly increasing youth use of potent nicotine-based vaping products, the Budget proposes a new vaping tax based on nicotine content. The new tax will begin on January 1, 2021, and will be \$2 for each 40 milligrams of nicotine in the product, equivalent to the tax on a pack of cigarettes. The new tax will be in addition to all existing taxes on E-Cigarettes, which are presently taxed as tobacco products under state law. Revenues from the new tax are expected to be \$32 million in 2020-21, will be deposited into a new special fund, and will be used for administration,

Tobacco Tax Revenue

(Dollars in Millions)

	2018-19 Actual	2019-20 Forecast	2020-21 Forecast
General Fund	\$61.9	\$59.9	\$58.0
Cigarette and Tobacco Products Surtax Fund	\$225.4	\$222.4	\$220.6
Breast Cancer Fund	\$12.4	\$12.0	\$11.6
California Children and Families First Trust Fund	\$349.8	\$341.0	\$333.3
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	\$1,402.8	\$1,369.6	\$1,338.3
Total	\$2,052.2	\$2,004.9	\$1,961.8

enforcement, youth prevention, and health care workforce programs. The Budget includes \$9.9 million and 10.5 positions for the Department of Tax and Fee Administration to administer the proposed tax and \$7 million for the California Highway Patrol to establish a task force in collaboration with the Department of Justice dedicated to combatting the underground market for vaping products. Similar to the implementation of Proposition 56, the Administration anticipates proposing a spending plan for the remainder of the revenues in the January 2021 Governor's Budget. In addition to the tax, the Administration will support a statewide ban of all flavored nicotine products as of January 1, 2021. For more information see the Health and Human Services chapter.

OTHER REVENUES

UNCLAIMED PROPERTY

The Budget reflects receipts in unclaimed property of \$443 million in 2019-20 and \$432 million in 2020-21. These numbers reflect ongoing efforts to maintain holder compliance with Unclaimed Property Law.

PROPERTY TAXES

Although the property tax is a local revenue source, the amount of property tax generated each year has a substantial impact on the state budget because local property tax revenues allocated to K-14 schools generally offset General Fund expenditures.

REVENUE ESTIMATES

Assessed value growth is estimated based on statistical modeling and evaluations of real estate trends. The median sales price of existing single-family homes is expected to rise by 3.7 percent in 2019, with activity in the 2019 calendar year driving fiscal year 2020-21 assessed valuations for property tax purposes. This represents a moderation in growth from 2015 to 2018 when median prices increased at an average rate of 6.2 percent. The demand for homes continues to outpace supply in many areas of the state, however, moderating growth in the economy as well as moderating growth in home prices due to affordability issues are expected to lead to a moderation in growth of property taxes in the future.

Statewide property tax revenues are estimated to increase 6.4 percent in 2019-20 and 5.7 percent in 2020-21. Approximately 42 percent (\$33 billion) of 2020-21 property tax revenues will go to K-14 schools. This includes \$2.4 billion that schools are expected to receive in 2020-21 pursuant to the dissolution of redevelopment agencies.

SPECIAL FUND REVENUE

The California Constitution and state statutes specify into which funds certain revenues must be deposited and how they are to be spent.

Total special fund revenues, excluding transfers, are estimated to be \$57.9 billion in 2020-21. Taxes and fees related to motor vehicles are expected to comprise 32.8 percent of all special fund revenue in 2020-21. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2020-21, it is expected that about \$18.9 billion in revenues will be derived from the ownership or operation of motor vehicles.

MOTOR VEHICLE FEES

Motor vehicle fees and taxes consist of vehicle license, registration, weight, driver license, and other charges related to vehicle operation. The Motor Vehicle Fees Special Fund Revenue figure displays revenue from these sources from 2018-19 through 2020-21.

The Vehicle License Fee (VLF) is imposed on vehicles registered in California that travel on public highways. The current VLF tax rate is 0.65 percent plus a graduated fee at \$25 to \$175 per vehicle. These taxes are imposed in lieu of a local personal property tax on automobiles and are administered by the Department of Motor Vehicles. The number of vehicles in the state, the ages of those vehicles, and their most recent sales price affect the amount of VLF collected. The total number of vehicles in California—autos,

Motor Vehicle Fees Special Fund Revenue

(Dollars in Thousands)

	2018-19 Actual	2019-20 Forecast	2020-21 Forecast
Vehicle License Fees	\$2,937,373	\$3,017,031	\$3,106,237
Registration, Weight, and Other Fees	5,239,459	5,452,564	5,655,376
Transportation Improvement Fee	1,666,256	1,733,000	1,770,500
Total	\$9,843,088	\$10,202,595	\$10,532,113

trucks, trailers, and motorcycles, including vehicles registered in multiple states—is estimated to be 32.8 million in 2019-20 and 32.9 million in 2020-21. The forecast projects that there will be 2.3 million new vehicles registered in both 2019-20 and 2020-21.

Beginning April 1, 2017, the base vehicle registration fee of \$43 increased by \$10 and was newly indexed to inflation. The total vehicle registration fee is expected to be \$86 in 2020, which includes \$57 for the base vehicle registration fee, \$26 for a CHP fee that continues to be indexed to inflation, and \$3 for an alternative fuel/technology fee not indexed for inflation.

In addition to the VLF, truck owners pay a fee based on vehicle weight. Weight fee revenues are expected to be \$1.2 billion in 2019-20 and \$1.3 billion in 2020-21.

Beginning on July 1, 2020, an additional \$100 annual registration fee will be imposed on zero-emission vehicles (ZEV) that are model 2020 or newer. The new ZEV revenue is expected to be \$10.9 million in 2020-21 and will be used to fund transportation projects.

MOTOR VEHICLE FUEL TAXES

The motor vehicle fuel tax (gas tax), diesel fuel tax, and use fuel tax are the major sources of funds for maintaining, replacing, and constructing state highway and transportation facilities. Over one-third of these revenues are apportioned to local jurisdictions for a broad range of local road projects, including both maintenance of existing roads and construction of new roads. In addition, some jurisdictions choose to spend a portion of their allocation on improvements to the state highway system in their region to decrease traffic congestion. Motor vehicle fuel tax collections are shown in the Motor Vehicle Fuel Tax Revenue figure.

Gasoline consumption was down 1.5 percent in 2018-19 when compared to the prior fiscal year. Demand for gasoline was likely lessened in the short run by high gas prices

Motor Vehicle Fuel Tax Revenue

(Dollars in Thousands)

	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
Gasoline ^{1/}	\$6,432,835	\$7,169,409	\$7,533,173
Diesel	1,124,876	1,209,286	1,261,187
Total	\$7,557,711	\$8,378,695	\$8,794,360

^{1/}Does not include jet fuel.

throughout the year. In the long run, continued gains in the average fuel economy of cars and trucks as well as the state's policies to reduce greenhouse gas emissions are expected to support long-term declines in gasoline consumption. Gasoline consumption is expected to decline 1.2 percent in 2019-20 and 1.2 percent in 2020-21.

Because most diesel fuel is consumed by the commercial trucking industry, consumption is affected most significantly by general economic conditions. However, despite the strong economy, diesel consumption decreased by 2.4 percent in 2018-19. Diesel consumption is expected to increase by 2.6 percent in 2019-20, followed by a decrease of 1.5 percent in 2020-21. The uneven growth rates are attributable to some large late payments in 2019-20. Long-term growth is expected to be negative 0.4 percent, reflecting a moderating economy and gradually improving fuel economy of the fleet.

The gas tax is collected from distributors when fuel is loaded into ground transportation for transport to retail stations. This fuel is taxed at a rate of 47.3 cents per gallon in 2019-20 and will be taxed at the rate of 50.3 cents per gallon in 2020-21.

Distributors pay the diesel fuel tax, which applies to both pure diesel fuel and blends, at the fuel terminal. The excise tax on diesel will be 36 cents per gallon for 2019-20 and will be 38.2 cents per gallon in 2020-21. Dyed diesel fuel, which is used for off-highway purposes such as farm equipment, is not taxed.

SUMMARY OF STATE TAX SYSTEM

The state's tax system is outlined at the end of this section in the Outline of State Tax System figure. Tax collections per capita and per \$100 of personal income are displayed in Schedule 2 in the Appendix. The revenue generated from each state tax from 1970-71 through 2020-21 is displayed in Schedule 3 in the Appendix.

Outline of State Tax System as of January 1, 2020

Major Taxes and Fees	Base or Measure	Rate	Administering Agency	Fund
Alcoholic Beverage Excise Taxes				
Beer	Gallon	\$0.20	Equalization	General
Distilled Spirits	Gallon	\$3.30	Equalization	General
Dry Wine/Sweet Wine	Gallon	\$0.20	Equalization	General
Sparkling Wine	Gallon	\$0.30	Equalization	General
Hard Cider	Gallon	\$0.20	Equalization	General
Corporation				
General Corporation ^{1/}	Net income	8.84%	Franchise	General
Bank and Financial Corp.	Net income	10.84%	Franchise	General
Alternative Minimum Tax	Alt. Taxable Income	6.65%	Franchise	General
Tobacco				
Cigarette ^{2/}	Package	\$2.87	Tax & Fee Admin	See footnote
Other Tobacco Products ^{3/}	Wholesale cost	59.27%	Tax & Fee Admin	See footnote
Insurance				
Insurers ^{4/}	Gross Premiums	2.35%	Insurance Dept.	General
Cannabis				
Cannabis Excise	Retail Cost	15.00%	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Flower	Ounce	\$9.65	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Trim	Ounce	\$2.87	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Fresh Plant	Ounce	\$1.35	Tax & Fee Admin	Cannabis Tax Fund
Motor Vehicle				
Vehicle License Fees (VLF) ^{5/}	Market value	0.65%	DMV	VLF, Local Revenue
Transportation Improvement Fee	Market value	\$25-\$175	DMV	Transportation
Fuel—Gasoline ^{6/}	Gallon	\$0.473	Tax & Fee Admin	Motor Vehicle Fuel
Fuel—Diesel ^{7/}	Gallon	\$0.36	Tax & Fee Admin	Motor Vehicle Fuel
Registration Fees ^{8/}	Vehicle	\$86.00	DMV	Motor Vehicle
Weight Fees	Gross Vehicle Wt.	Various	DMV	State Highway
Personal Income^{9/}				
Proposition 63 Surcharge	Taxable income > \$1 million	1.0%	Franchise	Mental Health Services
Alternative Minimum Tax	Alt. Taxable Income	7.0%	Franchise	General
Retail Sales and Use^{10/}	Sales or lease of taxable items	7.25%	Tax & Fee Admin	See footnote

^{1/} Minimum Tax is \$800 per year for existing corporations. New corporations are exempt for their first taxable year.

^{2/} This tax is levied at the combined rate of 10 cents/pack of 20 cigarettes for the General Fund, 25 cents/pack for the Cigarette and Tobacco Products Surtax Fund, 2 cents/pack for the Breast Cancer Fund, 50 cents/pack for the California Children and Families First Trust Fund, and \$2 for the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. The additional \$2 excise tax was effective as of April 1, 2017.

^{3/} The surtax rate is determined annually by the California Department of Tax and Fee Administration and is equivalent to the combined rate of tax applied to cigarettes, with funding for the Cigarette and Tobacco Products Surtax Fund and California Children and Families First Trust Fund. Effective July 1, 2019, through June 30, 2020, the rate is 59.27 percent of the wholesale cost.

^{4/} Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans, surplus lines, certain health insurance, and nonadmitted insurance.

^{5/} For return to cities and counties. Trailer coach license fees are deposited in the General Fund.

^{6/} As part of SB 1 implemented beginning November 1, 2017, the rate was increased from 29.7 cents to 47.3 cents and indexed for inflation beginning in 2020-21. The fund is used for administrative expenses and apportionment to State, counties and cities for highways, airports, and small craft harbors.

^{7/} As part of SB 1, the rate was increased from 16 cents to 36 cents and indexed with inflation beginning in 2020-21.

^{8/} For support of State Department of Motor Vehicles, California Highway Patrol, other agencies, and motor vehicle related programs. A \$10 increase was effective April 1, 2017.

^{9/} Proposition 30 was passed by the California voters in November 2012. Proposition 30, for tax years 2012 through 2018, created three new income tax brackets with rates of 10.3 percent for taxable income over \$250,000, 11.3 percent for taxable income over \$300,000, and 12.3 percent for taxable income over \$500,000. Proposition 55 was passed by the California voters in November 2016 and extended these new income tax brackets until 2030.

^{10/} The 7.25-percent rate includes the rates for General Fund, Special Funds, and uniform local rates. Additionally, cities and counties may generally assess up to an additional 2.00 percent to the statewide rate.

STAFF ASSIGNMENTS

EXECUTIVE OFFICE

Keely Martin Bosler
Director of Finance
(916) 445-4141

Vivek Viswanathan
Chief Deputy Director, Budget
(916) 445-9862

Richard Gillihan
Chief Operating Officer
(916) 445-4923

H.D. Palmer
Deputy Director, External Affairs
(916) 323-0648

Gayle Miller
Chief Deputy Director, Policy
(916) 445-8582

Kari Krogseng
Chief Counsel
(916) 322-0971

Jolie Onodera
Legislative Director
(916) 445-8610

Diane Cummins
Special Advisor to the Director of Finance
(916) 445-4141

BUDGET PROGRAM AREAS

Budget Planning and Preparation,
Cash Management, FISCAL Project Support,
Statewide Budget Issues, and
Statewide Accounting Policies and Training

Corrections and Rehabilitation,
Justice, and General Government

Education

Employee Compensation and
State Pension, Audits and Evaluations,
Departmental Administration and
Information Services, and Information
Technology and Consulting

Energy, Housing and Homelessness,
Labor, Local Government, Tax Agencies,
and Transportation

Health and Human Services

Natural Resources, Environment,
and Capital Outlay

Revenue Forecasting,
Economic Projections, and
Demographic Data

PROGRAM BUDGET MANAGERS

Thomas Todd..... (916) 445-5332

Amy Jarvis..... (916) 445-8913

Jeff Bell..... (916) 445-0328

Jennifer Whitaker (916) 445-3274

Erika Li..... (916) 445-3274

Adam Dorsey (916) 445-6423

Matt Almy (916) 324-0043

Irena Asmundson (916) 322-2263
Chief Economist and PBM

APPENDICES AND SCHEDULES

Budget Process Overview

The Governor's Budget is the result of a process that begins more than one year before the Budget becomes law. When presented to the Legislature on or before January 10 each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through early to mid-December. In the event the Governor would like to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance proposes adjustments to the Legislature during budget hearings through Finance Letters in the spring. In May, Finance submits revised revenue and expenditure estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. Finance also prepares monthly economic and cash revenue updates during the fiscal year. The list below describes the key documents used in the budget process.

Title	Purpose	Prepared/Issued by	When
Budget Letters	Convey the Administration's guidelines for budget preparation to agencies and departments.	Governor/Finance	January through December
Budget Change Proposals	Documents that propose to modify or change the existing level of service, propose new programs, or remove existing programs.	Agencies and departments submit to Finance analysts for review.	August and September
Governor's Budget	Governor's proposed budget for the upcoming fiscal year.	Governor/Finance	January 10
Governor's Budget Summary	A narrative summary of the Governor's proposed budget.	Governor/Finance	January 10
Budget Bill	Requests spending authorization to carry out the Governor's expenditure plan (serves as a legislative budget decision document).	Finance/Legislature	January 10
Multi-Year Projection	Estimated General Fund revenues and expenditures for the ensuing fiscal year and the three fiscal years thereafter, as required by Section 12.5 of	Finance	January, May, and Budget Enactment
Analysis of the Budget	Analysis of the Budget, including recommendations for changes to the Governor's Budget.	Legislative Analyst's Office	February
May Revision	Update of General Fund revenues, expenditures, and reserve estimates based on the latest economic forecast, and changes in population, caseload, or enrollment estimates.	Finance	Mid-May
Budget Act	The primary annual expenditure authorization, as approved by the Governor and Legislature, including a listing of the Governor's vetoes, if any.	Legislature/Governor	Late June or upon enactment of the Budget
Final Budget Summary	Update of the individual Budget Act items of appropriation, with changes by the Governor's vetoes, and includes certain budget summary schedules.	Finance	Summer/Fall
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Summer/Fall

Adjustments in Accounting Methods and Prior Year Fund Balances

Government Code section 13344 requires the Department of Finance to clearly note in the Governor's Budget or related documents any adjustments of prior year fund balances and accounting methods. This requirement is to ensure the closest possible comparability of the Governor's Budget with the State Controller's Budgetary-Legal Basis Annual Report.

Accounting Methods

No major changes have been implemented or proposed since last year's report.

Prior Year Fund Balances

Government Code section 13344 requires every state agency to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the State Controller's Budgetary-Legal Basis Annual Report, according to the methods and bases provided in regulations, budget letters, and other directives of Finance. Consistent with this requirement, Finance has continued its efforts in instructing and assisting departments in the reconciliation of special funds between the Governor's Budget documents departments provide to Finance and the year-end financial statements they provide to the State Controller's Office. Departments that are the designated fund administrators continue to be primarily responsible for the reconciliation, and Finance works very closely with them to ensure this is or will be completed for all special funds. Special fund balances included in the Governor's Budget have been reconciled using the best information available at the time. However, final balances for the Budgetary-Legal Basis Annual Report and certain actual revenue or expenditure amounts are not available during the preparation of the Governor's Budget. Therefore, there will be some remaining variances in the spring when final balances become available. Finance will follow up the efforts in the spring to evaluate if additional budget changes are necessary.

Statewide Financial Information

Provides various statewide displays of financial information included in the Budget that may be the most useful to the public, private sector, or other levels of government. Each statewide display includes a description of the information included.

Schedule 1 General Budget Summary—Total statewide revenues and expenditures for the General Fund and special funds, and expenditure totals for selected bond funds.

Schedule 2 Summary of State Tax Collections—State tax collections per capita and per \$100 of personal income.

Schedule 3 Comparative Yield of State Taxes—Revenues for major state taxes for General Fund and special funds.

Schedule 4 Position and Salary Cost Estimates—Position data and corresponding dollar amounts.

Schedule 5A Statement of Estimated Accounts Payable and Accounts Receivable—Actual payable and receivable amounts as of the end of the last fiscal year, and estimated amounts for the end of the current fiscal year and the next fiscal year.

Schedule 5B Actual Past Fiscal Year Cash Flow—Actual receipts, disbursements, borrowable resources, and cash flow loan balances for the last fiscal year.

Schedule 5C Estimated Current Fiscal Year Cash Flow—Projected receipts, disbursements, borrowable resources, and cash flow loan balances for the current fiscal year.

Schedule 5D Estimated Budget Fiscal Year Cash Flow—Projected receipts, disbursements, borrowable resources, and cash flow loan balances for the next fiscal year.

Schedule 6 Summary of State Population, Employees, and Expenditures—Historical data of state population, employees, personal income, revenues, and expenditures.

Schedule 8 Comparative Statement of Revenues—Detail of General Fund and special fund revenues by source for the past, current, and budget years within the following categories: (1) major taxes and licenses, (2) minor revenues, and (3) transfers and loans.

Schedule 9 Comparative Statement of Expenditures—Detail of General Fund, special fund, selected bond fund, and federal fund expenditures included in the Governor's Budget by the following categories: (1) State Operations, (2) Local Assistance, (3) Capital Outlay, and (4) Unclassified.

Schedule 10 Summary of Fund Condition Statements—A listing in alphabetical order of the beginning reserve, revenues, expenditures, and ending reserve for the General Fund and each special fund for the past, current, and budget years.

Schedule 11 Statement of General Obligation Bond and Commercial Paper Debt of the State of California—List of all general obligation bonds, including: maturity dates, authorized amount of bond issues, amounts of unissued bonds, redemptions, and outstanding issues, as well as authorized and outstanding commercial paper.

Schedule 12A State Appropriations Limit Summary—Summary of Schedules 12B through 12E provides a calculation of the appropriations subject to the State Appropriations Limit and the Limit Room.

Schedule 12B Revenues to Excluded Funds—List of revenues in special funds NOT included in the calculation of total appropriations subject to the State Appropriations Limit.

Schedule 12C Non-Tax Revenues in Funds Subject to Limit—Total of non-tax General and special fund revenues deposited in funds that are otherwise included in the calculation of total appropriations subject to the State Appropriations Limit.

Schedule 12D State Appropriations Limit Transfer from Other Funds to Included Funds—Detail of transfers between funds that are used in calculating the appropriations subject to the State Appropriations Limit.

Schedule 12E State Appropriations Limit Excluded Appropriations—Exclusions from appropriations subject to the State Appropriations Limit.

Schedule 13 Proposition 98 Final Certification—Factors, data, and calculations used to certify the prior year Proposition 98 funding level pursuant to Chapter 39, Statutes of 2018.

SCHEDULE 1 AT 2020-21 GOVERNOR'S BUDGET
GENERAL BUDGET SUMMARY^{1/}
(In Thousands)

	Reference to Schedule	General Fund	Special Funds	Selected Bond Fund Expenditures	Expenditure Totals
2018-19					
Prior year resources available	10	\$10,979,193	\$31,643,232		
Revenues and transfers	8	139,378,948	61,594,612		
Expenditures	9	141,861,115	58,014,392	\$5,731,512	\$205,607,019
Fund Balance	10	\$8,497,026	\$35,223,452		
<i>Reserve for Liquidation of Encumbrances^{2/}</i>		2,144,474	--		
<i>Reserves for Economic Uncertainties^{3/}</i>		--	35,223,452		
<i>Special Fund for Economic Uncertainties^{3/}</i>		6,352,552	--		
<i>Budget Stabilization Account/Rainy Day Fund</i>		13,968,422	--		
<i>Safety Net Reserve</i>		900,000	--		
<i>Public School System Stabilization Account</i>		--	--		
2019-20					
Prior year resources available	10	\$8,497,026	\$35,223,452		
Revenues and transfers	8	146,485,597	62,872,897		
Expenditures	9	149,748,685	60,018,686	\$7,294,688	\$217,062,059
Fund Balance	10	\$5,233,938	\$38,077,663		
<i>Reserve for Liquidation of Encumbrances^{2/}</i>		2,144,474	--		
<i>Reserves for Economic Uncertainties^{3/}</i>		--	38,077,663		
<i>Special Fund for Economic Uncertainties^{3/}</i>		3,089,464	--		
<i>Budget Stabilization Account/Rainy Day Fund</i>		16,018,422	--		
<i>Safety Net Reserve</i>		900,000	--		
<i>Public School System Stabilization Account</i>		524,150	--		
2020-21					
Prior year resources available	10	\$5,233,938	\$38,077,663		
Revenues and transfers	8	151,634,805	60,296,038		
Expenditures	9	153,083,298	63,757,896	\$5,351,539	\$222,192,733
Fund Balance	10	\$3,785,445	\$34,615,805		
<i>Reserve for Liquidation of Encumbrances^{2/}</i>		2,144,474	--		
<i>Reserves for Economic Uncertainties^{3/}</i>		--	34,615,805		
<i>Special Fund for Economic Uncertainties^{3/}</i>		1,640,971	--		
<i>Budget Stabilization Account/Rainy Day Fund</i>		17,977,422	--		
<i>Safety Net Reserve</i>		900,000	--		
<i>Public School System Stabilization Account</i>		486,529	--		

Note: Totals may not add due to rounding.

^{1/}The General Budget Summary includes the revenues and expenditures of all state funds that reflect the cost of state government and selected bond fund expenditures. The transactions involving other nongovernmental cost funds are excluded.

^{2/}The Reserve for Liquidation of Encumbrances represents an amount which will be expended in the future for state obligations for which goods and services have not been received at the end of the fiscal year. This reserve treatment is consistent with accounting methodology prescribed by Generally Accepted Accounting Principles (GAAP) and Government Code Sections 13306 and 13307.

^{3/}The Special Fund for Economic Uncertainties and the Reserves for Economic Uncertainties are reserve accounts for the General and special funds as provided by Section 5 of Article XIII B of the California Constitution.

SCHEDULE 2 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF STATE TAX COLLECTIONS
(Excludes Departmental, Interest, and Miscellaneous Revenue)

Fiscal Year	Per Capita Personal Income ^{1/, 2/}	State Tax Collections (Dollars in Millions)		Taxes per Capita ^{1/}		Taxes per \$100 of Personal Income ^{3/}	
		General		General		General	
		Fund	Total	Fund	Total	Fund	Total
1967	\$3,870	\$3,558	\$4,676	\$185.55	\$243.86	\$4.80	\$6.30
1968	4,189	3,963	5,173	203.94	266.21	4.87	6.36
1969	4,668	4,126	5,409	208.96	273.94	4.48	5.87
1970	4,962	4,290	5,598	214.08	279.36	4.31	5.63
1971	5,210	5,213	6,597	256.22	324.24	4.92	6.22
1972	5,652	5,758	7,231	279.72	351.28	4.95	6.21
1973	6,116	6,377	7,877	305.57	377.45	5.00	6.17
1974	6,722	8,043	9,572	379.85	452.06	5.65	6.73
1975	7,306	9,050	10,680	420.19	495.87	5.75	6.79
1976	7,953	10,781	12,525	491.48	570.98	6.18	7.18
1977	8,660	12,951	14,825	579.41	663.25	6.69	7.66
1978	9,656	14,188	16,201	621.30	709.45	6.43	7.35
1979	10,750	16,904	19,057	726.83	819.41	6.76	7.62
1980	11,933	17,808	20,000	748.80	840.97	6.27	7.05
1981	13,131	19,053	21,501	784.78	885.62	5.98	6.74
1982	13,738	19,567	22,359	788.83	901.39	5.74	6.56
1983	14,549	22,300	25,674	880.14	1,013.30	6.05	6.96
1984	15,880	25,515	29,039	988.34	1,124.85	6.22	7.08
1985	16,790	26,974	30,898	1,021.63	1,170.25	6.08	6.97
1986	17,604	31,331	35,368	1,158.18	1,307.41	6.58	7.43
1987	18,529	31,228	35,611	1,126.67	1,284.81	6.08	6.93
1988	19,652	35,647	40,613	1,255.49	1,430.39	6.39	7.28
1989	20,623	37,248	43,052	1,278.16	1,477.32	6.20	7.16
1990	21,579	36,828	43,556	1,234.66	1,460.21	5.72	6.77
1991	21,825	40,072	48,856	1,315.62	1,604.01	6.03	7.35
1992	22,627	39,197	48,230	1,264.93	1,556.44	5.59	6.88
1993	22,929	38,351	48,941	1,224.72	1,562.90	5.34	6.82
1994	23,498	41,099	50,648	1,303.75	1,606.67	5.55	6.84
1995	24,566	44,825	54,805	1,413.51	1,728.20	5.75	7.03
1996	25,920	47,955	58,400	1,500.33	1,827.10	5.79	7.05
1997	27,152	53,859	64,826	1,659.61	1,997.56	6.11	7.36
1998	29,215	58,199	69,724	1,770.96	2,121.65	6.06	7.26
1999	30,714	70,027	81,773	2,095.45	2,446.93	6.82	7.97
2000	33,351	75,668	88,147	2,225.47	2,592.50	6.67	7.77
2001	34,010	62,679	73,295	1,816.12	2,123.70	5.34	6.24
2002	34,149	64,879	75,420	1,856.95	2,158.65	5.44	6.32
2003	35,280	70,229	81,628	1,984.49	2,306.60	5.63	6.54
2004	37,183	80,070	93,764	2,239.55	2,622.57	6.02	7.05
2005	39,107	90,468	105,860	2,514.02	2,941.74	6.43	7.52
2006	41,826	93,237	109,390	2,572.28	3,017.93	6.15	7.22
2007	43,269	95,290	111,778	2,606.95	3,058.01	6.03	7.07
2008	43,590	79,398	95,020	2,154.26	2,578.12	4.94	5.91
2009	41,913	84,537	99,284	2,280.02	2,677.76	5.44	6.39
2010	43,579	89,910	106,942	2,406.11	2,861.88	5.52	6.57
2011	46,063	82,850	106,351	2,195.89	2,818.76	4.77	6.12
2012	48,618	95,444	119,798	2,505.02	3,144.21	5.15	6.47
2013	49,112	101,187	127,388	2,634.39	3,316.53	5.36	6.75
2014	52,166	112,158	139,983	2,894.94	3,613.15	5.55	6.93
2015	55,612	117,083	144,154	2,997.86	3,691.02	5.39	6.64
2016	57,593	122,029	147,731	3,104.39	3,758.22	5.39	6.53
2017	59,866	134,074	164,551	3,386.50	4,156.31	5.66	6.94
2018 ^{est}	63,141	141,952	175,783	3,565.04	4,414.67	5.65	6.99
2019 ^{est}	65,915	147,638	183,118	3,694.71	4,582.61	5.61	6.95
2020 ^{est}	68,654	150,691	187,509	3,752.48	4,669.31	5.47	6.80

^{1/}Per capita computations are based on July 1 population estimates, benchmarked on the 2010 Census.

^{2/}Personal income data are on a calendar year basis (e.g., 2012 for 2012-13).

^{3/}Taxes per \$100 personal income computed using calendar year personal income (e.g. 2012 income related to 2012-13 tax collections).

^{est}/Estimated.

**SCHEDULE 3 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2020-21
Includes both General and Special Funds**

(Dollars in Thousands)

Fiscal Year	Sales and Use ^{1/}	Personal Income ^{2/}	Corporation ^{3/}	Tobacco ^{4/}	Estate			Motor	
					Inheritance and Gift ^{5/}	Insurance ^{6/}	Alcoholic Beverage ^{7/}	Vehicle Fuel ^{8/}	Vehicle Fees ^{9/}
1970	\$1,808,052	\$1,264,383	\$532,091	\$239,721	\$185,699	\$158,423	\$106,556	\$674,635	\$513,202
1971	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	712,426	547,845
1972	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	746,196	596,922
1973	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	742,702	644,448
1974	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	752,234	664,453
1975	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	766,555	749,936
1976	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	810,321	807,782
1977	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	850,181	924,410
1978	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	896,591	1,021,856
1979	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	852,752	1,096,640
1980	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	839,994	1,127,293
1981	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	833,446	1,373,354
1982	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	928,633	1,614,993
1983	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	1,213,167	1,906,290
1984	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	1,159,637	2,137,326
1985	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	1,194,172	2,515,295
1986	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	1,245,881	2,692,835
1987	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	1,293,254	2,966,334
1988	12,650,893	15,889,179	5,138,009	559,617	335,091	1,317,630	128,264	1,320,512	3,142,484
1989	13,917,771	16,906,568	4,965,389	787,076	388,527	1,167,684	128,524	1,349,146	3,305,711
1990	13,839,573	16,852,079	4,544,783	745,074	498,774	1,287,152	129,640	1,999,771	3,513,159
1991	17,458,521	17,242,816	4,538,451	726,064	446,696	1,167,307	321,352	2,457,229	4,369,862
1992	16,598,863	17,358,751	4,659,950	677,846	458,433	1,188,181	292,107	2,412,574	4,470,321
1993	16,857,369	17,402,976	4,809,273	664,322	552,139	1,196,921	275,797	2,547,633	4,518,795
1994	16,273,800	18,608,181	5,685,618	674,727	595,238	998,868	268,957	2,685,731	4,749,594
1995	17,466,584	20,877,687	5,862,420	666,779	659,338	1,131,737	269,227	2,757,289	5,009,319
1996	18,424,355	23,275,990	5,788,414	665,415	599,255	1,199,554	271,065	2,824,589	5,260,355
1997	19,548,574	27,927,940	5,836,881	644,297	780,197	1,221,285	270,947	2,853,846	5,660,574
1998	21,013,674	30,894,865	5,724,237	976,513	890,489	1,253,972	273,112	3,025,226	5,610,374
1999	23,451,570	39,578,237	6,638,898	1,216,651	928,146	1,299,777	282,166	3,069,694	5,263,245
2000	24,287,928	44,618,532	6,899,322	1,150,869	934,709	1,496,556	288,450	3,142,142	5,286,542
2001	23,816,406	33,046,665	5,333,036	1,102,807	915,627	1,596,002	292,627	3,295,903	3,836,904
2002	24,899,025	32,709,761	6,803,559	1,055,505	647,372	1,879,784	290,564	3,202,512	3,889,602
2003	26,506,911	36,398,983	6,925,916	1,081,588	397,848	2,114,980	312,826	3,324,883	4,415,126
2004	29,967,136	42,992,007	8,670,065	1,096,224	213,036	2,232,955	314,252	3,366,142	4,873,705
2005	32,201,082	51,219,823	10,316,467	1,088,703	3,786	2,202,327	318,276	3,393,381	5,078,529
2006	32,669,175	53,348,766	11,157,898	1,078,536	6,348	2,178,336	333,789	3,399,694	5,147,341
2007	31,972,874	55,745,970	11,849,097	1,037,287	6,303	2,172,936	327,260	3,351,268	5,212,811
2008	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,162,299	5,566,642
2009	31,197,154	45,650,901	9,114,589	922,986	0	2,180,786	311,242	3,149,144	6,726,967
2010	30,996,372	50,507,989	9,613,594	905,245	0	2,307,022	334,178	5,705,528	6,558,121
2011	28,542,238	55,449,292	7,233,000	895,677	0	2,416,073	346,000	5,544,530	5,907,866
2012	31,007,290	66,809,000	7,782,947	868,703	0	2,242,379	357,000	5,492,550	5,864,814
2013	34,163,864	68,306,264	9,092,696	833,127	0	2,362,738	354,297	6,065,748	6,226,553
2014	35,263,084	77,929,551	9,416,779	832,379	0	2,444,573	357,373	5,713,698	6,510,898
2015	35,936,588	80,541,269	10,459,561	840,034	0	2,561,932	368,699	5,003,317	6,833,037
2016	35,360,401	85,021,043	11,019,780	1,235,605	0	2,422,105	368,345	4,845,821	7,192,680
2017	36,137,388	95,865,692	12,312,596	2,145,003	0	2,569,271	376,059	6,355,007	8,578,311
2018 ^{10/}	37,881,567	100,958,015	14,062,543	1,990,310	0	2,722,787	377,662	7,560,940	9,875,064
2019 ^{11/}	39,454,639	104,082,332	15,304,879	1,944,962	0	3,022,936	383,067	8,381,891	10,237,584
2020 ^{12/}	40,995,120	105,253,849	16,006,932	1,937,735	0	3,116,772	388,505	8,797,556	10,570,400

^{1/} Includes the 0.5 percent Local Revenue Fund, the 1.0625 percent Local Revenue Fund 2011, and the state sales tax rate of 6 percent from April 1, 2009 to June 30, 2011. Includes the 0.25 percent sales tax, effective July 1, 2004 through December 31, 2015, for repayment of economic recovery bonds. Includes passage of Proposition 30, which increased the General Fund sales tax rate from January 1, 2013 to December 31, 2016.

^{2/} Includes the revenue for a 1-percent surcharge on taxable incomes over \$1 million, with proceeds funding mental health programs. Includes the 0.25-percent surcharge and reduced dependent exemption credit effective for tax years 2009 and 2010. Also includes the impact of Propositions 30, which establishes three additional tax brackets for tax years 2012 through 2018. In November 2016, voters approved Proposition 55, which extends the three additional tax brackets through 2030.

^{3/} Includes the corporation tax, corporation income tax, LLC fees, and minimum franchise tax for corporations, partnerships, LLCs, and LLPs. From 1989 to 1997, it included the unitary election fee. Includes impact of Proposition 39 beginning in tax year 2012.

^{4/} Proposition 99 (November 1988) increased the cigarette tax to \$0.35 per pack and added an equivalent tax to other tobacco products. The Breast Cancer Act added \$0.02 per pack effective 1/1/94. Proposition 10 (November 1998) increased the cigarette tax to \$0.87 per pack and added the equivalent of \$1.00 tax on other tobacco products. Proposition 56 (November 2016) increased the cigarette tax to \$2.87 per pack, effective April 1, 2017, and added the equivalent of a \$2.00 tax to other tobacco products, effective July 1, 2017. Proposition 56 also defined electronic cigarettes as other tobacco products for purposes of taxation. Fiscal year 2020-21 includes \$34 million from a proposed additional e-cigarette tax.

^{5/} Proposition 6, an initiative measure adopted by the voters in June 1982, repealed the inheritance and gift taxes and imposed instead an estate tax known as "the pick-up tax," because it is designed to pick up the maximum credit allowed against the federal estate tax. The federal estate tax has undergone many changes since 2001. It was reinstated in January 2013 for deaths on and after January 1, 2013. The new federal tax operates in such a way to effectively eliminate the state pick-up estate tax.

^{6/} Includes insurance gross premiums tax on Medi-Cal managed care plans through June 30, 2013, to provide interim funding for the Healthy Families and Medi-Cal programs. Includes a reduction for the managed care organizations tax of about \$200 million per year from 2016-17 through 2018-19.

^{7/} Alcoholic beverage excise taxes were increased effective July 15, 1991.

^{8/} Motor vehicle fuel tax (gasoline) and use fuel tax (diesel and other fuels). The gasoline excise tax was 29.7 cents per gallon for the first four months of 2017-18, 41.7 cents for the next 20 months through 2018-19, 47.3 cents in 2019-20, and indexed annually for inflation thereafter. The diesel excise tax was 16 cents for the first four months of 2017-18, 36 cents through 2019-20, and annually indexed for inflation thereafter.

^{9/} Registration and weight fees, motor vehicle license fees, and other fees. Includes \$800 million in 2017-18, \$1.7 billion in both 2018-19 and 2019-20, and \$1.8 billion in 2020-21 from a graduated fee at \$25 to \$175 per vehicle.

^{12/} Estimated.

SCHEDULE 4 AT 2020-21 GOVERNOR'S BUDGET
POSITION AND SALARY COST ESTIMATES
(Excludes Staff Benefits^{1/})
(Dollars in Thousands)

	Positions			Dollars		
	Actuals 2018-19*	Estimated 2019-20*	Proposed 2020-21*	Actuals 2018-19*	Estimated 2019-20*	Proposed 2020-21*
Executive						
Executive	10,670.4	10,950.9	11,374.9	\$1,010,126	\$1,051,084	\$1,098,500
Business, Consumer Services, and Housing	5,643.7	5,876.3	5,998.5	421,030	451,184	456,940
Transportation	39,670.2	40,316.0	40,406.4	3,850,303	3,985,265	3,999,588
Natural Resources	18,783.2	19,684.6	20,481.7	1,683,724	1,731,871	1,834,664
California Environmental Protection	5,664.4	5,724.6	5,891.4	559,569	578,282	584,268
Health and Human Services	30,058.7	30,435.6	32,048.0	2,571,742	2,370,906	2,724,221
Corrections and Rehabilitation	57,140.4	57,807.8	57,087.1	5,738,548	5,315,522	5,329,335
Education						
K thru 12 Education	2,490.1	2,507.7	2,514.7	193,447	194,129	199,163
Community Colleges/Other	297.8	289.9	305.9	30,746	28,668	29,889
Labor and Workforce Development	10,701.7	10,677.2	10,975.9	748,277	784,866	825,493
Government Operations	19,213.1	19,282.0	19,379.3	1,515,819	1,583,780	1,608,673
General Government	12,583.2	12,276.5	12,553.0	2,702,327	-231,194	1,165,661
SUBTOTAL, EXECUTIVE	212,916.9	215,829.1	219,016.8	\$21,025,658	\$17,844,363	\$19,856,395
Higher Education						
University of California	111,099.8	111,954.1	111,954.1	\$10,588,215	\$10,588,215	\$10,588,215
Hastings College of Law	249.4	255.0	255.0	25,522	25,522	25,522
California State University	50,200.4	51,052.1	51,052.1	3,533,136	3,721,087	3,721,087
SUBTOTAL, HIGHER EDUCATION	161,549.6	163,261.2	163,261.2	\$14,146,873	\$14,334,824	\$14,334,824
Legislative ^{1/}	750.0	754.0	754.0	\$71,518	\$74,868	\$75,635
Judicial	1,773.4	1,734.3	1,760.9	228,672	215,533	222,475
GRAND TOTAL	376,989.9	381,578.6	384,792.9	\$35,472,721	\$32,469,588	\$34,489,329

^{1/} The numbers of positions include 120 legislators and staff at the Legislative Counsel Bureau. The numbers do not include the Legislature's staff or the Legislative Analyst's Office. Certain benefits of the legislators are included in the dollars.

* Numbers may not add or match to other statements due to rounding of budget details.

SCHEDULE 5A AT 2020-21 GOVERNOR'S BUDGET
STATEMENT OF ESTIMATED ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
GENERAL FUND
(Dollars in Thousands)

	Actual 2018-19 Fiscal Year Accruals ^{1/}		Estimated 2019-20 Fiscal Year Accruals ^{2/}		Estimated 2020-21 Fiscal Year Accruals ^{2/}		Net accruals June 30, 2021	Net accruals June 30, 2021
	Accounts payable June 30, 2019	Net accruals June 30, 2019	Accounts payable June 30, 2020	Net accruals June 30, 2020	Accounts payable June 30, 2021	Net accruals June 30, 2021		
STATE OPERATIONS								
Legislative/Judicial/Executive	\$525,090	\$384,932	\$540,843	\$396,480	\$557,068	\$408,374	\$148,694	\$148,694
Business, Consumer Services, and Housing	8,357	5,464	8,608	5,628	8,866	5,797	3,069	3,069
Transportation	277,960	6,294	286,299	6,483	294,888	6,677	288,211	288,211
Natural Resources	303,602	146,105	312,710	150,488	322,091	155,003	167,088	167,088
California Environmental Protection and Human Services:	1,778,435	111,557	1,831,788	114,904	1,886,742	118,351	1,768,391	1,768,391
Health Care Services:	0	0	0	0	0	0	0	0
Developmental Services	0	0	0	0	0	0	0	0
State Hospitals	0	0	0	0	0	0	0	0
Other Health and Human Services	152,543	140,155	157,119	144,360	161,833	148,691	13,142	13,142
Corrections and Rehabilitation Education:	1,257,058	912,070	1,294,770	939,432	1,333,613	967,615	365,998	365,998
Department of Education	0	0	0	0	0	0	0	0
University of California	80,314	0	82,723	0	85,205	0	85,205	85,205
California State University	15,549	0	16,015	0	16,495	0	16,495	16,495
Other Education	2,257,278	8,541	2,324,996	8,797	2,394,746	9,061	2,385,685	2,385,685
Government Operations	3,589,554	175,248	3,697,241	180,505	3,808,158	185,920	3,622,238	3,622,238
General Government/Labor	2,700,855	4,822,956	2,781,881	4,967,645	2,865,337	5,116,674	-2,251,337	-2,251,337
Totals, State Operations	\$12,946,595	\$6,713,322	\$13,334,993	\$6,914,722	\$13,735,042	\$7,122,163	\$6,612,879	\$6,612,879
LOCAL ASSISTANCE								
Public Schools K-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
California Community Colleges	0	0	0	0	0	0	0	0
Other Education	0	0	0	0	0	0	0	0
Health Care Services (Non-Medi-Cal)	0	0	0	0	0	0	0	0
Developmental Services	0	0	0	0	0	0	0	0
State Hospitals	0	0	0	0	0	0	0	0
Social Services	0	0	0	0	0	0	0	0
Other Health and Human Services	26,545	6,176	27,341	6,361	28,161	6,552	21,609	21,609
Tax Relief	0	0	0	0	0	0	0	0
Other Local Assistance	8,740	8,374	9,002	8,625	9,272	8,884	388	388
Totals, Local Assistance	\$35,285	\$14,550	\$36,343	\$14,986	\$37,433	\$15,436	\$21,997	\$21,997
TOTALS, ALL CHARACTERS	\$12,981,880	\$6,727,872	\$13,371,336	\$6,929,708	\$13,772,475	\$7,137,599	\$6,634,876	\$6,634,876

^{1/} Information per the State Controller's Office. Based upon best available information.

