Governor's Budget Summary

2016-17

To the California Legislature
Regular Session 2015-16

Edmund G. Brown Jr. Governor
State of California

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GOVERNOR

Edmund G. Brown Jr.

January 7, 2016

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

Relative to years past, the state budget is in good shape. Education funding is at its highest level ever, fifteen million Californians are covered by Medi-Cal or Covered California, the minimum wage has risen to $10 an hour, and for the first time, the state will provide almost $400 million to low-wage working families through an earned income tax credit.

Our Rainy Day Fund is growing and the proposed budget for next year will have a healthy surplus even after spending several billion on long overdue infrastructure investments.

It must never be forgotten, however, that 69.5 percent of our General Fund revenues come from the volatile personal income tax which, as history shows us, drops precipitously in time of recession — an event not too far off given the historic pattern of the ten recessions that have occurred since 1945. During a moderate recession, revenue losses to the General Fund will easily total $55 billion over three years.

That is the nature of our California economy and our state tax system. It's the reason why the Legislature unanimously placed Proposition 2 on the ballot and why the people approved it by nearly 70 percent.

Given the wide disparities that exist in our state and the millions who struggle in one form or another, understandably there will be proposals to fund a variety of worthwhile programs. But it would be short-sighted in the extreme to now embark upon a host of new spending only to see massive cuts when the next recession hits. In view of the $27 billion deficit of just five years ago and the much larger one in 2009, it is clear that fiscal restraint must be the order of the day. It also goes without saying that we should be chipping away at the $72 billion unfunded liability that weighs down our retiree health system.

I look forward to working with you to enact a timely and prudent budget.

With respect,

/s/

Edmund G. Brown Jr.

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2016-17 Budget Summary

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Introduction

Since 2011, the State of California's fiscal situation has dramatically turned around. When Governor Brown took office in 2011, the state faced a $26.6 billion immediate budget problem and estimated yearly gaps between spending and revenues of roughly $20 billion. The budget was balanced with permanent spending cuts, temporary taxes from Proposition 30, and a solid economic recovery.

As the state's economy has recovered, the past three budgets have restored some previous budget cuts and expanded services, such as extending health care coverage to millions of Californians, creating the state's first earned income tax credit, and spending multiple hundreds of millions of dollars for movie tax credits and child care. In addition, the state has paid down its budgetary borrowing and addressed some long-standing problems—such as implementing a plan to restore fiscal health to teacher pensions and making major improvements to the state's water system.

A strengthening state economy is continuing to push revenues higher. The state's unemployment rate is below 6 percent for the first time since 2007. In 2015, capital gains—the state's most volatile revenue source—reached an all-time high. Despite the increase in one-time revenues, the Budget remains precariously balanced for the long term after paying for existing obligations and the Proposition 30 temporary tax revenues expire.

The economy is finishing its seventh year of expansion, already two years longer than the average recovery. While the timing is uncertain, the next recession is getting

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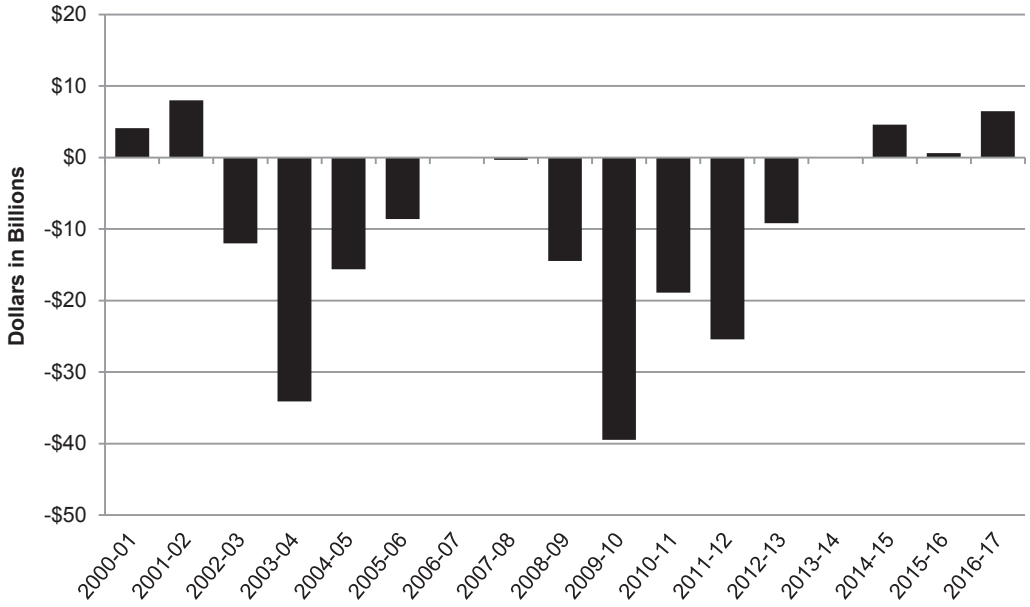
closer, and the state must begin to plan for it. If new ongoing commitments are made now, then the severity of cuts will be far greater—even devastating—when the recession begins.

Without question, the best way to protect against future cuts is to build up the state's Rainy Day Fund. Today, the fund is at 37 percent of its constitutional target (10 percent of General Fund tax revenues). The Budget proposes to bring its balance to 65 percent. The state must also take this opportunity to address its long-term liabilities—restoring and upgrading the state's infrastructure and creating a sustainable path for state worker retiree health benefits.

Maintaining Fiscal Balance Is an Ongoing Challenge

The fiscal stability from a balanced budget and a recovering state economy has been a welcome reprieve from the prior decade's budget deficits. Yet, maintaining a balanced budget for the long term will be an ongoing challenge—requiring fiscal restraint and prudence. As shown in Figure INT-01, since 2000, the state's short periods of balanced budgets have been followed by massive budget shortfalls. In fact, the sum of all the deficits during this period is seven times greater than the sum of all the surpluses.

Figure INT-01
Balanced Budgets Have Been Quickly Followed by Huge Deficits[1/]



[1/] Budget shortfalls or surplus, measured by the annual Governor's Budget.

With California's complicated budget, there will continue to be year-to-year fluctuations, risks and cost pressures, including from the federal government and ballot initiatives. The current fiscal year is the last one with the full revenues of Proposition 30. As it was intended, the measure has provided the state with increased resources on a short-term basis to give the economy time to recover. Under the measure, the state has been able to restore funding for education and the safety net, expand health care coverage, and pay off its budgetary borrowing.

Still, as shown in Figure INT-02, the state has $224 billion in long-term costs, debts, and liabilities. The vast majority of these liabilities—$220 billion—are related to retirement costs of state and University of California employees. For 15 years, Proposition 2 provides a dedicated funding source to help address these liabilities, but that funding alone will not eliminate the liabilities.

Figure INT-02

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2

(Dollars in Millions)

	Outstanding Amount at Start of 2016-17	Proposed Use of 2016-17 Pay Down
Budgetary Borrowing		
Loans from Special Funds	$1,806	$955
Underfunding of Proposition 98—Settle-Up	1,232	257
Repayment of pre-Proposition 42 Transportation Loans	879	173
State Retirement Liabilities		
State Retiree Health	71,773	0
State Employee Pensions	43,291	0
Teacher Pensions 1/	72,718	0
Judges' Pensions	3,358	0
Deferred payments to CalPERS	570	0
University of California Retirement Liabilities		
University of California Employee Pensions	10,786	171
University of California Retiree Health	17,270	0
Total	**$223,683**	**$1,556**

1/ The state portion of the unfunded liability for teacher pensions is $14.916 billion.

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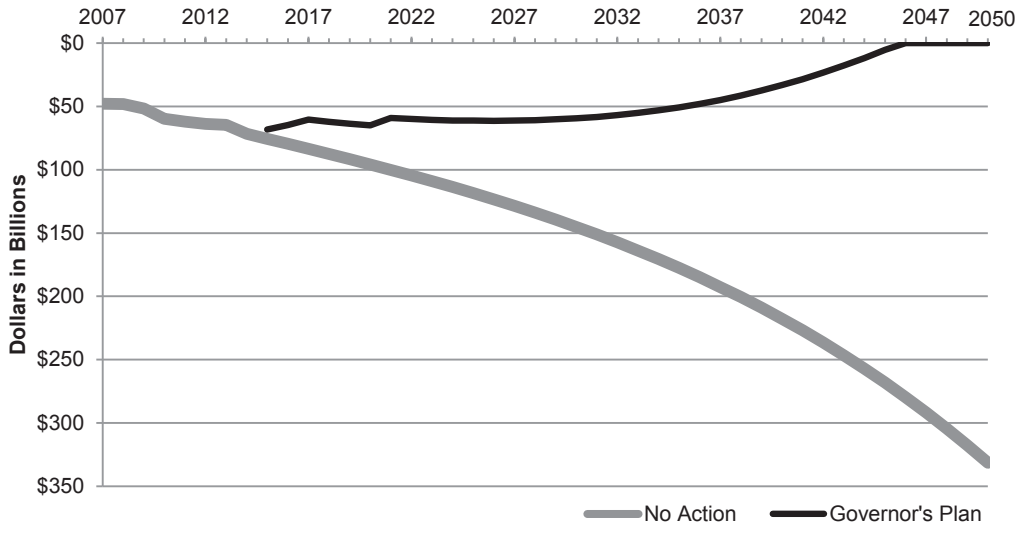
Eliminating the Retiree Health Unfunded Liability

Over the past several years, the Governor and Legislature have taken significant steps to address the long-term costs of pensions. In 2012, the California Public Employees' Pension Reform Act was enacted to save billions of taxpayer dollars by capping benefits, increasing the retirement age, stopping abusive practices and requiring employees to pay at least half of their pension costs. In 2014, a funding plan was implemented to restore fiscal solvency to the state's teacher pension system over three decades. The state must now turn its attention to the $72 billion unfunded liability that exists for retiree health care benefits.

The state's pay-as-you-go system for retiree health benefits is not working. The costs remain one of the fastest growing areas of the state budget. In 2001, retiree health benefits made up 0.6 percent of the General Fund budget ($458 million) but today absorb 1.7 percent ($2 billion). As shown in Figure INT-03, without action, the state's unfunded liability will grow from $72 billion to $100 billion by 2020-21 and $300 billion by 2047-48.

Figure INT-03
Eliminating Unfunded Liability for Retiree Health Care



Even though the private sector is eliminating these types of benefits, the state can preserve retiree health benefits for career workers. Last year's state agreement with Bargaining Unit 9 (professional engineers), combined with the statutory protection of the

funds, lays out the approach. The state and its employees share equally in the prefunding of retiree health benefits, similar to the new pension-funding standard. Under this plan, investment returns will help pay for future benefits, just as with the state's pension plans, to eventually eliminate the unfunded liability over three decades.

The Administration will be negotiating with its other bargaining units this year to implement this critical, cost-sharing agreement as part of labor contracts. Over the next 50 years, this approach will save $240 billion statewide. The Budget sets aside $300 million General Fund to pay for potential increases in employee compensation as part of these good faith negotiations.

Planning for the Next Recession

The passage of Proposition 2 in 2014 gives the state an opportunity to mitigate the boom-and-bust cycle of the past two decades. Recent budget shortfalls have been driven by making ongoing commitments based upon temporary spikes in revenues primarily from capital gains. Under Proposition 2, these spikes in capital gains will instead be used to save money for the next recession and to pay down the state's debts and liabilities. Proposition 2 establishes a constitutional goal of having 10 percent of tax revenues in the Rainy Day Fund.

Capital gains are at an all-time high in 2015. As a result, by the end of 2015-16, the state's Rainy Day Fund will have a total balance of $4.5 billion (37 percent of the target). Based on recent history, however, we know that capital gains will dive downward at some point (see Figure INT-04).

The Budget assumes the continued expansion of the economy. Yet, economic expansions do not last forever. In the post-war period, the average expansion has been about five years. As shown in Figure INT-05, the current expansion has already exceeded the average by nearly two years.

While there are few signs of immediate contraction, another recession is inevitable and should be planned for. To that end, the Department of Finance has modeled a recession of average magnitude to occur in 2017-18. As shown in Figure INT-06, revenues from the state's "big three" taxes—the personal income, sales, and corporation taxes—drop a total of $55 billion from the start of the recession through 2019-20. The state's financial obligation under Proposition 98, the funding formula for K-14 education, would also drop. Under such a model, the state would be left with a $29 billion General Fund deficit by

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Figure INT-04
Unpredictable Capital Gains
(Dollars in Billions)