^{2/} 2019-20 and 2020-21 typically assume a 3% growth from the prior fiscal year, except for adjustments due to major one-time issues to conform with budget treatment.

Note: Numbers may not add due to rounding.

SCHEDULE 5B AT 2020-21 GOVERNOR'S BUDGET
ACTUAL 2018-19 FISCAL YEAR CASH FLOW
GENERAL FUND
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE	\$5,541	\$1,921	\$2,438	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,541
RECEIPTS:													
Alcoholic Beverage Excise Tax	\$37	\$29	\$30	\$31	\$6	\$46	\$37	\$18	\$23	\$22	\$50	\$24	\$353
Corporation Tax	446	92	1,303	255	27	2,094	579	258	1,408	3,466	375	3,488	13,793
Cigarette Tax	6	2	6	6	4	6	5	5	5	4	2	9	59
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	19	346	267	12	102	519	2	2	174	646	158	473	2,721
Personal Income Tax	5,217	5,936	8,438	5,126	5,956	6,764	16,359	1,393	6,211	19,168	5,186	12,559	98,313
Retail Sales and Use Tax	818	3,501	2,001	1,032	3,519	1,160	1,592	3,760	1,859	799	3,616	1,017	24,674
Income from Pooled Money Investments	34	25	33	69	35	36	62	23	63	67	48	51	544
Transfer from Special Fund for Economic Uncertainties	0	0	72	116	0	2,909	0	0	0	0	0	0	3,050
Other	90	139	36	132	105	127	232	72	103	124	86	-101	2,106
TOTAL, Receipts	\$6,667	\$10,186	\$12,186	\$6,663	\$9,808	\$13,663	\$18,869	\$5,531	\$9,846	\$24,296	\$5,520	\$18,378	\$145,613
DISBURSEMENTS:													
State Operations:													
University of California	\$259	\$298	\$260	\$332	\$295	\$472	\$293	\$308	\$286	\$328	\$541	\$27	\$3,700
Debt Service	-129	553	870	1,027	721	-622	-113	392	676	1,113	410	-67	4,829
Other State Operations	2,954	2,131	2,217	2,849	1,665	2,796	2,216	1,934	1,624	2,645	2,399	1,523	26,953
Social Services	1,257	650	897	897	814	703	298	898	553	896	216	664	8,637
Medi-Cal Assistance for DHCS	-488	2,052	2,804	1,551	1,113	2,148	1,694	1,326	2,756	1,527	1,352	1,636	19,471
Other Health and Human Services	1,004	84	298	780	317	416	493	208	353	359	26	212	4,549
Schools	2,812	3,417	6,529	4,772	4,294	6,491	4,946	4,519	6,170	4,385	4,276	5,956	58,568
Teachers' Retirement	588	0	0	953	0	588	0	0	0	953	0	0	3,082
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	3,824	0	0	0	0	0	3,824
Transfer to Budget Stabilization Account	2,030	483	2,671	632	526	460	475	571	197	238	185	549	2,676
Other	0	0	0	0	0	0	0	0	0	0	0	0	9,466
TOTAL, Disbursements	\$10,287	\$9,669	\$19,559	\$13,795	\$9,745	\$13,458	\$14,125	\$10,156	\$12,615	\$12,443	\$9,404	\$10,499	\$145,755
EXCESS RECEIPTS/(DEFICIT)	-\$3,620	\$517	-\$7,373	-\$7,132	\$63	\$205	\$4,744	-\$4,624	-\$2,770	\$11,853	\$116	\$7,878	-\$142
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	\$0	\$0	\$1,061	\$40	-\$55	-\$1,047	\$1,961	\$0	\$0	\$0	\$0	-\$1,962	\$0
Budget Stabilization Account	0	0	3,874	7,091	-8	-1,662	-4,202	4,624	1,440	-10,523	-116	-518	0
Other Internal Sources	0	0	0	0	0	2,503	-2,503	0	1,330	-1,330	0	0	0
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	\$0	\$0	\$4,935	\$7,132	-\$63	-\$205	-\$4,744	\$4,624	\$2,770	-\$11,853	-\$116	-\$2,480	\$0
ENDING CASH BALANCE	\$1,921	\$2,438	\$0	-\$0	-\$0	\$0	\$0	-\$0	\$0	\$0	-\$0	\$5,398	\$5,398
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	\$1,249	\$1,133	\$1,061	\$1,102	\$1,047	\$1	\$1,962	\$1,962	\$1,962	\$1,962	\$1,962	\$2,063	\$2,063
Budget Stabilization Account	8,486	8,486	11,152	11,152	11,152	9,295	11,157	11,157	11,157	11,157	11,157	11,157	11,157
Other Internal Sources	32,534	31,229	36,511	34,531	34,374	36,831	36,180	37,210	37,603	35,754	35,623	37,888	37,888
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	\$42,269	\$40,849	\$48,725	\$46,786	\$46,573	\$46,126	\$49,299	\$50,329	\$50,722	\$48,874	\$48,742	\$51,108	\$51,108
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	\$0	\$0	\$1,061	\$1,102	\$1,047	\$1	\$1,962	\$1,962	\$1,962	\$1,962	\$1,962	\$0	\$0
Budget Stabilization Account	0	0	3,874	10,965	10,957	9,295	5,093	9,717	11,157	634	518	0	0
Other Internal Sources	0	0	0	0	0	2,503	0	0	1,330	0	0	0	0
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	\$0	\$0	\$4,935	\$12,067	\$12,004	\$11,799	\$7,055	\$11,679	\$14,449	\$2,596	\$2,480	\$0	\$0
UNUSED BORROWABLE RESOURCES	\$42,269	\$40,849	\$43,790	\$34,719	\$34,569	\$34,327	\$42,244	\$38,650	\$36,273	\$46,278	\$46,262	\$51,108	\$51,108
CASH AND UNUSED BORROWABLE RESOURCES	\$44,190	\$43,287	\$43,790	\$34,719	\$34,569	\$34,327	\$42,244	\$38,650	\$36,273	\$46,278	\$46,262	\$56,506	\$56,506

Note: Numbers may not add due to rounding.
Source: State Controller's Office

SCHEDULE 5C AT 2020-21 GOVERNOR'S BUDGET
ESTIMATED 2019-20 FISCAL YEAR CASHFLOW
GENERAL FUND
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE	\$5,398												\$5,398
RECEIPTS:													
Alcoholic Beverage Excise Tax	\$47	\$36	\$36	\$32	\$27	\$33	\$31	\$30	\$25	\$32	\$29	\$36	\$394
Corporation Tax	501	279	1,586	286	72	2,734	568	251	1,504	3,174	602	3,662	15,219
Cigarette Tax	8	6	4	4	2	6	5	5	6	4	2	8	60
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	26	180	502	33	219	543	2	2	182	675	165	494	3,023
Personal Income Tax	6,274	5,818	8,338	6,434	5,069	8,441	16,839	2,183	4,940	18,418	5,938	13,687	102,379
Retail Sales and Use Tax	2,328	3,384	2,149	1,035	3,003	1,764	1,681	3,969	2,023	851	3,784	1,147	27,118
Income from Pooled Money Investments	76	42	69	89	41	49	0	18	51	48	34	36	603
Transfer from Special Fund for Economic Uncertainties	0	2	0	0	0	0	650	0	0	0	0	0	652
Other	200	143	137	118	88	271	294	208	191	395	274	792	3,111
TOTAL, Receipts	\$9,460	\$9,890	\$12,821	\$8,031	\$8,521	\$13,841	\$20,120	\$6,666	\$8,922	\$23,597	\$10,828	\$19,864	\$152,559
DISBURSEMENTS:													
State Operations:													
University of California	\$274	\$273	\$330	\$301	\$294	\$483	\$440	\$299	\$299	\$299	\$561	\$35	\$3,888
Debt Service	-89	561	713	1,516	473	-383	-127	381	674	952	387	-505	4,553
Other State Operations	10,101	2,457	2,359	3,396	2,295	2,987	2,427	2,196	1,894	3,089	2,628	2,742	38,571
Social Services	1,178	744	1,165	1,268	700	1,166	-157	585	530	977	463	422	9,041
Medi-Cal Assistance for DHCS	2,167	755	2,083	2,049	1,536	2,048	2,067	1,312	2,375	2,587	1,608	2,375	22,962
Other Health Care Services	862	186	565	941	383	467	414	711	755	423	222	174	6,101
Schools	3,109	3,547	6,979	4,667	4,235	6,708	4,527	4,487	6,641	4,556	4,352	6,032	59,840
Teachers' Retirement	643	0	0	1,018	0	643	0	0	0	1,018	0	1	3,323
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Budget Stabilization Account	0	0	2,748	0	0	0	0	0	0	0	0	0	2,748
Other	3,872	1,615	610	1,084	323	122	576	1,009	719	1,088	432	645	12,097
TOTAL, Disbursements	\$22,117	\$10,138	\$17,552	\$16,240	\$10,239	\$14,241	\$10,167	\$10,980	\$13,887	\$14,989	\$10,653	\$11,921	\$163,124
EXCESS RECEIPTS/(DEFICIT)	-\$12,657	-\$249	-\$4,731	-\$8,210	-\$1,718	-\$399	\$9,952	-\$4,314	-\$4,965	\$8,608	\$174	\$7,943	-\$10,565
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	\$2,063	-\$2	\$0	\$0	\$0	\$0	-\$650	\$0	\$0	\$0	\$0	\$0	\$1,412
Budget Stabilization Account	5,196	251	4,731	6,339	0	0	-5,315	4,314	1,001	-4,644	-174	-7,943	3,755
Other Internal Sources	0	0	0	1,870	1,718	399	-3,988	0	3,964	-3,964	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	\$7,259	\$249	\$4,731	\$8,209	\$1,718	\$399	-\$9,953	\$4,314	\$4,965	-\$8,608	-\$174	-\$7,943	\$5,167
ENDING CASH BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	\$2,063	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412
Budget Stabilization Account	11,157	11,157	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516
Other Internal Sources	39,022	41,491	38,264	36,799	39,354	35,621	32,745	34,031	33,614	34,136	34,938	34,026	34,026
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	\$52,243	\$54,709	\$56,842	\$55,377	\$57,932	\$54,199	\$50,673	\$51,959	\$51,542	\$52,064	\$52,866	\$51,954	\$51,954
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	\$2,063	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412
Budget Stabilization Account	5,196	5,446	10,177	16,516	16,516	16,516	11,202	15,516	16,516	11,873	11,698	3,755	3,755
Other Internal Sources	0	0	0	1,870	3,588	3,988	0	0	3,964	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	\$7,259	\$7,508	\$12,238	\$20,448	\$22,166	\$22,566	\$12,613	\$16,927	\$21,892	\$13,284	\$13,110	\$5,167	\$5,167
UNUSED BORROWABLE RESOURCES	\$44,983	\$47,202	\$44,603	\$34,929	\$35,765	\$31,633	\$38,060	\$35,032	\$29,650	\$38,780	\$39,756	\$46,787	\$46,787
Cash and Unused Borrowable Resources	\$44,983	\$47,202	\$44,603	\$34,929	\$35,765	\$31,633	\$38,060	\$35,032	\$29,650	\$38,780	\$39,756	\$46,787	\$46,787

Note: Numbers may not add due to rounding.

SCHEDULE 5D AT 2020-21 GOVERNOR'S BUDGET
ESTIMATED 2020-21 FISCAL YEAR CASHFLOW
GENERAL FUND
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE													
RECEIPTS:													
Alcoholic Beverage Excise Tax	\$46	\$27	\$34	\$35	\$27	\$33	\$32	\$30	\$25	\$32	\$30	\$38	\$389
Corporation Tax	533	278	1,463	296	259	3,003	553	245	1,705	3,278	641	3,727	15,981
Cigarette Tax	6	2	6	6	4	6	5	5	5	4	2	7	58
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	22	397	306	14	117	595	3	2	199	740	181	541	3,117
Personal Income Tax	6,082	6,209	8,825	7,516	5,267	8,751	17,520	2,107	4,789	16,799	6,099	14,124	104,088
Retail Sales and Use Tax	2,380	3,540	2,262	117	3,097	1,856	1,724	4,170	2,081	875	3,899	1,186	27,187
Income from Pooled Money Investments	65	36	59	65	33	34	47	17	47	45	32	34	514
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	207	185	137	176	912	190	244	173	161	325	181	780	3,671
TOTAL, Receipts	\$9,341	\$10,674	\$13,092	\$8,225	\$9,716	\$14,468	\$20,128	\$6,749	\$9,012	\$22,098	\$11,065	\$20,437	\$155,005
DISBURSEMENTS:													
State Operations:													
University of California	\$348	\$324	\$324	\$324	\$324	\$551	\$324	\$324	\$324	\$324	\$634	\$4	\$4,129
Debt Service	-103	568	725	1,542	478	-491	-129	399	705	1,025	415	-468	4,666
Other State Operations	3,713	2,342	2,497	3,128	1,766	3,110	2,443	2,408	1,681	2,970	2,629	2,694	31,381
Social Services	1,365	734	818	1,084	857	733	240	714	781	1,015	489	854	9,684
Medi-Cal Assistance for DHCS	2,265	1,764	2,462	2,217	1,798	2,451	2,651	1,699	2,720	1,524	1,636	2,629	25,816
Other Health Care Services	773	93	112	789	544	469	381	754	806	436	202	173	5,530
Schools	2,832	3,268	6,435	4,364	5,338	6,753	4,630	4,629	6,698	4,603	5,919	6,600	62,069
Teachers' Retirement	704	0	0	1,091	0	704	0	0	0	1,091	0	1	3,591
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	229	0	0	0	0	0	229
Transfer to Budget Stabilization Account	0	0	1,461	0	0	0	0	0	0	0	0	0	1,461
Other	1,592	670	1,240	684	367	747	437	175	560	303	277	476	7,531
TOTAL, Disbursements	\$13,489	\$9,763	\$16,074	\$15,223	\$11,472	\$15,027	\$11,206	\$11,102	\$14,275	\$13,291	\$12,201	\$12,963	\$156,087
EXCESS RECEIPTS/(DEFICIT)	-\$4,148	\$911	-\$2,982	-\$6,998	-\$1,755	-\$559	\$8,923	-\$4,354	-\$5,263	\$8,807	-\$1,136	\$7,474	-\$1,081
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$229	\$0	\$0	\$0	\$0	\$0	\$229
Budget Stabilization Account	4,148	-911	2,982	6,998	1,005	-784	-7,843	4,354	3,489	-7,033	1,136	-7,474	852
Other Internal Sources	0	0	0	0	750	559	-1,309	0	1,774	-1,774	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	\$4,148	-\$911	\$2,982	\$6,998	\$1,755	-\$559	-\$8,923	\$4,354	\$5,263	-\$8,807	\$1,136	-\$7,474	\$1,081
ENDING CASH BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641
Budget Stabilization Account	16,516	16,516	17,977	17,977	17,977	17,977	17,977	17,977	17,977	17,977	17,977	17,977	17,977
Other Internal Sources	33,818	36,621	36,377	35,932	35,881	35,160	35,598	36,085	35,910	35,574	35,725	34,535	34,535
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	\$51,746	\$54,549	\$55,766	\$55,321	\$55,270	\$54,549	\$55,216	\$55,703	\$55,528	\$55,192	\$55,343	\$54,153	\$54,153
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,412	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641	\$1,641
Budget Stabilization Account	7,903	6,992	9,974	16,972	17,977	17,977	10,135	14,488	17,977	10,945	12,081	4,607	4,607
Other Internal Sources	0	0	0	0	750	1,309	0	0	1,774	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	\$9,314	\$8,404	\$11,386	\$18,384	\$20,139	\$20,698	\$11,776	\$16,129	\$21,332	\$12,586	\$13,722	\$6,248	\$6,248
UNUSED BORROWABLE RESOURCES	\$42,432	\$46,145	\$44,380	\$36,937	\$35,131	\$33,851	\$43,441	\$39,574	\$34,136	\$42,607	\$41,621	\$47,905	\$47,905
Cash and Unused Borrowable Resources	\$42,432	\$46,145	\$44,380	\$36,937	\$35,131	\$33,851	\$43,441	\$39,574	\$34,136	\$42,607	\$41,621	\$47,905	\$47,905

Note: Numbers may not add due to rounding.

SCHEDULE 6 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES

Year	Population ^{1/} (Thousands)	Employees ^{2/}	Employees per 1,000 Population	Personal Income ^{3/} (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund	Total	General Fund ^{4/}	Total ^{5/}	General Fund ^{4/}	Total ^{5/}	General Fund ^{4/}	Total ^{5/}
					(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)
1950-51	10,643	61,000	5.7	\$20.0	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.94	\$5.03
1951-52	11,130	63,860	5.7	23.1	734	1,086	635	1,068	57.05	95.96	2.75	4.62
1952-53	11,638	65,720	5.6	25.7	774	1,151	714	1,177	61.35	101.13	2.78	4.58
1953-54	12,101	69,928	5.8	27.5	798	1,271	809	1,381	66.85	114.12	2.94	5.02
1954-55	12,517	74,099	5.9	28.4	879	1,434	852	1,422	68.07	113.61	3.00	5.01
1955-56	13,004	77,676	6.0	31.3	1,005	1,578	923	1,533	70.98	117.89	2.95	4.90
1956-57	13,581	88,299	6.5	34.2	1,079	1,834	1,030	1,732	75.84	127.53	3.01	5.06
1957-58	14,177	98,015	6.9	36.8	1,111	1,751	1,147	1,891	80.91	133.39	3.12	5.14
1958-59	14,741	101,982	6.9	38.6	1,210	1,925	1,246	1,932	84.53	131.06	3.23	5.01
1959-60	15,288	108,423	7.1	42.4	1,491	2,198	1,435	2,086	93.86	136.45	3.38	4.92
1960-61	15,863	115,737	7.3	44.8	1,598	2,338	1,678	2,525	105.78	159.18	3.75	5.64
1961-62	16,412	122,339	7.5	47.5	1,728	2,451	1,697	2,406	103.40	146.60	3.57	5.07
1962-63	16,951	128,981	7.6	51.3	1,866	2,668	1,881	2,703	110.97	159.46	3.67	5.27
1963-64	17,530	134,721	7.7	54.8	2,137	3,057	2,064	3,182	117.74	181.52	3.77	5.81
1964-65	18,026	143,896	8.0	59.4	2,245	3,295	2,345	3,652	130.09	202.60	3.95	6.15
1965-66	18,464	151,199	8.2	63.4	2,509	3,581	2,580	4,059	139.73	219.83	4.07	6.40
1966-67	18,831	158,404	8.4	68.9	2,895	4,073	3,017	4,659	160.21	247.41	4.38	6.76
1967-68	19,175	162,677	8.5	74.2	3,682	4,927	3,273	5,014	170.69	261.49	4.41	6.76
1968-69	19,432	171,655	8.8	81.4	4,136	5,450	3,909	5,673	201.16	291.94	4.80	6.97
1969-70	19,745	179,583	9.1	89.3	4,330	5,743	4,456	6,302	225.68	319.17	4.99	7.06
1970-71	20,039	181,581	9.1	96.1	4,534	5,919	4,854	6,556	242.23	327.16	5.05	6.82
1971-72	20,346	181,912	8.9	102.3	5,395	6,897	5,027	6,684	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.2	5,780	7,366	5,616	7,422	272.82	360.55	5.01	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.8	8,630	10,405	8,349	10,276	394.30	485.31	6.02	7.40
1975-76	21,538	206,361	9.6	153.7	9,639	11,567	9,518	11,452	441.92	531.71	6.19	7.45
1976-77	21,936	213,795	9.7	171.9	11,381	13,463	10,467	12,632	477.16	575.86	6.09	7.35
1977-78	22,352	221,251	9.9	191.6	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.6	15,219	17,711	16,251	18,745	711.64	820.85	7.43	8.58
1979-80	23,257	220,193	9.5	249.3	17,985	20,919	18,534	21,488	796.92	923.94	7.43	8.62
1980-81	23,782	225,567	9.5	283.9	19,023	22,104	21,105	24,511	887.44	1,030.65	7.43	8.63
1981-82	24,278	228,813	9.4	319.2	20,960	23,601	21,693	25,022	893.53	1,030.65	6.80	7.84
1982-83	24,805	228,489	9.2	341.1	21,233	24,291	21,751	25,330	876.88	1,021.17	6.38	7.43
1983-84	25,337	226,695	8.9	368.2	23,809	27,626	22,869	26,797	902.59	1,057.62	6.21	7.28
1984-85	25,816	229,845	8.9	411.3	26,536	31,570	25,722	30,961	996.36	1,199.30	6.25	7.53
1985-86	26,403	229,641	8.7	443.6	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.50	7.88
1986-87	27,052	232,927	8.6	475.0	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.63	8.02
1987-88	27,717	237,761	8.6	512.4	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.44	7.89
1988-89	28,393	248,173	8.7	555.5	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.46	8.03
1989-90	29,142	254,589	8.7	597.5	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.60	8.13
1990-91	29,828	260,622	8.7	640.5	38,214	47,024	40,264	51,446	1,349.87	1,724.76	6.29	8.03
1991-92	30,459	261,713	8.6	662.3	42,026	53,117	43,327	56,280	1,422.47	1,847.73	6.54	8.50
1992-93	30,987	260,939	8.4	695.0	40,946	52,526	40,948	56,480	1,321.46	1,822.70	5.89	8.13
1993-94	31,314	265,035	8.5	711.3	40,095	52,384	38,958	53,083	1,244.11	1,695.18	5.48	7.46
1994-95	31,524	269,004	8.5	738.3	42,710	54,942	41,961	54,613	1,331.08	1,732.43	5.68	7.40
1995-96	31,712	271,076	8.5	776.5	46,296	59,266	45,393	59,870	1,431.41	1,887.93	5.85	7.71
1996-97	31,963	271,966	8.5	825.7	49,220	62,831	49,088	64,523	1,535.78	2,018.68	5.95	7.81
1997-98	32,453	264,551	8.2	879.2	54,973	69,424	52,874	68,528	1,629.25	2,111.61	6.01	7.79
1998-99	32,863	282,860	8.6	963.1	58,615	74,281	57,827	75,260	1,759.64	2,290.11	6.00	7.81
1999-00	33,419	296,076	8.9	1,027.7	71,931	87,536	66,494	84,864	1,989.71	2,539.39	6.47	8.26
2000-01	34,001	311,239	9.2	1,135.3	71,428	88,419	78,053	96,382	2,295.61	2,834.68	6.88	8.49
2001-02	34,513	322,277	9.3	1,174.5	72,239	89,780	76,752	99,220	2,223.86	2,874.86	6.53	8.45
2002-03	34,938	321,394	9.2	1,193.4	80,564	95,794	77,482	106,779	2,217.70	3,056.24	6.49	8.95
2003-04	35,389	316,860	9.0	1,244.4	76,774	96,365	78,345	104,223	2,213.82	2,945.07	6.30	8.38
2004-05	35,753	313,684	8.8	1,321.6	82,209	104,462	79,804	107,591	2,232.09	3,009.29	6.04	8.14
2005-06	35,986	317,593	8.8	1,396.2	93,427	118,331	91,592	119,612	2,545.21	3,323.85	6.56	8.57
2006-07	36,247	335,384	9.3	1,499.5	95,415	120,663	101,413	129,968	2,797.83	3,585.62	6.76	8.67
2007-08	36,553	343,118	9.4	1,564.4	102,574	127,194	102,986	138,065	2,817.44	3,777.12	6.58	8.83
2008-09	36,856	350,609	9.5	1,596.3	82,772	106,319	90,940	122,386	2,467.44	3,320.65	5.70	7.67
2009-10	37,077	345,777	9.3	1,536.4	87,041	109,989	87,237	117,001	2,352.86	3,155.62	5.68	7.62
2010-11	37,339	371,959	10.0	1,579.1	93,489	122,463	91,549	130,981	2,451.83	3,507.89	5.80	8.29
2011-12	37,676	356,808	9.5	1,683.2	87,071	118,792	86,404	126,361	2,293.34	3,353.89	5.13	7.51
2012-13	38,038	346,321	9.1	1,805.2	99,915	137,242	96,562	141,001	2,538.57	3,706.85	5.35	7.81
2013-14	38,370	353,979	9.2	1,856.6	102,675	142,860	99,838	142,810	2,601.98	3,721.92	5.38	7.69
2014-15	38,729	360,859	9.3	1,939.5	111,318	157,875	112,974	160,294	2,917.04	4,138.86	5.82	8.26
2015-16	39,060	350,680	9.0	2,103.7	115,500	161,759	113,984	160,209	2,918.18	4,101.61	5.42	7.62
2016-17	39,321	361,743	9.2	2,212.7	119,982	167,036	119,291	165,880	3,033.77	4,218.61	5.39	7.50
2017-18	39,612	368,520	9.3	2,364.1	131,116	188,115	124,756	177,316	3,149.45	4,476.32	5.28	7.50
2018-19	39,818	376,990	9.5	2,514.1	139,379	200,974	141,861	205,607	3,562.74	5,163.67	5.64	8.18
2019-20	39,959	381,579	9.5	2,633.9	146,486	209,358	149,749	217,062	3,747.57	5,432.12	5.69	8.24
2020-21	40,158	384,793	9.6	2,757.0	151,635	211,931	153,083	222,193	3,812.02	5,532.97	5.55	8.06

^{1/}Population as of July 1, the beginning of the fiscal year.

^{2/}Beginning with the 2010-11 fiscal year, "employees" displays latest authorized/proposed number of positions, as opposed to prior years that show personnel years.

^{3/}Only the last three fiscal years have been updated.

^{4/}Includes Special Accounts in General Fund from 1973-74 to 1976-77.

^{5/}Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

**SCHEDULE 8 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)**

Sources	Actuals 2018-19			Estimated 2019-20			Estimated 2020-21		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES									
4110200-Excise Tax - Beer and Wine	\$167,273	--	\$167,273	\$168,398	--	\$168,398	\$169,516	--	\$169,516
4110250-Excise Tax - Spirits	210,389	--	210,389	214,669	--	214,669	218,989	--	218,989
4110300-Cannabis Excise & Cultivation Tax	--	298,957	298,957	--	479,055	479,055	--	550,372	550,372
4110400-Cigarette Tax	61,894	2,015,330	2,077,224	59,923	1,944,962	2,004,885	58,028	1,937,735	1,995,763
4110800-Corporation Tax	14,062,543	--	14,062,543	15,304,879	--	15,304,879	16,006,932	--	16,006,932
4113000-Identification Card Fees	--	32,547	32,547	--	32,692	32,692	--	32,838	32,838
4113400-Insurance Gross Premiums Tax	2,722,787	--	2,722,787	3,022,936	--	3,022,936	3,116,772	--	3,116,772
4113600-Jet Fuel Tax	--	3,369	3,369	--	3,229	3,229	--	3,196	3,196
4113800-Lien Sale Application Fees	--	1,071	1,071	--	1,071	1,071	--	1,071	1,071
4114000-Mobilehome In-Lieu Tax	313	1,888	2,201	238	1,888	2,126	163	1,888	2,051
4115000-Motor Vehicles - Driver's License Fees	1	338,007	338,008	--	381,948	381,948	--	385,767	385,767
4115100-Motor Vehicles - Fuel Tax (Diesel)	--	1,124,876	1,124,876	--	1,209,286	1,209,286	--	1,261,187	1,261,187
4115200-Motor Vehicles - Fuel Tax (Gasoline)	--	6,432,835	6,432,835	--	7,169,409	7,169,409	--	7,533,173	7,533,173
4115300-Motor Vehicles - License (In-Lieu) Fees	2	2,935,170	2,935,172	--	3,014,905	3,014,905	--	3,104,186	3,104,186
4115400-Motor Vehicles - Registration Fees	--	4,599,275	4,599,275	--	4,761,792	4,761,792	--	4,942,100	4,942,100
4115450-Transportation Improvement Fee	--	1,666,256	1,666,256	--	1,534,739	1,534,739	--	1,642,420	1,642,420
4115460-Road Improvement Fee (Zero Emission Vehicles)	--	--	--	--	--	--	--	10,899	10,899
4115600-Motor Vehicles - Other Fees	--	268,559	268,559	--	275,061	275,061	--	282,701	282,701
4116200-Personal Income Tax	98,599,337	2,358,678	100,958,015	101,661,968	2,400,364	104,062,332	102,877,717	2,376,132	105,253,849
4117000-Retail Sales and Use Tax	26,127,759	925,818	27,053,577	27,185,012	916,246	28,101,258	28,242,790	964,441	29,207,231
4117400-Retail Sales and Use Tax - 2011 Reassignment	--	7,156,787	7,156,787	--	7,498,144	7,498,144	--	7,800,647	7,800,647
4117600-Retail Sales and Use Tax - 1991 Reassignment	--	3,671,203	3,671,203	--	3,855,237	3,855,237	--	3,987,242	3,987,242
TOTALS, MAJOR TAXES AND LICENSES	\$141,952,298	\$33,830,826	\$175,783,124	\$147,638,023	\$35,480,028	\$183,118,051	\$150,690,907	\$36,817,995	\$187,508,902
MINOR REVENUES									
REGULATORY TAXES AND LICENSES									
4120000-Beverage Container Redemption Fees	--	1,345,701	1,345,701	--	1,352,912	1,352,912	--	1,342,867	1,342,867
4120400-Building Construction Filing Fees (Physically Handicapped)	--	5,609	5,609	--	18,893	18,893	--	18,935	18,935
4120600-Candidate Filing Fee	120	--	120	52	--	52	95	--	95
4120700-Cannabis Licensing Fees	--	15,251	15,251	--	--	--	--	--	--
4120800-Corporation Fees - Domestic Corporations	--	10,990	10,990	--	10,265	10,265	--	10,265	10,265
4121000-Corporation Fees - Foreign Corporations	--	1,254	1,254	--	1,294	1,294	--	1,294	1,294
4121200-Delinquent Fees	--	8,073	8,073	--	8,447	8,447	--	8,791	8,791
4121600-Elevator and Boiler Inspection Fees	--	25,570	25,570	--	29,052	29,052	--	29,052	29,052
4121800-Employment Agency Filing Fees	--	548	548	--	548	548	--	548	548
4122000-Employment Agency License Fees	--	6,406	6,406	--	5,936	5,936	--	5,781	5,781
4122200-Energy Resources Surcharge	--	575,885	575,885	--	709,154	709,154	--	708,116	708,116
4122400-Environmental and Hazardous Waste Fees	--	54,920	54,920	--	55,101	55,101	--	55,353	55,353
4122800-Filing Financing Statements	--	2,358	2,358	--	2,476	2,476	--	2,476	2,476
4123000-Fish and Game - Licenses, Tags, and Permits	--	113,624	113,624	--	112,710	112,710	--	116,795	116,795
4123200-Fish and Game - Taxes	--	2,406	2,406	--	2,484	2,484	--	2,484	2,484
4123400-Genetic Disease Testing Fees	--	133,169	133,169	--	133,052	133,052	--	148,326	148,326

**SCHEDULE 8 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)**

Sources	Actuals 2018-19			Estimated 2019-20			Estimated 2020-21		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4123720-Horse Racing Licenses	987	14,503	15,490	987	14,791	15,778	987	16,800	17,787
4123740-Horse Racing Miscellaneous	5	--	5	5	--	5	5	--	5
4123800-Industrial Homework Fees	--	1	1	--	1	1	--	1	1
4124000-Insurance Company - Examination Fees	--	25,048	25,048	--	24,719	24,719	--	28,932	28,932
4124200-Insurance Company - License Fees and Penalties	--	59,504	59,504	--	69,112	69,112	--	70,943	70,943
4124400-Insurance Company - General Fees	--	34,883	34,883	--	38,493	38,493	--	38,650	38,650
4124600-Insurance Company - Proposition 103 Fees	--	33,822	33,822	--	35,253	35,253	--	37,695	37,695
4124800-Insurance Fraud Assessment - Automobile	--	53,013	53,013	--	53,748	53,748	--	54,366	54,366
4125000-Insurance Fraud Assessment - General	--	13,994	13,994	--	13,802	13,802	--	14,050	14,050
4125200-Insurance Fraud Assessment - Workers Compensation	--	66,894	66,894	--	72,644	72,644	--	78,508	78,508
4125400-Liquor License Fees	--	66,748	66,748	--	84,793	84,793	--	92,549	92,549
4125600-New Motor Vehicle Dealer License Fee	--	1,823	1,823	--	1,959	1,959	--	1,959	1,959
4125800-Notary Public License Fees	--	960	960	--	1,333	1,333	--	1,333	1,333
4126000-Off Highway Vehicle Fees	--	21,316	21,316	--	22,574	22,574	--	22,500	22,500
4126200-Private Rail Car Tax	9,936	--	9,936	9,015	--	9,015	9,015	--	9,015
4126400-Processing Fee	--	456	456	--	369	369	--	369	369
4126600-Public Utilities Commission - Quarterly Fees	--	194,185	194,185	--	352,200	352,200	--	289,500	289,500
4126800-Public Utilities Commission - Penalties on Quarterly Fees	--	1	1	--	2	2	--	2	2
4127000-Real Estate - Examination Fees	--	4,333	4,333	--	4,161	4,161	--	4,161	4,161
4127200-Real Estate - License Fees	--	38,672	38,672	--	39,533	39,533	--	41,100	41,100
4127300-Refinery Fees	--	4,293	4,293	--	4,293	4,293	--	4,293	4,293
4127400-Renewal Fees	--	334,638	334,638	--	390,871	390,871	--	424,112	424,112
4128000-Subdivision Filing Fees	--	8,788	8,788	--	8,328	8,328	--	8,328	8,328
4128400-Teacher Credential Fees	--	26,352	26,352	--	26,484	26,484	--	26,616	26,616
4128600-Teacher Examination Fees	--	5,395	5,395	--	5,421	5,421	--	5,449	5,449
4128740-Trailer Coach License (In Lieu) Fees	31,975	--	31,975	34,989	--	34,989	38,287	--	38,287
4129000-Other Fees and Licenses	--	24,220	24,220	--	28,540	28,540	--	30,429	30,429
4129200-Other Regulatory Fees	1,183	7,796,879	7,798,062	1,558	8,976,173	8,977,731	1,558	7,146,681	7,148,239
4129400-Other Regulatory Licenses and Permits	5,644	795,776	801,420	4,944	844,917	849,861	4,945	914,207	919,152
4129600-Other Regulatory Taxes	--	146,022	146,022	--	156,194	156,194	--	156,451	156,451
Totals, REGULATORY TAXES AND LICENSES	\$49,850	\$12,074,283	\$12,124,133	\$51,550	\$13,713,032	\$13,764,582	\$54,892	\$11,941,067	\$11,995,959
REVENUE FROM LOCAL AGENCIES									
4130000-Architecture Public Building Fees	--	101,865	101,865	--	89,694	89,694	--	98,477	98,477
4131000-Crimes of Public Offense Fines	58	17,035	17,093	58	10,000	10,058	58	10,000	10,058
4131500-Felony Conviction Penalties	--	47,383	47,383	--	50,000	50,000	--	50,000	50,000
4132000-Fingerprint Identification Card Fees	--	97,482	97,482	--	97,482	97,482	--	97,482	97,482
4132500-Fish and Game Fines	--	513	513	--	513	513	--	513	513
4133000-Fish and Game Fines - Additional Assessments	--	57	57	--	57	57	--	57	57
4134000-Local Agencies - Interest on Loans	--	458	458	--	416	416	--	380	380
4134500-Local Agencies - Cost Recoveries	26,299	14,105	40,404	26,299	14,105	40,404	26,299	14,105	40,404
4135000-Local Agencies - Miscellaneous Revenue	164,893	1,285,020	1,449,913	165,143	1,504,223	1,669,366	160,431	949,931	1,110,362
4135500-Narcotic Fines	2,092	--	2,092	1,000	--	1,000	1,000	--	1,000
4136000-Open Space Cancellation Fee	632	5,456	6,088	--	3,300	3,300	--	3,300	3,300
Deferred Taxes	--	--	--	--	--	--	--	--	--

**SCHEDULE 8 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)**

Sources	Actuals 2018-19			Estimated 2019-20			Estimated 2020-21		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4136500-Traffic Violation Penalties	--	22	22	--	--	--	--	--	--
Totals, REVENUE FROM LOCAL AGENCIES	\$193,974	\$1,569,396	\$1,763,370	\$192,500	\$1,769,790	\$1,962,290	\$187,788	\$1,224,245	\$1,412,033
SERVICES TO THE PUBLIC									
4140000-Document Sales	133	8,055	8,188	160	7,884	8,044	160	8,008	8,168
4140500-Emergency Telephone Users Surcharge	--	60,141	60,141	--	115,210	115,210	--	170,278	170,278
4142500-License Plate Fees - Personalized Plates	--	75,870	75,870	--	75,046	75,046	--	75,043	75,043
4143000-Medicare Receipts - Federal Government	3,274	--	3,274	3,423	--	3,423	2,170	--	2,170
4143500-Miscellaneous Services to the Public	1,324	200,556	201,880	1,143	212,697	213,840	4,108	217,340	221,448
4144000-Parental Fees	--	2,641	2,641	--	2,637	2,637	--	2,687	2,687
4144500-Parking Lot Revenues	--	13,723	13,723	--	13,551	13,551	--	14,197	14,197
4145000-Pay Patients Board Charges	1,520	2	1,522	1,659	--	1,659	557	--	557
4145500-Secretary of State - Fees	150	39,582	39,732	174	42,613	42,787	166	43,903	44,069
4146000-State Beach and Park Service Fees	--	124,158	124,158	--	129,343	129,343	--	129,343	129,343
Totals, SERVICES TO THE PUBLIC	\$6,401	\$524,728	\$531,129	\$6,559	\$598,981	\$605,540	\$7,161	\$660,799	\$667,960
USE OF PROPERTY AND MONEY									
4150000-Geothermal Resources Well Fees	--	4,055	4,055	--	3,722	3,722	--	3,722	3,722
4150500-Interest Income - Intertund Loans	31	16,053	16,084	--	993	993	--	132	132
4151000-Interest Income - Other Loans	1,216	5,676	6,892	1,194	10,512	11,706	1,171	7,218	8,389
4151500-Miscellaneous Revenue - Use of Property and Money	1,465	23,958	25,423	1,871	20,897	22,768	1,871	20,858	22,729
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	335	--	335	305	--	305	261	--	261
4152500-Rental of State Property	18,838	72,763	91,601	19,910	65,272	85,182	19,913	66,776	86,689
4154000-Royalties - Federal Land	--	29,861	29,861	--	30,026	30,026	--	30,205	30,205
4155000-Royalties - State Lands	139,732	--	139,732	125,688	--	125,688	86,081	--	86,081
Totals, USE OF PROPERTY AND MONEY	\$161,617	\$152,366	\$313,983	\$148,968	\$131,422	\$280,390	\$109,297	\$128,911	\$238,208
INVESTMENT INCOME									
4160000-Investment Income - Condemnation Deposits Fund	--	430	430	--	214	214	--	230	230
4161000-Investment Income - Other	--	924	924	--	263	263	--	263	263
4162000-Investment Income - Pooled Money Investments	647,597	356	647,953	573,519	356	573,875	514,178	356	514,534
4163000-Investment Income - Surplus Money Investments	24,529	496,497	521,026	24,529	455,455	479,984	24,529	439,117	463,646
Totals, INVESTMENT INCOME	\$672,126	\$498,207	\$1,170,333	\$598,048	\$456,288	\$1,054,336	\$538,707	\$439,966	\$978,673
MISCELLANEOUS									
4170100-Abandoned Property Revenue	455,380	--	455,380	443,036	--	443,036	432,098	--	432,098
4170400-Capital Asset Sales Proceeds	--	494	494	--	789	789	--	1,689	1,689
4170600-Carbon Allowances Auction Proceeds	--	3,207,446	3,207,446	--	2,386,000	2,386,000	--	2,490,000	2,490,000
4170700-Civil and Criminal Violation Assessment	563	130,790	131,373	300	140,351	140,651	300	141,921	142,221
4170800-Confiscated Property Sales	8,219	9	8,228	8,355	9	8,364	8,355	9	8,364
4171000-Cost Recoveries - Delinquent Receivables	--	342	342	10,276	367	10,643	10,276	367	10,643
4171100-Cost Recoveries - Other	44,866	163,563	208,429	1,049,825	157,891	1,207,716	851,580	152,128	1,003,708
4171200-Court Filing Fees and Surcharges	3	561,661	561,664	11	584,170	584,181	11	585,561	585,572
4171300-Donations	--	10,681	10,681	--	6,238	6,238	--	6,050	6,050
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	68,347	9,152	77,499	66,235	8,473	74,708	66,205	8,453	74,658
4171500-Escheat - Unclaimed Property	--	2	2	--	14	14	--	14	14
41716-External Revenue	--	1,000	1,000	--	1,000	1,000	--	1,000	1,000

**SCHEDULE 8 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)**

Sources	Actuals 2018-19			Estimated 2019-20			Estimated 2020-21		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4172000-Fines and Forfeitures	1,914	189,648	191,562	2,393	195,026	197,419	2,393	191,773	194,166
4172200-Fine and Penalties - Horse Racing	229	--	229	229	--	229	229	--	229
4172400-Forest Product Sales	--	46,000	46,000	--	46,000	46,000	--	46,000	46,000
4172500-Miscellaneous Revenue	92,389	573,099	665,488	45,865	2,106,481	2,152,346	44,115	2,147,487	2,191,602
4172600-Miscellaneous Tax Revenue	--	2,455,615	2,455,615	--	640,548	640,548	--	--	--
4172800-Parking Violations	17,370	1,591	18,961	17,096	4,591	21,687	17,096	4,591	21,687
4172900-Penalty Assessments - Criminal Fines	--	167,929	167,929	--	155,623	155,623	--	144,191	144,191
4173000-Penalty Assessments - Other	72,398	198,246	270,644	103,261	274,382	377,643	365,224	204,026	569,250
4173100-Personal Income Tax - Penalties and Interest	--	23,598	23,598	--	23,598	23,598	--	23,598	23,598
4173200-Proceeds from Estates of Deceased Persons	301	--	301	244	--	244	244	--	244
4173400-Settlements and Judgments - Anti-Trust Actions (Attorney General)	--	4,800	4,800	--	5,903	5,903	--	12,055	12,055
4173500-Settlements and Judgments - Other	19,379	60,123	79,502	10,018	56,707	66,725	10,018	60,007	70,025
4173600-State Public Land Sales	--	42,406	42,406	--	41,055	41,055	--	44,639	44,639
4173800-Traffic Violations	--	31,349	31,349	--	30,018	30,018	--	28,514	28,514
4173900-Tribal Gaming Revenues	4,384	49,833	54,217	5,009	50,315	55,324	5,009	58,265	63,274
4174100-Unemployment and Disability Insurance Contributions - Penalties and Inte	--	135,827	135,827	--	146,160	146,160	--	140,900	140,900
4174200-Uninsured Motorist Fees	730	191	921	746	191	937	746	191	937
4180000-Cash Adjustment for Transportation Funds (SAL I)	--	470,873	470,873	--	100,888	100,888	--	833,474	833,474
4180050-Cash Adjustment for Transportation Funds (SAL E)	--	-45,241	-45,241	--	-40,274	-40,274	--	-11,823	-11,823
Totals, MISCELLANEOUS	\$786,492	\$8,491,027	\$9,277,519	\$1,762,899	\$7,122,514	\$8,885,413	\$1,813,899	\$7,315,080	\$9,128,979
TOTALS, MINOR REVENUES	\$1,870,460	\$23,310,007	\$25,180,467	\$2,760,524	\$23,792,027	\$26,552,551	\$2,711,744	\$21,710,068	\$24,421,812
TOTALS, REVENUES	\$143,822,758	\$57,140,633	\$200,963,391	\$150,398,547	\$59,272,055	\$209,670,602	\$153,402,651	\$58,528,063	\$211,930,714
TRANSFERS AND LOANS									
Revenue Transfers	-4,030,609	4,039,028	8,419	-2,027,142	2,029,950	2,808	-1,681,670	1,673,299	-8,371
Loans	-413,201	414,951	1,750	-1,885,808	1,570,892	-314,916	-86,176	94,676	8,500
TOTALS, TRANSFERS AND LOANS	-\$4,443,810	\$4,453,979	\$10,169	-\$3,912,950	\$3,600,842	-\$312,108	-\$1,767,846	\$1,767,975	\$129
TOTALS, REVENUES, TRANSFERS AND LOANS	\$139,378,948	\$61,594,612	\$200,973,560	\$146,485,597	\$62,872,897	\$209,358,494	\$151,634,805	\$60,296,038	\$211,930,843

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19			Estimated 2019-20			Estimated 2020-21						
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE													
0110-Senate													
State Operations	139,622		139,622		145,458			145,458		151,612		151,612	
Totals,0110-Senate	\$139,622		\$139,622		\$145,458			\$145,458		\$151,612		\$151,612	
0120-Assembly													
State Operations	183,970		183,970		191,660			191,660		199,768		199,768	
Totals,0120-Assembly	\$183,970		\$183,970		\$191,660			\$191,660		\$199,768		\$199,768	
0130-Joint Expenses													
Capital Outlay		6,757	6,757										
Totals,0130-Joint Expenses		\$6,757	\$6,757										
0160-Legislative Counsel Bureau													
State Operations	90,272		90,272		94,949			94,949		95,037		95,037	
Totals,0160-Legislative Counsel Bureau	\$90,272		\$90,272		\$94,949			\$94,949		\$95,037		\$95,037	
Legislative													
State Operations	413,864		413,864		432,067			432,067		446,417		446,417	
Capital Outlay		6,757	6,757										
Totals, Legislative	\$413,864	\$6,757	\$420,621		\$432,067			\$432,067		\$446,417		\$446,417	
0250-Judicial Branch													
State Operations	421,109	430,297	851,406	2,291	567,108	463,234		1,030,342	4,419	546,410	464,590	1,011,000	4,441
Local Assistance	1,439,059	1,362,206	2,801,265	806	1,672,770	1,407,581		3,080,351	2,275	1,645,430	1,468,526	3,113,956	2,275
Capital Outlay		32,170	32,170			1,366		1,366					
Totals,0250-Judicial Branch	\$1,860,168	\$1,824,673	\$3,684,841	\$3,097	\$2,239,878	\$1,872,181		\$4,112,059	\$6,694	\$2,191,840	\$1,933,116	\$4,124,956	\$6,716
0280-Commission on Judicial Performance													
State Operations	5,234		5,234		5,452			5,452		5,553		5,553	
Totals,0280-Commission on Judicial Performance	\$5,234		\$5,234		\$5,452			\$5,452		\$5,553		\$5,553	
0390-Judges Retirement System Contributions													
State Operations	5,643		5,643		45,702			45,702		5,593		5,593	
Local Assistance	272,827		272,827		304,138			304,138		306,293		306,293	
Totals,0390-Judges Retirement System Contributions	\$278,470		\$278,470		\$349,840			\$349,840		\$311,886		\$311,886	
Judicial													
State Operations	431,986	430,297	862,283	2,291	618,262	463,234		1,081,496	4,419	557,556	464,590	1,022,146	4,441
Local Assistance	1,711,886	1,362,206	3,074,092	806	1,976,908	1,407,581		3,384,489	2,275	1,951,723	1,468,526	3,420,249	2,275
Capital Outlay		32,170	32,170			1,366		1,366					
Totals, Judicial	\$2,143,872	\$1,824,673	\$3,968,545	\$3,097	\$2,595,170	\$1,872,181		\$4,467,351	\$6,694	\$2,509,279	\$1,933,116	\$4,442,395	\$6,716
0500-Governors Office													
State Operations	16,975		16,975		22,320			22,320		21,405		21,405	
Totals,0500-Governors Office	\$16,975		\$16,975		\$22,320			\$22,320		\$21,405		\$21,405	
0509-Governors Office of Bus, Econ Developm													
State Operations	34,766	680	35,446		35,309	1,987		37,296		36,472	2,389	38,861	
Local Assistance					20,140	28,759		48,899		250,000	28,758	278,758	
Totals,0509-Governors Office of Bus, Econ Developm	\$34,766	\$680	\$35,446		\$55,449	\$30,746		\$86,195		\$286,472	\$31,147	\$317,619	
0511-Government Operations, Secretary													
State Operations	65,348	1	65,349		112,729			112,729		12,024		12,024	
Totals,0511-Government Operations, Secretary	\$65,348	\$1	\$65,349		\$112,729			\$112,729		\$12,024		\$12,024	
0515-Business, Consumer Svcs, Housing, Scty													
State Operations	869	905	1,774		3,948	1,003		4,951		2,047	1,003	3,050	
Local Assistance	499,000		499,000		648,129			648,129					
Totals,0515-Business, Consumer Svcs, Housing, Scty	\$499,869	\$905	\$500,774		\$652,077	\$1,003		\$653,080		\$2,047	\$1,003	\$3,050	
0521-Transportation, Secy													
State Operations		2,473	2,473	39,898		6,429		6,429			3,851	3,851	58,202
Local Assistance	20,500	193,793	214,293	86,793	10,800	730,091		740,891			277,878	277,878	62,601

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals,0521- Transportation, Secy	\$20,500	\$196,266	--	\$216,766	\$126,691	\$10,800	\$736,520	--	\$747,320	\$153,766	--	\$281,729	--	\$281,729	\$120,803
State Operations	5,228	1,788	--	7,016	--	20,303	2,184	--	22,487	--	22,399	2,185	--	24,584	--
Totals,0530-Health, Human Services Agency, Secy	\$5,228	\$1,788	--	\$7,016	--	\$20,303	\$2,184	--	\$22,487	--	\$22,399	\$2,185	--	\$24,584	--
0540-Natural Resources Agency, Secy	1,168	9,783	70,435	81,386	--	4,136	10,054	12,834	27,024	1	93,448	15,973	14,141	123,562	1
State Operations	40,421	96,011	134,787	271,219	--	117,177	36,700	191,490	345,367	--	--	6,700	--	6,700	--
Local Assistance	--	--	--	--	--	--	--	111,157	111,157	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,0540-Natural Resources Agency, Secy	\$41,589	\$105,794	\$205,222	\$352,605	--	\$121,313	\$46,754	\$315,481	\$483,548	\$1	\$93,448	\$22,673	\$14,141	\$130,262	\$1
State Operations	22,441	--	--	22,441	--	29,219	--	--	29,219	--	29,244	--	--	29,244	--
Totals,0552- Office of the Inspector General	\$22,441	--	--	\$22,441	--	\$29,219	--	--	\$29,219	--	\$29,244	--	--	\$29,244	--
0555-Environmental Protection, Secy	2,213	13,791	--	16,004	300	3,239	16,362	--	19,601	300	2,234	13,833	--	16,067	300
State Operations	835	1,500	--	2,335	--	835	1,500	--	2,335	--	835	--	--	835	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,0555-Environmental Protection, Secy	\$3,048	\$15,291	--	\$18,339	\$300	\$4,074	\$17,862	--	\$21,936	\$300	\$3,069	\$13,833	--	\$16,902	\$300
0559-Labor and Workforce Development, Secy	--	71	--	71	--	2,532	454	--	2,986	--	4,473	7159	--	11,632	--
State Operations	--	\$71	--	\$71	--	\$2,532	\$454	--	\$2,986	--	\$4,473	\$7,159	--	\$11,632	--
Totals,0559-Labor and Workforce Development, Secy	--	\$71	--	\$71	--	\$2,532	\$454	--	\$2,986	--	\$4,473	\$7,159	--	\$11,632	--
0600-Office of Planning and Research	13,314	2,611	--	15,925	1,980	69,636	9,688	--	79,324	2,038	17,651	52,574	--	70,225	2,695
State Operations	29,979	617,188	--	647,167	39,679	31,080	503,392	--	534,472	41,781	17,000	515,500	--	532,500	50,089
Local Assistance	\$43,293	\$619,799	--	\$663,092	\$41,659	\$100,716	\$513,080	--	\$613,796	\$43,839	\$34,651	\$568,074	--	\$602,725	\$52,784
0690-Office of Emergency Services	528,156	44,393	2,831	575,380	85,127	174,720	-25,208	2,873	152,385	89,059	114,432	44,755	2,874	162,061	89,285
State Operations	261,800	82,221	--	344,021	1,220,799	305,192	146,468	--	451,660	1,039,616	217,986	144,588	--	362,574	1,114,166
Local Assistance	553	--	--	553	--	22,216	--	--	22,216	--	377	--	--	377	--
Capital Outlay	\$790,509	\$126,614	\$2,831	\$919,954	\$1,305,926	\$502,128	\$121,260	\$2,873	\$826,261	\$1,128,675	\$332,795	\$189,343	\$2,874	\$525,012	\$1,203,451
Totals,0690-Office of Emergency Services	--	--	--	--	--	25	--	--	25	--	--	--	--	--	--
0720-Governors Portrait	--	--	--	--	--	25	--	--	25	--	--	--	--	--	--
State Operations	--	--	--	--	--	\$25	--	--	\$25	--	--	--	--	--	--
Totals,0720-Governors Portrait	--	--	--	--	--	\$25	--	--	\$25	--	--	--	--	--	--
0730-Governor Elect and Outgoing Governor	680	--	--	680	--	--	--	--	--	--	--	--	--	--	--
State Operations	\$680	--	--	\$680	--	--	--	--	--	--	--	--	--	--	--
Totals,0730-Governor Elect and Outgoing Governor	680	--	--	680	--	--	--	--	--	--	--	--	--	--	--
0750-Office of the Lieutenant Governor	1,329	--	--	1,329	--	2,099	--	--	2,099	--	2,100	--	--	2,100	--
State Operations	\$1,329	--	--	\$1,329	--	\$2,099	--	--	\$2,099	--	\$2,100	--	--	\$2,100	--
0820-Department of Justice	290,570	315,298	--	605,868	36,292	687,757	350,745	--	1,038,502	43,863	370,215	362,298	--	732,513	44,054
State Operations	370	28,528	--	28,898	--	3,500	30,539	--	34,039	--	--	28,528	--	28,528	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	9,518	--	--	9,518	--
Capital Outlay	\$290,940	\$343,826	--	\$634,766	\$36,292	\$691,257	\$381,284	--	\$1,072,541	\$43,863	\$379,733	\$390,826	--	\$770,559	\$44,054
Totals,0820-Department of Justice	73,894	11,303	8	85,205	1,234	88,650	11,800	1,188	101,638	1,449	78,484	12,245	1,188	91,917	1,437
0840-State Controller	\$73,894	\$11,303	\$8	\$85,205	\$1,234	\$88,650	\$11,800	\$1,188	\$101,638	\$1,449	\$78,484	\$12,245	\$1,188	\$91,917	\$1,437
Totals,0840-State Controller	3,359	207,851	--	211,210	461	9,467	229,767	--	239,234	810	9,816	232,863	--	242,679	25
State Operations	1,500	75,852	--	77,352	--	1,500	72,106	--	73,606	--	1,500	75,555	--	77,055	--
Local Assistance	\$4,859	\$283,703	--	\$288,562	\$461	\$10,967	\$301,873	--	\$312,840	\$810	\$11,316	\$308,418	--	\$319,734	\$25
Totals,0845-Department of Insurance	--	6,074	--	6,074	--	--	7,771	--	7,771	--	--	7,459	--	7,459	--
0855-Gambling Control Commission	--	6,074	--	6,074	--	--	7,771	--	7,771	--	--	7,459	--	7,459	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19			Estimated 2019-20			Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	Special Funds	Selected Bond Funds	Budget Total
Totals,0855-Gambling Control Commission	--	\$6,074	\$6,074	--	--	\$7,771	--	\$7,771	--	--	\$7,459	\$7,459
0860-State Board of Equalization State Operations	24,772	--	24,772	--	30,793	--	--	30,793	--	30,790	--	30,790
Totals,0860-State Board of Equalization	\$24,772	--	\$24,772	--	\$30,793	--	--	\$30,793	--	\$30,790	--	\$30,790
0870-Office of Tax Appeals State Operations	16,318	--	16,318	--	23,944	--	--	23,944	--	23,884	--	23,884
Totals,0870-Office of Tax Appeals	\$16,318	--	\$16,318	--	\$23,944	--	--	\$23,944	--	\$23,884	--	\$23,884
0890-Secretary of State State Operations	45,487	75,417	120,904	8,441	50,056	74,228	--	124,284	10,709	41,424	61,045	102,469
Local Assistance	134,348	--	134,348	4,128	88,765	--	--	88,765	19,964	1,500	--	1,500
Totals,0890-Secretary of State	\$179,835	\$75,417	\$255,252	\$12,569	\$138,821	\$74,228	--	\$213,049	\$30,673	\$42,924	\$61,045	\$103,969
0911-Citizens Redistricting Initiative State Operations	72	--	72	--	16,814	--	--	16,814	--	92	--	92
Totals,0911-Citizens Redistricting Initiative	\$72	--	\$72	--	\$16,814	--	--	\$16,814	--	\$92	--	\$92
0950-State Treasurer State Operations	5,235	--	5,244	--	12,973	--	--	12,973	--	9,967	--	9,967
Totals,0950-State Treasurer	\$5,235	--	\$5,244	--	\$12,973	--	--	\$12,973	--	\$9,967	--	\$9,967
0954-Scholarshare Investment Board State Operations	108	--	108	--	245	--	--	245	--	92	--	92
Local Assistance	--	--	--	--	25,000	--	--	25,000	--	--	--	--
Totals,0954-Scholarshare Investment Board	\$108	--	\$108	--	\$25,245	--	--	\$25,245	--	\$92	--	\$92
0956-Debt Investment Advisory Commission State Operations	--	3,398	3,398	--	--	3,785	--	3,785	--	--	3,803	3,803
Totals,0956-Debt Investment Advisory Commission	--	\$3,398	\$3,398	--	--	\$3,785	--	\$3,785	--	--	3,803	\$3,803
0959-Debt Limit Allocation Committee State Operations	--	1,445	1,445	--	--	1,656	--	1,656	--	--	2,382	2,382
Totals,0959-Debt Limit Allocation Committee	--	\$1,445	\$1,445	--	--	\$1,656	--	\$1,656	--	--	2,382	\$2,382
0965-Industrial Divmt Financing Advisory Comm State Operations	--	8	8	--	--	--	--	--	--	--	--	--
Totals,0965-Industrial Divmt Financing Advisory Comm	--	\$8	\$8	--	--	--	--	--	--	--	--	--
0968-Tax Credit Allocation Committee State Operations	--	8,373	8,373	--	--	9,516	--	9,516	--	12,188	--	12,188
Local Assistance	--	190	190	--	--	190	--	190	--	190	--	190
Totals,0968-Tax Credit Allocation Committee	--	\$8,563	\$8,563	--	--	\$9,706	--	\$9,706	--	\$12,378	--	\$12,378
0971-All Energy, Advanced Trans Fin Auth State Operations	--	507	507	--	--	519	--	519	--	--	520	520
Totals,0971-All Energy, Advanced Trans Fin Auth	--	\$507	\$507	--	--	\$519	--	\$519	--	--	520	\$520
0977-Health Facilities Financing Authority State Operations	289	36	666	991	1,397	250	1,166	2,813	--	--	500	1,367
Local Assistance	--	4,000	150,177	154,177	67,035	57,485	343,988	468,508	--	--	64,776	533,000
Totals,0977-Health Facilities Financing Authority	\$289	\$4,036	\$150,843	\$155,168	\$468,432	\$57,735	\$345,154	\$471,321	--	--	\$65,276	\$599,643
0985-School Finance Authority State Operations	583	--	1,278	450	613	--	1,310	1,923	475	614	1,320	1,934
Local Assistance	136,786	--	136,786	20,000	136,786	--	136,786	20,000	20,000	139,918	--	139,918
Totals,0985-School Finance Authority	\$137,369	--	\$138,064	\$20,450	\$137,399	--	\$131,110	\$138,709	\$20,475	\$140,532	--	\$141,852
0989-Educational Facilities Authority State Operations	--	27	27	--	--	79	--	79	--	--	79	79
Totals,0989-Educational Facilities Authority	--	\$27	\$27	--	--	\$79	--	\$79	--	--	79	\$79
0996-General Obligation Bonds-LJE State Operations	61	--	61	--	832	--	--	832	--	2,697	--	2,697
Totals,0996-General Obligation Bonds-LJE	\$61	--	\$61	--	\$832	--	--	\$832	--	\$2,697	--	\$2,697

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Executive															
State Operations	1,153,235	706,233	75,227	1,934,695	174,183	1,403,756	713,069	19,371	2,136,196	215,289	926,004	839,104	20,890	1,785,998	210,622
Local Assistance	1,125,539	1,099,283	284,964	2,509,786	1,371,399	1,455,939	1,607,230	535,478	3,598,647	1,208,562	628,739	1,142,473	533,000	2,304,212	1,253,620
Capital Outlay	553	--	--	553	--	22,216	--	111,157	133,373	--	9,895	--	--	9,895	--
Totals, Executive	\$2,279,327	\$1,805,516	\$340,191	\$4,445,034	\$1,545,582	\$2,881,911	\$2,320,299	\$666,006	\$5,868,216	\$1,423,851	\$1,564,638	\$1,981,577	\$553,890	\$4,100,105	\$1,464,242
TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE	\$4,837,063	\$3,636,946	\$340,191	\$8,834,200	\$1,548,679	\$5,707,148	\$4,192,480	\$666,006	\$10,767,634	\$1,430,545	\$4,520,334	\$3,914,693	\$553,890	\$8,988,917	\$1,470,958
State Operations	1,999,085	1,136,530	75,227	3,210,842	176,474	2,454,085	1,176,303	19,371	3,649,759	219,708	1,929,977	1,303,694	20,890	3,254,561	215,063
Local Assistance	2,837,425	2,461,489	284,964	5,583,878	1,372,205	3,432,847	3,014,811	535,478	6,983,136	1,210,837	2,580,462	2,610,999	533,000	5,724,461	1,255,895
Capital Outlay	553	38,927	--	39,480	--	22,216	1,366	111,157	134,739	--	9,895	--	--	9,895	--
Totals, 1111-Dept of Consumer Affairs, Reg Bds, Bur	\$165	\$592,171	--	\$592,336	--	\$111,134	\$741,929	--	\$753,063	--	\$700,998	--	\$700,998	--	\$700,998
1690-Seismic Safety Commission, A. E. Alquist State Operations	--	1,192	--	1,192	--	--	1,334	--	1,334	--	--	--	--	--	--
Totals, 1690-Seismic Safety Commission, A. E. Alquist	--	\$1,192	--	\$1,192	--	--	\$1,334	--	\$1,334	--	--	--	--	--	--
1700-Department of Fair Employment, Housing State Operations	26,921	262	--	27,183	5,105	30,609	262	--	30,871	5,750	34,275	536	--	34,811	5,735
Totals, 1700-Department of Fair Employment, Housing	\$26,921	\$262	--	\$27,183	\$5,105	\$30,609	\$262	--	\$30,871	\$5,750	\$34,275	\$536	--	\$34,811	\$5,735
1701-Department of Business Oversight State Operations	--	98,364	--	98,364	--	--	106,759	--	106,759	--	--	118,905	--	118,905	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	1,000	--	1,000	--
Totals, 1701-Department of Business Oversight	--	\$98,364	--	\$98,364	--	--	\$106,759	--	\$106,759	--	--	\$119,905	--	\$119,905	--
1750-Horse Racing Board State Operations	--	13,807	--	13,807	--	--	14,288	--	14,288	--	--	15,623	--	15,623	--
Totals, 1750-Horse Racing Board	--	\$13,807	--	\$13,807	--	--	\$14,288	--	\$14,288	--	--	\$15,623	--	\$15,623	--
1996-General Obligation Bonds-BCH State Operations	397,555	--	--	397,555	--	416,407	--	--	416,407	--	178,229	--	--	178,229	--
Totals, 1996-General Obligation Bonds-BCH	\$397,555	--	--	\$397,555	--	\$416,407	--	--	\$416,407	--	\$178,229	--	--	\$178,229	--
2100-Department of Alcoholic Beverage Control State Operations	--	69,681	--	69,681	--	--	83,288	--	83,288	--	--	85,577	--	85,577	--
Local Assistance	--	2,997	--	2,997	--	--	3,000	--	3,000	--	--	3,000	--	3,000	--
Totals, 2100-Department of Alcoholic Beverage Control	--	\$72,678	--	\$72,678	--	--	\$86,288	--	\$86,288	--	--	\$88,577	--	\$88,577	--
2120-Alcoholic Beverage Control Appeals Board State Operations	--	1,091	--	1,091	--	--	1,161	--	1,161	--	--	1,162	--	1,162	--
Totals, 2120-Alcoholic Beverage Control Appeals Board	--	\$1,091	--	\$1,091	--	--	\$1,161	--	\$1,161	--	--	\$1,162	--	\$1,162	--
2240-Dept of Housing, Community Development State Operations	6,805	39,612	21,515	67,932	10,121	22,168	39,932	25,014	87,114	13,723	16,726	38,007	28,591	83,324	13,161
Local Assistance	5,679	821,010	756,725	1,583,414	121,570	984,379	970,929	1,955,308	221,720	118,629	1,172,950	1,054,321	1,172,950	208,929	
Totals, 2240-Dept of Housing, Community Development	\$12,484	\$860,622	\$778,240	\$1,651,346	\$131,691	\$1,006,547	\$39,932	\$995,943	\$2,042,422	\$241,443	\$135,355	\$38,007	\$1,082,912	\$1,256,274	\$222,090
2320-Department of Real Estate State Operations	--	52,995	--	52,995	--	--	56,083	--	56,083	--	--	55,747	--	55,747	--
Totals, 2320-Department of Real Estate	--	\$52,995	--	\$52,995	--	--	\$56,083	--	\$56,083	--	--	\$55,747	--	\$55,747	--
TOTALS, BUSINESS, CONSUMER SERVICES, & HOUSING	\$437,125	\$1,695,262	\$778,240	\$2,910,627	\$136,796	\$1,464,697	\$1,050,797	\$995,943	\$3,511,437	\$247,193	\$347,859	\$1,023,588	\$1,082,912	\$2,454,359	\$227,825
State Operations	431,446	871,255	21,515	1,324,216	15,226	470,318	1,047,797	25,014	1,543,129	19,473	229,230	1,019,588	28,591	1,277,409	18,896

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	5,679	824,007	756,725	1,586,411	121,570	994,379	3,000	970,929	1,969,308	227,720	118,629	4,000	1,054,321	1,176,950	208,929
TRANSPORTATION															
2600-California Transportation Commission				4,976					7,246					7,245	
State Operations		4,884	92	4,976					7,246					7,245	
Local Assistance			1,452	1,452				1,700	1,700				4,300	4,300	
Totals 2600-California Transportation Commission		\$4,884	\$1,544	\$6,428				\$1,700	\$8,946				\$4,300	\$11,545	
2640-State Transit Assistance				948,152					904,227					976,153	
Local Assistance		918,013	30,139	948,152					904,227					976,153	
Totals 2640-State Transit Assistance		\$918,013	\$30,139	\$948,152					\$904,227					\$976,153	
2660-Department of Transportation				3,807,435					4,021,891					4,137,942	
State Operations		3,797,573	9,862	3,807,435					4,021,891					4,137,942	
Local Assistance		600,197	30,629	630,826	1,337,116	11,500	807,430	14,638	833,568	2,297,493				1,848,569	2,575,703
Capital Outlay		1,816,799	95,237	1,912,036	2,101,765			45,184	1,630,239	2,879,126				2,851,653	1,914,209
Unclassified										5,000					5,000
Totals 2660-Department of Transportation		\$6,214,569	\$185,728	\$6,350,297	\$4,416,629	\$11,500	\$6,396,720	\$77,478	\$6,485,698	\$6,216,024			\$140,546	\$8,854,754	\$5,436,187
2665-High-Speed Rail Authority				40,146					57,402					59,370	
State Operations				40,146					57,402					59,370	
Local Assistance			617,147	617,147					59,518				423,335	423,335	
Capital Outlay		69,393	151,544	220,937	266				804,750	178,690				2,427,987	
Totals 2665-High-Speed Rail Authority		\$69,393	\$151,544	\$220,937	\$266				\$804,853	\$295,610				\$482,705	
2670-Board of Pilot Commissioners				2,597					2,954					2,866	
State Operations				2,597					2,954					2,866	
Totals 2670-Board of Pilot Commissioners				\$2,597					\$2,954					\$2,866	
2720-Dept of the California Highway Patrol				2,388,979					2,622,264					2,531,816	22,033
State Operations	8,048	2,380,931		2,388,979	16,140	77,269	2,544,995		2,622,264	26,440	6,737	2,525,079		2,531,816	22,033
Local Assistance						1,000	10,975		11,975					18,295	
Capital Outlay		4,343		4,343			8,019		8,019					16,004	
Totals 2720-Dept of the California Highway Patrol	\$8,048	\$2,385,274		\$2,393,322	\$16,140	\$78,269	\$2,563,989		\$2,642,258	\$26,440	\$6,737	\$2,559,378		\$2,566,115	\$22,033
2740-Department of Motor Vehicles				1,223,505					1,395,429					1,365,003	2,789
State Operations	4,202	1,219,303		1,223,505	126	6,407	1,389,022		1,395,429	2,790	9,556	1,355,447		1,365,003	2,789
Capital Outlay		3,038		3,038			1,959		1,959					4,634	
Totals 2740-Department of Motor Vehicles	\$4,202	\$1,222,341		\$1,226,543	\$126	\$6,407	\$1,390,981		\$1,397,388	\$2,790	\$9,556	\$1,360,081		\$1,369,637	\$2,789
2830-General Obligation Bonds-Transportation				1,717,010					1,837,794					2,003,698	
State Operations	201,664	1,515,346		1,717,010					1,837,794					2,003,698	
Totals 2830-General Obligation Bonds-Transportation	\$201,664	\$1,515,346		\$1,717,010					\$1,837,794					\$2,003,698	
TOTALS TRANSPORTATION	\$213,914	\$12,332,417		\$13,522,579	\$4,433,161	\$287,166	\$13,717,774		\$14,379,728	\$6,247,254	\$240,461	\$17,827,751		\$18,695,763	\$5,461,009
State Operations	213,914	8,920,654	50,100	9,184,648	994,014	274,666	9,945,083		10,656,635	1,066,635	240,461	9,808,212	76,160	10,124,833	966,097
Local Assistance		1,518,210	679,367	2,197,577	1,337,116	12,500	1,722,632	75,856	1,810,988	2,297,493		2,815,050	455,602	3,270,652	2,575,703
Capital Outlay		1,893,573	246,781	2,140,354	2,102,031		2,399,783	223,874	2,623,657	2,879,126		5,204,489	95,789	5,300,278	1,914,209
Unclassified										5,000					5,000
NATURAL RESOURCES															
3100-Exposition Park				41,568					42,314					37,302	
State Operations	30,759	10,809		41,568					42,314					37,302	
Capital Outlay						2,500			2,500						
Totals 3100-Exposition Park	\$30,759	\$10,809		\$41,568		\$34,437	\$10,377		\$44,814					\$37,302	
3110-Special Resources Programs				4,709					200					200	
State Operations				4,709					200					200	
Local Assistance									5,473					5,323	
Totals 3110-Special Resources Programs		\$4,709		\$4,709					\$5,673					\$5,523	

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
3125-Tahoe Conservancy															
State Operations	--	5,367	570	5,937	132	500	5,197	2,860	8,557	737	--	5,208	1,504	6,712	2,077
Local Assistance	--	182	2,523	2,705	--	--	1,183	6,218	7,401	1,904	--	420	--	420	--
Capital Outlay	--	57	824	881	--	--	1,854	11,757	13,611	531	--	550	718	1,268	--
Totals,3125-Tahoe Conservancy	--	\$5,406	\$3,917	\$9,523	\$132	\$500	\$8,234	\$20,835	\$29,549	\$3,172	--	\$4,178	\$2,222	\$8,400	\$2,077
3340-California Conservation Corps															
State Operations	55,235	--	58,817	119,263	--	66,744	58,876	5,211	130,831	--	66,964	54,401	5,211	126,576	--
Local Assistance	--	--	4,567	4,567	--	--	--	6,851	6,851	--	--	--	6,850	6,850	--
Capital Outlay	13,365	--	--	13,365	--	34,675	--	--	34,675	--	3,463	--	--	3,463	--
Totals,3340-California Conservation Corps	\$68,400	\$58,817	\$9,778	\$137,195	--	\$101,419	\$58,876	\$12,062	\$173,357	--	\$70,427	\$54,401	\$12,061	\$136,889	--
3360-Energy Resource Conservation, Dvmt Comm															
State Operations	--	226,529	--	226,529	5,096	--	424,492	--	424,492	3,686	--	314,043	--	314,043	3,160
Local Assistance	--	136,373	--	136,373	2,350	--	436,212	--	436,212	2,500	--	135,090	--	135,090	2,500
Totals,3360-Energy Resource Conservation, Dvmt Comm	--	\$362,902	--	\$362,902	\$7,446	--	\$860,704	--	\$860,704	\$6,186	--	\$449,133	--	\$449,133	\$5,660
3480-Department of Conservation															
State Operations	3,875	118,452	1,057	123,384	6,065	4,168	117,565	1,885	123,618	4,242	4,291	125,794	1,562	131,647	4,311
Local Assistance	--	3,090	5,106	8,196	--	--	18,179	--	18,179	--	--	--	250	250	--
Totals,3480-Department of Conservation	\$3,875	\$121,542	\$6,163	\$131,580	\$6,065	\$4,168	\$117,565	\$20,064	\$141,797	\$4,242	\$4,291	\$125,794	\$1,812	\$131,897	\$4,311
3540-Department of Forestry, Fire Protection															
State Operations	1,799,481	345,857	--	2,145,338	20,756	1,487,537	356,730	622	1,844,889	20,384	1,563,747	220,445	622	1,784,814	20,550
Local Assistance	10,500	1,945	13,555	26,000	--	7,200	8,250	15,450	--	--	--	125,387	5,039	130,426	--
Capital Outlay	28,016	--	--	28,016	--	20,884	--	--	20,884	--	72,884	--	--	72,884	--
Totals,3540-Department of Forestry, Fire Protection	\$1,837,997	\$347,802	\$13,555	\$2,199,354	\$20,756	\$1,515,621	\$356,730	\$8,872	\$1,881,223	\$20,384	\$1,636,631	\$345,832	\$5,661	\$1,988,124	\$20,550
3560-State Lands Commission															
State Operations	81,502	21,887	--	103,389	--	61,317	28,433	--	84,750	--	37,002	24,151	--	61,153	--
Totals,3560-State Lands Commission	\$81,502	\$21,887	--	\$103,389	--	\$61,317	\$28,433	--	\$84,750	--	\$37,002	\$24,151	--	\$61,153	--
3600-Department of Fish and Wildlife															
State Operations	125,011	213,519	53,066	391,596	63,378	127,949	260,393	28,639	416,981	65,389	171,535	268,261	14,431	454,227	65,133
Local Assistance	576	8,341	53,800	62,717	20,000	17,576	2,341	37,740	57,657	20,000	576	1,341	31,740	33,657	20,000
Capital Outlay	--	--	--	--	--	--	369	--	369	--	--	--	--	--	480
Totals,3600-Department of Fish and Wildlife	\$125,587	\$221,860	\$106,866	\$464,313	\$83,378	\$145,525	\$263,103	\$66,379	\$475,007	\$85,389	\$172,111	\$269,602	\$46,171	\$487,884	\$85,613
3640-Wildlife Conservation Board															
State Operations	--	2,433	4,079	6,512	--	--	866	4,338	5,206	--	--	1,510	4,338	5,848	--
Local Assistance	13,000	--	112,200	125,200	--	--	133,875	133,875	--	--	--	--	--	--	--
Capital Outlay	18,684	2,979	8,000	29,663	35,000	18,595	2,433	--	21,028	35,000	--	3,403	3,738	7,141	35,000
Totals,3640-Wildlife Conservation Board	\$31,484	\$5,412	\$124,279	\$161,375	\$35,000	\$18,595	\$3,301	\$138,213	\$160,109	\$35,000	--	\$4,913	\$8,076	\$12,989	\$35,000
3720-Coastal Commission															
State Operations	20,168	2,294	--	22,462	3,059	21,636	2,733	--	24,369	3,045	21,440	2,733	--	24,173	3,145
Local Assistance	--	2,003	--	2,003	--	--	1,940	--	1,940	--	--	1,940	--	1,940	--
Totals,3720-Coastal Commission	\$20,168	\$4,297	--	\$24,465	\$3,059	\$21,636	\$4,673	--	\$26,309	\$3,045	\$21,440	\$4,673	--	\$26,113	\$3,145
3760-State Coastal Conservancy															
State Operations	550	2,308	6,806	9,664	588	--	2,932	6,563	9,495	612	--	3,072	7,753	10,825	597
Local Assistance	20,850	3,675	69,431	93,956	8,000	12,000	885	76,081	88,906	8,000	--	1,685	38,810	40,495	8,000
Capital Outlay	--	3,800	--	3,800	--	--	3,800	--	3,800	--	--	--	--	3,800	--
Totals,3760-State Coastal Conservancy	\$21,400	\$9,783	\$76,237	\$107,420	\$8,588	\$12,000	\$7,557	\$82,644	\$102,201	\$8,612	--	\$8,557	\$46,563	\$55,120	\$8,597
3780-Native American Heritage Commission															
State Operations	2,883	--	--	2,883	--	3,668	--	--	3,668	--	3,669	450	--	4,119	--
Totals,3780-Native American Heritage Commission	\$2,883	--	--	\$2,883	--	\$3,668	--	--	\$3,668	--	\$3,669	\$450	--	\$4,119	--
3790-Department of Parks, Recreation															
State Operations	153,385	322,123	27,885	503,393	16,356	258,667	327,256	29,260	615,183	16,185	169,517	365,476	33,986	568,979	16,255
Local Assistance	43,300	43,550	460,292	547,142	87,700	60,570	42,481	50,875	153,926	87,700	23,000	42,250	246,250	311,500	87,700

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	100,706	-97,853	12,192	15,045	2,235	6,834	114,047	46,953	167,834	--	20,000	1,000	24,054	45,054	--
Totals,3790-Department of Parks, Recreation	\$297,391	\$267,820	\$500,369	\$1,065,560	\$106,291	\$326,071	\$483,784	\$127,088	\$936,943	\$103,885	\$212,517	\$408,726	\$304,290	\$925,533	\$103,955
3810-Santa Monica Mountains Conservancy	--	227	724	951	--	2,500	361	874	3,735	--	--	362	874	1,236	--
State Operations	--	120	21,622	22,242	--	12,850	120	72,196	85,166	--	--	120	9,510	9,630	--
Local Assistance	--	--	1,462	1,462	--	--	--	--	--	--	--	--	--	--	--
Totals,3810-Santa Monica Mountains Conservancy	\$500	\$347	\$23,808	\$24,655	--	\$15,350	\$481	\$73,070	\$88,901	--	--	\$482	\$10,384	\$10,866	--
3820-SF Bay Conservation, Development Comm	6,240	449	--	6,689	--	9,392	1,841	--	11,233	--	6,547	1,841	--	8,388	--
State Operations	--	225	--	225	--	--	275	--	275	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3820-SF Bay Conservation, Development Comm	\$6,240	\$674	--	\$6,914	--	\$9,392	\$2,116	--	\$11,508	--	\$6,547	\$1,841	--	\$8,388	--
3825-San Gabriel/Lower LA River/Mins Consy	--	333	739	1,072	--	--	445	1,572	2,017	--	--	456	700	1,156	--
State Operations	19,000	--	13,281	32,281	--	6,000	--	68,435	74,435	--	--	--	--	12,562	--
Local Assistance	--	--	1,626	1,626	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3825-San Gabriel/Lower LA River/Mins Consy	\$19,000	\$333	\$15,646	\$34,979	--	\$6,000	\$445	\$70,007	\$74,452	--	--	\$456	\$13,262	\$13,718	--
3830-San Joaquin River Conservancy	--	422	222	644	--	--	490	262	752	--	--	569	262	831	--
State Operations	--	422	222	644	--	--	490	262	752	--	--	569	262	831	--
Totals,3830-San Joaquin River Conservancy	--	\$422	\$222	\$644	--	--	\$490	\$262	\$752	--	--	\$569	\$262	\$831	--
3835-Baldwin Hills Conservancy	--	372	234	606	--	--	388	557	945	--	--	389	478	867	--
State Operations	--	--	1,500	1,500	--	--	--	14,416	14,416	--	--	--	1,100	1,100	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	4,438	4,438	--	--	--	--	--	--
Totals,3835-Baldwin Hills Conservancy	--	\$372	\$1,734	\$2,106	--	--	\$388	\$19,411	\$19,799	--	--	\$389	\$1,578	\$1,967	--
3840-Delta Protection Commission	--	1,719	--	1,719	--	--	1,580	--	1,580	1	--	1,382	--	1,382	1
State Operations	--	1,719	--	1,719	--	--	1,580	--	1,580	1	--	1,382	--	1,382	1
Totals,3840-Delta Protection Commission	--	\$1,719	--	\$1,719	--	--	\$1,580	--	\$1,580	\$1	--	\$1,382	--	\$1,382	\$1
3845-San Diego River Conservancy	--	324	169	493	--	--	347	232	579	--	--	348	182	530	--
State Operations	--	--	1,506	1,506	--	--	--	7,140	7,140	--	--	--	2,375	2,375	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3845-San Diego River Conservancy	--	\$324	\$1,675	\$1,999	--	--	\$347	\$7,372	\$7,719	--	--	\$348	\$2,557	\$2,905	--
3850-Coachella Valley Mountains Conservancy	--	343	87	430	--	--	371	146	517	--	--	371	146	517	--
State Operations	--	--	2,120	2,120	--	--	--	9,760	9,760	--	--	--	2,000	2,000	--
Local Assistance	--	--	-181	-181	--	--	--	9,796	9,796	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3850-Coachella Valley Mountains Conservancy	--	\$343	\$2,026	\$2,369	--	--	\$371	\$19,702	\$20,073	--	--	\$371	\$2,146	\$2,517	--
3855-Sierra Nevada Conservancy	--	4,468	341	4,809	207	--	6,088	1,089	7,177	2,368	--	4,638	787	5,425	2,389
State Operations	--	310	6,953	7,263	--	--	690	35,090	35,780	--	--	--	5,000	5,000	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3855-Sierra Nevada Conservancy	--	\$4,778	\$7,294	\$12,072	\$207	--	\$6,778	\$36,179	\$42,957	\$2,368	--	\$4,638	\$5,787	\$10,425	\$2,389
3860-Department of Water Resources	159,689	31,629	135,260	326,578	5,442	270,182	48,382	330,022	648,586	12,710	160,396	38,555	78,060	277,011	16,517
State Operations	12,540	814	301,349	314,703	--	6,069	--	956,301	962,370	--	83,000	--	449,368	532,368	--
Local Assistance	964	--	98,801	99,765	--	150,000	--	543,085	693,085	--	46,000	--	101,000	147,000	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3860-Department of Water Resources	\$173,193	\$32,443	\$535,410	\$741,046	\$5,442	\$426,251	\$48,382	\$1,827,408	\$2,304,041	\$12,710	\$289,396	\$38,555	\$628,428	\$956,379	\$16,517
3875-Sacramento-San Joaquin Delta Conservancy	1,238	141	433	1,812	455	1,346	174	1,387	2,907	692	1,348	181	1,056	2,585	707
State Operations	--	--	10,495	10,495	--	--	--	39,055	39,055	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3875-Sacramento-San Joaquin Delta Conservancy	\$1,238	\$141	\$10,928	\$12,307	\$455	\$1,346	\$174	\$40,442	\$41,962	\$692	\$1,348	\$181	\$1,056	\$2,585	\$707
3882-General Obligation Bonds-Natural Res	988,486	--	--	988,486	--	1,089,340	--	--	1,089,340	--	1,310,385	--	--	1,310,385	--
State Operations	988,486	--	--	988,486	--	1,089,340	--	--	1,089,340	--	1,310,385	--	--	1,310,385	--