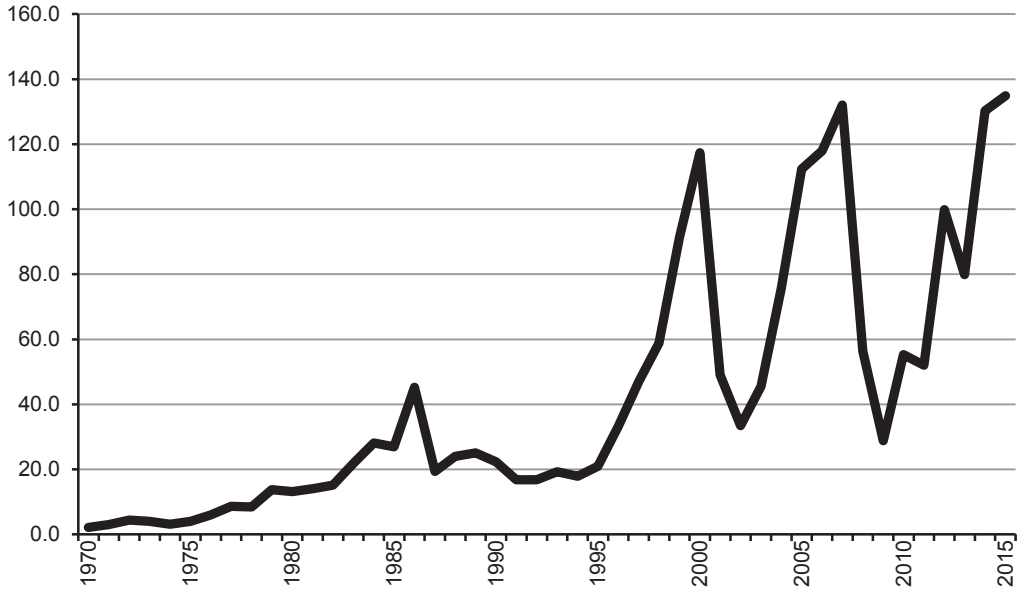


Figure INT-05
Current Recovery Already Two Years Longer Than Average

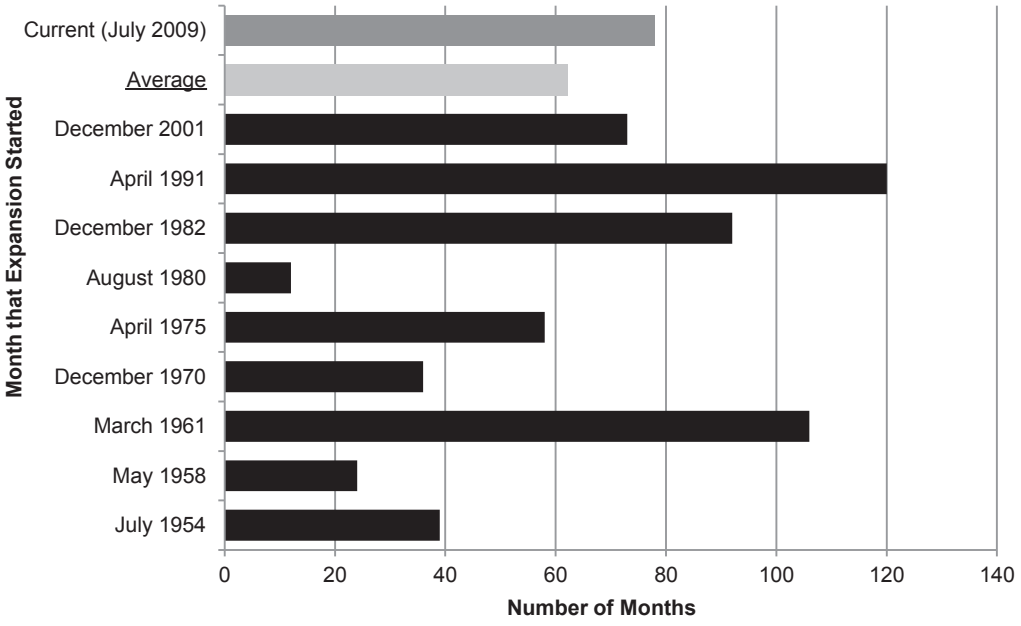
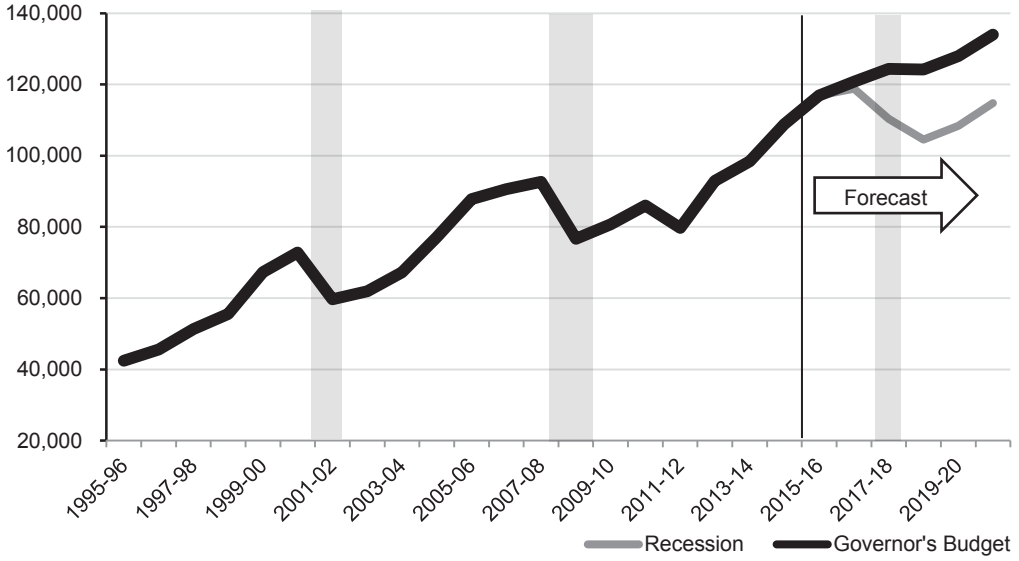


Figure INT-06
Recession Could Cause Loss of $55 Billion in Revenues by 2019-20
(Dollars in Millions)



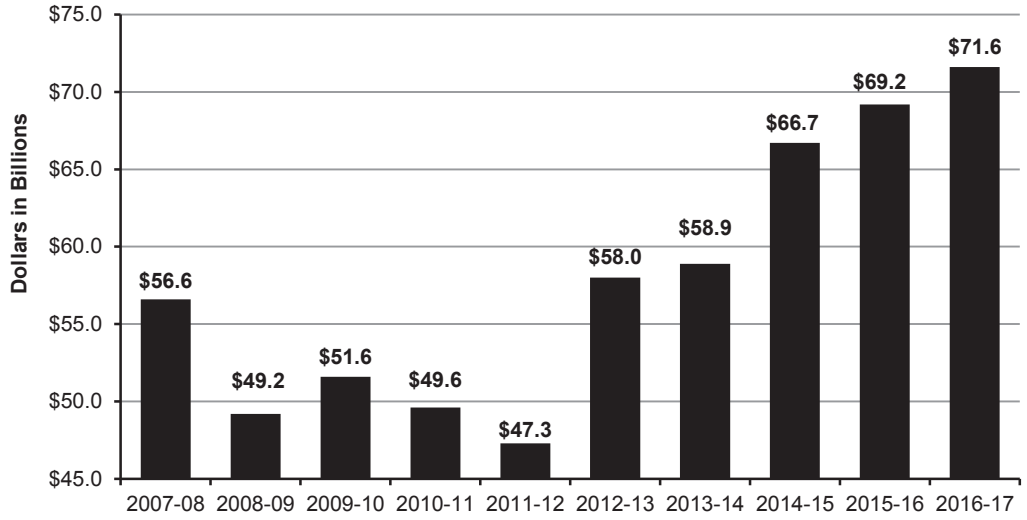
2019-20 under the Governor's approach—even without accounting for higher safety net program spending caused by the recession. If, however, the budget embarks on higher ongoing spending this year, rather than the one-time purposes as proposed by the Governor, the deficit would grow to more than $43 billion by 2019-20.

In the short term, fully filling the Rainy Day Fund by the time the next recession begins should be the primary fiscal goal of the state. Under Proposition 2, its balance would grow to $6 billion, or 48 percent of its full amount in 2016-17. The Budget proposes to make an additional $2 billion deposit, bringing the Rainy Day Fund to $8 billion, or 65 percent of the target. While a full Rainy Day Fund might not eliminate the need for some spending reductions in case of a recession, saving now would allow the state to spend from its Rainy Day Fund later to soften the magnitude and length of any necessary cuts.

Continuing to Invest in Education

The Proposition 30 temporary taxes were premised on the need to increase funding for education. As shown in Figure INT-07, the minimum guarantee of funding for K-14 schools was $56.6 billion in 2007-08 and sank to $47.3 billion in 2011-12. From this

Figure INT-07
Proposition 98 Funding
2007-08 to 2016-17



recent low, funding has been at all-time highs since 2012-13 and is expected to grow to $71.6 billion in 2016-17, an increase of $24.3 billion in five years (51 percent).

K-12 Education

For K-12 schools, funding levels will increase by nearly $3,600 per student in 2016-17 over 2011-12 levels. This reinvestment provides the opportunity to correct historical inequities in school district funding with continued implementation of the Local Control Funding Formula. The Budget provides $2.8 billion in new funding, bringing the formula's implementation to 95 percent complete.

The Budget seeks to extend the goals of the Local Control Funding Formula to the state's early education programs. The Budget proposes a $1.6 billion early education block grant by combining three existing programs to promote local flexibility, focusing on disadvantaged students and improved accountability.

Higher Education

The Budget also invests in the state's higher education system to maintain the quality and affordability of one of California's greatest strengths. The Budget keeps tuition

at 2011-12 levels. By focusing on reducing the time it takes a student to successfully complete a degree or certificate, colleges and universities can ensure their systems are financially viable over the long term. Increased funding must be used to get students their degrees in a timely manner, not just admit more students.

The Administration's higher education efforts—keeping student costs low, promoting new technology and innovation, rethinking remediation practices, easing the transfer process from community colleges to universities, and improving graduation rates—will support students' success in achieving their educational goals. Proposed funding will maintain affordability and strengthen pathways through education and into the workforce.

Strengthening our Infrastructure

The construction and maintenance of key physical infrastructure is one of the core functions of state government. Infrastructure and capital assets allow for the delivery of public services and the movement of goods across the state—both essential components in fostering the state's long-term economic growth. Despite the investment of tens of billions of dollars over the past decade, the state's infrastructure demands continue to grow.

The deferred maintenance on existing state infrastructure is staggering—estimated to total $77 billion. The state's largest deferred maintenance is on its highways, roads and bridges. Annual maintenance and repairs are billions of dollars more than can be funded annually within existing revenues. The state must address deferred maintenance in its transportation system through expanded and ongoing funding sources. The Budget reflects the Governor's transportation package first outlined last summer that would provide $36 billion over the next decade to improve the maintenance of highways and roads, expand public transit, and improve critical trade routes. The proposal includes an $879 million commitment from the General Fund to accelerate the repayment of loans to transportation projects. The increased funding would be coupled with Caltrans efficiencies, streamlined project delivery, and accountability measures.

The Budget also includes $807 million ($500 million General Fund) for critical deferred maintenance at levees, state parks, universities, community colleges, prisons, state hospitals, and other state facilities. The Budget supports a major investment in renovating Sacramento's aged and inadequate state office infrastructure. A study of state offices completed in 2015 documented serious deficiencies with state office buildings that will

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require their replacement or renovation. The Budget proposes a $1.5 billion General Fund down payment to begin that work for three buildings, including the State Capitol Annex.

California needs a new school facilities program that provides enhanced local flexibility and reflects the major changes in demographics and lower local bond authorization thresholds of recent years. A proposed $9 billion school bond for the November 2016 ballot makes no changes to the existing program. It would add an additional $500 million a year in General Fund debt service (on top of the over $2 billion annually already committed to school bonds). The Administration intends to continue a dialogue with the Legislature to shape a state program that focuses on districts with the greatest needs, while providing substantial new flexibility for districts to raise the necessary resources for their facilities.

Counteracting the Effects of Poverty

For the last several years, the Census Bureau has reported that about 16 percent of California residents are living in poverty—slightly above the national average of 14.8 percent. The Census Bureau's supplemental measure of poverty, which considers broader measures of income and the cost of living, reflects an even higher poverty rate. While the state's economic condition has improved since the Great Recession, much of the gains are being made by the state's wealthiest residents.

California has an extensive safety net for the state's neediest residents who live in poverty, and the state has maintained those core benefits despite the recession. Compared to other states, California provides broader health care coverage to a greater percentage of the population, including in-home care, and guarantees access to services for persons with developmental disabilities. California makes available higher cash assistance to families, continues that assistance to children after their parents lose eligibility, and provides extensive child care to working families with children up to age 13. Finally, the state provides generous financial aid to those seeking higher education.

In the past three years, the recovering economy has allowed the state to take even greater steps to assist the state's neediest residents. The implementation of health care reform has increased coverage under Medi-Cal to an additional 5 million Californians in just four years. The Local Control Funding Formula is concentrating the greatest school funding to those students with the greatest needs. The state guaranteed that 6.5 million workers are eligible for sick leave. The 2015 Budget Act created California's first earned income tax credit to help the poorest working families in California and encourage

more families to claim the existing federal credit. The Budget proposes the first state cost-of-living increase for Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients since 2006.

Raising the Minimum Wage

In 2013, the Governor signed legislation to raise the state minimum wage by 25 percent, from $8 an hour to $10 an hour in two steps. The second increase to $10 an hour just went into effect on January 1, 2016. On an inflation-adjusted basis, the new level is the highest minimum wage in California since 1979. The higher minimum wage will raise the income of an estimated 2.2 million workers. However, higher minimum wage laws are not free. They raise the operating costs of many businesses, and the state must shoulder higher wages in its programs, particularly In-Home Supportive Services and developmental services. For example, the increase to $10 an hour has raised General Fund costs by over $250 million annually.

Already, there are proposals to raise the minimum wage further. At $15 an hour, as two ballot measures propose, the General Fund would face major increased costs, estimated at more than $4 billion annually by 2021. Based on current projections, such a change would return the state budget to annual deficits—even assuming a continued economic expansion. Yet under the measures, one or more increases would likely occur at the same time that California is experiencing a recession. Such an increase would require deeper cuts to the budget and exacerbate the recession by raising businesses' costs, resulting in more lost jobs.

Further raising the minimum wage is a noble goal but it must be done responsibly. Any further increases in the state minimum wage should be implemented on timelines that allow the budget to absorb their costs and have appropriate off-ramps in case the economy is experiencing a recession.

Addressing Climate Change

The California Global Warming Solutions Act of 2006 (AB 32) set greenhouse gas emission reduction goals for 2020. Last year, California adopted its climate change goals beyond 2020 with several ambitious and sweeping policies. The Budget supports these efforts with a $3.1 billion Cap and Trade expenditure plan that will reduce greenhouse gas emissions through programs that support clean transportation, reduce short-lived climate pollutants, protect natural ecosystems, and benefit disadvantaged communities.

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In addition to reducing emissions, the state also is taking actions to mitigate the impacts of climate change. These impacts, such as increased fires, floods, severe storms and heat waves, will in unpredictable ways become more frequent and more damaging. California has experienced four consecutive years of below-average rain and snow and unprecedented drought. The Budget includes a total of $719 million in new General Fund resources to pay for the costs of wildfires and for other effects of the drought.

Summary Charts

This section provides various statewide budget charts and tables.

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Figure SUM-01

2016-17 Governor's Budget

General Fund Budget Summary

(Dollars in Millions)

	2015-16	2016-17
Prior Year Balance	$3,699	$5,172
Revenues and Transfers	$117,537	$120,633
Total Resources Available	**$121,236**	**$125,805**
Non-Proposition 98 Expenditures	$66,072	$71,637
Proposition 98 Expenditures	$49,992	$50,972
Total Expenditures	**$116,064**	**$122,609**
Fund Balance	**$5,172**	**$3,196**
Reserve for Liquidation of Encumbrances	$966	$966
Special Fund for Economic Uncertainties	$4,206	$2,230
Budget Stabilization Account/Rainy Day Fund	**$4,455**	**$8,011**

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Figure SUM-02

General Fund Expenditures by Agency

(Dollars in Millions)

	2015-16	2016-17	Change from 2015-16 Dollar Change	Change from 2015-16 Percent Change
Legislative, Judicial, Executive	$3,227	$3,330	$103	3.2%
Business, Consumer Services & Housing	636	434	-202	-31.8%
Transportation	267	222	-45	-16.9%
Natural Resources	2,730	2,909	179	6.6%
Environmental Protection	325	-31	-356	-109.5%
Health and Human Services	31,666	33,742	2,076	6.6%
Corrections and Rehabilitation	10,276	10,620	344	3.3%
K-12 Education	49,859	51,230	1,371	2.7%
Higher Education	14,312	14,567	255	1.8%
Labor and Workforce Development	212	166	-46	-21.7%
Government Operations	761	2,245	1,484	195.0%
General Government:				
Non-Agency Departments	711	729	18	2.5%
Tax Relief/Local Government	445	483	38	8.5%
Statewide Expenditures	637	1,963	1,326	208.2%
Total	**$116,064**	**$122,609**	**$6,545**	**5.6%**

Note: Numbers may not add due to rounding.