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals,3882-General Obligation Bonds-Natural Res			\$988,486		\$1,089,340		\$1,089,340			\$1,310,385			\$1,310,385	
3885-Delta Stewardship Council														
State Operations	18,631	2,832	21,463	31	19,414	923	20,337	2,756	19,442	1,761			21,203	2,758
Totals,3885-Delta Stewardship Council	\$18,631	\$2,832	\$21,463	\$31	\$19,414	\$923	\$20,337	\$2,756	\$19,442	\$1,761			\$21,203	\$2,758
TOTALS, NATURAL RESOURCES	\$3,729,134	\$1,487,974	\$6,657,015	\$276,850	\$3,812,050	\$2,266,485	\$2,572,010	\$8,650,545	\$288,442	\$3,812,256	\$1,769,158	\$1,092,316	\$6,673,730	\$291,280
State Operations	3,447,133	1,373,654	236,883	121,565	3,456,297	1,652,442	413,519	5,524,258	132,807	3,563,333	1,446,849	151,952	5,162,134	137,600
Local Assistance	120,266	205,337	1,405,903	118,050	122,265	491,540	1,540,462	2,154,267	120,104	106,576	313,556	810,854	1,230,986	118,200
Capital Outlay	1,617,35	-91,017	193,442	37,235	233,488	122,503	616,029	972,020	35,531	142,347	8,753	129,510	280,610	35,480
ENVIRONMENTAL PROTECTION														
3900-Air Resources Board														
State Operations		331,845	333,055	17,231		339,048	1,291	340,339	17,218		343,303	1,107	344,410	17,196
Local Assistance		1,396,460	1,408,581			1,052,593	12,321	1,064,914			777,233		777,233	
Totals,3900-Air Resources Board	\$1,728,305	\$13,331	\$1,741,636	\$17,231	\$1,391,641	\$13,612	\$1,405,263	\$17,218	\$1,120,536	\$1,107	\$1,121,443	\$1,107	\$1,121,443	\$17,196
3930-Department of Pesticide Regulation														
State Operations		70,883	70,883	2,375	2,225	77,941		80,166	2,381	350	78,816		79,166	2,368
Local Assistance		29,409	29,409			31,385		31,385			32,874		32,874	
Totals,3930-Department of Pesticide Regulation	\$100,292	\$100,292	\$100,292	\$2,375	\$2,225	\$109,326	\$111,551	\$111,551	\$2,381	\$350	\$112,040	\$112,040	\$112,040	\$2,368
3940-State Water Resources Control Board														
State Operations	47,715	522,482	585,577	81,279	56,101	546,024	15,729	617,854	80,942	51,236	559,609	16,461	627,306	80,827
Local Assistance	51,300	1,288,669	1,342,407	232,693	61,950	157,833	376,428	594,211	232,693	380	150,991	498	151,869	232,693
Totals,3940-State Water Resources Control Board	\$99,015	\$651,351	\$1,927,984	\$313,972	\$118,051	\$703,857	\$392,157	\$1,212,065	\$313,635	\$51,616	\$710,600	\$16,959	\$779,175	\$313,520
3960-Department of Toxic Substances Control														
State Operations	47,822	204,012	251,834	30,215	82,959	213,343		296,302	33,078	68,546	219,837		288,383	32,781
Local Assistance					2,000	500		2,500	3,027		1,000		1,000	3,027
Totals,3960-Department of Toxic Substances Control	\$47,822	\$204,012	\$251,834	\$30,215	\$84,959	\$213,843	\$298,802	\$336,105	\$36,105	\$68,546	\$220,837	\$220,837	\$220,837	\$35,808
3970-Resources Recycling and Recovery														
State Operations	2,016,507	179,463	2,195,970		456,752	241,468		699,220		3,521	229,197		232,718	
Local Assistance		1,387,955	1,387,955		1,403,290		1,403,290				1,356,315		1,356,315	
Totals,3970-Resources Recycling and Recovery	\$2,016,507	\$1,567,418	\$3,583,925	\$456,752	\$1,444,758	\$2,101,510	\$2,101,510	\$2,101,510	\$3,521	\$1,588,512	\$1,588,512	\$1,588,512	\$1,588,512	\$1,588,512
3980-Environmental Health Hazard Assessment														
State Operations	6,059	16,912	22,971		6,699	19,558		26,257		12,661	19,570		32,231	
Totals,3980-Environmental Health Hazard Assessment	\$6,059	\$16,912	\$22,971	\$6,699	\$19,558	\$24,257	\$24,257	\$24,257	\$12,661	\$19,570	\$19,570	\$19,570	\$32,231	\$32,231
3996-General Obligation Bonds-Environmental Protection														
State Operations	3,234		3,234		3,330		3,330			3,110			3,110	
Totals,3996-General Obligation Bonds-Environmental Protection	\$3,234	\$3,234	\$3,234	\$3,330	\$3,330	\$3,330	\$3,330	\$3,330	\$3,110	\$3,110	\$3,110	\$3,110	\$3,110	\$3,110
TOTALS, ENVIRONMENTAL PROTECTION	\$2,172,637	\$4,268,290	\$7,631,876	\$363,793	\$672,016	\$4,082,983	\$405,769	\$5,160,768	\$369,339	\$139,804	\$3,768,745	\$18,066	\$3,926,615	\$368,892
State Operations	2,121,337	1,325,597	3,463,524	131,100	608,066	1,437,382	17,020	2,062,468	133,619	139,424	1,450,332	17,568	1,607,324	133,172
Local Assistance	51,300	2,942,693	4,168,352	232,693	63,950	2,645,601	388,749	3,098,300	235,720	380	2,318,413	498	2,319,291	235,720
HEALTH AND HUMAN SERVICES														
4100-State Council-Developmental Disabilities														
State Operations				7,009										7,787
Totals,4100-State Council-Developmental Disabilities	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,009	\$7,787
4120-Emergency Medical Services Authority														
State Operations	2,998	4,098	7,096	2,707	3,997	4,496	8,493	3,722	3,449	4,201	4,201		7,650	4,343
Local Assistance	6,512	74	6,586	268	6,865	300	7,165	671	7,230	300			7,530	671
Totals,4120-Emergency Medical Services Authority	\$9,510	\$4,172	\$13,682	\$2,975	\$10,862	\$4,796	\$15,658	\$4,393	\$10,679	\$4,501	\$4,501	\$4,501	\$15,180	\$5,014
4140-Statewide Health Planning, Development														
State Operations	5,216	97,799	103,015	464	60,102	102,027	162,129	564	2,000	100,305			102,305	455

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	37,577	21,244	--	58,821	1,000	123,089	31,656	--	154,745	1,000	31,333	9,187	--	40,520	1,130
Totals, 4140-Statewide Health Planning, Development	\$42,793	\$119,043	--	\$161,836	\$1,464	\$183,191	\$133,683	--	\$316,874	\$1,564	\$33,333	\$109,492	--	\$142,825	\$1,585
4150-Department of Managed Health Care	--	78,973	--	78,973	--	--	94,294	--	94,294	--	--	93,749	--	93,749	--
State Operations	--	78,973	--	78,973	--	--	94,294	--	94,294	--	--	93,749	--	93,749	--
Totals, 4150-Department of Managed Health Care	--	\$78,973	--	\$78,973	--	--	\$94,294	--	\$94,294	--	--	\$93,749	--	\$93,749	--
4170-Department of Aging	4,498	255	--	4,753	7,409	6,138	260	--	6,398	11,914	8,494	260	--	8,754	9,748
State Operations	4,498	255	--	4,753	7,409	6,138	260	--	6,398	11,914	8,494	260	--	8,754	9,748
Local Assistance	32,511	4,542	--	37,053	175,996	78,138	4,546	--	82,684	176,746	58,788	4,546	--	63,334	158,983
Totals, 4170-Department of Aging	\$37,009	\$4,797	--	\$41,806	\$183,405	\$84,276	\$4,806	--	\$89,082	\$188,640	\$67,282	\$4,806	--	\$72,088	\$168,731
4180-Commission on Aging	--	--	--	--	501	--	--	--	--	561	--	--	--	--	499
State Operations	--	--	--	--	501	--	--	--	--	561	--	--	--	--	499
Totals, 4180-Commission on Aging	--	--	--	--	\$501	--	--	--	--	\$561	--	--	--	--	\$499
4185-California Senior Legislature	206	--	--	206	--	306	--	--	306	--	306	--	--	306	--
State Operations	206	--	--	206	--	306	--	--	306	--	306	--	--	306	--
Totals, 4185-California Senior Legislature	\$206	--	--	\$206	--	\$306	--	--	\$306	--	\$306	--	--	\$306	--
4250-Children and Families Commission	--	5,116	--	5,116	--	--	5,116	--	5,116	--	--	5,116	--	5,116	--
State Operations	--	5,116	--	5,116	--	--	5,116	--	5,116	--	--	5,116	--	5,116	--
Local Assistance	--	370,364	--	370,364	--	--	370,835	--	370,835	--	--	370,835	--	370,835	--
Totals, 4250-Children and Families Commission	--	\$375,480	--	\$375,480	--	--	\$375,951	--	\$375,951	--	--	\$375,951	--	\$375,951	--
4260-State Department of Health Care Services	243,288	29,812	--	273,100	361,739	284,434	144,484	--	428,918	549,084	258,598	200,541	--	459,139	472,659
State Operations	243,288	29,812	--	273,100	361,739	284,434	144,484	--	428,918	549,084	258,598	200,541	--	459,139	472,659
Local Assistance	19,749,991	12,683,149	--	32,433,140	59,167,072	29,310,219	11,476,083	--	34,786,302	65,718,181	26,180,913	10,045,265	--	36,226,178	67,071,053
Totals, 4260-State Department of Health Care Services	\$19,993,279	\$12,712,961	--	\$32,706,240	\$59,528,811	\$23,594,653	\$11,620,567	--	\$35,212,220	\$66,267,265	\$26,439,511	\$10,245,806	--	\$36,485,317	\$67,543,712
4265-Department of Public Health	103,299	484,077	--	587,376	330,452	121,889	552,768	--	674,657	320,174	108,212	513,454	--	621,666	313,928
State Operations	103,299	484,077	--	587,376	330,452	121,889	552,768	--	674,657	320,174	108,212	513,454	--	621,666	313,928
Local Assistance	73,981	511,779	--	585,760	1,220,001	190,146	573,307	--	763,453	1,162,613	103,522	600,541	--	704,063	1,101,635
Capital Outlay	4,866	--	--	4,866	--	1,080	--	--	1,080	--	--	--	--	--	--
Totals, 4265-Department of Public Health	\$182,146	\$995,856	--	\$1,178,002	\$1,550,453	\$313,115	\$1,126,075	--	\$1,439,190	\$1,482,787	\$211,734	\$1,113,995	--	\$1,325,729	\$1,415,563
4300-Department of Developmental Services	340,598	730	--	341,328	2,711	348,679	895	--	349,574	2,797	357,310	895	--	358,205	2,723
State Operations	340,598	730	--	341,328	2,711	348,679	895	--	349,574	2,797	357,310	895	--	358,205	2,723
Local Assistance	4,128,402	2,993	--	4,131,395	48,106	4,685,395	3,132	--	4,688,527	53,580	5,314,051	3,170	--	5,317,221	53,580
Capital Outlay	3,495	--	--	3,495	--	--	--	--	--	--	--	--	--	--	--
Totals, 4300-Department of Developmental Services	\$4,472,495	\$3,723	--	\$4,476,218	\$50,817	\$5,034,074	\$4,027	--	\$5,038,101	\$54,377	\$5,671,361	\$4,065	--	\$5,675,426	\$56,303
4440-Department of State Hospitals	1,692,502	--	--	1,692,502	--	1,847,988	--	--	1,847,988	--	2,073,628	--	--	2,073,628	--
State Operations	1,692,502	--	--	1,692,502	--	1,847,988	--	--	1,847,988	--	2,073,628	--	--	2,073,628	--
Capital Outlay	17,706	--	--	17,706	--	16,922	--	--	16,922	--	229	--	--	229	--
Totals, 4440-Department of State Hospitals	\$1,710,208	--	--	\$1,710,208	--	\$1,864,910	--	--	\$1,864,910	--	\$2,073,857	--	--	\$2,073,857	--
4560-Mental Hlth Svcs Ovrst and Acntblty Comm	--	38,803	--	38,803	--	--	19,466	--	19,466	--	--	15,876	--	15,876	--
State Operations	--	38,803	--	38,803	--	--	19,466	--	19,466	--	--	15,876	--	15,876	--
Local Assistance	--	20,000	--	20,000	--	--	102,871	--	102,871	--	--	29,156	--	29,156	--
Totals, 4560-Mental Hlth Svcs Ovrst and Acntblty Comm	--	\$58,803	--	\$58,803	--	--	\$122,337	--	\$122,337	--	--	\$45,032	--	\$45,032	--
4700-Dept of Community Services, Development	--	1,601	--	1,601	17,512	--	500	--	500	27,195	--	--	--	--	27,214
State Operations	--	1,601	--	1,601	17,512	--	500	--	500	27,195	--	--	--	--	27,214
Local Assistance	--	43,359	--	43,359	290,594	--	9,500	--	9,500	260,846	--	--	--	--	260,846
Totals, 4700-Dept of Community Services, Development	--	\$44,960	--	\$44,960	\$308,106	--	\$10,000	--	\$10,000	\$288,041	--	--	--	--	\$288,060
4800-California Health Benefit Exchange	--	--	--	--	--	381,200	--	--	381,200	--	439,200	--	--	439,200	--
Local Assistance	--	--	--	--	--	381,200	--	--	381,200	--	439,200	--	--	439,200	--
Totals, 4800-California Health Benefit Exchange	--	--	--	--	--	\$381,200	--	--	\$381,200	--	\$439,200	--	--	\$439,200	--
5160-Department of Rehabilitation	65,609	3,425	--	69,034	372,089	69,019	3,355	--	72,374	386,018	69,559	3,361	--	72,920	384,935
State Operations	65,609	3,425	--	69,034	372,089	69,019	3,355	--	72,374	386,018	69,559	3,361	--	72,920	384,935
Local Assistance	705	--	--	705	15,575	5,705	--	--	5,705	10,736	6,375	--	--	6,375	10,066

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19			Estimated 2019-20			Estimated 2020-21							
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	
Totals, 5160- Department of Rehabilitation	\$66,314	\$3,425	\$69,739	\$387,664	\$74,724	\$3,355	--	\$78,079	\$396,754	\$75,934	\$3,361	--	\$79,295	\$395,001
5165- Dept of Youth and Community Restoration	--	--	--	--	--	--	--	--	--	284,164	--	--	284,164	334
State Operations	--	--	--	--	--	--	--	--	--	78	--	--	78	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals, 5165- Dept of Youth and Community Restoration	--	--	--	--	--	--	--	--	--	\$284,242	--	--	\$284,242	\$334
5175- Department of Child Support Services	54,748	--	54,748	123,498	57,583	--	--	57,583	129,799	57,643	--	--	57,643	129,956
State Operations	263,289	--	263,289	401,569	283,297	--	--	283,297	454,832	304,743	--	--	304,743	497,649
Local Assistance	\$318,037	--	\$318,037	\$525,067	\$340,880	--	--	\$340,880	\$584,631	\$362,386	--	--	\$362,386	\$627,605
Totals, 5175- Department of Child Support Services	191,754	41,855	233,609	395,505	225,152	41,270	--	266,422	441,488	232,320	45,256	--	277,576	444,778
State Operations	8,035,304	1,220	8,036,524	6,954,898	9,712,790	1,559	--	9,714,349	7,252,341	11,449,716	-4,240	--	11,445,476	7,080,971
Local Assistance	\$8,227,058	\$43,075	\$8,270,133	\$7,350,403	\$9,937,942	\$42,829	--	\$9,980,771	\$7,893,829	\$11,682,036	\$41,016	--	\$11,723,052	\$7,525,749
Totals, 5180- Department of Social Services	--	5,878,542	5,878,542	--	--	6,116,182	--	6,116,182	--	--	6,315,005	--	6,315,005	--
State Operations	--	\$5,878,542	\$5,878,542	--	--	\$6,116,182	--	\$6,116,182	--	--	\$6,315,005	--	\$6,315,005	--
Local Assistance	--	5,012,893	5,012,893	--	4,700	5,230,756	--	5,235,456	--	9,400	5,421,724	--	5,431,124	--
Totals, 5196- State-Local Realignment, 2011	--	\$5,012,893	\$5,012,893	--	\$4,700	\$5,230,756	--	\$5,235,456	--	\$9,400	\$5,421,724	--	\$5,431,124	--
5206- General Obligation Bonds-HHS	115,525	--	115,525	--	67,676	--	--	67,676	--	92,680	--	--	92,680	--
State Operations	\$115,525	--	\$115,525	--	\$67,676	--	--	\$67,676	--	\$92,680	--	--	\$92,680	--
Totals, 5206- General Obligation Bonds-HHS	\$35,174,580	\$25,336,703	\$60,511,283	\$69,896,675	\$41,892,509	\$24,889,658	--	\$66,782,167	\$76,972,642	\$47,453,941	\$23,778,503	--	\$71,232,444	\$78,035,943
TOTALS, HEALTH AND HUMAN SERVICES	2,820,241	786,544	3,606,785	1,621,596	3,092,963	968,931	--	4,061,894	1,881,096	3,548,363	983,014	--	4,531,377	1,799,359
State Operations	32,328,272	24,550,159	56,878,431	68,275,079	38,781,544	23,920,727	--	62,702,271	75,091,546	43,905,349	22,795,489	--	66,700,838	76,236,584
Local Assistance	26,067	--	26,067	--	18,002	--	--	18,002	--	229	--	--	229	--
Capital Outlay	\$12,309,135	-\$363	\$12,308,772	\$1,110	\$13,132,729	\$616	--	\$13,133,345	\$1,999	\$13,199,670	\$202	--	\$13,199,872	\$1,647
5227- Board of State and Community Corrections	14,278	--	14,278	1,411	21,598	1,384	--	22,982	3,495	27,517	2,238	--	29,755	3,660
State Operations	79,202	83,518	162,720	6,770	233,809	77,035	--	310,844	43,598	99,593	121,677	--	221,270	43,598
Local Assistance	\$93,480	\$83,518	\$176,998	\$8,181	\$255,407	\$78,419	--	\$333,826	\$47,093	\$127,110	\$123,915	--	\$251,025	\$47,258
5228- Safe Neighborhoods and Schools Act	64,647	-64,647	--	--	78,444	-78,444	--	--	--	122,465	-122,465	--	--	--
Local Assistance	\$64,647	-\$64,647	--	--	\$78,444	-\$78,444	--	--	--	\$122,465	-\$122,465	--	--	--
Totals, 5228- Safe Neighborhoods and Schools Act	--	489,900	489,900	--	489,900	--	--	489,900	--	489,900	--	--	489,900	--
5296- Enhancing Law Enforcement Activities	--	\$489,900	\$489,900	--	\$489,900	--	--	\$489,900	--	\$489,900	--	--	\$489,900	--
Local Assistance	--	566,994	566,994	--	579,343	--	--	579,343	--	590,496	--	--	590,496	--
5396- Trial Court Security 2011 Realignment	--	\$566,994	\$566,994	--	\$579,343	--	--	\$579,343	--	\$590,496	--	--	\$590,496	--
Local Assistance	--	1,365,961	1,365,961	--	1,458,582	--	--	1,458,582	--	1,542,234	--	--	1,542,234	--
Totals, 5496- Local Community Corrections	--	\$1,365,961	\$1,365,961	--	\$1,458,582	--	--	\$1,458,582	--	\$1,542,234	--	--	\$1,542,234	--
5596- Dist Attorney and Public Defender Svcs	--	\$1,365,961	\$1,365,961	--	\$1,458,582	--	--	\$1,458,582	--	\$1,542,234	--	--	\$1,542,234	--

CORRECTIONS AND REHABILITATION

5225- Corrections and Rehabilitation

5227- Board of State and Community Corrections

5228- Safe Neighborhoods and Schools Act

5296- Enhancing Law Enforcement Activities

5396- Trial Court Security 2011 Realignment

5496- Local Community Corrections

5596- Dist Attorney and Public Defender Svcs

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance			41,570				47,746					53,322		53,322
Totals 5996-Dist Attorney and Public Defender Svcs		\$41,570	\$41,570			\$47,746	\$47,746				\$53,322	\$53,322		\$53,322
5976-Juvenile Justice Programs														
Local Assistance		169,369	169,369			181,717	181,717				192,871	192,871		192,871
Totals 5696-Juvenile Justice Programs		\$169,369	\$169,369			\$181,717	\$181,717				\$192,871	\$192,871		\$192,871
5796-Enhancing Law Enforcement Act Growth														
Local Assistance		221,270	221,270			257,433	257,433				259,130	259,130		259,130
Totals 5796-Enhancing Law Enforcement Act Growth		\$221,270	\$221,270			\$257,433	\$257,433				\$259,130	\$259,130		\$259,130
5990-Federal Immigration Funding-Incarcerath														
State Operations	-62,069		-62,069	62,069	-50,600		-50,600	50,600	-68,942				-68,942	68,942
Totals 5990-Federal Immigration Funding-Incarcerath	-\$62,069		-\$62,069	\$62,069	-\$50,600		-\$50,600	\$50,600	-\$68,942				-\$68,942	\$68,942
5996-General Obligation Bonds-DCR														
State Operations	21,910		21,910	16,216	16,216		16,216		7,218				7,218	
Totals 5996-General Obligation Bonds-DCR	\$21,910		\$21,910	\$16,216	\$16,216		\$16,216		\$7,218				\$7,218	
Totals 5996-General Obligation Bonds-DCR	\$12,427,103	\$2,873,572	\$15,300,675	\$71,360	\$13,432,196	\$3,015,312	\$16,447,508	\$99,692	\$13,387,521	\$3,129,605		\$16,517,126	\$117,847	\$117,847
TOTALS - CORRECTIONS AND REHABILITATION	12,108,301	637	12,108,938	64,590	12,846,601	3,000	12,849,601	56,094	12,839,570	3,440		12,843,010	74,249	74,249
State Operations	288,008	2,872,935	3,160,943	6,770	466,578	3,012,312	3,478,890	43,598	436,661	3,126,165		3,562,826	43,598	43,598
Local Assistance	30,794		30,794		119,017		119,017		111,290			111,290		
Capital Outlay														
EDUCATION														
6100-Department of Education														
State Operations	17,848	328	18,176	7,309	19,319	358	19,677	7,535	18,916	358		19,274	7,541	7,541
Local Assistance	24,905	552	25,457	11,266	35,585	552	36,137	11,266	16,625	552		17,177	11,266	11,266
Totals 6120-State Library	\$42,753	\$880	\$43,633	\$18,575	\$54,904	\$910	\$55,814	\$18,801	\$35,541	\$910		\$36,451	\$18,807	\$18,807
State Operations	744		744		1,193		1,193		1,191			1,191		1,191
Totals 6125-Education Audit Appeals Panel	\$744		\$744		\$1,193		\$1,193		\$1,191			\$1,191		\$1,191
6255-Summer School for the Arts														
State Operations	1,388		1,388		1,430		1,430		1,431			1,431		1,431
Totals 6255-Summer School for the Arts	\$1,388		\$1,388		\$1,430		\$1,430		\$1,431			\$1,431		\$1,431
6300-Teachers Retirement System Contributions														
State Operations	2,246,000		2,246,000		1,117,000		1,117,000		802,000			802,000		802,000
Local Assistance	3,082,316		3,082,316		3,323,223		3,323,223		3,591,420			3,591,420		3,591,420
Totals 6300-Teachers Retirement System Contributions	\$5,328,316		\$5,328,316		\$4,440,223		\$4,440,223		\$4,393,420			\$4,393,420		\$4,393,420
6305-Retirement Costs for Community Colleges														
State Operations	-174,485		-174,485		-86,776		-86,776		-62,305			-62,305		-62,305
Local Assistance	-239,362		-239,362		-258,171		-258,171		-279,887			-279,887		-279,887
Totals 6305-Retirement Costs for Community Colleges	-\$413,847		-\$413,847		-\$344,947		-\$344,947		-\$342,192			-\$342,192		-\$342,192
6350-School Facilities Aid Program														
Local Assistance	100,000	-63,151	628,969	665,818	300,000	-236,781	1,573,228	1,636,447			29,602	1,538,051	1,834,113	1,834,113
Totals 6350-School Facilities Aid Program	\$100,000	-\$63,151	\$628,969	\$665,818	\$300,000	-\$236,781	\$1,573,228	\$1,636,447			\$29,602	\$1,538,051	\$1,834,113	\$1,834,113
6360-Commission on Teacher Credentialing														
State Operations		28,365				30,209		30,209				29,817		29,817
Local Assistance	94,106		94,106						260,000			260,000		260,000
Totals 6360-Commission on Teacher Credentialing	\$94,106	\$28,365	\$122,471			\$30,209		\$30,209	\$260,000			\$260,000		\$269,817

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
6396-General Obligation Bonds-K-12														
State Operations	2,418,477	--	2,418,477	--	2,160,978	--	2,160,978	--	2,284,949	--	2,284,949	--	2,284,949	--
Totals, 6396-General Obligation Bonds-K-12	\$2,418,477	--	\$2,418,477	--	\$2,160,978	--	\$2,160,978	--	\$2,284,949	--	\$2,284,949	--	\$2,284,949	--
K-12 Education														
State Operations	4,689,125	32,880	4,722,005	198,529	3,445,809	35,017	3,335	3,484,161	194,438	3,230,451	35,015	3,336	3,268,802	190,523
Local Assistance	52,839,840	11,688	53,480,497	8,033,046	55,926,945	-147,318	1,573,228	56,452,875	8,138,907	56,408,359	392,573	1,538,051	58,338,983	8,028,738
Capital Outlay	108	--	108	--	2,177	--	--	2,177	--	--	--	--	--	--
Totals, K-12 Education	\$57,529,073	\$44,568	\$58,205,822	\$8,231,575	\$58,674,951	-\$112,301	\$1,576,563	\$60,139,213	\$8,333,345	\$59,638,810	\$427,588	\$1,541,387	\$61,607,785	\$8,219,261
6440-University of California														
State Operations	3,743,238	28,751	3,771,989	3,909,989	3,938,204	187,731	--	4,125,935	4,080,500	3,998,067	182,067	--	4,180,134	4,161,500
Totals, 6440-University of California	\$3,743,238	\$28,751	\$3,771,989	\$3,909,989	\$3,938,204	\$187,731	--	\$4,125,935	\$4,080,500	\$3,998,067	\$182,067	--	\$4,180,134	\$4,161,500
6445-Institute for Regenerative Medicine														
State Operations	--	--	14,470	--	--	--	15,614	15,614	--	--	--	15,614	15,614	--
Local Assistance	--	193,179	193,179	--	--	--	250,000	250,000	--	--	--	250,000	250,000	--
Totals, 6445-Institute for Regenerative Medicine	--	\$207,649	\$207,649	--	--	--	\$265,614	\$265,614	--	--	--	\$265,614	\$265,614	--
6600-Hastings College of the Law														
State Operations	20,269	--	20,269	--	16,328	--	--	16,328	--	20,075	--	--	20,075	--
Totals, 6600-Hastings College of the Law	\$20,269	--	\$20,269	--	\$16,328	--	--	\$16,328	--	\$20,075	--	--	\$20,075	--
6610-California State University														
State Operations	3,781,246	1,500	3,782,746	1,495,573	4,371,325	5,500	--	4,376,825	1,422,215	4,230,892	2,000	--	4,232,892	1,422,215
Totals, 6610-California State University	\$3,781,246	\$1,500	\$3,782,746	\$1,495,573	\$4,371,325	\$5,500	--	\$4,376,825	\$1,422,215	\$4,230,892	\$2,000	--	\$4,232,892	\$1,422,215
6645-CSU Health Benefits, Retired Annuitants														
State Operations	312,852	--	312,852	--	331,067	--	--	331,067	--	362,466	--	--	362,466	--
Totals, 6645-CSU Health Benefits, Retired Annuitants	\$312,852	--	\$312,852	--	\$331,067	--	--	\$331,067	--	\$362,466	--	--	\$362,466	--
6870-Board of Governors of Community Colleges														
State Operations	18,359	99	2,402	20,860	19,924	104	2,474	22,502	--	20,369	104	2,476	22,949	--
Local Assistance	6,192,881	6,170	6,199,051	6,238,822	10,384	--	6,249,206	6,249,206	--	6,372,217	5,701	--	6,377,918	--
Capital Outlay	--	93,801	93,801	--	--	--	416,673	416,673	--	--	--	--	150,413	--
Totals, 6870-Board of Governors of Community Colleges	\$6,211,240	\$96,269	\$6,313,712	\$6,238,822	\$20,308	\$10,488	\$419,147	\$6,688,381	--	\$6,372,586	\$5,805	\$152,889	\$6,551,280	\$152,889
6874-General Obligation Bonds-HI Ed-CC														
State Operations	246,393	--	246,393	--	264,643	--	--	264,643	--	340,415	--	--	340,415	--
Totals, 6874-General Obligation Bonds-HI Ed-CC	\$246,393	--	\$246,393	--	\$264,643	--	--	\$264,643	--	\$340,415	--	--	\$340,415	--
6878-Retirement Costs-HI Ed-CC														
State Operations	174,485	--	174,485	--	86,776	--	--	86,776	--	62,305	--	--	62,305	--
Local Assistance	239,362	--	239,362	--	258,171	--	--	258,171	--	279,887	--	--	279,887	--
Totals, 6878-Retirement Costs-HI Ed-CC	\$413,847	--	\$413,847	--	\$344,947	--	--	\$344,947	--	\$342,192	--	--	\$342,192	--
6980-Student Aid Commission														
State Operations	19,803	--	19,803	--	26,230	--	--	26,230	--	29,229	--	--	29,229	--
Local Assistance	1,169,561	4,869	1,174,430	1,592,654	5,631	--	--	1,598,285	1,627,158	1,627,158	4,976	--	1,632,134	4,976
Totals, 6980-Student Aid Commission	\$1,189,364	\$4,869	\$1,194,233	\$1,604,908	\$31,861	--	--	\$1,624,515	\$1,654,316	\$1,654,316	\$4,976	--	\$1,661,363	\$4,976
7996-General Obligation Bonds-HI Ed														
State Operations	321,937	--	321,937	--	346,227	--	--	346,227	--	165,507	--	--	165,507	--
Totals, 7996-General Obligation Bonds-HI Ed	\$321,937	--	\$321,937	--	\$346,227	--	--	\$346,227	--	\$165,507	--	--	\$165,507	--
Higher Education														
State Operations	8,638,582	30,350	8,668,932	5,405,562	9,400,724	193,335	18,088	9,612,147	5,502,715	9,229,325	184,171	18,090	9,431,586	5,583,715
Local Assistance	7,601,804	11,039	7,612,843	7,806,022	8,089,647	16,015	250,000	8,356,662	8,279,262	8,279,262	10,677	250,000	8,539,939	--
Capital Outlay	--	93,801	93,801	--	--	--	416,673	416,673	--	--	--	150,413	150,413	--
Totals, Higher Education	\$16,240,386	\$41,389	\$16,585,627	\$13,211,584	\$17,490,371	\$209,350	\$684,761	\$18,384,482	\$13,781,987	\$17,508,587	\$194,848	\$418,503	\$18,121,938	\$18,121,938
TOTALS: EDUCATION	\$73,769,459	\$85,957	\$74,791,449	\$13,637,137	\$76,165,322	\$97,049	\$2,261,324	\$78,525,695	\$13,836,060	\$77,147,397	\$622,436	\$1,959,890	\$79,729,723	\$13,802,976
State Operations	13,327,707	63,230	13,390,937	5,604,091	12,846,533	228,352	21,423	13,096,308	5,697,153	12,459,776	219,186	21,426	12,700,388	5,774,238
Local Assistance	60,441,644	22,727	60,464,371	8,033,046	63,316,612	-131,303	1,823,228	65,006,537	8,138,907	64,687,621	403,250	1,788,051	66,878,922	8,028,738

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	108	--	93,801	93,909	--	2,177	--	416,673	--	--	--	150,413	--	--
LABOR AND WORKFORCE DEVELOPMENT														
7100-Employment Development Department														
State Operations	104,908	151,279	--	256,187	724,788	96,778	183,713	--	280,491	702,945	121,480	176,475	--	297,955
Local Assistance	--	--	--	5,744,321	--	--	--	--	--	5,842,695	--	--	--	6,031,927
Totals, 7100-Employment Development Department	\$104,908	\$151,279	--	\$256,187	\$6,469,109	\$96,778	\$183,713	--	\$280,491	\$6,545,640	\$121,480	\$176,475	--	\$297,955
7120-Workforce Development Board														
State Operations	758	504	--	1,262	4,438	2,982	5,642	--	8,644	4,922	1,301	2,801	--	4,102
Local Assistance	--	--	--	48,830	44,249	--	--	--	93,079	--	11,000	34,749	--	45,749
Totals, 7120-Workforce Development Board	\$758	\$504	--	\$1,262	\$4,438	\$51,812	\$49,911	--	\$101,723	\$4,922	\$12,301	\$37,550	--	\$49,851
7300-Agricultural Labor Relations Board														
State Operations	9,339	1,213	--	10,552	--	10,064	1,279	--	11,343	--	10,070	1,831	--	11,901
Totals, 7300-Agricultural Labor Relations Board	\$9,339	\$1,213	--	\$10,552	--	\$10,064	\$1,279	--	\$11,343	--	\$10,070	\$1,831	--	\$11,901
7320-Public Employment Relations Board														
State Operations	13,020	--	--	13,020	--	15,335	--	--	15,335	--	15,319	--	--	15,319
Totals, 7320-Public Employment Relations Board	\$13,020	--	--	\$13,020	--	\$15,335	--	--	\$15,335	--	\$15,319	--	--	\$15,319
7350-Department of Industrial Relations														
State Operations	--	589,943	--	589,943	381,302	12,300	616,532	--	628,832	37,561	--	664,118	--	664,118
Totals, 7350-Department of Industrial Relations	--	\$589,943	--	\$589,943	\$38,302	\$12,300	\$616,532	--	\$628,832	\$37,561	--	\$664,118	--	\$664,118
TOTALS, LABOR AND WORKFORCE DEVELOPMENT	\$128,025	\$742,939	--	\$870,964	\$6,511,849	\$186,289	\$851,435	--	\$1,037,724	\$6,688,123	\$159,170	\$879,974	--	\$1,039,144
State Operations	128,025	742,939	--	870,964	767,528	137,459	807,186	--	944,645	745,428	148,170	845,225	--	993,395
Local Assistance	--	--	--	5,744,321	48,830	44,249	--	--	93,079	5,842,695	11,000	34,749	--	45,749
GOVERNMENT OPERATIONS														
7501-Department of Human Resources														
State Operations	9,161	58	--	9,219	--	11,093	75	--	11,168	--	19,465	75	--	19,540
Totals, 7501-Department of Human Resources	\$9,161	\$58	--	\$9,219	--	\$11,093	\$75	--	\$11,168	--	\$19,465	\$75	--	\$19,540
7502-Department of Technology														
State Operations	4,919	--	--	4,919	--	5,122	--	--	5,122	--	27,726	--	--	27,726
Totals, 7502-Department of Technology	\$4,919	--	--	\$4,919	--	\$5,122	--	--	\$5,122	--	\$27,726	--	--	\$27,726
7503-State Personnel Board														
State Operations	1,436	--	--	1,436	--	2,563	--	--	2,563	--	2,591	--	--	2,591
Totals, 7503-State Personnel Board	\$1,436	--	--	\$1,436	--	\$2,563	--	--	\$2,563	--	\$2,591	--	--	\$2,591
7600-Department of Tax and Fee Administration														
State Operations	320,924	77,256	--	398,180	261	358,848	103,604	--	462,452	243	353,086	113,833	--	466,919
Totals, 7600-Department of Tax and Fee Administration	\$320,924	\$77,256	--	\$398,180	\$261	\$358,848	\$103,604	--	\$462,452	\$243	\$353,086	\$113,833	--	\$466,919
7700-Franchise Tax Board														
State Operations	803,005	21,771	--	824,776	--	864,592	24,297	--	888,889	--	863,217	25,160	--	888,377
Totals, 7700-Franchise Tax Board	\$803,005	\$21,771	--	\$824,776	--	\$864,592	\$24,297	--	\$888,889	--	\$863,217	\$25,160	--	\$888,377
7760-Department of General Services														
State Operations	73,337	117,355	6,623	197,315	--	63,070	128,574	9,012	200,656	--	120,553	126,450	7,916	254,919
Capital Outlay	640,416	--	--	41,461	--	30,345	--	--	30,345	--	--	--	--	--
Totals, 7760-Department of General Services	\$733,753	\$501,400	\$6,623	\$238,776	--	\$93,415	\$128,574	\$9,012	\$231,001	--	\$120,553	\$126,450	\$7,916	\$254,919
7870-California Victim Compensation Board														
State Operations	134	30,008	--	30,142	512	138	32,517	--	32,655	1,851	23,638	9,907	--	33,545
Local Assistance	--	71,869	--	17,087	--	72,361	--	--	72,361	--	23,000	--	--	75,656
Totals, 7870-California Victim Compensation Board	\$134	\$101,877	--	\$102,011	\$17,599	\$138	\$104,878	--	\$105,016	\$24,851	\$23,638	\$85,563	--	\$109,201
7900-Public Employees Retirement System														
State Operations	3,404,000	--	--	3,404,000	--	500,696	--	--	500,696	--	--	--	--	--

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19			Estimated 2019-20			Estimated 2020-21							
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals, 7900-Public Employees Retirement System	\$3,404,000	--	\$3,404,000	--	\$500,696	--	--	\$500,696	--	--	--	--	--	--
State Operations	2,341	--	2,341	--	2,374	--	--	2,374	--	2,813	--	--	2,813	--
Totals, 7910-Office of Administrative Law	\$2,341	--	\$2,341	--	\$2,374	--	--	\$2,374	--	\$2,813	--	--	\$2,813	--
TOTALS, GOVERNMENT OPERATIONS	\$5,279,673	\$-590,638	\$4,689,035	\$17,860	\$1,838,841	\$361,428	\$9,012	\$2,207,281	\$25,094	\$1,413,089	\$351,081	\$7,916	\$1,772,086	\$25,090
State Operations	4,619,257	246,448	4,865,705	773	1,808,496	289,067	9,012	2,106,575	2,094	1,413,089	275,425	7,916	1,696,430	2,090
Local Assistance	--	71,869	71,869	17,087	--	72,361	--	72,361	23,000	--	75,656	--	75,656	23,000
Capital Outlay	640,416	-618,955	21,461	--	30,345	--	--	30,345	--	--	--	--	--	--
GENERAL GOVERNMENT														
8120-Peace Officer Standards, Training Comm	45	--	45	--	12,135	--	--	12,135	--	12,143	--	--	12,143	--
State Operations	25,000	--	25,000	--	22,860	--	--	22,860	--	22,860	--	--	22,860	--
Local Assistance	\$25,045	--	\$25,045	--	\$34,995	--	--	\$34,995	--	\$35,003	--	--	\$35,003	--
8140-State Peace Officer Standards, Training Comm	14,229	--	14,229	--	15,147	--	--	15,147	--	20,017	--	--	20,017	--
State Operations	\$14,229	--	\$14,229	--	\$15,147	--	--	\$15,147	--	\$20,017	--	--	\$20,017	--
8260-Arts Council	1,783	881	2,664	1,085	2,873	890	--	3,763	1,090	1,936	890	--	2,826	1,073
State Operations	14,300	1,405	15,705	299	59,660	1,405	--	61,065	100	34,800	1,405	--	36,205	100
Local Assistance	\$16,083	\$2,286	\$18,369	\$1,384	\$62,533	\$2,295	--	\$64,828	\$1,190	\$36,736	\$2,295	--	\$39,031	\$1,173
8385-Citizens Compensation Commission	1	--	1	--	10	--	--	10	--	10	--	--	10	--
State Operations	\$1	--	\$1	--	\$10	--	--	\$10	--	\$10	--	--	\$10	--
8570-Department of Food and Agriculture	127,616	192,274	322,466	109,612	140,626	177,127	2,586	320,339	108,190	118,715	160,712	1,661	281,088	109,490
State Operations	9,510	249,727	288,850	--	16,810	132,514	6,687	156,011	--	90,643	86,845	5,994	183,482	--
Local Assistance	11,768	--	11,768	--	3,946	--	--	3,946	--	15,262	--	--	15,262	--
Capital Outlay	\$148,894	\$442,001	\$623,084	\$109,612	\$161,382	\$309,641	\$9,273	\$480,296	\$108,190	\$224,420	\$247,557	\$7,655	\$479,832	\$109,490
8620-Fair Political Practices Commission	11,899	--	11,899	--	13,345	--	--	13,345	--	14,284	--	--	14,284	--
State Operations	\$11,899	--	\$11,899	--	\$13,345	--	--	\$13,345	--	\$14,284	--	--	\$14,284	--
8640-Political Reform Act of 1974	--	--	--	--	--	--	--	--	--	3,024	--	--	3,024	--
State Operations	--	--	--	--	--	--	--	--	--	\$3,024	--	--	\$3,024	--
8660-Public Utilities Commission	--	281,145	281,145	8,074	--	467,389	--	467,389	11,148	--	427,969	--	427,969	11,094
State Operations	--	1,014,562	1,014,562	--	--	1,197,187	--	1,197,187	--	--	1,170,812	--	1,170,812	--
Local Assistance	--	\$1,295,707	\$1,295,707	\$8,074	--	\$1,664,576	--	\$1,664,576	\$11,148	--	\$1,598,781	--	\$1,598,781	\$11,094
8780-Milton Marks Little Hoover Commission	754	--	754	--	1,130	--	--	1,130	--	1,242	--	--	1,242	--
State Operations	\$754	--	\$754	--	\$1,130	--	--	\$1,130	--	\$1,242	--	--	\$1,242	--
8820-Comm on the Status of Women and Girls	497	--	497	--	823	--	--	823	--	1,157	--	--	1,157	--
State Operations	\$497	--	\$497	--	\$823	--	--	\$823	--	\$1,157	--	--	\$1,157	--
8825-Comm on the Status of Women and Girls	--	--	--	--	500	--	--	500	--	500	--	--	500	--
State Operations	--	--	--	--	\$500	--	--	\$500	--	\$500	--	--	\$500	--
8855-California State Auditor's Office	19,723	898	20,621	--	25,595	--	--	25,595	--	24,743	--	--	24,743	--
State Operations	\$19,723	\$898	\$20,621	--	\$25,595	--	--	\$25,595	--	\$24,743	--	--	\$24,743	--