Figure SUM-03

2016-17

General Fund Expenditures

(Dollars in Millions)

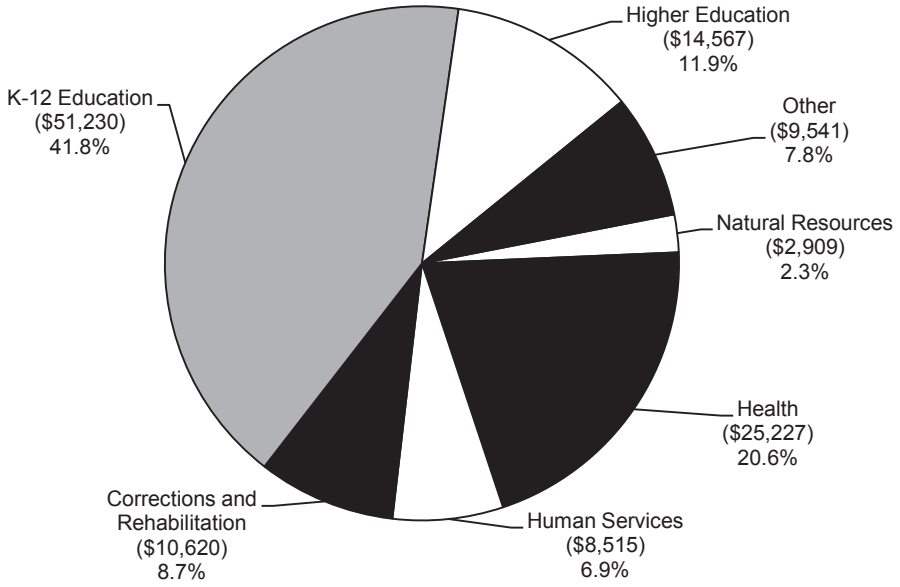


Figure SUM-04

General Fund Revenue Sources

(Dollars in Millions)

	2015-16	2016-17	Change from 2015-16 Dollar Change	Change from 2015-16 Percent Change
Personal Income Tax	$81,354	$83,841	$2,487	3.1%
Sales and Use Tax	25,246	25,942	696	2.8%
Corporation Tax	10,304	10,956	652	6.3%
Insurance Tax	2,493	2,549	56	2.2%
Alcoholic Beverage Taxes and Fees	366	373	7	1.9%
Cigarette Tax	84	81	-3	-3.6%
Motor Vehicle Fees	22	22	0	0.0%
Other	517	425	-92	-17.8%
Subtotal	**$120,386**	**$124,189**	**$3,803**	**3.2%**
Transfer to the Budget Stabilization Account/Rainy Day Fund	-2,849	-3,556	-707	24.8%
Total	**$117,537**	**$120,633**	**$3,096**	**2.6%**

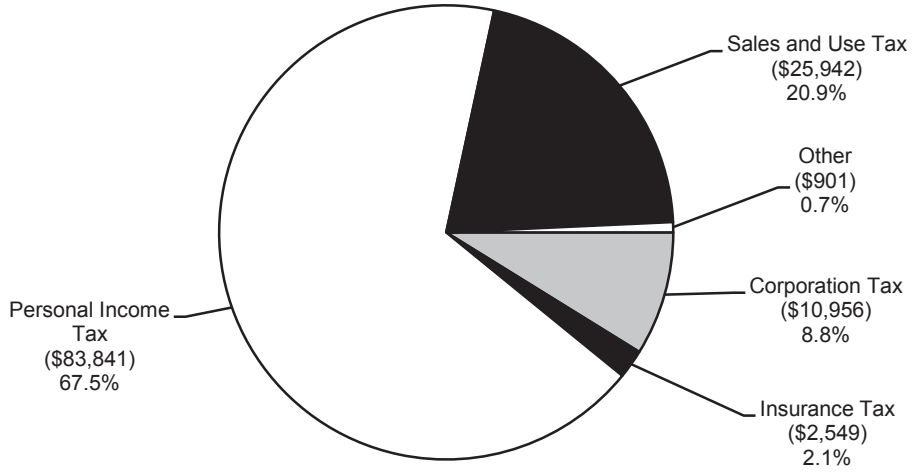
Note: Numbers may not add due to rounding.

Figure SUM-05

2016-17

General Fund Revenues and Transfers[1/]

(Dollars in Millions)



[1/] Excludes $3,556 million transfer to Rainy Day Fund.

Figure SUM-06

2016-17 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	$3,330	$3,967	$561	$7,858
Business, Consumer Services & Housing	434	845	138	1,417
Transportation	222	9,921	1,483	11,626
Natural Resources	2,909	1,626	504	5,039
Environmental Protection	-31	3,339	34	3,342
Health and Human Services	33,742	18,799	-	52,541
Corrections and Rehabilitation	10,620	2,686	-	13,306
K-12 Education	51,230	89	122	51,441
Higher Education	14,567	99	236	14,902
Labor and Workforce Development	166	729	-	895
Government Operations	2,245	-1,232	6	1,019
General Government				
Non-Agency Departments	729	2,046	2	2,777
Tax Relief/Local Government	483	1,690	-	2,173
Statewide Expenditures	1,963	428	-	2,391
Total	**$122,609**	**$45,032**	**$3,086**	**$170,727**

Note: Numbers may not add due to rounding.

Figure SUM-07

2016-17

Total State Expenditures

(Including Selected Bond Funds)

(Dollars in Millions)

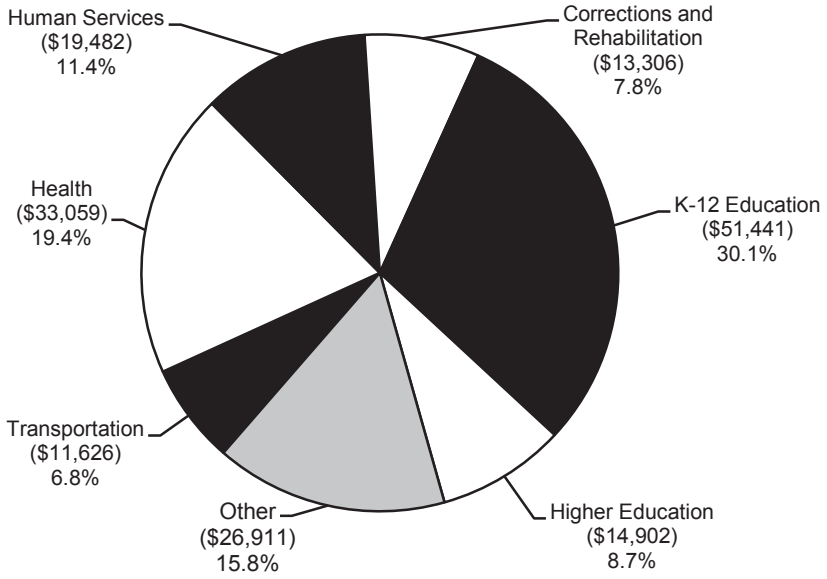


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Figure SUM-08

2016-17 Total Revenue Sources

(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2015-16
Personal Income Tax	$83,841	$2,051	$85,892	$2,510
Sales and Use Tax	25,942	12,525	38,467	118
Corporation Tax	10,956	-	10,956	652
Highway Users Taxes	-	4,730	4,730	-226
Insurance Tax	2,549	-	2,549	56
Alcoholic Beverage Taxes and Fees	373	-	373	7
Cigarette Tax	81	709	790	-23
Motor Vehicle Fees	22	7,808	7,830	1,223
Other	425	18,481	18,906	-1,411
Subtotal	**$124,189**	**$46,304**	**$170,493**	**$2,906**
Transfer to the Budget Stabilization Account/Rainy Day Fund	-3,556	3,556	0	0
Total	**$120,633**	**$49,860**	**$170,493**	**$2,906**

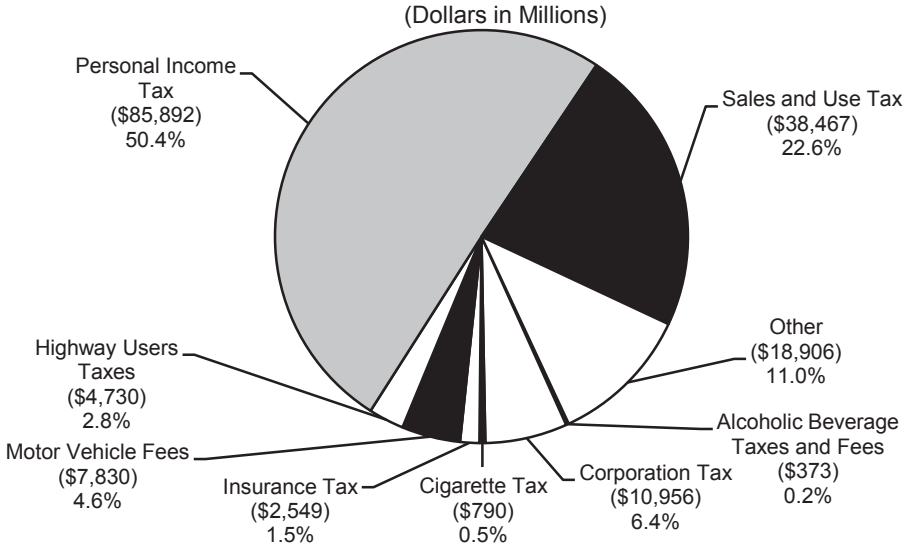
Note: Numbers may not add due to rounding.

Figure SUM-09

2016-17

Total Revenues and Transfers

(Dollars in Millions)



K thru 12 Education

California provides instruction and support services to roughly 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, more than 1,000 local school districts, and more than 1,000 charter schools provide instruction in English, mathematics, history, science, and other core competencies to provide students with the skills they will need upon graduation for either entry into the workforce or higher education.

Investing in Education

As a result of both increased General Fund revenues and local property taxes, the Budget reflects Proposition 98 Guarantee increases in 2014-15 and 2015-16, relative to the 2015 Budget Act levels—providing additional one-time resources in each of those years. These revenue increases also drive growth in the Proposition 98 Guarantee for 2016-17 to $71.6 billion, as displayed in Figure K12-01. When combined with more than $257 million in settle-up payments for prior years, the Budget proposes an increased investment of $5.4 billion in K-14 education. Building off of significant funding increases provided in each of the prior three years (see Figure K12-02), the Budget proposes substantial ongoing resources that will allow schools and community colleges to expand base programs and services. Significant additional one-time resources will provide schools and community colleges with the capability to support other local investments and priorities.

K-12 Per-Pupil Spending

Reflecting the recent significant increases in Proposition 98 funding, total per-pupil expenditures from all sources are projected to be $14,184 in 2015-16 and $14,550 in

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Figure K12-01
Major Changes to Proposition 98 Guarantee Levels

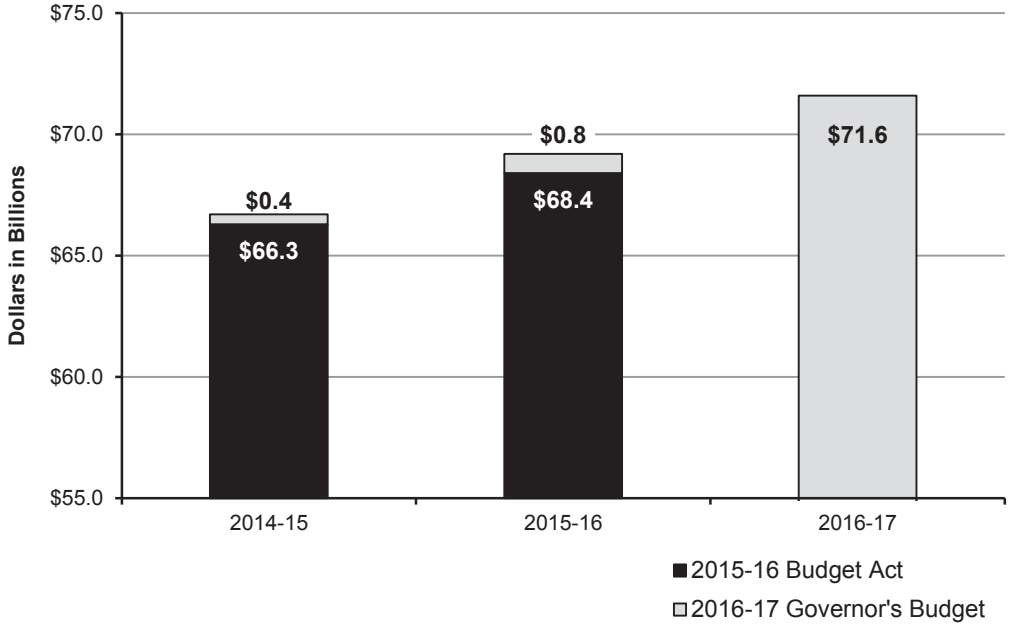
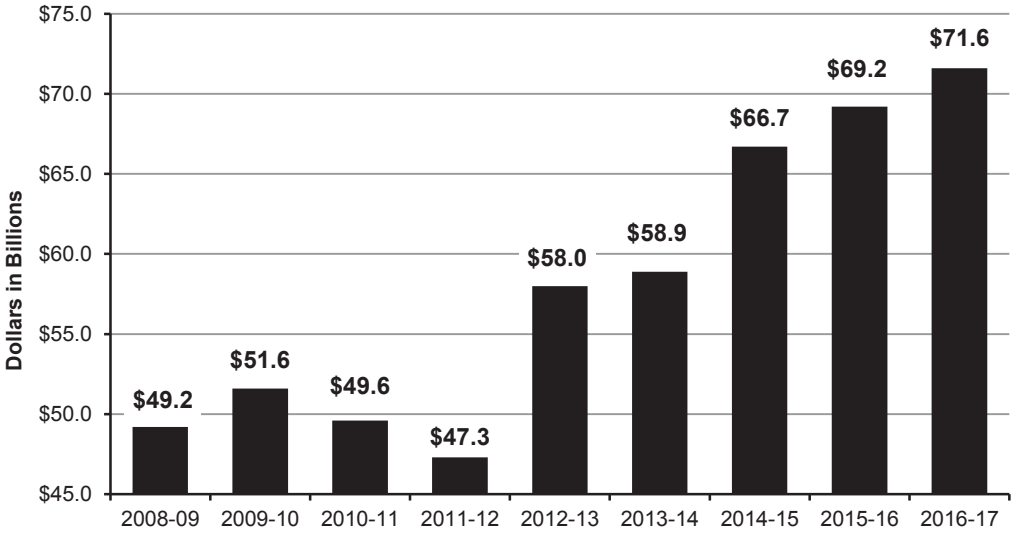
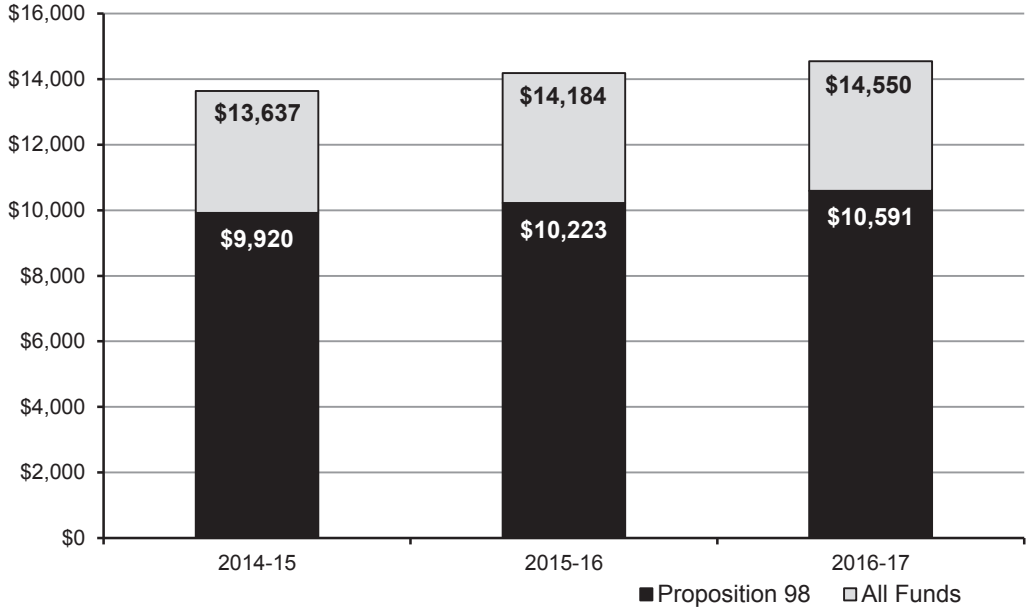