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
8860-Department of Finance														
State Operations	40,606	388	40,994		56,881			56,881		43,344			43,344	
Totals, 8860-Department of Finance	\$40,606	\$388	\$40,994		\$56,881			\$56,881		\$43,344			\$43,344	
8880-Financial Information System for CA														
State Operations	51,491	1,275	52,766		80,038	-1,613		78,425		59,044			59,044	
Totals, 8880-Financial Information System for CA	\$51,491	\$1,275	\$52,766		\$80,038	-\$1,613		\$78,425		\$59,044			\$59,044	
8885-Commission on State Mandates														
State Operations	2,280		2,280		2,566			2,566		2,781			2,781	
Local Assistance	300,434	2,146	302,580		52,094	2,340		54,434		41,147	1,997		43,144	
Totals, 8885-Commission on State Mandates	\$302,714	\$2,146	\$304,860		\$54,660	\$2,340		\$57,000		\$43,928	\$1,997		\$45,925	
8940-Military Department														
State Operations	80,336	1,570	81,906	126,383	78,630	1,633		80,263	120,811	78,973	1,665		80,638	121,577
Local Assistance	60		60		60			60		60			60	
Capital Outlay	10,775		10,775	14,047	40,377			40,377	11,626	18,151			18,151	18,151
Totals, 8940-Military Department	\$91,171	\$1,570	\$92,741	\$140,430	\$119,067	\$1,633		\$120,700	\$132,437	\$97,184	\$1,665		\$98,849	\$139,728
8951-Federal Per Diem for Veterans Housing														
State Operations	-75,526		-75,526	75,526	-84,863			-84,863	84,863	-84,110			-84,110	84,110
Totals, 8951-Federal Per Diem for Veterans Housing	-\$75,526		-\$75,526	\$75,526	-\$84,863			-\$84,863	\$84,863	-\$84,110			-\$84,110	\$84,110
8955-Department of Veterans Affairs														
State Operations	418,100	439	418,539	2,780	441,471	451		442,367	2,875	444,611	451		445,508	2,763
Local Assistance	5,700	2,205	7,905		9,250	2,205		11,455		5,600	2,205		7,805	
Capital Outlay	7,148	571	7,719	19,077	21,155	-19,732		1,423	6,878	7,833	700		8,533	9,573
Totals, 8955-Department of Veterans Affairs	\$430,948	\$3,215	\$443,341	\$21,857	\$471,876	-\$17,076		\$445,245	\$97,553	\$458,044	\$3,356		\$461,846	\$123,336
8998-General Obligation Bonds-Gen Gov														
State Operations	14,836		14,836		11,537			11,537		8,091			8,091	
Totals, 8998-General Obligation Bonds-Gen Gov	\$14,836		\$14,836		\$11,537			\$11,537		\$8,091			\$8,091	
Non-Agency Departments														
State Operations	708,670	478,870	1,190,541	323,460	798,444	645,877	3,081	1,447,332	328,977	750,505	591,687	2,107	1,344,299	330,107
Local Assistance	355,004	1,270,045	1,654,662	299	1,607,34	1,335,651	6,687	1,503,072	100	1,951,110	1,263,264	5,994	1,464,368	100
Capital Outlay	29,691	571	30,262	33,124	65,478	-19,732		45,746	18,504	41,246	700		41,946	27,724
Totals, Non-Agency Departments	\$1,093,365	\$1,749,486	\$2,884,218	\$356,883	\$1,024,656	\$1,961,796	\$9,718	\$2,996,170	\$347,581	\$986,861	\$1,855,651	\$8,101	\$2,850,613	\$357,931
9100-Tax Relief														
Local Assistance	411,328	3,525	414,853		415,001	-2,505		412,496		415,001	-2,505		412,496	
Totals, 9100-Tax Relief	\$411,328	\$3,525	\$414,853		\$415,001	-\$2,505		\$412,496		\$415,001	-\$2,505		\$412,496	
9210-Local Government Financing														
Local Assistance	68,517	-784	67,733		79,123			79,123		5,181			5,181	
Totals, 9210-Local Government Financing	\$68,517	-\$784	\$67,733		\$79,123			\$79,123		\$5,181			\$5,181	
9285-Trial Court Security-Court Construction														
Local Assistance	5,567		5,567		7,000			7,000		7,000			7,000	
Totals, 9285-Trial Court Security-Court Construction	\$5,567		\$5,567		\$7,000			\$7,000		\$7,000			\$7,000	
9286-Trial Court Security - Judgeships														
Local Assistance	840		840		3,757			3,757		4,200			4,200	
Totals, 9286-Trial Court Security - Judgeships	\$840		\$840		\$3,757			\$3,757		\$4,200			\$4,200	
9300-Payment to Counties for Homicide Trials														
Local Assistance	2		2		1			1		1			1	
Totals, 9300-Payment to Counties for Homicide Trials	\$2		\$2		\$1			\$1		\$1			\$1	
9350-Shared Revenues														
Local Assistance	505	2,623,190	2,623,695	30,476	505	2,959,973		2,960,478	38,260	505	3,007,162		3,007,667	38,260
Totals, 9350-Shared Revenues	\$505	\$2,623,190	\$2,623,695	\$30,476	\$505	\$2,959,973		\$2,960,478	\$38,260	\$505	\$3,007,162		\$3,007,667	\$38,260
Tax Relief-Local Gov														
Local Assistance	486,759	2,625,931	3,112,690	30,476	505,387	2,957,468		3,462,855	38,260	431,888	3,004,657		3,436,545	38,260

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21					
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total
Totals, Tax Relief-Local Gov	\$486,759	\$2,625,931	--	\$3,112,690	\$30,476	\$505,387	\$2,957,468	--	\$3,462,855	\$38,260	\$431,888	\$3,004,657	--	\$3,436,545
9600-Debt Service GO Bonds Commercial Paper														
State Operations	25,753	--	--	25,753	--	41,804	--	--	41,804	--	48,069	--	--	48,069
Totals, 9600-Debt Service GO Bonds Commercial Paper	\$25,753	--	--	\$25,753	--	\$41,804	--	--	\$41,804	--	\$48,069	--	--	\$48,069
9612-Enhanced Tobacco Asset-Backed Bonds														
State Operations	--	--	--	--	--	--	--	--	--	--	1	--	--	1
Totals, 9612-Enhanced Tobacco Asset-Backed Bonds	--	--	--	--	--	--	--	--	--	--	\$1	--	--	\$1
9620-Cash Management and Budgetary Loans														
State Operations	17,116	--	--	17,116	--	124,953	--	--	124,953	--	15,000	--	--	15,000
Totals, 9620-Cash Management and Budgetary Loans	\$17,116	--	--	\$17,116	--	\$124,953	--	--	\$124,953	--	\$15,000	--	--	\$15,000
9625-Interest Payments to the Federal Govt														
State Operations	12,901	921	--	13,822	--	31,000	2,001	--	33,001	--	31,000	2,001	--	33,001
Totals, 9625-Interest Payments to the Federal Govt	\$12,901	\$921	--	\$13,822	--	\$31,000	\$2,001	--	\$33,001	--	\$31,000	\$2,001	--	\$33,001
9650-Health, Dental Benefits for Annuitants														
State Operations	1,754,478	--	--	1,754,478	--	1,887,754	--	--	1,887,754	--	2,067,852	--	--	2,067,852
Totals, 9650-Health, Dental Benefits for Annuitants	\$1,754,478	--	--	\$1,754,478	--	\$1,887,754	--	--	\$1,887,754	--	\$2,067,852	--	--	\$2,067,852
9670-Equity Claims & Settlements & Judgments														
State Operations	11,967	5,421	--	17,388	--	30,498	--	--	30,498	--	--	--	--	--
Totals, 9670-Equity Claims & Settlements & Judgments	\$11,967	\$5,421	--	\$17,388	--	\$30,498	--	--	\$30,498	--	--	--	--	--
9800-Augmentation for Employee Compensation														
State Operations	374	--	--	374	--	6,000	--	--	6,000	--	660,223	534,423	--	1,194,646
Totals, 9800-Augmentation for Employee Compensation	\$374	--	--	\$374	--	\$6,000	--	--	\$6,000	--	\$660,223	\$534,423	--	\$1,194,646
9802-June to July Payroll Deferral														
State Operations	944,509	606,807	--	1,551,316	--	--	--	--	--	--	--	--	--	--
Totals, 9802-June to July Payroll Deferral	\$944,509	\$606,807	--	\$1,551,316	--	--	--	--	--	--	--	--	--	--
9840-Contingencies-Emergencies Augmentation														
State Operations	--	--	--	--	--	14,996	15,000	--	29,996	--	20,000	15,000	--	35,000
Totals, 9840-Contingencies-Emergencies Augmentation	--	--	--	--	--	\$14,996	\$15,000	--	\$29,996	--	\$20,000	\$15,000	--	\$35,000
9860-Capital Outlay Planning, Studies														
Capital Outlay	2,000	--	--	2,000	--	2,000	--	--	2,000	--	2,000	--	--	2,000
Totals, 9860-Capital Outlay Planning, Studies	\$2,000	--	--	\$2,000	--	\$2,000	--	--	\$2,000	--	\$2,000	--	--	\$2,000
9885-Reserve for Liquidation of Encumbrances														
Unclassified	-759,962	--	--	-759,962	--	--	--	--	--	--	--	--	--	--
Totals, 9885-Reserve for Liquidation of Encumbrances	-\$759,962	--	--	-\$759,962	--	--	--	--	--	--	--	--	--	--
9889-Public School System Stabilization Acct														
Local Assistance	--	--	--	--	--	524,150	-524,150	--	--	--	-37,621	37,621	--	--
Totals, 9889-Public School System Stabilization Acct	--	--	--	--	--	\$524,150	-\$524,150	--	--	--	-\$37,621	\$37,621	--	--
9892-Supplemental Pension Payments														
State Operations	760,995	75,034	1,954	837,983	--	390,000	300,112	6	690,118	--	817,000	231,804	6	1,048,810
Totals, 9892-Supplemental Pension Payments	\$760,995	\$75,034	\$1,954	\$837,983	--	\$390,000	\$300,112	\$6	\$690,118	--	\$817,000	\$231,804	\$6	\$1,048,810
9894-Statewide Proposition 98 Reconciliation														
Local Assistance	-391,094	--	--	-391,094	--	-175,882	--	--	-175,882	--	-76,521	--	--	-76,521
Totals, 9894-Statewide Proposition 98 Reconciliation	-\$391,094	--	--	-\$391,094	--	-\$175,882	--	--	-\$175,882	--	-\$76,521	--	--	-\$76,521
9897-Section 3.60 Rate Adjustments														
State Operations	--	--	--	--	--	--	--	--	--	--	184,938	107,505	--	292,443
Totals, 9897-Section 3.60 Rate Adjustments	--	--	--	--	--	--	--	--	--	--	\$184,938	\$107,505	--	\$292,443
9898-PERS General Fund Deferral Payment														
State Operations	681,747	--	--	681,747	--	--	--	--	--	--	--	--	--	--
Totals, 9898-PERS General Fund Deferral Payment	\$681,747	--	--	\$681,747	--	--	--	--	--	--	--	--	--	--
9900-Statewide General Admin Exp (Pro Rata)														
State Operations	\$681,747	--	--	\$681,747	--	--	--	--	--	--	--	--	--	--

**SCHEDULE 9 AT 2020-21 GOVERNOR'S BUDGET
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)**

	Actual 2018-19				Estimated 2019-20				Estimated 2020-21						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	-775,910	677,071	--	-98,839	--	-765,679	676,806	112	-88,761	--	-762,178	698,871	891	-62,416	--
Totals, 9900-Statewide General Admin Exp (Pro Rata)	-775,910	677,071	--	-98,839	--	-765,679	676,806	112	-88,761	--	-762,178	698,871	891	-62,416	--
9901-Various Departments															
State Operations	18,872	--	--	18,872	--	144,381	423	--	144,804	--	216,310	101,000	--	317,310	20,000
Local Assistance	5,298	114,299	--	119,597	--	484,954	103,829	--	588,783	--	247	103,829	--	104,076	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	43,647	--	--	43,647	--
Totals, 9901-Various Departments	24,170	114,299	--	138,469	--	629,335	104,252	--	733,587	--	260,204	204,829	--	465,033	20,000
9910-General Fund Credits from Federal Funds															
State Operations	-196,766	--	--	-196,766	--	-182,521	--	--	-182,521	--	-187,250	--	--	-187,250	--
Totals, 9910-General Fund Credits from Federal Funds	-196,766	--	--	-196,766	--	-182,521	--	--	-182,521	--	-187,250	--	--	-187,250	--
Statewide Expenditures															
State Operations	3,256,036	1,365,254	1,954	4,623,244	--	1,723,186	994,342	118	2,717,646	--	3,110,965	1,690,604	897	4,802,466	96,489
Local Assistance	-385,796	114,299	--	-271,497	--	833,222	-420,321	--	412,901	--	-113,895	141,450	--	27,555	--
Capital Outlay	2,000	--	--	2,000	--	2,000	--	--	2,000	--	45,647	--	--	45,647	--
Unclassified	-759,962	--	--	-759,962	--	--	--	--	--	--	--	--	--	--	--
Totals, Statewide Expenditures	\$2,112,278	\$1,479,553	\$1,954	\$3,593,785	--	\$2,558,408	\$574,021	\$118	\$3,132,547	--	\$3,042,717	\$1,832,054	\$897	\$4,875,668	\$96,489
TOTALS, GENERAL GOVERNMENT	\$5,692,402	\$5,854,970	\$43,321	\$9,590,693	\$387,359	\$4,088,451	\$5,493,285	\$9,836	\$9,591,572	\$385,841	\$4,461,466	\$6,692,362	\$8,998	\$11,162,826	\$492,680
State Operations	\$3,964,706	\$1,844,124	\$4,955	\$5,813,785	\$323,460	\$2,521,630	\$1,640,219	\$3,149	\$4,164,998	\$328,977	\$3,861,470	\$2,282,291	\$3,004	\$6,146,765	\$426,596
Local Assistance	\$455,967	\$40,027	\$29,613	\$4,495,855	\$30,775	\$1,499,343	\$3,872,798	\$6,687	\$5,378,828	\$38,360	\$513,103	\$4,409,371	\$5,994	\$4,928,468	\$38,360
Capital Outlay	\$31,691	\$571	\$8,753	\$41,015	\$33,124	\$67,478	-\$19,732	--	\$47,746	\$18,504	\$86,893	\$700	--	\$87,593	\$27,724
Unclassified	-\$759,962	--	--	-\$759,962	--	--	--	--	--	--	--	--	--	--	--
GRAND TOTAL	\$141,861,115	\$56,014,392	\$5,731,512	\$205,607,019	\$97,281,519	\$149,748,685	\$60,018,686	\$7,294,688	\$217,062,059	\$106,490,225	\$153,083,298	\$63,757,896	\$5,351,539	\$222,192,733	\$107,050,890
State Operations	\$45,181,152	\$17,311,592	\$431,977	\$62,924,721	\$9,820,417	\$40,517,114	\$18,946,038	\$585,566	\$59,948,718	\$10,282,084	\$40,372,863	\$19,637,256	\$327,507	\$60,337,626	\$10,271,823
Local Assistance	\$96,528,561	\$39,479,701	\$4,827,476	\$140,835,738	\$85,288,712	\$108,738,848	\$38,668,728	\$5,341,389	\$152,748,965	\$93,269,980	\$112,359,781	\$38,906,698	\$4,648,320	\$155,914,799	\$9,479,654
Capital Outlay	\$911,364	\$1,223,099	\$472,059	\$2,606,522	\$2,172,390	\$492,723	\$2,503,920	\$1,367,733	\$4,364,376	\$2,933,161	\$350,654	\$5,213,942	\$375,712	\$5,940,308	\$1,977,413
Unclassified	-\$759,962	--	--	-\$759,962	--	--	--	--	--	\$5,000	--	--	--	--	\$5,000

Note: Numbers may not add due to rounding

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
GENERAL FUND	10,979,193	139,378,948	141,861,115	8,497,026	146,485,597	149,748,685	5,233,938	151,634,805	153,083,298	3,785,445
SPECIAL FUNDS										
0002-Property Acquisition Law Money Account	1,149	8,332	4,185	5,296	3,710	4,538	4,468	4,756	4,299	4,925
0003-Motor Vehicle Parking Facilities-Moneys Account	5,389	5,124	3,673	6,840	5,733	8,623	3,950	6,379	6,419	3,910
0004-Breast Cancer Fund	8	502	413	97	541	638	--	638	638	--
0006-Disability Access Account	29,384	13,240	11,561	31,063	18,895	12,458	37,500	18,937	12,357	44,080
0007-Breast Cancer Research Account; Breast Cancer Fund	9,205	8,664	6,668	11,201	8,976	12,755	7,422	8,698	15,686	434
0009-Breast Cancer Control Account; Breast Cancer Fund	7,034	8,917	12,387	3,564	9,281	12,430	415	8,999	9,414	--
0012-Attorney General Antitrust Account	670	4,822	5,112	380	5,925	5,895	410	12,077	11,455	1,032
0014-Hazardous Waste Control Account	9,233	58,425	64,084	3,574	59,229	57,342	5,461	58,924	63,124	1,261
0017-Fingerprint Fees Account	63,228	99,136	95,741	66,623	123,180	99,480	90,323	98,481	104,362	84,442
0018-Site Remediation Account	5,254	14,740	12,772	7,222	19,273	20,292	6,203	11,496	17,249	450
0020-California State Law Library Special Account	281	308	356	233	308	390	151	308	384	75
0022-State Emergency Telephone Number Account	36,653	71,553	101,320	6,886	116,620	120,585	2,921	171,688	171,292	3,317
0023-Farmworker Remedial Account	888	368	291	965	368	291	1,042	368	291	1,119
0026-State Motor Vehicle Insurance Account	29,800	48,732	34,430	44,102	38,746	36,038	46,810	38,746	34,323	51,233
0028-Unified Program Account	3,061	8,678	9,669	2,070	8,674	9,023	1,721	8,674	9,950	445
0029-Nuclear Planning Assessment Special Account	1,214	4,616	4,400	1,430	4,616	4,604	1,442	4,616	4,616	1,442
0032-Firearm Safety Conservation Assistance Account	5,546	777	364	5,959	777	378	6,358	777	378	6,757
0033-State Energy Conservation Assistance Account	16,869	41,137	-12,062	70,068	2,600	39,009	33,659	2,600	486	35,773
0034-Geothermal Resources Development Account	315	1,445	1,760	--	1,322	1,322	--	1,322	1,322	--
0035-Surface Mining and Reclamation Account	1,549	4,513	4,915	1,147	4,679	5,102	724	4,822	5,120	426
0041-Aeronautics Account, State Transportation Fund	2,268	7,187	5,932	3,523	7,130	9,273	1,380	8,098	8,576	902
0042-State Highway Account, State Transportation Fund	2,467,853	4,426,026	4,626,907	2,266,972	4,769,208	4,489,771	2,546,409	4,143,861	4,924,397	1,765,873
0044-Motor Vehicle Account, State Transportation Fund	532,101	3,949,342	3,913,792	567,651	4,216,135	4,351,078	432,708	4,365,411	4,243,689	554,430

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0046-Public Transportation Account, State Transportation Fund	855,110	1,375,205	1,175,473	1,054,842	1,683,796	1,423,620	1,315,018	2,093,716	1,984,850	1,423,884
0052-Local Airport Loan Account	31,435	-285	-314	31,464	-386	147	30,931	-1,504	117	29,310
0054-New Motor Vehicle Board Account	2,226	1,827	1,655	2,398	1,964	1,977	2,385	1,964	1,971	2,378
0055-Mass Transit Revolving Account, State Transportation Fund	1,000	--	--	1,000	--	--	1,000	--	--	1,000
0058-Rail Accident Prevention Response Fund	3	--	--	3	--	--	3	--	--	3
0061-Motor Vehicle Fuel Account, Transportation Tax Fund	21,081	20,487	41,568	--	39,964	39,964	--	42,144	42,144	--
0062-Highway Users Tax Account, Transportation Tax Fund	--	1,320,288	1,320,288	--	1,654,092	1,654,092	--	1,745,341	1,745,341	--
0064-Motor Vehicle License Fee Account, Transportation Tax Fund	14,205	29,743	25,651	18,297	9,735	28,032	--	30,504	30,504	--
0065-Illegal Drug Lab Cleanup Account	1,510	33	832	711	37	--	748	37	16	769
0066-Sale of Tobacco to Minors Control Account	1,336	177	544	969	304	1,180	93	304	190	207
0067-State Corporations Fund	88,195	58,371	59,377	87,189	82,065	65,770	103,484	-103,484	--	--
0069-Barbering and Cosmetology Confingent Fund	20,712	22,703	22,055	21,360	44,116	23,201	42,275	24,107	22,279	44,103
0070-Occupational Lead Poisoning Prevention Account	3,324	3,625	5,060	1,889	3,387	5,066	210	3,387	3,597	--
0071-Yosemite Foundation Account, California Environmental License Plate Fund	18	900	637	281	900	840	341	900	840	401
0072-California Collegiate License Plate Fund	1	28	29	--	38	38	--	38	38	--
0074-Medical Waste Management Fund	1,907	2,307	3,089	1,125	2,507	3,082	550	2,507	3,057	--
0075-Radiation Control Fund	6,777	28,035	28,384	6,428	28,035	30,324	4,139	28,035	32,072	102
0076-Tissue Bank License Fund	3,230	454	694	2,990	443	711	2,722	452	1,227	1,947
0078-Graphic Design License Plate Account	499	2,300	2,403	396	2,304	2,429	271	2,304	2,428	147
0080-Childhood Lead Poisoning Prevention Fund	69,519	21,472	34,265	56,726	20,968	44,652	33,042	34,936	37,634	30,344
0082-Export Document Program Fund	1,427	480	851	1,056	480	910	626	480	913	193
0083-Veterans Service Office Fund	2,104	1,156	991	2,269	1,156	991	2,434	1,156	992	2,598
0093-Construction Management Education Account (CMEA)	324	123	110	337	113	106	344	114	105	353

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0098-Clinical Laboratory Improvement Fund	21,537	9,286	13,110	17,713	8,628	14,247	12,094	12,369	16,366	8,097
0099-Health Statistics Special Fund	11,612	30,179	29,570	12,221	30,461	31,967	10,715	30,478	33,295	7,898
0100-California Used Oil Recycling Fund	19,498	23,601	22,763	20,336	23,515	29,308	14,543	23,515	23,473	14,585
0102-State Fire Marshal Licensing and Certification Fund	1,903	4,950	4,652	2,201	5,082	5,969	1,314	5,738	6,116	936
0104-San Joaquin River Conservancy Fund	2,202	280	120	2,362	280	128	2,514	178	143	2,549
0106-Department of Pesticide Regulation Fund	23,399	101,187	106,882	17,704	105,665	115,387	7,982	110,048	114,753	3,277
0108-Acupuncture Fund	4,499	2,626	3,028	4,097	3,593	4,896	2,794	3,532	5,072	1,254
0111-Department of Agriculture Account, Department of Food and Agriculture Fund	122,791	172,552	189,455	105,888	170,583	190,736	85,735	173,031	192,120	66,646
0115-Air Pollution Control Fund	191,648	138,868	192,872	137,644	226,255	206,832	157,067	183,925	188,556	152,436
0117-Alcoholic Beverage Control Appeals Fund	4,169	1,569	1,377	4,361	1,774	1,465	4,670	1,903	1,698	4,875
0121-Hospital Building Fund	161,059	54,576	69,413	146,222	67,741	72,727	141,236	56,741	71,304	126,673
0122-Emergency Food Assistance Program Fund	251	495	358	388	734	729	393	543	541	395
0124-California Agricultural Export Promotion Account	39	10	10	39	10	10	39	10	10	39
0125-Assembly Operating Fund	76	69	--	145	--	--	145	--	--	145
0126-State Audit Fund	12,910	400	898	12,412	400	--	12,812	400	--	13,212
0129-Water Device Certification Special Account	1,151	245	412	984	236	416	804	236	417	623
0131-Foster Family Home and Small Family Home Insurance Fund	1,554	--	242	1,312	--	--	1,312	--	--	1,312
0132-Workers Compensation Managed Care Fund	577	10	83	504	10	82	432	10	78	364
0133-California Beverage Container Recycling Fund	311,728	1,217,283	1,220,116	308,895	1,226,947	1,246,652	289,190	1,217,624	1,236,922	269,892
0139-Driving Under-the-Influence Program Licensing Trust Fund	794	1,039	1,252	581	1,034	1,362	253	1,158	1,411	--
0140-California Environmental License Plate Fund	36,169	62,709	81,676	17,202	60,083	67,620	9,665	61,921	66,863	4,723
0141-Soil Conservation Fund	2,258	5,588	3,837	4,009	3,430	4,081	3,358	3,430	4,089	2,699
0142-Department of Justice Sexual Habitual Offender Fund	2,655	2,671	1,933	3,393	2,638	2,992	3,039	2,638	2,992	2,685
0143-California Health Data and Planning Fund	20,968	31,809	38,378	14,399	31,431	36,055	9,775	31,430	36,503	4,702
0144-California Water Fund	1,386	--	--	1,386	--	--	1,386	--	--	1,386

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0152-State Board of Chiropractic Examiners Fund	2,017	3,944	3,969	1,992	4,415	5,029	1,378	4,335	5,593	120
0156-California Heritage Fund	53	--	--	53	--	--	53	--	--	53
0158-Travel Seller Fund	1,885	722	854	1,753	826	1,567	1,012	826	1,567	271
0159-State Trial Court Improvement and Modernization Fund	13,822	11,771	9,729	15,864	11,434	17,266	10,032	10,767	20,453	346
0160-Operating Funds of the Assembly and Senate	33	6,758	6,757	34	--	--	34	--	--	34
0163-Continuing Care Provider Fee Fund	2,531	1,878	1,870	2,539	1,490	1,689	2,340	1,515	1,692	2,163
0166-Certification Account, Consumer Affairs Fund	1,217	1,363	1,280	1,300	1,277	1,489	1,088	1,279	1,561	806
0168-Structural Pest Control Research Fund	1,046	163	3	1,206	170	3	1,373	173	3	1,543
0169-California Debt Limit Allocation Committee Fund	7,186	1,789	1,649	7,326	2,579	1,949	7,956	2,579	2,563	7,972
0170-Corrections Training Fund	142	22	--	164	--	--	164	--	--	164
0171-California Debt and Investment Advisory Commission Fund	5,800	3,396	3,696	5,500	3,236	3,984	4,752	3,273	4,096	3,929
0172-Developmental Disabilities Program Development Fund	911	2,713	2,590	1,034	2,637	2,700	971	2,687	2,724	934
0174-Clandestine Drug Lab Clean-Up Account	2	--	--	2	--	--	2	--	--	2
0175-Dispensing Opticians Fund	654	640	424	870	630	604	896	630	534	992
0177-Food Safety Fund	9,710	8,754	11,690	6,774	8,754	13,078	2,450	8,754	11,088	116
0178-Driver Training Penalty Assessment Fund	1,399	--	--	1,399	--	158	1,241	--	--	1,241
0179-Environmental Laboratory Improvement Fund	425	3,567	3,985	7	4,255	4,049	213	4,305	4,057	461
0180-Northern California Veterans Cemetery Master Development Fund	143	--	--	143	--	--	143	--	--	143
0181-Registered Nurse Education Fund	2,509	2,012	1,947	2,574	2,080	2,225	2,429	2,080	2,216	2,293
0183-Environmental Enhancement and Mitigation Program Fund	33,352	7,693	11,884	29,161	7,693	7,085	29,769	7,693	7,075	30,387
0184-Employment Development Department Benefit Audit Fund	16,415	18,898	21,336	13,977	26,048	23,278	16,747	20,525	23,437	13,835
0185-Employment Development Department Contingent Fund	39,830	140,285	131,587	48,528	148,839	165,775	31,592	144,993	156,455	20,130
0186-Energy Resources Surcharge Fund	--	--	--	--	--	--	--	--	--	--
0191-Fair and Exposition Fund	4,363	258	1,803	2,818	258	1,949	1,127	258	82	1,303

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2018-19	2018-19	2018-19	2019-20	2019-20	2019-20	2020-21	2020-21	2020-21	2020-21
0193-Waste Discharge Permit Fund	7,463	156,488	151,895	12,056	162,697	167,033	7,720	178,622	172,926	13,416
0194-Emergency Medical Services Training Program Approval Fund	62	264	253	73	248	264	57	248	277	28
0198-California Fire and Arson Training Fund	215	2,317	2,437	95	2,332	2,422	5	5,410	4,989	426
0200-Fish and Game Preservation Fund	50,473	117,350	121,325	46,498	117,788	131,752	32,534	114,719	125,539	21,714
0203-Genetic Disease Testing Fund	26,498	130,058	135,127	21,429	129,874	145,653	5,650	145,157	145,525	5,282
0205-Geology and Geophysics Account, Professional Engineers and Land Surveyors Fund	1,131	--	--	1,131	--	--	1,131	--	--	1,131
0207-Fish and Wildlife Pollution Account	695	280	321	654	280	350	584	280	345	519
0209-California Hazardous Liquid Pipeline Safety Fund	11,030	3,933	5,391	9,572	3,933	5,695	7,810	3,933	5,711	6,032
0210-Outpatient Setting Fund of the Medical Board of California	454	20	28	446	128	28	546	130	28	648
0211-California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	2,056	20	221	1,855	20	221	1,654	20	223	1,451
0212-Marine Invasive Species Control Fund	3,940	6,091	6,446	3,585	5,772	6,124	3,233	5,772	6,516	2,489
0213-Native Species Conservation and Enhancement Account, Fish and Game Preservation Fund	542	144	34	652	144	153	643	144	150	637
0214-Restitution Fund	64,692	74,642	98,734	40,600	68,489	100,403	8,686	68,489	77,070	105
0215-Industrial Development Fund	34	-26	8	--	--	--	--	--	--	--
0217-Insurance Fund	31,945	286,726	300,714	17,957	311,233	317,477	11,713	321,382	324,298	8,797
0223-Workers Compensation Administration Revolving Fund	160,319	354,680	357,470	157,529	402,648	373,451	186,726	400,485	391,474	195,737
0226-California Tire Recycling Management Fund	102,090	36,797	68,383	70,504	34,513	48,161	56,856	34,508	47,123	44,241
0228-Secretary of States Business Fees Fund	1,000	72,016	72,016	1,000	73,745	73,745	1,000	63,437	63,437	1,000
0230-Cigarette and Tobacco Products Surtax Fund	--	7,745	5,132	2,613	7,959	7,871	2,701	7,957	7,859	2,799
0231-Health Education Account, Cigarette and Tobacco Products Surtax Fund	9,450	59,782	54,420	14,812	61,828	73,190	3,450	61,219	62,550	2,119
0232-Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	41,571	80,698	73,813	48,456	93,827	131,089	11,194	92,761	99,328	4,627
0233-Physician Services Account, Cigarette and Tobacco Products Surtax Fund	15,671	24,493	22,633	17,531	26,840	40,986	3,385	26,534	28,686	1,233

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0234-Research Account, Cigarette and Tobacco Products Surtax Fund	3,216	15,000	13,613	4,603	15,511	19,204	910	15,360	15,721	549
0235-Public Resources Account, Cigarette and Tobacco Products Surtax Fund	1,530	7,088	5,931	2,687	8,261	9,863	1,085	8,110	8,830	365
0236-Unallocated Account, Cigarette and Tobacco Products Surtax Fund	22,863	54,861	49,025	28,699	60,227	80,346	8,580	59,541	65,421	2,700
0238-Northern California Veterans Cemetery Perpetual Maintenance Fund	496	81	71	506	81	71	516	81	72	525
0239-Private Security Services Fund	10,124	14,184	14,955	9,353	14,318	16,348	7,323	14,234	16,313	5,244
0240-Local Agency Deposit Security Fund	175	498	578	95	679	642	132	679	637	174
0241-Local Public Prosecutors and Public Defenders Training Fund	973	5	--	978	--	1	977	--	1	976
0242-Court Collection Account	1,268	136,562	128,553	9,277	123,770	119,207	13,840	123,770	118,387	19,223
0243-Narcotic Treatment Program Licensing Trust Fund	3,722	2,060	1,660	4,122	2,073	2,033	4,162	2,070	2,015	4,217
0244-Environmental Water Fund	3,024	--	--	3,024	--	--	3,024	--	--	3,024
0245-Mobilehome Parks and Special Occupancy Parks Revolving Fund	3,159	8,220	8,834	2,545	8,220	9,397	1,368	8,220	9,916	-328
0247-Drinking Water Operator Certification Special Account	3,773	1,789	1,862	3,700	3,603	2,021	5,282	2,003	2,063	5,222
0256-Sexual Predator Public Information Account	254	86	83	257	86	191	152	86	191	47
0257-Earthquake Emergency Investigations Account, Disaster Assistance Fund	30	--	--	30	--	9	21	--	--	21
0260-Nursing Home Administrators State License Examining Fund	799	--	--	799	--	--	799	--	--	799
0261-Off Highway License Fee Fund	859	2,401	3,260	--	2,401	2,401	--	2,401	2,401	--
0262-Habitat Conservation Fund	23,051	11,493	10,851	23,693	11,816	12,467	23,042	11,740	11,940	22,842
0263-Off-Highway Vehicle Trust Fund	161,017	78,502	113,980	125,539	79,621	129,650	75,510	82,987	116,555	41,942
0264-Osteopathic Medical Board of California Contingent Fund	3,061	2,554	2,243	3,372	3,878	3,351	3,899	2,604	3,286	3,217
0266-Inland Wetlands Conservation Fund, Wildlife Restoration Fund	3,186	68	--	3,254	68	--	3,322	68	--	3,390
0267-Exposition Park Improvement Fund	4,860	10,768	11,446	4,182	9,866	11,215	2,833	9,866	11,064	1,635

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0268-Peace Officers Training Fund	1,806	--	--	1,806	--	--	1,806	--	--	1,806
0269-Glass Processing Fee Account, California Beverage Container Recycling Fund	19,419	68,521	63,533	24,407	67,088	67,857	23,638	66,845	65,985	24,498
0270-Technical Assistance Fund	9,860	25,257	26,018	9,099	24,876	26,842	7,133	24,876	26,847	5,162
0271-Certification Fund	2,078	1,787	2,250	1,615	1,837	2,255	1,197	1,837	2,257	777
0272-Infant Botulism Treatment and Prevention Fund	15,170	7,825	10,949	12,046	10,280	14,463	7,863	10,340	11,052	7,151
0275-Hazardous and Idle-Deserted Well Abatement Fund	1,777	8,589	229	10,137	4,075	233	13,979	4,226	226	17,979
0276-Penalty Account, California Beverage Container Recycling Fund	5,799	770	28	6,541	303	5,015	1,829	303	15	2,117
0277-Bi-metal Processing Fee Account, California Beverage Container Recycling Fund	22,290	2,026	261	24,055	1,907	253	25,709	1,907	255	27,361
0278-PEI Processing Fee Account, California Beverage Container Recycling Fund	31,244	70,566	65,579	36,231	65,766	62,637	39,360	65,287	61,649	42,998
0279-Child Health and Safety Fund	3,065	4,114	5,855	1,324	4,592	5,830	86	4,592	4,533	145
0280-Physician Assistant Fund	2,452	2,112	1,453	3,111	3,723	2,374	4,460	2,412	3,085	3,787
0281-Recycling Market Development Revolving Loan Subaccount, Integrated Waste Management Account	10,427	1,348	1,633	10,142	1,704	7,403	4,443	1,704	2,077	4,070
0286-Lake Tahoe Conservancy Account	3,580	900	1,386	3,094	900	1,888	2,106	900	1,537	1,469
0288-The Registry of International Student Exchange Visitor Placement Organizations Fund	135	13	--	148	13	--	161	13	--	174
0289-State HICAP Fund	7,337	4,360	2,528	9,169	4,248	2,538	10,879	4,248	2,542	12,585
0290-Board of Pilot Commissioners Special Fund	4,236	2,536	2,933	3,839	2,223	3,054	3,008	2,253	2,886	2,375
0293-Motor Carriers Safety Improvement Fund	1,004	1,963	1,841	1,126	1,929	2,095	960	1,929	2,113	776
0294-Removal and Remedial Action Account	5,850	2,376	2,673	5,553	3,677	3,279	5,951	3,677	3,245	6,383
0295-Board of Podiatric Medicine Fund	778	1,081	1,093	766	1,247	1,311	702	1,272	1,638	336
0298-Financial Institutions Fund	48,885	30,137	34,759	44,263	33,207	37,124	40,346	-40,346	--	--
0299-Credit Union Fund	2,392	10,332	11,744	980	12,084	12,487	577	12,962	12,718	821
0300-Professional Forester Registration Fund	106	123	219	10	272	219	63	169	231	1

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2018-19	2018-19	2018-19	2019-20	2019-20	2019-20	2020-21	2020-21	2020-21	2020-21
0305-Private Postsecondary Education Administration Fund	8,202	15,171	16,123	7,250	15,231	20,384	2,097	20,101	21,415	783
0306-Safe Drinking Water Account	6,209	25,076	26,856	4,429	27,592	29,795	2,226	30,329	29,904	2,651
0308-Earthquake Risk Reduction Fund of 1996	81	--	--	81	--	81	--	--	--	--
0309-Perinatal Insurance Fund	44,900	2,834	404	47,330	2,542	12,081	37,791	2,542	16,529	23,804
0310-Psychology Fund	2,977	9,796	5,393	7,380	7,998	5,988	9,390	4,345	6,914	6,821
0311-Traumatic Brain Injury Fund	56	800	805	51	--	--	51	--	4	47
0312-Emergency Medical Services Personnel Fund	2,007	2,630	3,014	1,623	2,561	3,288	896	2,561	3,337	120
0313-Major Risk Medical Insurance Fund	756	-756	--	--	--	--	--	--	--	--
0314-Diesel Emission Reduction Fund	4,400	101	--	4,501	100	--	4,601	100	--	4,701
0317-Real Estate Fund	43,314	50,800	56,432	37,682	66,002	64,661	39,023	50,477	62,835	26,665
0318-Collins-Dugan Calif Conservation Corps Reimbursement Acct	10,210	43,725	49,606	4,329	47,742	49,447	2,624	42,742	44,483	883
0319-Respiratory Care Fund	1,057	3,135	3,342	850	3,396	3,803	443	3,711	4,067	87
0320-Oil Spill Prevention and Administration Fund	29,564	52,512	56,095	25,981	52,288	61,838	16,431	52,288	59,735	8,984
0321-Oil Spill Response Trust Fund	12,398	1,893	93	14,198	36,893	107	50,984	1,893	112	52,765
0322-Environmental Enhancement Fund	238	112	291	59	237	275	21	277	243	55
0325-Electronic and Appliance Repair Fund	3,761	3,049	2,746	4,064	3,185	3,173	4,076	3,227	3,171	4,132
0326-Athletic Commission Fund	1,022	2,747	1,999	1,770	2,854	1,945	2,679	3,028	2,476	3,231
0327-Court Interpreters Fund	743	261	163	841	220	214	847	218	168	897
0328-Public School Planning, Design, and Construction Review Revolving Fund	19,639	96,600	67,572	48,667	89,695	72,864	65,498	98,478	72,552	91,424
0329-Vehicle License Collection Account, Local Revenue Fund	--	14,000	14,000	--	14,000	14,000	--	14,000	14,000	--
0330-Local Revenue Fund	--	864	864	--	897	897	--	894	894	--
0335-Registered Environmental Health Specialist Fund	179	379	461	97	421	480	38	421	441	18
0336-Mine Reclamation Account	934	4,624	4,910	648	5,535	5,533	650	5,707	5,622	735
0338-Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	13,664	13,142	13,194	13,612	13,300	15,130	11,782	13,428	14,341	10,869
0342-State School Fund	2,547	25,484	25,484	2,547	25,484	25,484	2,547	25,484	25,484	2,547
0347-School Land Bank Fund	69,627	900	1,260	69,267	1,500	1,555	69,212	1,500	2,096	68,616
0348-Senate Operating Fund	7	--	--	7	--	--	7	--	--	7