Figure K12-02
Proposition 98 Funding
2008-09 to 2016-17



2016-17, including funds provided for prior year settle-up obligations. Ongoing K-12 Proposition 98 per-pupil expenditures in the Budget are $10,591 in 2016-17, an increase of $368 per-pupil over the level provided in 2015-16, and up significantly from the $7,008 per pupil provided in 2011-12. (See Figure K12-03.)

Figure K12-03
K-12 Education Spending Per Pupil



Local Control Funding Formula

In recognition of the fiscal challenges that many school districts face, and to address the many inequities in the pre-existing system of school finance, 2013 legislation established the Local Control Funding Formula. The Local Control Funding Formula includes the following major components:

- A base grant for each local educational agency per unit of average daily attendance (ADA), 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.
- An Economic Recovery Target to ensure that almost every local educational agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the Local Control Funding Formula.

The Budget provides a fourth-year investment of more than $2.8 billion in the Local Control Funding Formula, building upon almost $12.8 billion provided over the last three years. In total, this level of funding exceeds the original 2013 projection of formula funding provided through the 2016-17 year by almost $6 billion. The proposed funding level is enough to eliminate almost 50 percent of the remaining funding gap to full implementation, bringing total formula implementation to 95 percent.

In addition to increasing funding and fundamentally restructuring the distribution of funds to school districts, the Local Control Funding Formula substantially changed the system of district accountability. The new system shifted from a state-controlled system focused on compliance to a locally controlled system emphasizing local accountability and improved student outcomes. In the new system, each school district, county office of education, and charter school develops and adopts Local Control and Accountability Plans and Annual Updates. These plans identify local goals for all students in eight state priorities and describe planned actions, services and expenditures to achieve those goals. Rubrics now being developed by the California State Board of Education will help identify strengths and areas in need of improvement in local district plans. County offices of education, the state Department of Education and the newly established California Collaborative for Education Excellence will provide technical assistance and intervention for schools in need of additional support.

As California continues to develop elements of this new locally focused accountability system, outdated state accountability components must also be revised. The 2015 enactment of the federal Every Student Succeeds Act gives California policymakers the opportunity to establish an accountability system that provides a more accurate picture of

school performance and progress than the past system. The state system should include a concise set of performance measures, rather than a single index.

Over the course of the coming months, the Administration is prepared to engage the Legislature and education stakeholders to further refine the state's new accountability system under the new federal guidance.

Early Education Block Grant

Funding for California's pre-kindergarten education has historically been spread among a patchwork of programs and funding sources, including approximately $880 million for the California State Preschool Program, $725 million Proposition 98 General Fund for transitional kindergarten, and $50 million Proposition 98 General Fund for the Preschool Quality Rating and Improvement System. There is also $985 million in federal funds for the Head Start Program, which serves children ages zero to five, and $300 million in a mix of General Fund and federal Child Care and Development Fund for the state's General Child Care and Migrant Child Care programs for children ages zero to five.

Local educational agencies face many administrative and programmatic challenges and are hindered in their ability to construct programs that align with the needs of their local communities. Each program is subject to different fiscal and programmatic requirements (e.g., State Preschool, General Child Care, and federal Head Start funding are provided via prescriptive contracts with unaligned requirements for data reporting, auditing, and enrollment). As such, these programs do not provide local educational agencies with the flexibility to develop cohesive pre-kindergarten programs that prioritize services for the state's lowest income and most at-risk children. Further, transitional kindergarten provides services for children in a narrow age window, regardless of their family's income or need for additional services.

To address these significant issues, the Budget proposes consolidating some of these resources to better target services to low-income and at-risk children and their families. Specifically, the Budget proposes a $1.6 billion early education block grant for local educational agencies that combines Proposition 98 funding from the State Preschool Program, transitional kindergarten, and the Preschool Quality Rating and Improvement System Grant.

This proposal will result in greater local financial flexibility. Local education officials will be able to develop programs that address their community's local needs and prioritize

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services for their community's lowest-income and most at-risk children. Building upon the core fiscal tenets of the Local Control Funding Formula, block grant funding will be distributed based on factors such as population and need to ensure that funds are provided equitably to schools with large populations of disadvantaged children; however, no local educational agency will receive less funding under the block grant than it received under the prior funding models.

The Administration will engage stakeholders on the development of the block grant throughout the spring budget process to develop additional program details by the May Revision. Working from the concepts of the Local Control Funding Formula, the Administration is pursuing the following objectives:

- Expanding financial flexibility that prioritizes services for each community's lowest-income and most at-risk four- and five-year-old children.
- Distributing any new funding based on factors such as local demographics and financial need, while ensuring no local educational agency receives less funding under the block grant than it received under the prior pre-kindergarten programs.
- Providing each local educational agency with the discretion to implement pre-kindergarten education programs that align funding with local priorities.
- Streamlining administrative processes.
- Integrating and aligning accountability within a local educational agency's current Local Control and Accountability Plan.