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0349-Educational Telecommunication Fund	1,323	--	716	607	--	607	--	--	--	--
0351-Mental Health Subaccount, Sales Tax Account	--	1,161,368	1,161,368	--	1,166,054	1,166,054	--	1,201,640	1,201,640	--
0352-Social Services Subaccount, Sales Tax Account	--	2,152,263	2,152,263	--	2,329,728	2,329,728	--	2,415,732	2,415,732	--
0353-Health Subaccount, Sales Tax Account	--	--	--	--	35,237	35,237	--	66,413	66,413	--
0354-Caseload Subaccount, Sales Tax Growth Account	--	177,465	177,465	--	86,004	86,004	--	9,355	9,355	--
0361-General Growth Subaccount, Sales Tax Growth Account	--	--	--	--	98,030	98,030	--	122,650	122,650	--
0365-Historic Property Maintenance Fund	2,626	709	684	2,651	693	1,137	2,207	674	1,137	1,744
0367-Indian Gaming Special Distribution Fund	33,528	50,607	33,200	50,935	51,254	37,023	65,166	59,204	37,178	87,192
0371-California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	226	1,291	1,399	118	1,275	1,363	30	1,275	1,285	20
0375-Disaster Response-Emergency Operations Account, Special Fund for Economic Uncertainties	23	--	--	23	--	--	23	--	--	23
0376-Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	2,219	2,201	2,039	2,381	2,276	2,518	2,139	2,220	2,524	1,835
0378-False Claims Act Fund	3,409	17,462	19,110	1,761	18,809	19,148	1,422	18,504	18,684	1,242
0381-Public Interest Research, Development, and Demonstration Fund	14,746	398	704	14,440	300	818	13,922	300	805	13,417
0382-Renewable Resource Trust Fund	20,387	37,377	26,979	30,785	2,000	1,347	31,438	2,000	1,272	32,166
0384-The Salmon and Steelhead Trout Restoration Account	4	--	--	4	--	--	4	--	--	4
0386-Solid Waste Disposal Site Cleanup Trust Fund	6,819	6,764	5,706	7,877	5,514	5,736	7,655	5,514	5,923	7,246
0387-Integrated Waste Management Account, Integrated Waste Management Fund	44,155	50,283	51,939	42,499	47,753	66,239	24,013	47,753	58,342	13,424
0392-State Parks and Recreation Fund	17,090	229,675	243,826	2,939	242,386	231,156	14,169	245,794	257,098	2,865
0396-Self-Insurance Plans Fund	3,479	3,423	4,459	2,443	4,472	4,610	2,305	4,742	4,698	2,349

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0399-Structural Pest Control Education and Enforcement Fund	1,322	468	403	1,387	468	403	1,452	464	401	1,515
0400-Real Estate Appraisers Regulation Fund	7,259	4,447	5,736	5,970	4,489	6,502	3,957	6,064	6,530	3,491
0407-Teacher Credentials Fund	20,865	27,713	23,969	24,609	27,851	27,241	25,219	27,228	27,299	25,148
0408-Test Development and Administration Account, Teacher Credentials Fund	5,654	5,523	5,908	5,269	5,547	6,526	4,290	5,575	6,218	3,647
0410-Transcript Reimbursement Fund	36	1	2	35	--	5	30	--	--	30
0412-Transportation Rate Fund	1,497	-946	--	551	--	--	551	--	--	551
0421-Vehicle Inspection and Repair Fund	132,334	127,527	135,541	124,320	218,057	152,725	189,652	113,203	152,785	150,070
0425-Victim - Witness Assistance Fund	--	2	--	2	--	--	2	--	--	2
0429-Local Jurisdiction Energy Assistance Account	268	119	--	387	-106	--	281	1	--	282
0434-Air Toxics Inventory and Assessment Account	712	901	716	897	905	701	1,101	854	703	1,252
0436-Underground Storage Tank Tester Account	5	20	25	--	20	19	1	20	18	3
0437-State Assistance For Fire Equipment Account	1,861	300	100	2,061	100	100	2,061	100	100	2,061
0439-Underground Storage Tank Cleanup Fund	831,627	347,536	322,776	856,387	347,691	319,101	884,977	347,691	316,202	916,466
0447-Wildlife Restoration Fund	363	3,461	6,134	-2,310	4,752	2,383	59	4,729	4,778	10
0448-Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account	26,161	6,270	5,898	26,533	63,440	6,007	83,966	6,440	7,300	83,106
0449-Winter Recreation Fund	568	250	381	437	250	376	311	250	385	176
0452-Elevator Safety Account	24,075	22,066	29,773	16,368	25,066	30,262	11,172	25,066	30,936	5,302
0453-Pressure Vessel Account	1,573	5,329	5,881	1,021	5,811	6,158	674	5,811	6,290	195
0456-Expedited Site Remediation Trust Fund	3	--	--	3	--	--	3	--	--	3
0457-Tax Credit Allocation Fee Account	40,208	6,540	3,511	43,237	41,554	4,457	80,334	6,554	5,808	81,080
0458-Site Operation and Maintenance Account, Hazardous Substances Account	-118	149	483	-452	794	312	30	426	396	60
0459-Telephone Medical Advice Services Fund	1,036	16	--	1,052	--	--	1,052	--	--	1,052
0460-Dealers Record of Sale Special Account	9,527	19,931	23,789	5,669	24,418	26,275	3,812	28,195	29,443	2,564

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0461-Public Utilities Commission Transportation Reimbursement Account	51,154	36,871	19,775	68,250	13,452	26,462	55,240	13,452	29,685	39,007
0462-Public Utilities Commission Utilities Reimbursement Account	51,230	127,917	148,320	30,827	249,945	238,959	41,813	166,615	201,866	6,562
0464-California High-Cost Fund-A Administrative Committee Fund	39,881	31,286	36,031	35,136	32,121	49,304	17,953	31,969	49,348	574
0465-Energy Resources Programs Account	43,205	71,857	63,665	51,397	70,362	77,863	43,896	69,324	76,341	36,879
0467-State Notes Expense Account	250	--	--	250	--	--	250	--	--	250
0470-California High-Cost Fund-B Administrative Committee Fund	42,622	74,634	10,865	106,391	476	22,364	84,503	9,217	22,396	71,324
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	407,428	407,516	333,851	481,093	431,442	417,499	495,036	431,442	386,635	539,843
0475-Underground Storage Tank Fund	107	--	--	107	--	--	107	--	--	107
0478-Vectorborne Disease Account	175	132	217	90	184	232	42	157	182	17
0479-Energy Technologies Research, Development and Demonstration Account	2,940	61	--	3,001	60	--	3,061	60	--	3,121
0481-Garment Manufacturers Special Account	234	9,380	9,500	114	405	500	19	2,485	500	2,004
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	55,799	44,250	44,925	55,124	42,454	67,368	30,210	42,454	67,973	4,691
0485-Armory Discretionary Improvement Account	653	86	158	581	90	160	511	90	173	428
0487-Financial Responsibility Penalty Account	1,103	-4	--	1,099	--	--	1,099	--	--	1,099
0492-State Athletic Commission Neurological Examination Account	593	23	106	510	21	59	472	21	58	435
0493-California Teleconnect Fund Administrative Committee Fund	98,348	77,137	86,943	88,542	71,343	108,405	51,480	71,343	108,159	14,664
0494-Other - Unallocated Special Funds	144,973	--	606,807	-461,834	--	15,424	-477,258	--	757,929	-1,235,187
0496-Developmental Disabilities Services Account	147	3	--	150	150	150	150	150	150	150
0497-Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account	2,688	1,462	385	3,765	1,350	2,843	2,272	1,350	1,641	1,981

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0557-Toxic Substances Control Account	32,262	106,509	124,929	13,842	116,036	129,125	753	133,554	132,268	2,039
0558-Farm and Ranch Solid Waste Cleanup and Abatement Account	1,278	1,055	665	1,668	1,069	1,784	953	1,069	1,210	812
0566-Department of Justice Child Abuse Fund	1,494	521	469	1,546	521	500	1,567	521	501	1,587
0567-Gambling Control Fund	59,942	25,134	20,084	64,992	53,856	22,416	96,432	24,856	28,894	92,394
0569-Gambling Control Fines and Penalties Account	7,284	977	283	7,978	479	315	8,142	479	303	8,318
0577-Abandoned Watercraft Abatement Fund	588	2,750	2,750	588	2,750	2,750	588	2,750	2,750	588
0582-High Polluter Repair or Removal Account	59,932	49,142	36,407	72,667	49,555	41,866	80,356	50,174	51,376	79,154
0585-Counties Children and Families Account, California Children and Families Trust Fund	--	286,915	286,915	--	324,493	287,386	37,107	316,389	287,386	66,110
0587-Family Law Trust Fund	7,743	2,484	1,422	8,805	2,802	1,778	9,829	2,873	1,829	10,873
0593-Coastal Access Account, State Coastal Conservancy Fund	2,293	605	798	2,100	614	830	1,884	614	786	1,712
0600-Vending Stand Fund	6,683	2,798	2,620	6,861	2,828	3,361	6,328	2,828	3,361	5,795
0623-California Children and Families First Trust Fund	32,259	11,455	11,453	32,261	14,207	14,207	32,261	14,393	14,394	32,260
0631-Mass Media Communications Account, California Children and Families Trust Fund	19,353	22,114	20,342	21,125	24,932	20,342	25,715	24,324	20,342	29,697
0634-Education Account, California Children and Families Trust Fund	64,667	18,469	23,951	59,185	20,818	23,951	56,052	20,312	23,951	52,413
0636-Child Care Account, California Children and Families Trust Fund	34,310	11,055	15,121	30,244	12,465	15,121	27,588	12,161	15,121	24,628
0637-Research and Development Account, California Children and Families Trust Fund	49,988	11,110	16,983	44,115	12,520	16,983	39,652	12,216	16,983	34,885
0638-Administration Account, California Children and Families Trust Fund	9,132	3,706	6,123	6,715	4,176	5,485	5,406	4,075	5,459	4,022
0639-Unallocated Account, California Children and Families Trust Fund	14,111	7,216	7,052	14,275	8,155	7,052	15,378	7,953	7,052	16,279
0642-Domestic Violence Training and Education Fund	1,012	663	634	1,041	691	662	1,070	691	658	1,103

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0643-Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	7,404	20,866	23,307	4,963	20,866	23,904	1,925	20,866	24,002	-1,211
0648-Mobilehome-Manufactured Home Revolving Fund	28,395	10,415	14,578	24,232	13,070	17,866	19,436	16,686	17,890	18,232
0704-Accountancy Fund, Professions and Vocations Fund	5,806	3,103	3,885	5,024	4,308	4,384	4,948	3,296	4,469	3,775
0706-California Architects Board Fund	3,979	5,385	4,060	5,304	3,984	5,301	3,987	4,032	5,361	2,658
0735-Contractors License Fund	15,165	65,991	70,797	10,359	69,012	75,553	3,818	76,988	79,074	1,732
0741-State Dentistry Fund	8,280	15,931	12,853	11,358	16,271	16,672	10,957	16,433	16,821	10,569
0750-State Funeral Directors and Embalmers Fund	1,513	-1,513	--	--	--	--	--	--	--	--
0752-Home Furnishings and Thermal Insulation Fund	3,755	5,194	4,611	4,338	5,113	5,922	3,529	5,146	5,897	2,778
0755-Licensed Midwifery Fund	398	59	122	335	58	120	273	55	133	195
0757-California Board of Architectural Examiners - Landscape Architects Fund	1,832	558	920	1,470	875	1,156	1,189	875	1,169	895
0758-Contingent Fund of the Medical Board of California	34,800	59,586	65,923	28,463	58,072	72,455	14,080	66,036	78,936	1,180
0759-Physical Therapy Fund	3,071	6,086	4,981	4,176	6,276	5,966	4,486	6,306	6,478	4,314
0761-Board of Registered Nursing Fund, Professions and Vocations Fund	17,057	62,940	44,954	35,043	64,100	60,872	38,271	67,439	61,893	43,817
0763-State Optometry Fund, Professions and Vocations Fund	2,918	1,966	2,094	2,790	2,075	2,498	2,367	2,255	2,436	2,186
0767-Pharmacy Board Contingent Fund, Professions and Vocations Fund	10,510	25,832	25,063	11,279	28,757	30,036	10,000	32,937	32,022	10,915
0769-Private Investigator Fund	691	1,416	1,191	916	582	1,229	269	1,318	1,224	363
0770-Professional Engineer's, Land Surveyor's, and Geologist's Fund	8,571	9,267	11,187	6,651	10,909	12,805	4,755	12,914	13,718	3,951
0771-Court Reporters Fund	445	1,057	1,142	360	1,416	1,247	529	1,418	1,272	675
0773-Behavioral Science Examiners Fund, Professions and Vocations Fund	6,578	12,999	13,173	6,404	9,507	13,562	2,349	12,776	13,305	1,820
0775-Structural Pest Control Fund	1,417	4,485	5,052	850	6,598	5,867	1,581	6,615	5,952	2,244
0777-Veterinary Medical Board Contingent Fund	1,745	5,509	5,164	2,090	5,389	5,998	1,481	7,288	6,977	1,792
0779-Vocational Nursing and Psychiatric Technicians Fund	8,564	14,963	16,865	6,662	17,390	18,960	5,092	17,663	18,936	3,819

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
0780-Psychiatric Technicians Account, Vocational Nursing and Psychiatric Technicians Fund	1,064	-1,064	--	--	--	--	--	--	--	--
0932-Trial Court Trust Fund	67,858	1,315,000	1,311,228	71,630	1,344,969	1,350,949	65,650	1,344,592	1,409,637	605
0933-Managed Care Fund	18,001	82,135	84,913	15,223	91,900	100,891	6,232	102,443	100,338	8,337
0940-Bosco-Keene Renewable Resources Investment Fund	1,783	1,305	1,096	1,992	1,200	1,169	2,023	1,200	1,177	2,046
1003-Cleanup Loans and Environmental Assistance to Neighborhoods Account	4,962	-40	--	4,922	-40	500	4,382	-40	1,000	3,342
1006-Rural CUPA Reimbursement Account	806	--	--	806	--	--	806	--	--	806
1008-Firearms Safety and Enforcement Special Fund	17,202	5,538	11,301	11,439	12,339	11,297	12,481	9,491	11,009	10,963
1010-Natural Heritage Preservation Tax Credit Reimbursement Account	--	--	--	--	--	--	--	--	--	--
1011-Budget Stabilization Account	10,807,422	3,161,000	--	13,968,422	2,050,000	--	16,018,422	1,959,000	--	17,977,422
1017-Umbilical Cord Blood Collection Program Fund	7,108	3,279	2,500	7,887	3,279	2,500	8,666	3,279	2,500	9,445
1018-Lake Tahoe Science and Lake Improvement Account, General Fund	2,869	1,005	1,052	2,822	1,205	2,239	1,788	1,205	1,137	1,856
1019-Safety Net Reserve Fund	--	900,000	--	900,000	--	--	900,000	--	--	900,000
1027-Full-Day Kindergarten Facilities Account	--	--	-62,271	62,271	--	-236,781	299,052	--	296,062	2,990
1029-The Public School System Stabilization Account	--	--	--	--	--	-524,150	524,150	--	37,621	486,529
1030-Consumer Privacy Fund	--	--	--	--	--	--	--	360	360	--
2501-Local Transportation Loan Account, State Highway Account, State Transportation Fund	4,112	88	--	4,200	-4,200	--	--	--	--	--
2503-SR-710 Rehabilitation Account	--	884	353	531	969	1,000	500	1,000	1,000	500
2504-Advance Mitigation Account, State Transportation Fund	30,000	30,964	--	60,964	30,771	30,000	61,735	30,771	30,000	62,506
3001-Public Beach Restoration Fund	10,694	--	1,300	9,394	-6,000	231	3,163	--	--	3,163
3002-Electrician Certification Fund	9,462	2,330	2,969	8,823	2,330	3,094	8,059	2,330	3,197	7,192
3004-Garment Industry Regulations Fund	3,390	2,705	3,545	2,550	2,235	3,549	1,236	-1,236	--	--
3007-Traffic Congestion Relief Fund	305,223	31,232	82,832	253,623	8,579	86,726	175,476	-11,823	11,734	151,919

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3010-Pierces Disease Management Account	10,513	5,700	3,374	12,839	4,401	3,375	13,865	4,401	3,428	14,838
3013-California Central Coast State Veterans Cemetery at Fort Ord Operations Fund	26	642	643	25	351	338	38	90	77	51
3015-Gas Consumption Surcharge Fund	97,058	481,802	566,570	12,290	616,574	563,219	65,645	616,574	563,201	119,018
3016-Missing Persons DNA Data Base Fund	5,357	3,159	3,375	5,141	3,159	3,992	4,308	3,159	3,987	3,480
3017-Occupational Therapy Fund	2,355	2,232	2,368	2,219	2,520	2,724	2,015	3,107	3,365	1,757
3018-Drug and Device Safety Fund	1,570	6,672	7,490	752	6,104	6,756	100	6,408	5,461	1,047
3019-Substance Abuse Treatment Trust Fund	277	--	--	277	--	--	277	--	--	277
3020-Tobacco Settlement Fund	1,273	--	57	1,216	--	--	1,216	--	--	1,216
3022-Apprenticeship Training Contribution Fund	26,397	13,800	13,075	27,122	14,800	14,520	27,402	14,800	14,507	27,695
3024-Rigid Container Account	104	111	180	35	212	194	53	212	192	73
3025-Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account	1,536	1,204	1,152	1,588	944	901	1,631	944	906	1,669
3027-Trauma Care Fund	6	--	--	6	--	--	6	--	--	6
3030-Workers Occupational Safety and Health Education Fund	1,702	1,012	1,203	1,511	1,012	1,199	1,324	1,012	1,189	1,147
3033-California Memorial Scholarship Fund	647	-647	--	--	--	--	--	--	--	--
3034-Antiterrorism Fund	1,951	1,710	1,925	1,736	893	1,437	1,192	893	1,431	654
3035-Environmental Quality Assessment Fund	182	4	--	186	4	--	190	4	--	194
3036-Alcohol Beverage Control Fund	18,694	66,547	73,942	11,299	83,952	87,072	8,179	91,697	91,146	8,730
3037-State Court Facilities Construction Fund	331,563	93,784	143,167	282,180	89,028	165,851	205,357	68,853	169,557	104,653
3039-Dentally Underserved Account, State Dentistry Fund	1,570	24	134	1,460	--	134	1,326	--	133	1,193
3042-Victims of Corporate Fraud Compensation Fund	13,796	1,844	1,607	14,033	1,898	1,619	14,312	1,898	1,572	14,638
3046-Oil, Gas, and Geothermal Administrative Fund	7,324	104,857	110,699	1,482	120,460	108,735	13,207	120,680	117,821	16,066
3053-Public Rights Law Enforcement Special Fund	3,047	17,910	14,865	6,092	16,092	20,405	1,779	19,392	20,378	793
3054-Health Care Benefits Fund	998	2,000	2,000	998	2,000	2,000	998	2,000	2,000	998
3056-Safe Drinking Water and Toxic Enforcement Fund	8,337	4,926	4,842	8,421	4,150	4,716	7,855	4,150	4,653	7,352

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19		Revenues 2018-19		Expenditures 2018-19		Beginning Reserve 2019-20		Revenues 2019-20		Expenditures 2019-20		Beginning Reserve 2020-21		Revenues 2020-21		Expenditures 2020-21		Ending Reserve 2020-21	
3057-Dam Safety Fund	7,703	17,340	19,521	5,522	21,826	23,003	4,345	21,827	22,873	3,299										
3058-Water Rights Fund	3,551	22,135	24,704	982	27,454	27,739	697	30,119	30,402	414										
3060-Appellate Court Trust Fund	12,741	7,227	1,952	18,016	5,689	7,906	15,799	5,684	7,943	13,540										
3062-Energy Facility License and Compliance Fund	16,894	1,753	4,822	13,825	4,350	5,158	13,017	4,350	6,647	10,720										
3063-State Responsibility Area Fire Prevention Fund	44,839	--	43,901	938	--	-10	948	--	936	12										
3064-Mental Health Practitioner Education Fund	474	786	372	888	829	835	882	404	832	454										
3065-Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund	118,301	90,010	70,425	137,886	79,855	93,776	123,965	78,022	89,478	112,509										
3066-Court Facilities Trust Fund	10,257	99,840	98,537	11,560	98,615	104,030	6,145	98,592	104,030	707										
3067-Cigarette and Tobacco Products Compliance Fund	12,962	10,866	11,322	12,506	9,178	13,050	8,634	9,178	13,002	4,810										
3068-Vocational Nurse Education Fund	808	239	225	822	240	234	828	240	231	837										
3069-Naturopathic Doctors Fund	471	409	445	435	421	518	338	428	397	369										
3070-Nontoxic Dry Cleaning Incentive Trust Fund	657	100	429	328	100	112	316	50	112	254										
3071-Car Wash Worker Restitution Fund	2,773	1,175	421	3,527	675	421	3,781	675	421	4,035										
3072-Car Wash Worker Fund	5,141	1,295	789	5,647	795	848	5,594	795	859	5,530										
3074-Medical Marijuana Program Fund	229	1	51	179	--	169	10	--	10	--										
3075-Unlawful Sales Reduction Fund	85	1	--	86	1	--	87	1	--	88										
3078-Labor and Workforce Development Fund	65,080	34,333	8,740	90,673	34,333	11,536	113,470	34,333	31,102	116,701										
3079-Childrens Medical Services Rebate Fund	6,892	10,894	11,033	6,753	9,260	9,100	6,913	9,908	9,748	7,073										
3080-AIDS Drug Assistance Program Rebate Fund	297,316	312,313	288,787	320,842	363,719	324,846	359,715	370,526	366,098	364,143										
3081-Cannery Inspection Fund	2,352	2,605	3,045	1,912	2,605	3,327	1,190	2,605	3,335	460										
3082-School Facilities Emergency Repair Account	6,060	--	-647	6,707	--	--	6,707	--	--	6,707										
3083-Welcome Center Fund	101	83	74	110	90	118	82	90	111	61										
3084-State Certified Unified Program Agency Account	-483	1,722	1,754	-515	2,476	1,874	87	2,476	1,828	735										
3085-Mental Health Services Fund	850,641	2,367,489	2,374,467	843,663	2,360,373	2,468,151	735,885	2,328,600	2,295,035	769,450										
3086-DNA Identification Fund	4,763	47,543	47,340	4,966	45,173	49,909	230	42,959	41,490	1,699										
3087-Unfair Competition Law Fund	6,102	24,335	26,169	4,268	33,796	33,537	4,527	33,096	36,334	1,289										

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3088-Registry of Charitable Trusts Fund	6,117	7,647	6,525	7,239	4,631	6,594	5,276	4,631	8,200	1,707
3089-Public Utilities Commission Public Advocate's Office Account	8,283	34,497	36,757	6,023	47,302	49,378	3,947	47,932	50,409	1,470
3091-Certified Access Specialist Fund	1,794	506	356	1,944	409	425	1,928	409	421	1,916
3093-Transportation Deferred Investment Fund	13,917	-1,473	-239	12,683	-12,683	--	--	--	--	--
3095-Film Promotion and Marketing Fund	34	2	9	27	10	10	27	10	10	27
3096-NonDesignated Public Hospital Supplemental Fund	2,486	61	-491	3,038	567	--	3,605	542	--	4,147
3097-Private Hospital Supplemental Fund	29,242	12,131	-29,008	70,381	48,099	27,000	91,480	47,199	27,000	111,679
3098-State Department of Public Health Licensing and Certification Program Fund	26,221	160,139	174,569	11,791	198,542	204,707	5,626	234,796	237,442	2,980
3099-Mental Health Facility Licensing Fund	1,395	453	370	1,478	398	415	1,461	398	412	1,447
3101-Analytical Laboratory Account, Department of Food and Agriculture Fund	5,646	398	520	5,524	476	525	5,475	476	515	5,436
3103-Hatchery and Inland Fisheries Fund	7,940	21,700	22,178	7,462	21,700	25,267	3,895	21,700	22,843	2,752
3107-Transportation Debt Service Fund	--	1,515,346	1,515,346	--	1,646,804	1,646,804	--	1,779,530	1,779,530	--
3108-Professional Fiduciary Fund	221	560	521	260	633	642	251	640	651	240
3109-Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund	32,252	25,882	23,207	34,927	25,800	45,681	15,046	25,800	32,136	8,710
3110-Gambling Addiction Program Fund	1,344	278	157	1,465	278	156	1,587	278	156	1,709
3111-Retail Food Safety and Defense Fund	60	--	--	60	--	--	60	--	--	60
3112-Equality in Prevention and Services for Domestic Abuse Fund	52	24	--	76	24	--	100	24	--	124
3113-Residential and Outpatient Program Licensing Fund	7,422	5,636	6,365	6,693	5,793	9,120	3,366	5,676	9,042	--
3114-Birth Defects Monitoring Program Fund	1,759	3,173	2,745	2,187	3,240	2,863	2,564	3,231	2,735	3,060
3117-Alternative and Renewable Fuel and Vehicle Technology Fund	188,288	212,681	129,083	271,886	120,000	316,688	75,198	120,000	162,917	32,281
3119-Air Quality Improvement Fund	38,669	25,051	46,910	16,810	42,400	51,608	7,602	42,400	32,157	17,845

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3120-State Fire Marshal Fireworks Enforcement and Disposal Fund	210	--	--	210	--	--	210	--	--	210
3121-Occupational Safety and Health Fund	41,439	92,298	98,381	35,356	126,560	105,277	56,639	109,470	110,739	55,370
3122-Enhanced Fleet Modernization Subaccount, High Polluter Repair or Removal Account	27,962	33,573	39,136	22,399	32,934	40,815	14,518	33,173	33,335	14,356
3123-Coastal Act Services Fund	2,547	895	1,474	1,968	886	1,473	1,381	886	1,525	742
3131-California Bingo Fund	708	--	--	708	--	--	708	--	--	708
3132-Charity Bingo Mitigation Fund	5	--	--	5	--	--	5	--	--	5
3133-Managed Care Administrative Fines and Penalties Fund	2,579	3,332	--	5,911	-2,381	--	3,530	--	--	3,530
3134-School District Account, Underground Storage Tank Cleanup Fund	2,555	128	2,194	489	123	--	612	123	--	735
3136-Foreclosure Consultant Regulation Fund	13	--	--	13	1	--	14	1	--	15
3137-Emergency Medical Technician Certification Fund	1,218	1,591	1,552	1,257	1,615	1,965	907	1,615	1,982	540
3138-Immediate and Critical Needs Account, State Court Facilities Construction Fund	243,600	224,204	262,994	204,810	300,347	227,770	277,387	209,918	226,689	260,616
3139-Specialized License Plate Fund	1,313	537	705	1,145	755	712	1,188	755	713	1,230
3140-State Dental Hygiene Fund	2,348	1,855	1,623	2,580	1,859	2,527	1,912	1,856	2,583	1,185
3141-California Advanced Services Fund	82,964	50,469	12,582	120,851	52,332	81,389	91,794	52,333	81,532	62,595
3142-State Dental Assistant Fund	1,948	2,548	2,229	2,267	2,535	2,780	2,022	2,556	2,811	1,767
3144-Building Standards Administration Special Revolving Fund	7,661	3,153	2,179	8,635	3,100	2,531	9,204	3,200	3,181	9,223
3145-Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund	15,462	351	4,460	11,353	359	10,000	1,712	359	--	2,071
3147-State Water Pollution Control Revolving Fund Small Community Grant Fund	16,115	12,872	8,000	20,987	12,880	8,000	25,867	12,880	8,000	30,747
3149-Local Safety and Protection Account, Transportation Tax Fund	704	--	--	704	--	--	704	--	--	704
3150-State Public Works Enforcement Fund	11,762	8,607	11,941	8,428	7,090	13,528	1,990	12,090	13,936	144

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3151-Internal Health Information Integrity Quality Improvement Account	30,112	83,203	78,134	35,181	92,783	85,309	42,655	108,600	100,212	51,043
3152-Labor Enforcement and Compliance Fund	1,858	14,251	14,503	1,606	14,539	15,014	1,131	16,548	16,542	1,137
3153-Horse Racing Fund	831	575	797	609	575	912	272	1,182	917	537
3155-Lead-Related Construction Fund	489,781	7,621	286	497,116	10,813	--	507,929	--	--	507,929
3156-Childrens Health and Human Services Special Fund	535	--	--	535	--	--	535	--	--	535
3157-Recreational Health Fund	1,491,929	4,476,710	5,402,482	566,157	5,540,526	4,447,838	1,658,845	3,647,696	4,201,064	1,105,477
3158-Hospital Quality Assurance Revenue Fund	3,163	720	1,589	2,294	816	1,761	1,349	956	1,792	513
3160-Wastewater Operator Certification Fund	132	--	--	132	--	--	132	--	--	132
3164-Renewable Energy Resources Development Fee Trust Fund	4,758	58	3,562	1,254	58	1,144	168	58	144	82
3165-Enterprise Zone Fund	2,608	521	-748	3,877	204	2,671	1,410	204	-329	1,943
3167-Skilled Nursing Facility Quality and Accountability Fund	6,296	5,434	6,762	4,968	6,040	6,586	4,422	5,299	5,929	3,792
3168-Emergency Medical Air Transportation and Children's Coverage Fund	456	112	43	525	112	42	595	112	44	663
3170-Heritage Enrichment Resource Fund	--	--	--	--	-4,700	-4,700	--	-9,400	-9,400	--
3171-Local Revenue Fund 2011	9,639	649,799	658,440	998	860,392	860,392	998	306,000	306,000	998
3172-Public Hospital Investment, Improvement, and Incentive Fund	753	421	420	754	394	460	688	394	663	419
3195-Carpet Stewardship Account, Integrated Waste Management Fund	--	752,887	752,887	--	752,887	752,887	--	752,887	752,887	--
3200-CatWORKs Maintenance of Effort Subaccount, Sales Tax Account	12,162	8,023	--	20,185	439	--	20,624	--	--	20,624
3201-Low Income Health Program MCE Out-of- Network Emergency Care Services Fund	664	225	281	608	279	451	436	279	436	279
3202-Architectural Paint Stewardship Account, Integrated Waste Management Fund	2,774	1,672	1,567	2,879	3,070	2,905	3,044	3,070	3,862	2,252
3205-Apppliance Efficiency Enforcement Subaccount, Energy Resources Programs Account	2,101	2,172	1,811	2,462	2,199	2,219	2,442	2,279	2,217	2,504
3209-Office of Patient Advocate Trust Fund										

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3210-Davis-Dalwig Account, California Water Resources Development Bond Fund	6,970	10,277	6,972	10,275	10,000	19,828	447	10,000	10,000	447
3211-Electric Program Investment Charge Fund	44,936	78,012	110,299	12,649	251,116	250,148	13,617	148,000	148,158	13,459
3212-Timber Regulation and Forest Restoration Fund	27,612	46,000	54,666	18,946	46,000	54,033	10,913	46,000	52,232	4,681
3213-Long-Term Care Quality Assurance Fund	260,062	621,065	737,762	143,365	540,062	509,884	173,543	541,135	595,880	118,798
3216-Protective Services Subaccount, Support Services Account	--	2,336,173	2,336,173	--	2,397,201	2,397,201	--	2,500,406	2,500,406	--
3217-Behavioral Health Subaccount, Support Services Account	--	1,415,447	1,415,447	--	1,483,256	1,483,256	--	1,597,928	1,597,928	--
3221-Trial Court Security Subaccount, Law Enforcement Services Account	--	559,691	559,691	--	566,994	566,994	--	579,343	579,343	--
3222-Enhancing Law Enforcement Activities Subaccount, Law Enforcement Services Account	--	489,900	489,900	--	489,900	489,900	--	489,900	489,900	--
3223-Community Corrections Subaccount, Law Enforcement Services Account	--	1,311,193	1,311,193	--	1,365,962	1,365,962	--	1,458,582	1,458,582	--
3224-District Attorney and Public Defender Subaccount, Law Enforcement Services Account	--	37,919	37,919	--	41,571	41,571	--	47,745	47,745	--
3226-Juvenile Reentry Grant Special Account, Juvenile Justice Subaccount	--	8,944	8,944	--	9,347	9,347	--	10,029	10,029	--
3227-Youthful Offender Block Grant Special Account, Juvenile Justice Subaccount	--	153,122	153,122	--	160,021	160,021	--	171,689	171,689	--
3228-Greenhouse Gas Reduction Fund	3,472,517	3,419,546	3,717,416	3,174,647	2,666,500	3,757,311	2,083,836	2,451,800	4,493,286	42,350
3230-Juvenile Justice Growth Special Account, Law Enforcement Services Growth Subaccount	--	7,303	7,303	--	12,349	12,349	--	11,153	11,153	--
3231-Enhancing Law Enforcement Activities Growth Special Account, Enhancing Law Enforcement Activities Subaccount	--	221,270	221,270	--	257,433	257,433	--	259,130	259,130	--

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3232-District Attorney and Public Defender Growth Special Account, Law Enforcement Services Growth Subaccount	--	3,651	3,651	--	6,175	6,175	--	5,577	5,577	--
3233-Community Corrections Growth Special Account, Law Enforcement Services Growth Subaccount	--	54,768	54,768	--	92,620	92,620	--	83,652	83,652	--
3234-Trial Court Security Growth Special Account, Law Enforcement Services Growth Subaccount	--	7,303	7,303	--	12,349	12,349	--	11,153	11,153	--
3235-Behavioral Health Services Growth Special Account, Support Services Growth Subaccount	--	67,809	67,809	--	114,672	114,672	--	103,567	103,567	--
3236-Protective Services Growth Special Account, Support Services Growth Subaccount	--	61,028	61,028	--	103,205	103,205	--	93,211	93,211	--
3237-Cost of Implementation Account, Air Pollution Control Fund	12,348	84,058	82,920	13,486	87,350	92,095	8,741	87,350	91,286	4,805
3238-State Parks Revenue Incentive Subaccount, State Parks and Recreation Fund	9,198	222	4,502	4,918	3,000	4,502	3,416	3,000	4,502	1,914
3239-Women and Childrens Residential Treatment Services Special Account	--	5,104	5,104	--	5,104	5,104	--	5,104	5,104	--
3240-Secondhand Dealer and Pawnbroker Fund	2,903	599	481	3,021	599	715	2,905	599	713	2,791
3244-Political Disclosure, Accountability, Transparency, and Access Fund	1,254	533	1,269	518	507	807	218	621	101	738
3245-Disability Access and Education Revolving Fund	1,180	958	510	1,628	967	774	1,821	967	765	2,023
3246-Fair Employment and Housing Enforcement and Litigation Fund	898	1,640	458	2,080	500	262	2,318	500	572	2,246
3248-Family Support Subaccount, Sales Tax Account	--	450,130	450,130	--	414,893	414,893	--	401,808	401,808	--
3249-Child Poverty and Family Supplemental Support Subaccount, Sales Tax Account	--	104,422	104,422	--	104,422	104,422	--	147,665	147,665	--
3251-Prepaid Mobile Telephony Services Surcharge Fund	14,315	-406	953	12,956	-2,950	--	10,006	-17,098	60	-7,152
3252-CURES Fund	4,127	2,004	1,801	4,330	1,685	4,039	1,976	3,310	3,968	1,318

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3254-Business Programs Modernization Fund	4,841	1,810	3,684	2,967	1,864	2,187	2,644	1,864	186	4,322
3255-Home Care Fund	5,213	4,084	7,818	1,479	8,708	7,720	2,467	6,206	7,414	1,259
3256-Specialized First Aid Training Program Approval Fund	70	10	--	80	9	--	89	9	--	98
3257-Used Mattress Recycling Fund	2,025	--	--	2,025	--	12	2,013	--	12	2,001
3258-Mattress Recovery and Recycling Penalty Account, Used Mattress Recycling Fund	--	17	--	17	10	--	27	10	--	37
3259-Recidivism Reduction Fund	16,228	-9,000	--	7,228	--	--	7,228	--	--	7,228
3260-Regional Railroad Accident Preparedness and Immediate Response Fund	1,233	--	466	767	--	54	713	--	7	706
3261-Vessel Operator Certification Account, Harbors and Watercraft Revolving Fund	2,946	237	1,090	2,093	237	1,110	1,220	237	1,161	296
3262-Expedited Claim Account, Underground Storage Tank Cleanup Fund	72,982	--	72,982	--	--	--	--	--	--	--
3263-College Access Tax Credit Fund	8,335	4,975	4,941	8,369	2,500	5,716	5,153	2,500	5,055	2,598
3264-Site Cleanup Subaccount	39,851	25,500	20,572	44,779	25,500	20,924	49,355	25,500	21,053	53,802
3265-Prepaid MTS PUC Account	--	14	--	14	--	--	14	--	--	14
3268-Senior Citizens and Disabled Citizens Property Tax Postponement Fund	16,001	5,926	6,122	15,805	-529	278	14,998	-457	164	14,377
3270-Local Charges for Prepaid Mobile Telephony Service Fund	-398	4,650	5,795	-1,543	2,950	1,103	304	--	683	-379
3273-Employment Opportunity Fund	2,460	--	1,905	555	--	-881	1,436	--	1,436	--
3274-Social Services Subaccount, Vehicle License Fee Account	--	172,864	172,864	--	218,770	218,770	--	218,770	218,770	--
3275-County Medical Services Program Subaccount, Vehicle License Fee Account	--	47,335	47,335	--	--	--	--	--	--	--
3276-CalWORKs Maintenance of Effort Subaccount, Vehicle License Fee Account	--	367,663	367,663	--	367,663	367,663	--	367,663	367,663	--
3278-Mental Health Subaccount, Vehicle License Fee Account	--	95,260	95,260	--	95,424	95,424	--	115,490	115,490	--
3279-Health Subaccount, Vehicle License Fee Account	--	852,701	852,701	--	1,029,186	1,029,186	--	1,039,078	1,039,078	--
3280-General Growth Subaccount, Vehicle License Fee Growth Account	--	103,381	103,381	--	53,606	53,606	--	66,818	66,818	--

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3281-Family Support Subaccount, Vehicle License Fee Account	--	299,963	299,963	--	187,986	187,986	--	187,986	187,986	--
3282-Child Poverty and Family Supplemental Support Subaccount, Vehicle License Fee Account	--	254,172	254,172	--	294,310	294,310	--	317,958	317,958	--
3285-Electronic Recording Authorization Fund	--	249	145	104	283	300	87	283	300	70
3286-Safe Neighborhoods and Schools Fund	2,367	-41,772	-41,668	2,263	-50,740	-50,551	2,074	-79,156	-78,989	1,907
3287-Second Chance Fund	51,637	41,772	83,527	9,882	50,740	50,760	9,862	79,156	79,176	9,842
3288-Cannabis Control Fund	47,256	124,597	75,312	96,541	132,600	154,038	75,103	152,219	30,843	196,479
3290-Road Maintenance and Rehabilitation Account, State Transportation Fund	578,612	3,152,355	2,672,534	1,058,433	2,966,910	2,695,368	1,329,975	3,175,913	3,602,996	902,892
3291-Trade Corridor Enhancement Account, State Transportation Fund	155,573	318,740	95,236	379,077	328,629	192,527	515,179	330,059	655,329	189,909
3292-State Project Infrastructure Fund	128,089	4,821	-618,955	751,865	4,066	--	755,931	--	--	755,931
3293-Health and Human Services Special Fund	73,734	2,455,615	2,529,167	182	640,548	640,730	--	--	--	--
3295-Education and Research Account	--	400	--	400	200	200	400	200	200	400
3297-Major League Sporting Event Raffle Fund	525	1,557	325	1,757	1,222	746	2,233	1,222	689	2,766
3299-Oil and Gas Environmental Remediation Account	6	48	54	--	201	60	141	201	206	136
3301-Lead-Acid Battery Cleanup Fund	8,399	-1,385	3,916	3,098	15,137	10,868	7,367	16,112	11,615	11,864
3302-Safe Energy Infrastructure and Excavation Fund	4,811	1,485	3,711	2,585	7,000	4,359	5,226	-406	4,798	22
3303-Ammunition Safety and Enforcement Special Fund	16,410	391	8,681	8,120	2,418	8,455	2,083	2,418	3,984	517
3304-California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	2	1,349	1,327	24	1,573	1,591	6	1,401	1,379	28
3305-Healthcare Treatment Fund	534,494	1,015,461	913,436	636,519	895,011	992,939	538,591	874,868	1,044,564	368,895
3306-Graduate Medical Education Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	40,000	2,000	38,000	38,023	76,023	--	37,122	37,122	--

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3307-State Dental Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	2,455	30,000	30,048	2,407	28,517	27,994	2,930	27,842	27,489	3,283
3308-Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	10,920	--	--	10,920	-10,920	--	--	--	--	--
3309-Tobacco Prevention and Control Programs Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	33,700	--	--	33,700	-33,700	--	--	--	--	--
3310-Medical Research Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	6,220	61,918	--	68,138	54,574	70,821	51,891	53,346	105,237	--
3311-Health Care Services Plan Fines and Penalties Fund	52,116	6,496	10,403	48,209	4,911	9,017	44,103	2,530	6,324	40,309
3312-Natural Resources and Parks Preservation Fund	--	--	-100,000	100,000	--	100,000	--	--	--	--
3313-Southern California Veterans Cemetery Master Development Fund	4,500	--	--	4,500	--	-20,000	24,500	--	700	23,800
3314-California Cannabis Tax Fund	83,869	178,966	36,271	226,564	122,185	11,782	336,967	117,666	2,897	451,736
3315-Household Movers Fund, Professions and Vocations Fund	--	3,474	1,138	2,336	2,223	2,373	2,186	2,243	3,253	1,176
3318-Department of Public Health Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	6,000	6,000	--	9,666	9,265	401	5,568	5,510	459
3319-Department of Tax and Fee Administration Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	6,000	4,551	1,449	9,245	10,197	497	6,000	4,877	1,620
3320-Department of Justice Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	36,219	31,295	4,924	37,932	38,543	4,313	33,410	36,742	981

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3321-Department of Education Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	24,148	24,347	-199	41,895	31,389	10,307	20,805	31,111	--
3322-Department of Public Health Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	136,840	129,650	7,190	133,697	127,584	13,303	117,894	117,203	13,994
3323-Medi-Cal Emergency Medical Transport Fund	--	63,324	48,644	14,680	75,365	89,151	894	77,348	77,319	923
3324-Safe and Affordable Drinking Water Fund	--	--	--	--	--	--	--	117,000	117,000	--
3328-Pharmaceutical and Sharps Stewardship Fund	--	--	--	--	2,000	1,987	13	3,833	3,350	496
3329-Mobilehome Dispute Resolution Fund	--	1,877	--	1,877	3,754	1,057	4,574	3,754	3,872	4,456
3330-TNC Access for All Fund	--	--	--	--	45,000	45,000	--	45,000	45,000	--
3331-Medi-Cal Drug Rebate Fund	--	--	--	--	1,355,798	1,355,795	3	1,496,885	1,315,885	181,003
3333-Cannabis Tax Fund - Department of Tax and Fee Administration	--	--	--	--	7,441	7,441	--	12,860	12,860	--
3335-Cannabis Tax Fund - Department of Consumer Affairs	--	--	--	--	15,590	15,590	--	15,537	15,537	--
3338-Cannabis Tax Fund - Department of Fish and Wildlife	--	--	--	--	9,577	9,577	--	8,507	8,507	--
3339-Cannabis Tax Fund - State Water Resources Control Board	--	--	--	--	14,375	14,375	--	10,906	10,906	--
3340-Cannabis Tax Fund - Department of Pesticide Regulation	--	--	--	--	2,282	2,282	--	3,487	3,487	--
3345-Cannabis Tax Fund - Employment Development Department	--	--	--	--	2,531	2,531	--	3,633	3,633	--
3346-Cannabis Tax Fund - Bureau of Cannabis Control - Allocation 2	--	--	--	--	10,000	10,000	--	10,000	10,000	--
3347-Cannabis Tax Fund - California Highway Patrol - Allocation 2	--	--	--	--	3,000	3,000	--	3,000	3,000	--
3348-Cannabis Tax Fund - Governor's Office of Business and Economic Development - Allocation 2	--	--	--	--	20,000	20,000	--	30,000	30,000	--

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Ending Reserve 2020-21
3349-Cannabis Tax Fund - University of California San Diego Center for Medicinal Cannabis Research -Allocation 2	--	--	--	--	2,000	2,000	--	2,000	2,000	--
3350-Cannabis Tax Fund - Department of Health Care Services, Youth Education, Prevention, Early Intervention and Treatment Account - Allocation 3	--	--	--	--	126,464	126,464	--	199,666	199,666	--
3351-Cannabis Tax Fund - Department of Fish and Wildlife, Environmental Restoration and Protection Account - Allocation 3	--	--	--	--	25,293	25,293	--	39,933	39,933	--
3352-Cannabis Tax Fund - Department of Parks and Recreation, Environmental Restoration and Protection Account - Allocation 3	--	--	--	--	16,862	16,862	--	26,622	26,622	--
3353-Cannabis Tax Fund - California Highway Patrol, State and Local Government Law Enforcement Account - Allocation 3	--	--	--	--	14,476	14,476	--	21,796	21,796	--
3354-Cannabis Tax Fund - Board of State and Community Corrections, State and Local Government Law Enforcement Account - Allocation 3	--	--	--	--	27,679	27,679	--	44,759	44,759	--
3357-The Supportive Housing Program Subaccount, Mental Health Services Fund	--	--	--	--	53,735	53,735	--	61,276	61,276	--
3360-Financial Empowerment Fund	--	--	--	--	--	--	--	5,353	1,345	4,008
3361-California Earthquake Safety Fund	--	--	--	--	--	--	--	17,283	17,283	--
3362-PACE Oversight Fund of the State Department of Health Care Services	--	--	--	--	--	--	--	460	460	--
3363-Financial Protection Fund	--	--	--	--	--	--	--	237,649	114,168	123,481
3364-Department of Fish and Wildlife - California Environmental Quality Act Fund	--	--	--	--	--	--	--	6,290	5,500	790
3366-Electronic Cigarette Products Tax Fund	--	--	--	--	--	--	--	34,000	16,865	17,135

**SCHEDULE 10 AT 2020-21 GOVERNOR'S BUDGET
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)**

Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2018-19	2018-19	2018-19	2019-20	2019-20	2019-20	2020-21	2020-21	2020-21	2020-21
8059-State Community Corrections Performance Incentive Fund	312	--	114	198	--	7	191	--	7	184
8080-Clean Energy Job Creation Fund	119,609	-113,524	--	6,085	--	--	6,085	--	--	6,085
Totals, Special Funds	\$31,643,232	\$61,594,612	\$58,014,392	\$35,223,452	\$62,872,897	\$60,018,686	\$38,077,663	\$60,296,038	\$63,757,896	\$34,615,805
GRAND TOTALS	\$42,622,425	\$200,973,560	\$199,875,507	\$43,720,478	\$209,358,494	\$209,767,371	\$43,311,601	\$211,930,843	\$216,841,194	\$38,401,250

Note: Numbers may not add due to rounding

SCHEDULE 11 AT 2020-21 GOVERNOR'S BUDGET
STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA
(Dollars in Thousands)

(This statement does not include bonds issued under authority of state instrumentalities that are not general obligations of the State of California.)

Fund	Bond Act	Final Maturity	General Obligation Bonds			Proposed Sales			Resolution Authorization	As of December 1, 2019 Commercial Paper Outstanding
			Authorized	Unissued	Outstanding	Jan-June 2020	July-Dec 2020	As of December 1, 2019 Commercial Paper Outstanding		
6032	LEGISLATIVE, JUDICIAL, EXECUTIVE Voting Modernization (2002) Total, Legislative, Judicial, Executive		\$200,000	\$59,490	\$0	\$140,510	\$0	\$0	\$59,490	\$5,005
0714	BUSINESS, CONSUMER SERVICES & HOUSING Housing & Homeless (1990)	2022	\$150,000	\$0	\$740	\$149,260	\$0	\$0	\$0	\$0
6037	Housing and Emergency Shelter (2002)	2040	2,100,000	71,395	122,955	1,905,650	4,330	4,342	64,395	0
6066	Housing and Emergency Shelter (2006)	2045	2,850,000	298,135	939,060	1,612,805	20,807	16,466	228,935	49,490
6082	Veterans Housing and Homeless Prevention (2014)	2031	6,000,000	511,470	49,360	5,117,220	45,832	17,220	74,200	37,090
6089	Veterans and Affordable Housing (2018)	2029	3,000,000	2,839,200	99,830	60,970	44,404	55,744	119,200	60,380
	Total, Business, Consumer Services & Housing		\$8,700,000	\$3,720,200	\$1,211,945	\$5,767,855	\$115,173	\$93,772	\$486,730	\$146,980
0703	TRANSPORTATION Clean Air & Transp Improv (1990)	2040	\$1,990,000	\$4,985	\$465,050	\$1,519,965	\$0	\$0	\$4,985	\$0
6053	Highway Safe, Traffic Red, Air Qual, Port Sec (2006)	2047	19,925,000	1,003,035	15,622,245	3,299,720	85,522	13,171	200,630	38,965
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	0	3,465	996,535	0	0	0	0
6043	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2048	9,950,000	5,573,190	3,296,275	1,080,535	93,194	79,282	5,573,190	25,000
0653	Seismic Retrofit (1996)	2039	2,000,000	0	829,525	1,170,475	0	0	0	0
	Total, Transportation		\$34,865,000	\$6,581,210	\$20,216,560	\$6,087,230	\$178,716	\$92,453	\$5,776,805	\$63,965
6088	NATURAL RESOURCES Ca Drought, Water, Parks, Climate, Coastal Protection (2018)	2045	\$4,100,000	\$4,045,270	\$16,860	\$37,870	\$451,434	\$291,226	\$548,030	\$35,135
0722	Ca Park & Recreational Facil (1984) ^{1/}	2027	368,900	0	6,305	362,595	0	0	0	0
0721	Ca Parklands (1980)	2024	285,000	0	1,100	283,900	0	0	0	0
0707	Ca Safe Drinking Water (1976) ^{1/}	2027	172,500	0	1,830	170,670	0	0	0	0
0707	Ca Safe Drinking Water (1984)	2027	75,000	0	1,030	73,970	0	0	0	0
0707	Ca Safe Drinking Water (1986)	2030	100,000	0	12,735	87,265	0	0	0	0
0793	Ca Safe Drinking Water (1988)	2040	75,000	0	17,170	57,830	0	0	0	0
6001	Ca Safe Drinking Water (2000) ^{2/}	2040	1,884,000	43,346	1,110,220	730,434	0	0	43,346	0
6051	Ca Safe Drinking Water (2006) ^{2/}	2047	5,266,357	1,144,267	3,277,285	844,835	53,940	55,027	440,130	159,110
0786	Ca Wildlife, Coast, & Park Land Cons (1988) ^{1/}	2032	768,670	0	64,080	704,590	0	0	0	0
0740	Clean Water (1984)	2024	325,000	0	5,030	319,970	0	0	0	0
6029	Clean Water, Clean Air, and Parks (2002) ^{5/}	2046	2,896,643	162,508	1,858,050	576,085	6656	12649	146,758	16,865
0716	Community Parklands (1986)	2022	100,000	0	1,095	98,905	0	0	0	0
6052	Disaster Prep and Flood Prevention (2006) ^{2/}	2047	3,990,000	908,252	442,393	96809	60886	60886	308,335	227,450
0742	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	0	3,445	81,555	0	0	0	0
0402	Safe, Clean, Reliable Water Supply (1996) ^{2/}	2040	969,500	62,915	397,585	509,000	0	0	62,915	0
0005	Safe Neighborhood Parks (2000)	2040	2,100,000	36,460	1,217,925	845,615	0	3529	36,460	6,760
0742	State, Urban & Coastal Park (1976)	2029	280,000	0	2,165	277,835	0	0	0	0
0744	Water Conserv & Water Quality (1986) ^{2/}	2031	136,500	230	14,365	121,905	0	0	230	0
0790	Water Conserv (1988)	2036	60,000	5,235	11,025	43,740	0	0	5,235	0
6031	Water Security, Coastal & Beach Protection (2002) ^{2/}	2043	3,345,000	263,659	2,385,265	686,076	1,103	1,776	107,749	12,680
6083	Water Quality, Supply, and Infrastructure Improvement (2014) ^{5/}	2049	7,465,000	6,323,035	887,530	254,435	321,152	309,616	542,600	148,395
	Total, Natural Resources		\$34,546,070	\$12,995,177	\$13,941,420	\$7,611,473	\$930,994	\$734,709	\$2,241,788	\$606,395
0737	ENVIRONMENTAL PROTECTION Clean Water & Water Conserv (1978)	2028	\$375,000	\$0	\$2,505	\$372,495	\$0	\$0	\$0	\$0
0764	Clean Water & Water Reclam (1988)	2029	65,000	0	10,770	54,230	0	0	0	0
	Total, Environmental Protection		\$440,000	\$0	\$13,275	\$426,725	\$0	\$0	\$0	\$0
6046	HEALTH AND HUMAN SERVICES Children's Hospital Projects (2004)	2040	\$750,000	\$1,530	\$532,720	\$215,750	\$0	\$0	\$1,530	\$0
6079	Children's Hospital Projects (2008)	2047	980,000	105,465	743,900	130,635	0	0	105,465	63,310
6090	Children's Hospital (2018)		1,500,000	1,498,650	0	350	250	250	298,650	350
	Total, Health and Human Services		\$3,230,000	\$1,606,645	\$1,276,620	\$346,735	\$250	\$250	\$406,645	\$83,660
0711	YOUTH AND ADULT CORRECTIONAL Co Corr Facil Cap Expend (1986)	2022	\$495,000	\$0	\$5,815	\$489,185	\$0	\$0	\$0	\$0
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2029	500,000	0	31,395	468,615	0	0	0	0
0746	New Prison Construction (1986)	2034	500,000	0	925	499,075	0	0	0	0
0747	New Prison Construction (1988)	2030	817,000	1,245	2,860	812,875	0	0	1,245	35
0751	New Prison Construction (1990)	2029	450,000	605	1,230	448,165	0	0	307	0
	Total, Youth and Adult Correctional		\$2,762,000	\$1,860	\$42,235	\$2,717,915	\$0	\$0	\$1,552	\$35

**SCHEDULE 11 AT 2020-21 GOVERNOR'S BUDGET
STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA**
(Dollars in Thousands)

(This statement does not include bonds issued under authority of state instrumentalities that are not general obligations of the State of California.)

Fund	Bond Act	Final Maturity	As of December 1, 2019			Proposed Sales		As of December 1, 2019		
			Authorized	Unissued	Outstanding	Redeemed**	Jan-June 2020	July-Dec 2020	Resolution Authorization	Commercial Paper Outstanding
General Obligation Bonds										
EDUCATION-K-12										
0794	Ca Library Constr & Renov (1988) ^{1/}	2030	\$72,405	\$0	\$6,280	\$66,125	\$0	\$0	\$0	\$0
6000	Ca Library Constr & Renov (2000)	2040	350,000	5,040	203,680	141,280	0	5,040	0	0
0119	Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	2033	6,700,000	615	2,864,270	3,835,115	0	615	0	5
0657	Public Education Facil (1996) K-12 ^{2/}	2034	2,012,035	0	580,835	1,431,200	0	0	0	0
6036	Public Education Facil (2002) K-12	2046	11,400,000	6,240	7,813,845	3,579,915	0	6,240	0	1,080
6044	Public Education Facil (2004) K-12	2046	10,000,000	16,160	7,001,160	2,992,680	11	16,160	13,370	0
6057	Public Education Facil (2006) K-12	2048	7,329,000	196,620	5,669,270	1,463,110	388,74	196,620	2,735	0
6086	Public Education Facil (2016) K-12	2049	7,000,000	5,120,560	1,740,895	138,545	754,910	1,098,850	12,230	0
0739	* School Bldg & Earthquake (1974)	2026	150,000	0	9,310	140,690	0	0	0	0
0708	School Facilities (1990)	2033	800,000	73,395	726,605	726,605	0	0	0	0
0745	School Facilities (1992)	2036	1,900,000	10,280	1,647,170	1,647,170	0	10,280	0	0
0776	1988 School Facil Bond Act (Nov) ^{3/}	2032	797,745	0	23,430	774,315	0	0	0	0
0774	1990 School Facil Bond Act (Jun) ^{4/}	2032	797,875	0	47,005	750,870	0	0	0	0
0765	1992 School Facil Bond Act (Nov) ^{5/}	2035	898,211	0	118,550	779,661	0	0	0	0
	Total, Education-K-12		\$50,207,271	\$5,355,515	\$26,394,475	\$18,457,281	\$793,795	\$1,333,805	\$29,420	
HIGHER EDUCATION										
0574	Class Size Reduction K-U Pub. Ed. Facil (1998) HI-Ed	2039	\$2,500,000	\$0	\$1,358,220	\$1,141,780	\$0	\$0	\$0	\$0
0785	Higher Education Facil (1988)	2032	600,000	0	12,390	587,610	0	0	0	0
0791	Higher Education Facil (Jun 1990)	2040	450,000	540	23,965	425,495	0	540	0	0
0705	Higher Education Facil (Jun 1992)	2040	900,000	0	154,040	745,960	0	0	0	0
0658	Public Education Facil (1996) HI-Ed	2032	975,000	4,650	358,215	612,135	0	4,650	530	0
6028	Public Education Facil (2002) HI-Ed	2039	1,650,000	0	1,142,810	507,190	0	0	0	0
6041	Public Education Facil (2004) HI-Ed	2040	2,300,000	58,019	1,739,130	502,851	0	58,019	0	0
6048049	Public Education Facil (2006) HI-Ed	2043	3,087,000	38,775	2,709,040	339,185	0	38,775	840	0
6087	Public Education Facil (2016) CCC	2047	2,000,000	1,953,210	19,580	27,210	161,921	353,210	23,805	0
6047	Stem Cell Research and Cures (2004)	2039	3,000,000	290,650	994,225	1,715,125	37,016	86,175	22,115	0
	Total, Higher Education		\$17,462,000	\$2,345,844	\$8,511,615	\$6,604,541	\$198,937	\$541,369	\$47,290	
GENERAL GOVERNMENT										
0768	Earthquake Safety & Public Bldg Rehab (1990)	2029	\$300,000	\$7,490	\$24,380	\$288,130	\$0	\$7,490	\$635	0
0701	Veterans' Homes (2000)	2039	50,000	975	31,290	17,735	0	975	0	0
	Total, General Government		\$350,000	\$8,465	\$55,670	\$285,865	\$0	\$8,465	\$635	0
	Total, All Agencies		\$152,764,341	\$32,674,396	\$71,663,815	\$48,426,130	\$2,217,865	\$10,858,649	\$863,365	
SELF-LIQUIDATING BONDS^{6/}										
*	Ca Water Resources Dev (1959)	2024	\$1,750,000	\$167,600	\$28,005	\$1,554,395	\$0	\$0	\$0	\$0
	Veterans and Affordable Housing (2018) CalVet	2049	1,000,000	900,045	99,865	90	0	900,045	0	0
	Veterans Bonds ^{4/}	2048	2,860,000	0	678,585	2,281,415	0	0	0	0
	Total, Self-Liquidating Bonds		\$5,710,000	\$1,067,645	\$906,455	\$3,835,900	\$0	\$900,045	\$0	0
Total			\$188,474,341	\$33,742,041	\$72,470,270	\$52,282,030	\$2,217,865	\$11,756,694	\$863,365	

* Bond acts not legally permitted to utilize commercial paper

** Reflects the amount of authorization for each bond act that has been reduced as a result of general obligation bonds redeemed or commercial paper redeemed or issued.

^{1/} Chapter 39, Statutes of 2012 (SB 1018), reduced the voter authorized amount

^{2/} Chapter 188, Statutes of 2014 (AB 1471), reduced the voter authorized amount

^{3/} The Self-Liquidating Bonds are public service enterprises that have dedicated revenues to finance the respective debt service expenditures

^{4/} Chapter 727, Statutes of 2013 (AB 639), reduced the voter authorized amount

^{5/} Chapter 852, Statutes of 2017 (SB 5), reduced the voter authorized amount

^{6/} Chapter 39, Statutes of 2012 (SB 1018) & Chapter 28, Statutes of 2013 (SB 71), reduced the voter authorized amount

Source:
State Treasurer's Office, all information except "Proposed Sales"
Department of Finance, information under "Proposed Sales"

**SCHEDULE 12A AT 2020-21 GOVERNOR'S BUDGET
STATE APPROPRIATIONS LIMIT SUMMARY
(Dollars in Millions)**

	2018-19		2019-20		2020-21	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Schedule 8						
Revenues and Transfers	\$139,379	\$61,595	\$146,486	\$62,873	\$151,635	\$60,296
Less/Add: Transfers	4,444	-4,454	3,913	-3,601	1,768	-1,768
		Total		Total		Total
		\$200,974	\$209,359	\$209,359	\$211,931	\$211,931
		-10	312	312	0	0
Schedule 12B						
Less: Revenues to Excluded Funds	-	-21,965	-	-24,610	-	-22,436
Schedule 12C						
Less: Non-Tax Revenues to Included Funds	-1,155	-2,499	-2,117	-2,386	-2,125	-2,512
Schedule 12D						
Add: Transfers from Other Funds to Included Funds	226	-183	219	-146	238	-151
TOTAL, SAL REVENUES AND TRANSFERS	\$142,894	\$32,494	\$148,501	\$32,130	\$151,516	\$33,429
		Total		Total		Total
		\$175,388	\$180,631	\$180,631	\$184,945	\$184,945
		43	73	73	87	87
Schedule 12E						
Less: Exclusions	-56,529	-12,266	-57,344	-13,317	-58,095	-13,924
TOTAL, SAL APPROPRIATIONS						
		Total		Total		Total
		\$106,593	\$109,970	\$109,970	\$112,926	\$112,926
CALCULATION OF LIMIT ROOM						
Appropriations Limit (Sec. 12.00)		\$107,818		\$112,102		\$116,555
Less: Total SAL Appropriations		106,593		109,970		112,926
Appropriation Limit Room		\$1,225		\$2,132		\$3,629

SCHEDULE 12B AT 2020-21 GOVERNOR'S BUDGET
REVENUES TO EXCLUDED FUNDS
(Dollars in Thousands)

	Actual 2018-19	Estimated 2019-20	Estimated 2020-21
MAJOR REVENUES:			
4110400-Cigarette Tax	\$2,002,955	\$1,932,981	\$1,926,133
4114000-Mobilehome In-Lieu Tax	1,888	1,888	1,888
4115600-Motor Vehicles - Other Fees	187,507	187,255	187,583
Total, MAJOR TAXES AND LICENSES	\$2,192,350	\$2,122,124	\$2,115,604
MINOR REVENUES:			
REGULATORY TAXES AND LICENSES:			
4120000-Beverage Container Redemption Fees	\$1,345,701	\$1,352,912	\$1,342,867
4120400-Building Construction Filing Fees - Physically Handicapped	5,609	18,893	18,935
4120700-Cannabis Licensing Fees	15,251	--	--
4120800-Corporation Fees - Domestic Corporations	10,990	10,265	10,265
4121000-Corporation Fees - Foreign Corporations	1,254	1,294	1,294
4121200-Delinquent Fees	8,073	8,447	8,791
4121600-Elevator and Boiler Inspection Fees	25,570	29,052	29,052
4121800-Employment Agency Filing Fees	548	548	548
4122000-Employment Agency License Fees	6,406	5,936	5,781
4122200-Energy Resources Surcharge	575,885	709,154	708,116
4122800-Filing Financing Statements	2,358	2,476	2,476
4123000-Fish and Game - Licenses, Tags, and Permits	112,553	111,424	115,507
4123200-Fish and Game - Taxes	2,406	2,484	2,484
4123400-Genetic Disease Testing Fees	133,169	133,052	148,326
4123720-Horse Racing Licenses	14,503	14,791	16,800
4123800-Industrial Homework Fees	1	1	1
4124000-Insurance Company - Examination Fees	25,048	24,719	28,932
4124200-Insurance Company - License Fees and Penalties	59,504	69,112	70,943
4124400-Insurance Company - General Fees	34,883	38,493	38,650
4124600-Insurance Company - Proposition 103 Fees	33,822	35,253	37,695
4124800-Insurance Fraud Assessment - Automobile	53,013	53,748	54,366
4125000-Insurance Fraud Assessment - General	13,994	13,802	14,050
4125200-Insurance Fraud Assessment - Workers Compensation	66,894	72,644	78,508
4125400-Liquor License Fees	66,085	83,701	91,446
4125600-New Motor Vehicle Dealer License Fee	1,823	1,959	1,959
4125800-Notary Public License Fees	960	1,333	1,333
4126000-Off Highway Vehicle Fees	15,667	17,000	17,000
4126400-Processing Fee	456	369	369
4126600-Public Utilities Commission - Quarterly Fees	194,185	352,200	269,500
4126800-Public Utilities Commission - Penalties on Quarterly Fees	1	2	2
4127000-Real Estate - Examination Fees	4,333	4,161	4,161
4127200-Real Estate - License Fees	38,672	39,533	41,100
4127300-Refinery Fees	4,293	4,293	4,293
4127400-Renewal Fees	334,638	390,871	424,112
4128000-Subdivision Filing Fees	8,788	8,328	8,328
4128400-Teacher Credential Fees	26,352	26,484	26,616
4128600-Teacher Examination Fees	5,395	5,421	5,449
4129000-Other Fees and Licenses	24,220	28,540	30,429
4129200-Other Regulatory Fees	7,789,364	8,968,631	7,139,063
4129400-Other Regulatory Licenses and Permits	728,582	808,076	877,309
4129600-Other Regulatory Taxes	130,111	140,158	140,415
Total, REGULATORY TAXES AND LICENSES	\$11,921,360	\$13,589,560	\$11,817,271
REVENUE FROM LOCAL AGENCIES:			
4130000-Architecture Public Building Fees	\$101,865	\$89,694	\$98,477
4131000-Crimes of Public Offense Fines	17,035	10,000	10,000
4131500-Felony Conviction Penalties	47,383	50,000	50,000
4132000-Fingerprint Identification Card Fees	97,482	97,482	97,482
4132500-Fish and Game Fines	513	513	513

**SCHEDULE 12B AT 2020-21 GOVERNOR'S BUDGET
REVENUES TO EXCLUDED FUNDS**
(Dollars in Thousands)

	Actual 2018-19	Estimated 2019-20	Estimated 2020-21
4133000-Fish and Game Fines - Additional Assessments	57	57	57
4134500-Local Agencies - Cost Recoveries	100	100	100
4135000-Local Agencies - Miscellaneous Revenue	1,285,001	1,504,206	949,914
4136500-Traffic Violation Penalties	22	--	--
Total, REVENUE FROM LOCAL AGENCIES	\$1,549,458	\$1,752,052	\$1,206,543
SERVICES TO THE PUBLIC:			
4140000-Document Sales	\$4,407	\$4,103	\$4,199
4140500-Emergency Telephone User's Surcharge	60,141	115,210	170,278
4142500-License Plate Fees - Personalized Plates	75,868	75,044	75,041
4143500-Miscellaneous Services to the Public	112,116	122,679	125,716
4144000-Parental Fees	2,641	2,637	2,687
4144500-Parking Lot Revenues	13,210	13,038	13,684
4145000-Pay Patients Board Charges	2	--	--
4145500-Secretary of State - Fees	39,582	42,613	43,903
4146000-State Beach and Park Service Fees	124,158	129,343	129,343
Total, SERVICES TO THE PUBLIC	\$432,125	\$504,667	\$564,851
USE OF PROPERTY AND MONEY:			
4150000-Geothermal Resources Well Fees	\$4,055	\$3,722	\$3,722
4150500-Interest Income - Interfund Loans	16,053	993	132
4151000-Interest Income - Other Loans	5,676	10,512	7,218
4151500-Miscellaneous Revenue - Use of Property and Money	23,123	20,191	20,089
4152500-Rental of State Property	13,497	11,353	11,465
4154000-Royalties - Federal Land	29,861	30,026	30,205
4161000-Investment Income - Other	924	263	263
4162000-Investment Income - Pooled Money Investments	356	356	356
4163000-Investment Income - Surplus Money Investments	327,662	300,440	297,541
Total, USE OF PROPERTY AND MONEY	\$421,207	\$377,856	\$370,991
MISCELLANEOUS:			
4170400-Capital Asset Sales Proceeds	\$494	\$789	\$1,689
4170600-Carbon Allowances Auction Proceeds	3,207,446	2,386,000	2,490,000
4170700-Civil and Criminal Violation Assessment	129,531	136,882	138,452
4170800-Confiscated Property Sales	9	9	9
4171000-Cost Recoveries - Delinquent Receivables	280	211	211
4171100-Cost Recoveries - Other	158,191	152,038	146,221
4171200-Court Filing Fees and Surcharges	561,298	583,807	585,198
4171300-Donations	10,681	6,238	6,050
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	6,883	6,257	6,249
4171500-Escheat - Unclaimed Property	2	14	14
4172000-Fines and Forfeitures	189,648	195,026	191,773
4172500-Miscellaneous Revenue	568,009	2,102,074	2,142,999
4172800-Parking Violations	1,591	4,591	4,591
4172900-Penalty Assessments - Criminal Fines	167,929	155,623	144,191
4173000-Penalty Assessments - Other	194,535	270,670	200,314
4173100-Personal Income Tax - Penalties and Interest	23,598	23,598	23,598
4173400-Settlements and Judgments - Anti-Trust Actions - Attorney General	4,800	5,903	12,055
4173500-Settlements and Judgments - Other	60,080	56,664	59,964
4173600-State Public Land Sales	2,048	2,000	2,000
4173800-Traffic Violations	20,600	19,269	17,765
4173900-Tribal Gaming Revenues	49,833	50,315	58,265
4174100-Unemployment and Disability Insurance Contributions - Penalties and Interest	135,827	146,160	140,900
4180050-Cash Adjustment for Transportation Funds	-45,241	-40,274	-11,823
Total, MISCELLANEOUS	\$5,448,072	\$6,263,864	\$6,360,685
TOTAL, MINOR REVENUES	\$19,772,222	\$22,487,999	\$20,320,341
TOTALS, Revenue to Excluded Funds (MAJOR and MINOR)	\$21,964,572	\$24,610,123	\$22,435,945

**SCHEDULE 12C AT 2020-21 GOVERNOR'S BUDGET
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT**
(Dollars in Thousands)

	Actual 2018-19		Estimated 2019-20		Estimated 2020-21	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
MAJOR REVENUES:						
4113000-Identification Card Fees	--	\$32,547	--	\$32,692	--	\$32,838
4113800-Lien Sale Application Fees	--	1,071	--	1,071	--	1,071
4115000-Motor Vehicles - Driver's License Fees	\$1	338,007	--	381,948	--	385,767
4115450-Transportation Improvement Fee	--	1,666,256	--	1,534,739	--	1,642,420
4115600-Motor Vehicles - Other Fees	--	81,052	--	87,806	--	95,118
Total, MAJOR TAXES AND LICENSES	\$1	\$2,118,933	--	\$2,038,256	--	\$2,157,214
MINOR REVENUES:						
REGULATORY TAXES AND LICENSES:						
4120600-Candidate Filing Fee	120	--	52	--	95	--
4123000-Fish and Game - Licenses, Tags, and Permits	--	1,071	--	1,286	--	1,288
4123720-Horse Racing Licenses	987	--	987	--	987	--
4123740-Horse Racing Miscellaneous	5	--	5	--	5	--
4125400-Liquor License Fees	--	663	--	1,092	--	1,103
4126000-Off Highway Vehicle Fees	--	5,649	--	5,574	--	5,500
4129200-Other Regulatory Fees	1,183	7,515	1,558	7,542	1,558	7,618
4129400-Other Regulatory Licenses and Permits	5,644	67,194	4,944	36,841	4,945	36,898
4129600-Other Regulatory Taxes	--	15,911	--	16,036	--	16,036
Total, REGULATORY TAXES AND LICENSES	\$7,939	\$98,003	\$7,546	\$68,371	\$7,590	\$68,443
REVENUE FROM LOCAL AGENCIES:						
4131000-Crimes of Public Offense Fines	58	--	58	--	58	--
4134500-Local Agencies - Cost Recoveries	26,299	14,005	26,299	14,005	26,299	14,005
4135000-Local Agencies - Miscellaneous Revenue	164,893	19	165,143	17	160,431	17
4135500-Narcotic Fines	2,092	--	1,000	--	1,000	--
Total, REVENUE FROM LOCAL AGENCIES	\$193,342	\$14,024	\$192,500	\$14,022	\$187,788	\$14,022
SERVICES TO THE PUBLIC:						
4140000-Document Sales	133	3,648	160	3,781	160	3,809
4142500-License Plate Fees - Personalized Plates	--	2	--	2	--	2
4143000-Medicare Receipts - Federal Government	3,274	--	3,423	--	2,170	--
4143500-Miscellaneous Services to the Public	1,324	88,440	1,143	90,018	4,108	91,624
4144500-Parking Lot Revenues	--	513	--	513	--	513
4145000-Pay Patients Board Charges	1,520	--	1,659	--	557	--
4145500-Secretary of State - Fees	150	--	174	--	166	--
Total, SERVICES TO THE PUBLIC	\$6,401	\$92,603	\$6,559	\$94,314	\$7,161	\$95,948
USE OF PROPERTY AND MONEY						
4151500-Miscellaneous Revenue - Use of Property and Money	1,465	835	1,871	706	1,871	769
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	335	--	305	--	261	--
4152500-Rental of State Property	18,838	59,266	19,910	53,919	19,913	55,311
4155000-Royalties - State Lands	139,732	--	125,688	--	86,081	--
Total, USE OF PROPERTY AND MONEY	\$160,370	\$60,101	\$147,774	\$54,625	\$108,126	\$56,080
MISCELLANEOUS:						
4170100-Abandoned Property Revenue	455,380	--	443,036	--	432,098	--
4170700-Civil and Criminal Violation Assessment	583	1,259	300	3,469	300	3,469
4170800-Confiscated Property Sales	8,219	--	8,355	--	8,355	--
4171000-Cost Recoveries - Delinquent Receivables	--	62	10,276	156	10,276	156
4171100-Cost Recoveries - Other	44,866	5,372	1,049,825	5,853	851,580	5,907
4171200-Court Filing Fees and Surcharges	3	363	11	363	11	363
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	68,347	2,269	66,235	2,216	66,205	2,204
4172000-Fines and Forfeitures	1,914	--	2,393	--	2,393	--
4172200-Fine and Penalties - Horse Racing	229	--	229	--	229	--
4172400-Forest Product Sales	--	46,000	--	46,000	--	46,000
4172500-Miscellaneous Revenue	92,389	5,090	45,865	4,407	44,115	4,488
4172800-Parking Violations	17,370	--	17,096	--	17,096	--
4173000-Penalty Assessments - Other	72,398	3,711	103,261	3,712	365,224	3,712
4173200-Proceeds from Estates of Deceased Persons	301	--	244	--	244	--
4173500-Settlements and Judgments - Other	19,379	43	10,018	43	10,018	43
4173600-State Public Land Sales	--	40,358	--	39,055	--	42,639
4173800-Traffic Violations	--	10,749	--	10,749	--	10,749
4173900-Tribal Gaming Revenues	4,384	--	5,009	--	5,009	--
4174200-Uninsured Motorist Fees	730	191	746	191	746	191
Total, MISCELLANEOUS	\$786,492	\$115,467	\$1,762,899	\$116,214	\$1,813,899	\$119,921
TOTAL, MINOR REVENUES	\$1,154,544	\$380,198	\$2,117,278	\$347,546	\$2,124,564	\$354,414
TOTALS, Non-Tax Revenues (MAJOR AND MINOR)	\$1,154,545	\$2,499,131	\$2,117,278	\$2,385,802	\$2,124,564	\$2,511,628

SCHEDULE 12D AT 2020-21 GOVERNOR'S BUDGET
STATE APPROPRIATIONS LIMIT
TRANSFER FROM OTHER FUNDS TO INCLUDED FUNDS
(Dollars in Thousands)

	Actual 2018-19		Estimated 2019-20		Estimated 2020-21	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenue Transfer from California Environmental License Plate Fund (0140) to Motor Vehicle Account, State Transportation Fund (0044) per Public Resources Code Section 21191	--	\$1,405	--	\$1,405	--	\$1,117
Revenue Transfer from College Access Tax Credit Fund (3263) to the General Fund (0001) per Revenue and Taxation Code Sections 17053.86 (Ch. 367/2014) and 17053.87 (Ch. 527/2017)	\$4,977	--	\$2,500	--	\$2,500	--
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Government Code Section 16475	93	-93	3	-3	3	-3
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Item 2740-011-0044, Budget Acts	89,288	-89,288	--	--	--	--
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.4(b)	15,017	-15,017	33,260	-33,260	35,375	-35,375
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.5(b)	26,407	-26,407	39,583	-39,583	39,583	-39,583
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.6(a)(2)	43,525	-43,525	64,110	-64,110	67,396	-67,396
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.6(a)(3)	9,996	-9,996	9,996	-9,996	9,996	-9,996
Revenue Transfer from the Business Fees Fund (0228) to the General Fund (0001) per Government Code Section 12176.	11,310	--	6,794	--	18,644	--
Revenue Transfer from the California Olympic Training Account (0442) to the General Fund (0001) per Government Code Section 7592	48	--	52	--	52	--
Revenue Transfer from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund (3268) to the General Fund (0001) per Government Code Section 16180(b)	-2,785	--	3,468	--	3,396	--
Revenue transfer from Site Operation and Maintenance Account, Hazardous Substance Account (0458) to Toxic Substances Control Account (0557) per Item 3960-011-0458, Annual Budget Act.	--	140	--	--	--	140
Transfer from the Greenhouse Gas Reduction Fund (3228) to the General Fund (0001) per Revenue and Taxation Code 6377.1	27,900	--	59,500	--	61,200	--
TOTAL TRANSFERS	\$225,776	-\$182,781	\$219,266	-\$145,547	\$238,145	-\$151,096

**SCHEDULE 12E AT 2020-21 GOVERNOR'S BUDGET
STATE APPROPRIATIONS LIMIT
EXCLUDED APPROPRIATIONS
(Dollars in Millions)**

	Fund	Actual 2018-19	Estimated 2019-20	Estimated 2020-21
DEBT SERVICE:				
9600 Bond Interest and Redemption				
(9600-510-0001)	General	\$5,112	\$4,980	\$5,103
(9600-510-3107)	Special	1,515	1,647	1,780
No Place Like Home bond				
(0977-501-3357) & (0977-601-3357)	Special	-	54	61
TOTAL -- DEBT SERVICE		\$6,627	\$6,681	\$6,944
QUALIFIED CAPITAL OUTLAY PROJECTS:				
Various (Ch. 3 Except DOT)	General	\$911	\$493	\$351
Various (Ch. 3 Except DOT)	Special	8	10	22
Various Qualified Capital Outlay Projects	General	777	672	510
Various Qualified Capital Outlay Projects	Special	1,298	1,290	1,201
Lease-Revenue Bonds (Capital Outlay)	General	661	635	644
Lease-Revenue Bonds (Capital Outlay)	Special	7	7	7
TOTAL -- CAPITAL OUTLAY		\$3,662	\$3,107	\$2,735
SUBVENTIONS:				
6100 K-12 / LCFF Apportionments	General	\$33,590	\$34,502	\$35,252
6100 K-12 Education Protection Account	General	7,697	7,706	7,351
6100 County Offices of Education Apportionments	General	477	475	469
6100 Subventions Not Counted in Local Limits	General	-15,109	-16,138	-16,536
6870 Community Colleges Apportionments	General	2,760	2,909	2,979
6870 Community Colleges Education Protection Account	General	951	952	909
SUBVENTIONS -- EDUCATION		\$30,366	\$30,406	\$30,424
5195 1991 State-Local Realignment				
Vehicle License Collection Account	Special	\$14	\$14	\$14
Vehicle License Fees	Special	2,183	2,245	2,312
5196 2011 State-Local Realignment				
Vehicle License Fees	Special	733	757	779
9100 Tax Relief (9100-101-0001)	General	406	415	415
9210 Property Tax Backfill (9210-102-0001)	General	64	73	-
SUBVENTIONS -- OTHER		\$3,400	\$3,504	\$3,520
COURT AND FEDERAL MANDATES:				
Various Court and Federal Mandates (HHS)	General	\$13,503	\$14,783	\$15,984
Various Court and Federal Mandates	General	4,729	4,887	4,664
Various Court and Federal Mandates	Special	260	267	266
TOTAL -- MANDATES		\$18,492	\$19,937	\$20,914
SCA2/SB1				
Retail Sales and Use Tax: Diesel	Special	\$342	\$335	\$336
TOTAL -- SCA2/SB1		\$342	\$335	\$336
PROPOSITION 111:				
Motor Vehicle Fuel Tax: Gasoline	Special	\$5,052	\$5,800	\$6,188
Motor Vehicle Fuel Tax: Diesel	Special	854	891	958
TOTAL -- PROPOSITION 111		\$5,906	\$6,691	\$7,146
TOTAL EXCLUSIONS:		\$68,795	\$70,661	\$72,019
<i>General Fund</i>		\$56,529	\$57,344	\$58,095
<i>Special Funds</i>		\$12,266	\$13,317	\$13,924

**SCHEDULE 13 AT 2020-21 GOVERNOR'S BUDGET
PROPOSITION 98 FINAL CERTIFICATION**
(Dollars in Thousands)

	2018-19
State Appropriations Limit General Fund Revenues	134,770,300
Proposition 98 General Fund	52,834,546
Education Protection Account	(7,650,690)
Local Revenues	22,624,764
Total State and Local Prop 98	75,459,310
Prop 98 Test	2
Appropriations over/(under) the Prop 98 Guarantee	116,736
 Proposition 98 Factors	
K-14 Appropriations	75,576,046
K-12 Average Daily Attendance	5,960,120
Full-time Equivalent Students	1,125,544
Civilian Population	39,578,945
K-12 Average Daily Attendance (% growth)	-0.04%
Per Capita Personal Income (Test 2)(% growth)	3.69%
Per Capita General Fund plus 0.5% (Test 3)(% growth)	10.00%
Test 1 Percentage	38.21%
 Proposition 98 Re-benchings (included in calculation):	
One-Time:	-41,900
Ongoing:	-

Finance Glossary of Accounting and Budgeting Terms

The following terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, the annual Budget (Appropriations) Bill, the Enacted Budget, and other documents. Definitions are provided for terms that are common to many of these publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation. Certain terms may be interpreted or used differently depending on the context, the audience, or the purpose.

Abatement

A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See *SAM 10220* for more detail.)

Abolishment of Fund

The closure of a fund pursuant to the operation of law. Funds may also be administratively abolished by the Department of Finance with the concurrence of the State Controller's Office. When a special fund is abolished, all of its assets and liabilities are transferred by the State Controller's Office to a successor fund, or if no successor fund is specified, then to the General Fund. (*GC 13306, 16346.*)

Account

A classification code used in FI\$Cal (PeopleSoft) to identify an asset, liability, fund balance, receipt, expenditure, transfer, or statistical measurement in a transaction. Accounts combine several codes in the Uniform Codes Manual such as the general ledger code, receipt and object of expenditure codes into a single account code. (See also "Chart of Account Crosswalk" and "Uniform Codes Manual.")

Accruals

Revenues or expenditures that have been recognized for that fiscal year but not received or disbursed until a subsequent fiscal year. Annually, accruals are included in the revenue and expenditure amounts reported in departments' budget documents and year-end financial reports. For budgetary purposes, departments' expenditure accruals also include payables and outstanding encumbrances at the end of the fiscal year for obligations attributable to that fiscal year.

Accrual Basis of Accounting

The basis of accounting in which transactions are recognized in the fiscal year when they occur, regardless of when cash is received or disbursed. Revenue is recognized in the fiscal year when earned, and expenditures are recognized in the fiscal year when obligations are created (generally when goods/services are ordered or when contracts are signed). Also referred to as the full accrual basis of accounting.

Administration

Refers to the Governor's Office and those individuals, departments, and offices reporting to it (e.g., the Department of Finance).

Administration Program Costs

The indirect costs of a program, typically a share of the costs of the administrative units serving the entire department (e.g., the Director's Office, Legal, Personnel, Accounting, and Business Services). "Distributed Administration" costs represent the distribution of the indirect costs to the various program activities of a department. In most departments, all administrative costs are distributed. (See also "Indirect Costs" and "Statewide Cost Allocation Plan.")

Administratively Established Positions

Positions authorized by the Department of Finance during a fiscal year that were not included in the Budget. Such positions terminate at the end of the fiscal year, or in order to continue, must meet certain criteria under Budget Act Control Section 31.00. (CS 31.00.)

Agency

A legal or official reference to a government organization at any level in the state organizational hierarchy. (See the UCM for the hierarchy of State Government Organizations.)

or:

A government organization belonging to the highest level of the state organizational hierarchy as defined in the UCM. An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member.

Allocation

A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations (e.g., the allocation of employee compensation funding from the statewide 9800 Budget Act items to departmental appropriation items). (SAM 9200 et seq.)

Allotment

The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization. (SAM 8300 et seq.)

Amendment

A proposed or accepted change to a bill in the Legislature, the California Constitution, statutes enacted by the Legislature, or ballot initiative.

A-Pages

A common reference to the Governor's Budget Summary. Budget highlights now contained in the Governor's Budget Summary were once contained in front of the Governor's Budget on pages A-1, 2, etc., and were, therefore, called the A-Pages.

Appropriated Revenue

Revenue which, as it is earned, is reserved and appropriated for a specific purpose. An example is student fees received by state colleges that are by law appropriated for the support of the colleges. The revenue does not become available for expenditure until it is earned.

Appropriation

Authorization for a specific agency to make expenditures or create obligations from a specific fund for a specific purpose. Appropriations are usually limited in amount and period of time during which the expenditure is to be recognized. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating "without regard to fiscal year" shall be available from year-to-year until fully expended. Legislation or the California Constitution can provide continuous appropriations, and voters can also make appropriations by approving ballot measures. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted into the fund. Federal funds have four years to liquidate. (GC 16304, 16304.1.)

Appropriation Without Regard to Fiscal Year (AWRTFY)

An appropriation for a specified amount that is available from year-to-year until fully expended.

Appropriations Limit, State (SAL)

The constitutional limit on the growth of certain appropriations from tax proceeds, generally set to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. (Article XIII B, § 8; GC 7900 et seq; CS 12.00.)

Appropriation Schedule

The detail of an appropriation (e.g., in the Budget Act), showing the distribution of the appropriation to each of the programs or projects thereof.

Assembly

California's lower house of the Legislature composed of 80 members. As a result of Proposition 140 (passed in 1990) and Proposition 28 (passed in 2012), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. (Article IV, § 2 (a).)

Audit

Typically a review of financial reports or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform

audits of state agencies: the State Controller's Office, the Department of Finance, and the California State Auditor. Many state departments also have internal audit units to review their own internal functions and program activities. (*SAM 20000, etc.*)

Augmentation

An increase to a previously authorized appropriation or allotment. This increase can be authorized by Budget Act provisional language, control sections, or other legislation. Usually, a Budget Revision or an Executive Order is processed to the State Controller's Office to implement the increase.

Authorized

Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.

Authorized Positions

In the Salaries and Wages publication, the past year total authorized positions represent the number of actual positions filled for that year as reported by the State Controller's Office. For current year, total authorized positions include all regular ongoing positions approved in the Budget Act for that year, adjustments to limited-term positions and temporary help, and positions authorized through enacted legislation. For budget year, the number of authorized positions is the same as current year except for adjustments to remove expiring positions. (*GC 19818*)

Availability Period

The time period during which an appropriation may be encumbered (i.e., committed for expenditure), usually specified by the law creating the appropriation. If no specific time is provided in legislation, the period of availability is three years. Unless otherwise provided, Budget Act appropriations are available for one year. However, based on project phase, capital outlay projects may have up to three years to encumber. An appropriation with the term "without regard to fiscal year" has an unlimited period of availability and may be encumbered at any time until the funding is exhausted.

(See also "Encumbrances.")

Balance Available

In regard to a fund, it is the excess of resources over uses. For budgeting purposes, the balance available in a fund condition is the carry-in balance, net of any prior year adjustments, plus revenues and transfers, minus expenditures. For accounting purposes, the balance available in a fund is the net of assets over liabilities and reserves that are available for expenditure.

For appropriations, it is the unobligated, or unencumbered, balance still available.

Baseline Budget

Also referred to as Workload Budget. (See "Workload Budget.")

Bill

A draft of a proposed law presented to the Legislature for enactment. (A bill has greater legal formality and standing than a resolution.)

or:

An invoice, or itemized statement, of an amount owing for goods and services received.

Bond Funds

For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds. These funds do not account for the debt retirement because the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in non-governmental cost funds. (SAM 14400.)

Budget

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. (GC 13320, 13335; SAM 6120.)

Budget Act (BA)

An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget and amended by the Legislature. (SAM 6333.)

Budget Bill

Legislation presenting the Governor's spending proposal for the next fiscal year. The Budget Bill is prepared by the Department of Finance and submitted to each house of the Legislature in January (accompanying the Governor's Budget). The Budget Bill's authors are typically the budget committee chairpersons.

The California Constitution requires the Legislature to pass the Budget Bill and send it to the Governor for signature by June 15 each year. The Budget Bill becomes the Budget Act upon signature by the Governor, after any line-item vetoes. (Art. IV, § 12(c); GC 13338; SAM 6325, 6333.)

Budget Change Proposal (BCP)

A proposal to change the level of service or funding sources for activities authorized by the Legislature, propose new program activities not currently authorized, or to eliminate existing programs. The Department of Finance annually issues a Budget Letter with specific instructions for preparing BCPs. (SAM 6120.)

Budget Cycle

The period of time required to prepare the state financial plan and enact that portion of it applying to the budget year. Significant events in the cycle include:

- Preparation of the Governor's proposed budget (most activities occur between July 1 and January 10).
- Submission of the Governor's Budget and the Budget Bill to the Legislature (by January 10).
- Submission to the Legislature of proposed adjustments to the Governor's Budget
 - April 1—adjustments other than Capital Outlay and May Revision.
 - May 1—Capital Outlay appropriation adjustments.
 - May 14—May Revision adjustments for changes in General Fund revenues, expenditure adjustments to reflect updated revenue, and funding for Proposition 98, caseload, and population.
- Review and revision of the Governor's Budget by the Legislature.
- Return of the revised budget to the Governor by June 15, for signature after any line-item vetoes.
- Signing of the budget by the Governor. (*Art. IV. § 10, GC 13308, SAM 6150.*)

Budget Letter

Budget and accounting policies and instructions issued by the Department of Finance to supplement the budgeting and accounting chapters of the State Administrative Manual.

Budget Period

The FI\$Cal (PeopleSoft) Terminology for Fiscal Year. (See also "Fiscal Year.")

Budget—Program

A program budget expresses the operating plan in terms of the costs of activities (programs) to be undertaken to achieve specific goals and objectives.

The Governor's Budget is a program budget, but also includes detailed categorization of proposed expenditures for goods and services (Expenditures by Category) related to the state operations of each department. (*GC 13336; SAM 6210, 6220.*)

Budget Position Transparency and Expenditure by Category Redistribution

On a biennial basis beginning with the 2016-17 Budget, the salaries and wages associated with historically vacant positions have been reallocated to expenditure categories where resources are actually being expended in the current and budget years. Reductions in Regular Ongoing Positions as a result of this process are for display purposes only and do not impact departments' ability to hire up to their legislatively authorized staffing level.

Budget Position Transparency represents a department's historically vacant positions and associated salaries and wages expenditures that are being reallocated.

Expenditure by Category Redistribution represents the reallocation of the salaries and wages dollars to staff benefits and/or operating expenses and equipment.

Budget Request

A term used in the FI\$Cal (Hyperion) System reflecting any change to the currently enacted budget or proposed budget. This may be a Budget Change Proposal, revenue estimate change, or legislative action. A budget request is a way for each department to submit incremental requests for, or to make adjustments to, funding.

Budget Revision (BR)

A document prepared by the department that cites a legal authority to authorize a change in an appropriation. A BR must be approved by the Department of Finance. Typically, BRs either increase the appropriation or make adjustments to the categories or programs within the appropriation as scheduled. (SAM 6533, 6542, 6545.)

Budget Year (BY)

The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year). (See also "Fiscal Year.")

Business Unit

The four-digit code assigned to each state governmental entity (or a program) for fiscal system purposes. The business unit is the first segment of the budget item/appropriation number. (UCM.)

CALSTARS

The acronym for the California State Accounting and Reporting System, the state's former accounting system. Departments using CALSTARS transitioned to FI\$Cal.

Capital Outlay (CO)

A character representing expenditures of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction. (CS 3.00.)

Carryover

The unencumbered balance of an appropriation that continues to be available for expenditure in years subsequent to the year of enactment. For example, if an appropriation has multiple years available to encumber, any unencumbered balance at the end of the first year is carried over to the following fiscal year.

Cash Basis of Accounting

The basis of accounting in which revenues and expenditures are recognized when cash is received or disbursed.

Cash Flow Statement

A statement of cash receipts and disbursements for a specified period of time.

Category (as used in FI\$Cal/Hyperion)

A grouping of related types of expenditures, such as personal services, operating expenses and equipment, special items of expense, unclassified, local costs, capital costs, and internal cost recovery; or, revenues (including revenue transfers). The Governor's Budget includes an "Expenditures by Category" section for each department at this level. (UCM.)

Changes in Authorized Positions

A schedule in the Governor's Budget that reflects staffing changes made subsequent to the adoption of the current year budget and enacted legislation. This schedule documents changes in positions for various reasons. Some examples are: actual expenditures in the past year, as well as transfers, positions established, selected re-classifications, and proposed new positions included in BCPs, for the current or budget year.

Chapter

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the year in which it became law. For example, *Chapter 1, Statutes of 2017*, would refer to the first bill enacted in 2017.

Character of Expenditures

A classification identifying the major purpose of an expenditure, such as state operations, local assistance, capital outlay, or unclassified. (UCM.)

Chart of Account (COA) Crosswalk

A detailed guide found on the Department of Finance's website that crosswalks the Account Category Code used by FI\$Cal departments to the codes in the Uniform Codes Manual for general ledger, receipts and object of expenditures. (See also "Account" and "Uniform Codes Manual.")

Claim Schedule

A manual request from a state department to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The claim schedule identifies the appropriation or account to be charged, the payee(s), the amount(s) to be paid, and an affidavit attesting to the validity of the request. Claims against the state for which there is no provision for payment (e.g., no appropriation available for payment), will be submitted to the Department of General Services. (See also "Voucher.") (SAM 7340)

COBCP

Capital outlay budgets are zero-based each year; therefore, the department must submit a written capital outlay budget change proposal for each new project, or subsequent phase of an existing project, for which the department requests funding. (SAM 6818.)

Conference Committee

A committee of three members (two from the majority party, and one from the minority party) from each house, appointed to meet and resolve differences between versions of a bill (e.g., when one house of the Legislature does not concur with bill amendments made by the other house). If resolution cannot be reached, another conference committee can be selected, but no more than three different conference committees can be appointed on any one bill. Budget staff commonly refer to the conference committee on the annual budget bill as the "Conference Committee." (SAM 6340.)

Continuing Appropriation

An appropriation for a set amount that is available for more than one year. (SAM 8382.)

Continuous Appropriation

Constitutional or statutory expenditure authorization that is renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues that have been dedicated permanently to a certain purpose; or, whatever amount is designated for the purpose as determined by formula, e.g., school apportionments. Note: Government Code section 13340 sunsets statutory continuous appropriations on June 30 with exceptions specified in the section and other statutes. Control Section 30.00 of the annual Budget Act traditionally extends the continuous appropriations for one additional fiscal year. (GC 13340.)

Control Sections

Sections of the Budget Act (i.e., 1.00 to the end) providing specific controls on the appropriations itemized in Section 2.00 of the Budget Act. (See more detail under "Sections.")

Cost-of-Living Adjustments (COLA)

Increases provided in state-funded programs that include periodic adjustments predetermined in state law (statutory, such as K-12 education apportionments), or established at optional levels (discretionary) by the Administration and the Legislature each year through the budget process.

Current Year (CY)

A term used in budgeting and accounting to designate the operations of the present fiscal year in contrast to past or future periods. (See also "Fiscal Year.")

Debt Service

The amount of money required to pay interest on outstanding bonds and the principal of maturing bonds.

Department

A governmental organization, usually belonging to the third-level of the state organizational hierarchy, as defined in the Uniform Codes Manual. (UCM.)

Department of Finance

The Department is a fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor. The Director sits as a member of the Governor's cabinet and senior staff.

Principal functions are as follows:

- Establish appropriate fiscal and accounting policies to carry out the state's programs.
- Prepare, explain, and administer the state's annual financial plan (budget), which the Governor is required under the State Constitution to present to the Legislature by January 10 of each year.
- Analyze legislation that has a fiscal impact.
- Maintain the California State Accounting and Reporting System (CALSTARS).
- Provide fiscal and accounting training, advice, and consulting services to state departments.
- Monitor/audit expenditures by state departments to ensure compliance with law, approved standards, and policies.
- Develop economic forecasts and revenue estimates.
- Develop population and enrollment estimates and projections.
- Review expenditures for information technology activities of departments.

(GC 13000 et seq.)

Detailed Budget Adjustments

Department Detailed Budget Adjustments are included in departmental budget displays to provide the reader a snapshot of proposed expenditure and position adjustments, why those changes are being proposed, and their dollar and position impact.

Detail of Appropriations and Adjustments

A budget display for each organization that reflects appropriations and adjustments by fund source for each character of expenditure (i.e., state operations, local assistance, and capital outlay). (*SAM 6478.*)

Employee Compensation/Retirement

Salary, benefit, employer retirement rate contribution adjustments, and any other related statewide compensation adjustments for state employees. Various 9800 Items of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some others); that is, they appropriate the incremental adjustment proposed for the salary and benefit adjustments for the budget year. The base salary and benefit levels are included in individual agency/departmental budgets.

Enacted Budget

A publication produced by Finance to reflect budget details as enacted. It is similar in detail as in the Governor's Budget. A PDF of this publication is available on Finance's eBudget website.

Enactment Year (ENY)

See Year of Appropriation (YOA).

Encumbrance

The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the individual department's budget documents and their individual annual financial reports. For the General Fund budgetary purposes, the Department of Finance makes a statewide adjustment to remove the total outstanding encumbrances from overall General Fund expenditures and show the amount as a reserve in the fund balance, in accordance with Government Code section 13307. For other funds, such encumbrance adjustments are not made in the budget totals, and encumbrances are treated as budgetary expenditures that decrease the fund balance of these funds.

Enrolled Bill Report (EBR)

An analysis prepared by Finance on legislative measures passed by both houses and referred to the Governor, to provide the Governor's Office with information concerning the measure, with a recommendation for action by the Governor. While approved bill analyses become public information, EBRs do not. Note that EBRs are not prepared for Constitutional Amendments, or for Concurrent, Joint, or single house resolutions, because these are not acted upon by the Governor. (SAM 6965.)

Enrollment, Caseload, and Population Adjustments

These adjustments are generally formula or population driven and are components of the workload budget. (See Workload Budget.)

Executive Branch

One of the three branches of state government, responsible for implementing and administering the state's laws and programs. The Governor's Office and those individuals, departments, and offices reporting to it (the Administration), are part of the Executive Branch.

Executive Order (EO)

A budget document issued by the Department of Finance ordering the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by Budget Act provisional language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a statewide basis, involves two or more appropriations, or makes certain transfers or loans between funds.

Exempt Employees

State employees exempt from civil service pursuant to subdivision (e), (f), or (g), of Section 4 of Article VII of the California Constitution. Examples include department directors and other gubernatorial appointees. (SAM 0400.)

Expenditure

Expenditures reported on a department's year-end financial reports and "past year" budget documents consist of amounts paid and accruals (including outstanding encumbrances and payables) for obligations created for the last fiscal year.

"Current year" and "budget year" expenditures in budget documents are estimates for the respective fiscal year. (See "Encumbrance," also referred to as "budgetary expenditures.")

Expenditure Authority

The authorization to make an expenditure (usually by a budget act appropriation, provisional language, or other legislation).

Expenditures by Category

A budget display for each department that reflects actual past year, estimated current year, and proposed budget year expenditures presented by character of expenditure (e.g., state operations and/or local assistance) and category of expenditure (e.g., personal services, operating expenses and equipment).

3-year Expenditures and Positions

A display at the start of each departmental budget that presents the various departmental programs by title, dollar totals, positions, and source of funds for the past, current, and budget years.

Federal Fiscal Year

The 12-month accounting period of the federal government, beginning on October 1 and ending the following September 30. For example, a reference to federal fiscal year 2019 means the period beginning October 1, 2018 and ending September 30, 2019.

Federal Funds

For legal basis budgeting purposes, classification of funds into which money received in trust from an agency of the federal government will be deposited and expended by a state department in accordance with state and/or federal rules and regulations. State departments must deposit federal grant funds in the Federal Trust Fund or other appropriate federal fund in the State Treasury.

(GC 13326 (Finance approval), 13338 approp. of FF, CS 8.50.)

Feeder Funds

For legal basis accounting purposes, funds into which certain taxes or fees are deposited upon collection. In some cases, administrative costs, collection expenses, and refunds are paid. The balance of these funds is transferable at any time by the State Controller's Office to the receiving fund, in most cases, the General Fund.

Final Budget

Generally refers to the Governor's Budget as amended by actions taken on the Budget Bill (e.g., legislative changes, Governor's vetoes). Note: subsequent legislation (law enacted after the Budget Bill is chaptered) may add, delete, or change appropriations, or require other actions that affect a budget appropriation.

Final Budget Summary

A document produced by the Department of Finance after enactment of the Budget Act, which reflects the Budget Act, any vetoes to language and/or appropriations, technical corrections to the Budget Act, and summary budget information. (See also "Budget Act" and "Final Change Book.") (SAM 6130, 6350.)

Final Change Book

A document produced by the Department of Finance after enactment of the Budget Act. It includes detailed fiscal information on the changes made to the budget bill that accompanies the Governor's Budget as submitted to the legislature on or before January 10 of each year. It contains a detailed list of changes in Budget Act items, non-Budget Act items, and control sections for state operations, local assistance, capital outlay, and unclassified items. The Final Change Book also includes fiscal summaries. (SAM 6355)

Finance Letter (FL)

Proposals made by the Director of Finance to the chairpersons of the budget committees in each house to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for enrollment, caseload, population, updated revenues, and Proposition 98 by May 14. (GC 13308.)

FI\$Cal

The acronym for the Financial Information System for California, the state's integrated financial and administrative IT system that supports accounting, budgeting, cash management, and procurement functions. Departments using CALSTARS transitioned to FI\$Cal. (GC 11850.)

Fiscal Committees

Committees of members in each house of the Legislature that review the fiscal impact of proposed legislation, including the Budget Bill. Currently, the fiscal committees include the Senate Budget and Fiscal Review Committee, the Senate Appropriations Committee, the Assembly Appropriations Committee, and the Assembly Budget Committee. The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are broken into subcommittees responsible for specific state departments and/or subject areas. Both houses also have Revenue and Taxation Committees that are often considered fiscal committees.

Fiscal Impact Analysis

Typically refers to a section of an analysis (e.g., bill analysis) that identifies the costs and revenue impact of a proposal, and to the extent possible, a specific numeric estimate for applicable fiscal years.

Fiscal Year (FY)

A 12-month period during which revenue is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which

other fiscal transactions are recognized. In California state government, the fiscal year begins July 1 and ends the following June 30. If reference is made to the state's FY 2018-19, this is the time period beginning July 1, 2018 and ending June 30, 2019. (GC 13290.)

Floor

The Assembly or Senate chambers, the term used to describe the location of a bill, or the type of session. Matters may be referred to as "on the floor."

Form 9

A request by a department for space planning services (e.g., new or additional space, lease extensions, or renewals desired by an agency in non-institutional buildings, whether state-owned or state-leased, relocatable buildings, and trailers) and also reviewed by the Department of Finance. (SAM 6453.)

Form 22

A department's request to transfer money to the Architectural Revolving Fund (e.g., for building improvements), reviewed by the Department of Finance. (GC 14957; SAM 1321.1.)

Fund

A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its revenue and expenditures.

Fund Balance

For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the excess of a fund's resources over its expenditures.

Fund Condition Statement

A budget display, included in the Governor's Budget, summarizing the operations of a fund for the past, current, and budget years. The display includes the beginning balance, prior year adjustments, revenue, transfers, loans, expenditures, the ending balance, and any reserves. Fund Condition Statements are required for all special funds. The Fund Condition Statement for the General Fund is Summary Schedule 1. Other funds are displayed at the discretion of the Department of Finance.

General Fund (GF)

For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are personal income tax, sales and use tax, and corporation taxes. The major uses of the General Fund are education (K-12 and higher education), health and human services programs, and correctional programs.

Generally Accepted Accounting Principles (GAAP)

The accounting principles, rules, conventions, and procedures that are used for accounting and financial reporting. GAAP for governments are set by the Governmental Accounting Standards Board (GASB), the accounting and financial reporting standards setting body for state and local governments.

Governmental Cost Funds

For legal basis accounting and budgeting purposes, funds that derive revenue from taxes, licenses, and/or fees.

Governor's Budget

The publication the Governor presents to the Legislature by January 10 each year. It contains recommendations and estimates for the state's financial operations for the budget year. It also displays the actual revenues and expenditures of the state for the prior fiscal year, and updates estimates for the current year revenues and expenditures. This publication is also produced in a web format known as the Governor's Proposed Budget Detail on the Department of Finance's website. (*Article IV, § 12; SAM 6120, et seq.*)

Governor's Budget Summary

A companion publication to the Governor's Budget that outlines the Governor's policies, goals, and objectives for the budget year. It provides a perspective on significant fiscal and/or structural proposals. This publication is also produced in a web format known as the Governor's Proposed Budget Summary on the Department of Finance's website.

Grants

Typically used to describe amounts of money received by an organization for a specific purpose but with no obligation to repay (in contrast to a loan, although the award may stipulate repayment of funds under certain circumstances). For example, the state receives some federal grants for the implementation of health and community development programs, and the state also awards various grants to local governments, private organizations, and individuals according to criteria applicable to a given program.

Indirect Costs

A cost that cannot be easily identified to a specific cost objective (e.g., program, organizational unit, project), but it is used for a common or joint purpose. Indirect costs benefit more than one cost objective and, therefore, must be allocated.

Initiative

The power of the electors to propose statutes or Constitutional amendments and to adopt or reject them. An initiative must be limited to a single subject and be filed with the Secretary of State with the appropriate number of voter signatures in order to be placed on the ballot. (*Article II, § 8.*)

Item

A coding scheme or structure for an appropriation reflecting the respective Business Unit, reference number, and fund (if applicable). (See "Appropriation.")

Judgments

Usually refers to decisions made by courts against the state. Payment of judgments is subject to a variety of controls and procedures.

Language Sheets

Copies of the current Budget Act appropriation items provided to the Department of Finance and departmental staff each fall to update for the proposed Governor's Budget. These updated language sheets become the proposed Budget Bill. In the spring, language sheets for the Budget Bill are updated to reflect revisions to the proposed appropriation amounts, Item schedule(s) and provisions, and become the Budget Act.

Legislative Analyst's Office (LAO)

A non-partisan organization that provides advice to the Legislature on fiscal and policy matters. For example, the LAO annually publishes a detailed analysis of the Governor's Budget, which becomes the initial basis for legislative hearings on the Budget Bill. (SAM 7360.)

Legislative Counsel Bureau

A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze, and render opinions on legal matters for the legislative members.

Legislative Counsel's Digest

A summary of what a legislative measure does, contrasting existing law and the proposed change. This summary appears on the first page of a bill.

Legislature, California

A two-house body of elected representatives vested with the responsibility and power to make laws affecting the state (except as limited by the veto power of the Governor). (See also "Assembly" and "Senate.")

Line Item

See "Object of Expenditure."

Local Assistance (LA)

The character of expenditures made for the support of local government or other locally administered activities.

Major Regulation

Any proposed rulemaking action adopting, amending, or repealing a regulation subject to review by the Office of Administrative Law (OAL) that will have an economic impact on California business enterprises and individuals in an amount exceeding 50 million dollars in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented (as estimated by the agency), computed without regard to any offsetting benefits or costs that might result directly or indirectly from that adoption, amendment, or repeal. An agency proposing a major regulation must submit a Standardized Regulatory Impact Assessment to the Department of Finance for review, and the agency must include

Finance's comments and the agency's response when transmitting the proposed major regulation to OAL. (GC sections 11346-11348 of Article 5, Chapter 3.5, Part 1, Division 3, Title 2; SAM 6600-6616; California Code of Regulation, title 1, sections 2000-2004.)

Mandates

See "State-Mandated Local Program." (UCM.)

May Revision

An annual update to the Governor's Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year. (See also "Finance Letter.") (SAM 6130; GC 13308.)

Merit Salary Adjustment (MSA)

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

Merit salary adjustments for employees of the University of California and the California State University are determined in accordance with rules established by the regents and the trustees, respectively.

Funding typically is not provided for MSAs in the budget; given normal attrition rates, additional costs usually must be absorbed within existing resources. (GC 19832.)

Minor Capital Outlay

Construction projects, or equipment acquired to complete a construction project, estimated to cost less than \$656,000 plus any escalation per Public Contract Code section 10108. (SAM 6807.)

Modified Accrual Basis

The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations. This basis is generally used for the General Fund and special funds.

Non-Add

Refers to a numerical value that is displayed in parentheses for informational purposes, but is not included in computing totals, usually because the amounts are already accounted for in the budget system or display.

Non-Governmental Cost Funds

For legal basis purposes, used to budget and account for revenues other than general and special taxes, licenses, and fees, or certain other state revenues. Generally, expenditures of these funds do not represent a cost of government.

Object of Expenditure (Objects)

A classification of expenditures based on the type of goods or services received. For example, the budget category of Personal Services includes the objects of Salaries and Wages and Staff Benefits. The Governor's Budget includes an "Expenditures by Category" section for each department at this level. These objects may be further subdivided into line items/object details such as State Employees' Retirement and Workers' Compensation. (See also "Account.") (UCM.)

Obligations

Amounts that a governmental unit may legally be required to pay out of its resources. Budgetary authority must be available before obligations can be created. For budgetary purposes, obligations include payables for goods or services received, but not yet paid for, and outstanding encumbrances (i.e., commitments for goods and services not yet received nor paid for).

One-Time Cost

A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. Departments make baseline adjustments to remove prior year one-time costs and appropriately reduce their expenditure authority in subsequent years' budgets.

Operating Expenses and Equipment (OE&E)

A category of a support appropriation that includes objects of expenditure/accounts such as general expenses, printing, communication, travel, data processing, equipment, and accessories for the equipment. (SAM 6451.)

Out-of-State Travel (OST) blanket

A request by a state agency for Governor's Office approval of the proposed out-of-state trips to be taken by that agency's personnel during the fiscal year. (SAM 0760-0765.)

Overhead

Those elements of cost necessary in the production of an article or the performance of a service that are of such a nature that the amount applicable to the product or service cannot be determined directly. Usually they relate to those costs that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, or supervision. (See also "Indirect Costs.")

Overhead Unit

An organizational unit that benefits the production of an article or a service but that cannot be directly associated with an article or service to distribute all of its expenditures to elements and/or work authorizations. The cost of overhead units are distributed to operating units or programs within the department. (See "Administration Program Costs.")

Past Year

The most recently completed fiscal year. (See also "Fiscal Year.")

Performance Budget

A budget wherein proposed expenditures are organized and tracked primarily by measurable performance objectives for activities or work programs. A performance budget may also incorporate other bases of expenditure classification, such as character and object, but these are given a subordinate status to activity performance.

Personal Services

A category of expenditure that includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. (See also "Object of Expenditure.") (SAM 6403.)

Plan of Financial Adjustment (PFA)

A plan proposed by a department, approved by the Department of Finance, and accepted by the State Controller's Office (SCO), to permit the SCO to allocate costs paid from one item to one or more items within a department's appropriations. A PFA might be used, for example, to allow the department to pay all administrative costs out of its main item and then transfer the appropriate costs to the correct items for their share of the costs paid. The SCO transfers the funds upon receipt of a letter (transaction request) from the department stating the amount to be transferred based on the criteria for cost distribution in the approved PFA. (SAM 8452 et seq.)

Pooled Money Investment Account (PMIA)

A State Treasurer's Office accountability account maintained by the State Controller's Office to account for short-term investments purchased by the State Treasurer's Office as designated by the Pooled Money Investment Board on behalf of various funds.

Pooled Money Investment Board (PMIB)

A board comprised of the Director of Finance, the State Treasurer, and the State Controller, the purpose of which is to design an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available monies invested, consistent with the goals of safety, liquidity, and yield. (SAM 7350.)

Positions

See "Authorized Positions."

Price Increase

A budget adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

Prior Year Adjustment

In a Fund Condition Statement in the Governor's Budget, an adjustment for the difference between previously estimated accruals used in the development of the last Governor's Budget and actual expenditures or revenues. The adjustment amount is generally included to realign the beginning fund balance to ensure accurate fund balances.

Pro Rata

The amount of state administrative costs, paid from the General Fund and the Central Service Cost Recovery Fund (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and Department of Finance for the general administration of state government), that are chargeable to and recovered from special funds (other than the General Fund, Central Service Cost Recovery Fund, and federal funds) as determined by the Department of Finance. (*GC 11010, 11270-11275, 13332.03; SAM 8753, 8754.*)

Program Budget

See "Budget—Program or Traditional."

Program Cost Accounting

A level of accounting that identifies costs by activities performed in achievement of a purpose in contrast to the traditional line-item format. The purpose of accounting at this level is to produce cost data sufficiently accurate for allocating and managing program resources. (*SAM 7261.*)

Programs

Activities of a business unit grouped on the basis of common objectives. Programs can be further divided into subprograms.

Project Approval Lifecycle

The process to assess the full implications of a proposed information technology project that contains analyses of options, cost estimates, and other information. (*SAM 4920-4928.*)

Proposed New Positions

A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also "Changes in Authorized Positions.")

Proposition 98

An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 (K-14), beginning with fiscal year 1988-89. The term is also used to refer to any expenditures that fulfill the guarantee. (*Article XVI, § 8.*)

Provision

Language in a bill or act that imposes requirements or constraints upon actions or expenditures of the state. Provisions are often used to constrain the expenditure of appropriations but may also be used to provide additional or exceptional authority. (Exceptional authority usually begins with the phrase "Notwithstanding...".)

Public Service Enterprise Funds

For legal basis accounting purposes, the fund classification that identifies funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user (primarily the general public). Self-supporting enterprises that render goods or services for a direct charge to other state departments or governmental entities, account for their transactions in a Working Capital and Revolving Fund. (*UCM, Fund Codes—Structure (Source Classification).*)

Reappropriation

The extension of an appropriation's availability for encumbrance and/or expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by statute for one year at a time, but may be for some greater or lesser period.

Recall

The power of the electors to remove an elected officer. (*Article II, § 13.*)

Redemption

The act of redeeming a bond or other security by the issuing agency.

Reference Code

A three-digit code identifying whether the item is from the Budget Act or some other source (e.g., legislation), and its character (e.g., state operations). This is the middle segment of the budget item/appropriation number. (*UCM, Fund Source/Appropriation Coding.*)

Referendum

The power of the electors to approve or reject statutes or parts of statutes, with specified exceptions and meeting specified deadlines and number of voters' signatures. (*Article II, § 9.*)

Refund to Reverted Appropriations

A receipt account to record the return of monies (e.g., abatements and reimbursements) to appropriations that have reverted. (*SAM 7680*)

Reimbursement Warrant (or Revenue Anticipation Warrant)

A warrant that has been sold by the State Controller's Office as a result of a cash shortage in the General Fund, the proceeds of which will be used to reimburse the General Cash Revolving Fund. The Reimbursement Warrant may or may not be registered by the State Treasurer's Office. The registering does not affect the terms of repayment or other aspects of the Reimbursement Warrant. (GC 17240-17255)

Reimbursements

An amount received as a payment for the cost of services performed/to be performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. (SAM 6463.)

Reserve

An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects.

Revenue

Any addition to cash or other current assets (e.g., accounts receivables) that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. (UCM, Receipt Codes.)

Revenue Anticipation Notes (RANs)

A cash management tool generally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. RANs are not a budget deficit-financing tool.

Revenue Anticipation Warrant (RAW)

See "Reimbursement Warrant."

Reversion

The return of the unused portion of an appropriation to the fund from which the appropriation was made, normally two years (four years for federal funds) after the last day of an appropriation's availability period. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit. The reversion may also occur upon order of Finance. (GC 16304, 16304.1)

Reverted Appropriation

An appropriation that is reverted to its fund source after the date its liquidation period has expired.

Revolving Fund

Generally refers to a cash account known as an office revolving fund (ORF). It is not a fund but an advance from a primary support item. Departments may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State Controller's Office transfer from a department appropriation. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. (SAM 8100, et seq.)

SAL

See "Appropriations Limit, State."

Salaries and Wages Supplement

An annual publication, issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance's website. (See "Schedule 7A.")

Schedule

The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the programs, or projects thereof.

or:

A supplemental schedule submitted by departments to detail certain expenditures.

or:

A summary listing in the Governor's Budget.

Schedule 7A

A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance's website. (See "Salaries and Wages Supplement") (SAM 6415-6418.)

Schedule 8

A detailed listing generated from the State Controller's Office payroll records for a department's past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. (SAM 6424-6429, 6448.)

Schedule of Federal Funds and Reimbursements, Supplementary

A supplemental schedule (DF-301) submitted by departments during budget preparation that displays federal expenditures by source. (SAM 6460.)

Schedule of Operating Expenses and Equipment, Supplementary

A supplemental schedule (DF-300) submitted by departments during budget preparation that details by object the expenses included in the Operating Expenses and Equipment category. (SAM 6454, 6457.)

Section 1.50

Section of the Budget Act that (1) specifies a certain format and style for the codes used in the Budget Act, (2) authorizes the Department of Finance to revise codes used in the Budget Act to provide compatibility with the Governor's Budget and records of the State Controller's Office, and (3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act or in other spending authority outside of the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the distribution of any unallocated amounts within an appropriation, adjustments of schedules to facilitate departmental accounting operations, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement. The Section also authorizes Finance to make certain technical corrections related to the implementation of and conversion into FISCAL.

Section 1.80

Section of the Budget Act that includes periods of availability for Budget Act appropriations.

Section 8.50

A Control Section of the Budget Act that provides the authority to increase federal fund spending authority.

Section 26.00

A Control Section of the Budget Act that provides the authority for the transfer of funds from one program or function within a schedule to another program or function within the same schedule, subject to specified limitations and reporting requirements to the Legislature. (SAM 6548.)

Section 28.00

A Control Section of the Budget Act that authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements to the Legislature. Appropriation authority for unanticipated federal funds is contained in Section 8.50. (SAM 6551-6557.)

Section 28.50

A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements to the Legislature. (SAM 6551-6557.)

Section 30.00

A Control Section of the Budget Act that amends Government Code section 13340 to sunset continuous appropriations.

Section 31.00

A Control Section of the Budget Act that grants departments the authority to administratively establish or reclassify positions. This section states that administratively establishing positions outside of the budget process requires both Finance's approval and legislative notification. Administratively established positions are to be temporary and expire June 30 of the current year, unless extended by Finance and the Legislature during the following budget cycle. Additionally, Section 31.00 requires Finance to review all reclassification requests involving a position meeting a specified threshold.

Senate

The upper house of California's Legislature consisting of 40 members. As a result of Proposition 140 (1990, term limits) and Proposition 28 (2012, limits on Legislators' terms in office), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. (*Article IV, § 2 (a).*)

Service Revolving Fund

A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. (*SAM 8471.*)

Settlements

Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. (See also "Judgments.") (*GC 965.*)

Shared Revenue

A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

Sinking Fund

A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

Special Fund for Economic Uncertainties

A fund in the General Fund (a similar reserve is included in each special fund), authorized by statute and Budget Act Control Section 12.30, to provide for emergency situations. (*GC 16418, 16418.5.*)

Special Funds

For legal basis budgeting purposes, funds created by statute, or administratively per Government Code section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Special Items of Expense

An expenditure/account category that covers non-recurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). (SAM 6469; UCM.)

Sponsor

An individual, group, or organization that initiates or brings to a legislator's attention a proposed law change.

Spot Bill

An introduced bill that makes non-substantive changes in a law, usually with the intent to amend the bill at a later date to include substantive law changes. This procedure provides flexibility to meet the deadline for the introduction of bills.

Staff Benefits

An object of expenditure representing the state costs of contributions for employees' retirement, OASDI, health benefits, and non-industrial disability leave benefits. (SAM 6412; UCM.)

State-Mandated Local Program

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This reimbursement requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. (Article XIII B, § 6; SAM 6601.)

State Operations (SO)

A character of expenditure representing expenditures for the support of state government, exclusive of capital investments and expenditures for local assistance activities.

Statewide Cost Allocation Plan (SWCAP)

The amount of state administrative costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, the State Personnel Board, the State Controller's Office, and the Department of Finance for the general administration of state government) chargeable to and recovered from federal funds, as determined by the Department of Finance. These statewide administrative costs are for administering federal programs, which the federal government allows reimbursement. (GC 13332.01-13332.02; SAM 8753, 8755-8756 et seq.)

Statute

A written law enacted by the Legislature and signed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses), usually referred to by its chapter number and the year in which it is enacted. Statutes that modify a state code are "codified" into the respective Code (e.g., Government Code, Health and Safety Code). (See also "Bill" and "Chapter.") (*Article IV, § 9.*)

Subcommittee

The smaller groupings into which Senate or Assembly committees are often divided. For example, the fiscal committees that hear the Budget Bill are divided into subcommittees generally by departments/subject area (e.g., Education, Resources, General Government).

Subventions

Typically used to describe amounts of money expended as local assistance based on a formula, in contrast to grants that are provided selectively and often on a competitive basis. For the purposes of Article XIII B, state subventions include only money received by a local agency from the state, the use of which is unrestricted by the statutes providing the subvention. (*GC 7903.*)

Summary Schedules

Various schedules in the Governor's Budget Summary that summarize state revenues, expenditures, and other fiscal and personnel data for the past, current, and budget years.

Sunset Clause

Language contained in a law that states the expiration date for that statute.

Tax Expenditures

Subsidies provided through the taxation systems by creating deductions, credits, and exclusions of certain types of income or expenditures that would otherwise be taxable.

Technical

In the budget systems, refers to an amendment that clarifies, corrects, or otherwise does not materially affect the intent of a bill.

Tort

A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, and assault and battery. Recently, torts have been broadly expanded such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. (*GC 948, 965-965.9; SAM 6472, 8712; Budget Act Items 9670.*)

Traditional Budget

See "Budget—Program or Traditional."

Transfers

As displayed in fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

Trigger

An event that causes an action or actions. Budget "trigger" mechanisms have been enacted in statute under which various budgeted programs are automatically reduced if revenues fall below expenditures by a specific amount.

Unanticipated Cost/Funding Shortage

A lack or shortage of (1) cash in a fund, (2) expenditure authority due to an insufficient appropriation, or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis). (See Budget Act Items 9840 and 9850.)

Unencumbered Balance

The balance of an appropriation not yet committed for specific purposes. (See "Encumbrance.")

Uniform Codes Manual (UCM)

A document maintained by the Department of Finance that sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, business units, programs, funds, receipts, line items, and objects of expenditure. Departments using FISCAL use Accounts that combine the UCM general ledger code, receipt and object of expenditure codes in a single classification code. (See also "Account" and "Chart of Account Crosswalk")

Unscheduled Reimbursements

Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., CS 28.50).

Urgency Statute/Legislation

A measure that contains an "urgency clause" requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health, or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. (*Article IV, § 8 (d)*). However, the Budget Bill and other bills providing for appropriations related to the Budget Bill may be passed by a majority vote to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. (*Article IV § 12 (e) (1)*.)

Veto

The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. (*Article IV, §10 (e)*; SAM 6345.)

Voucher

A request from a state department using FISCAL to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The voucher identifies the appropriation or account to be charged, the payee, the amount(s) to be paid, and an affidavit attesting to the validity of the request.

Warrant

An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. (SAM 8400 et seq.)

Without Regard to Fiscal Year (WRTFY)

Where an appropriation has no period of limitation on its availability.

Working Capital and Revolving Fund

For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. In contrast, self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

Workload Budget

Workload Budget means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, population, statutory cost-of-living adjustments, chaptered legislation, one-time expenditures, full-year costs of partial-year programs, costs incurred pursuant to Constitutional requirements, federal mandates, court-ordered mandates, state employee merit salary adjustments, and state agency operating expense and equipment cost adjustments. (GC 13308.05.) This definition is related to the calculation of the workload budget required by Section 36 of Article 13 of the California Constitution.

Year of Appropriation (YOA)

Refers to the first fiscal year of enactment or availability, whichever is later. Also referred to as the Enactment Year, or ENY.

Year of Budget (YOB)

The fiscal year revenues and expenditures are recognized. For revenues, this is generally the fiscal year when revenues are earned, measurable, and "available." For expenditures, this is generally the fiscal year when obligations, including encumbrances, have been created during the availability period of the appropriation. When the availability period of encumbrance of an appropriation is one year (e.g., most Budget Act items), the YOB is the same as the year of appropriation (YOA) and the year of completion (YOC). However, when the availability period is more than one year, the YOB may be any fiscal year during the availability period, including the YOA or the YOC, as appropriate. For example, an appropriation created in 2016-17 and is available for three years, the YOA is 2016 and the YOC is 2018. If an obligation is created in 2017-18, the YOB for this obligation is 2017. In FISCAL (PeopleSoft), the YOB is referred to as Budget Period. The rules of

recognition are not the same for all funds depending on the appropriate basis of accounting for the fund types or other factors.

Year of Completion (YOC)

The last fiscal year for which the appropriation is available for expenditure or encumbrance.

* *Abbreviations used in the references cited:*

<i>Article</i>	<i>Article of California Constitution</i>
<i>BA</i>	<i>Budget Act</i>
<i>CS</i>	<i>Control Section of Budget Act</i>
<i>GC</i>	<i>Government Code</i>
<i>SAM</i>	<i>State Administrative Manual</i>
<i>UCM</i>	<i>Uniform Codes Manual</i>