Career Technical Education

High-quality Career Technical Education (CTE) programs prepare students, particularly those at risk of dropping out, for success in college and careers by helping them develop the skills, technical knowledge, and real-world experience needed to compete in California's workforce. Recognizing the complexity and resource intensive nature of creating, expanding, or sustaining high-quality CTE programs, the 2015 Budget Act included resources to support the first year of the Career Technical Education Incentive Grant program, a transitional education and workforce development initiative administered by the California Department of Education. The program allocates $900 million over three years—$400 million in 2015-16, $300 million in 2016-17, and $200 million in 2017-18—in the form of competitive matching grants to school districts, county offices

of education, and charter schools. Priority for these funds is given to local educational agencies establishing new high-quality CTE programs and those facing unique challenges, such as having higher-than-average dropout rates, being located in areas of high unemployment, or operating programs within rural school districts.

The Department of Education has received nearly 400 applications for the first year of this transitional program, representing over 660 local educational agencies and nearly 2.3 million students across the state. Of the applicants, 89 represent local educational agencies with higher-than-average dropout rates, 244 are located in areas of higher-than-average unemployment, 142 are located in rural areas, and 33 are local educational agencies establishing new programs. The State Board of Education will award grants in early 2016, and allocate funding to local educational agencies shortly after.

K-12 School Facilities

The Administration continues to have significant concerns with the current school facilities program. When the program was created in 1998, the state's school facilities landscape was drastically different. The state 10-year enrollment was projected to increase by 8 percent, school districts faced higher local bond voter thresholds, and the state's debt service on school facilities bonds was significantly less. By contrast, the state is now expected to have a 10-year decline in projected enrollment of around a half percent, Proposition 39 (2000) lowered the voter threshold for school bonds to 55 percent, and school bonds now cost the state General Fund over $2 billion in annual debt service.

The existing school facilities program is overly complex, creating costs for school districts to navigate a process that can involve as many as ten different state agencies. The program creates an incentive for districts to build new schools when they already have the capacity to absorb enrollment growth, and allocates funding on a first-come, first-served basis, giving districts with dedicated facilities personnel a substantial advantage. Finally, the existing program does not give districts enough flexibility to design school facility plans to reflect local needs. The inherent problems with the current program, along with the billions of dollars in long-term liabilities created by the issuance of state debt, is no longer sustainable.

California needs a new program that corrects the deficiencies of the existing program. A proposed $9 billion school bond for the November 2016 ballot makes no changes to the existing program and it would add an additional $500 million a year in General Fund

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debt service. The Administration will continue a dialogue with the Legislature and education stakeholders to shape a future state program focused on districts with the greatest need, while providing substantial new flexibility for districts to raise the necessary resources for their facilities needs.

K-12 Budget Adjustments

Significant Adjustments:

- School District Local Control Funding Formula—Additional growth of more than $2.8 billion in Proposition 98 General Fund for school districts and charter schools in 2016-17, an increase of 5.4 percent.
- One-Time Discretionary Funding—An increase of more than $1.2 billion in one-time Proposition 98 General Fund for school districts, charter schools and county offices of education to use at local discretion. This allocation builds on the more than $3.6 billion in combined one-time funding provided over the last two budgets, providing substantial resources to local schools to support critical investments such as content standards implementation, technology, professional development, induction programs for beginning teachers and deferred maintenance. All of the funds provided will offset any applicable mandate reimbursement claims for these entities.
- County Offices of Education Local Control Funding Formula—An increase of $1.7 million Proposition 98 General Fund to support a cost-of-living adjustment and ADA changes for county offices of education.
- Charter School Growth—An increase of $61 million Proposition 98 General Fund to support projected charter school ADA growth.
- Charter School Startup Grants—An increase of $20 million one-time Proposition 98 General Fund to support operational startup costs for new charter schools in 2016 and 2017, which will help offset the loss of federal funding previously available for this purpose.
- Systems of Learning and Behavioral Supports—An increase of $30 million one-time Proposition 98 General Fund resources to build upon the $10 million investment included in the 2015 Budget Act for an increased number of local educational agencies to provide academic and behavioral supports in a coordinated and systematic way. These systems emphasize learning environments and teaching

strategies that adapt to the students being served. Research indicates that these systems: (1) improve student outcomes by more effectively recognizing the various ways that students can learn, engage with, and demonstrate mastery of academic content; (2) improve course access by promoting behavioral interventions that reduce student referrals to special education or other isolated settings; and (3) improve school climate by focusing on social and emotional learning.

- Special Education—A decrease of $15.5 million Proposition 98 General Fund to reflect a projected decrease in Special Education ADA.
- Cost-of-Living Adjustments—An increase of $22.9 million Proposition 98 General Fund to support a 0.47-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and the American Indian Early Childhood Education Program. Cost-of-living adjustments for school districts and charters schools are provided within the increases for school district Local Control Funding Formula implementation noted above.
- Local Property Tax Adjustments—A decrease of $149.4 million Proposition 98 General Fund for school districts and county offices of education in 2015-16 as a result of higher offsetting property tax revenues. A decrease of $1.2 billion in Proposition 98 General Fund for school districts and county offices of education in 2016-17 as a result of increased offsetting local property tax revenues, principally from the end of the "triple flip."
- School District Average Daily Attendance—A decrease of $150.1 million in 2015-16 for school districts as a result of a decrease in projected ADA from the 2015 Budget Act, and a decrease of $34.1 million in 2016-17 for school districts as a result of further projected decline in ADA for 2016-17.
- Proposition 39—Proposition 39 was approved in 2012 and increases state corporate tax revenues. For 2013-14 through 2017-18, the measure requires half of the increased revenues, up to $550 million per year, to be used to support energy efficiency. The Budget proposes $365.4 million to support school district and charter school energy efficiency projects in 2016-17.
- Proposition 47—Proposition 47 was approved in 2014 and reduced the penalties for certain non-serious and non-violent property and drug offenses. It also requires a portion of any resulting state savings to be invested into K-12 truancy and dropout

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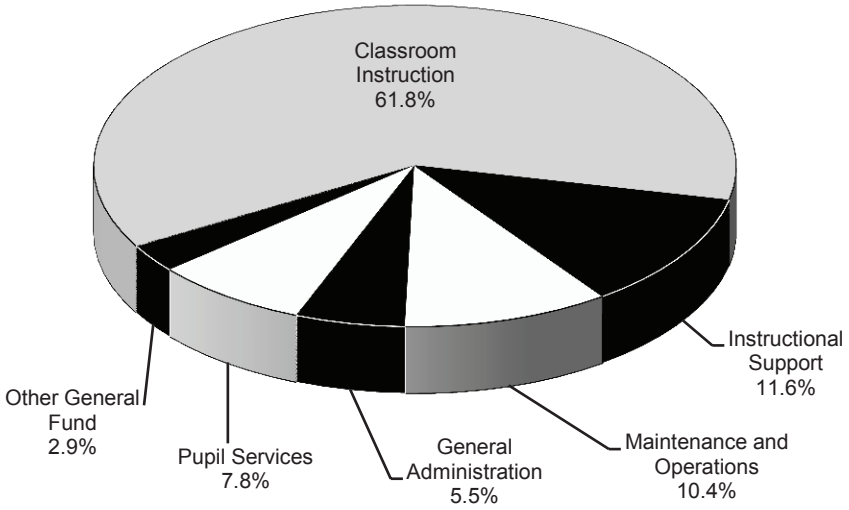
prevention, victim services, and mental health and drug treatment. The Budget proposes $7.3 million to support investments aimed at improving outcomes for public school pupils in K-12 by reducing truancy and supporting pupils who are at risk of dropping out of school or are victims of crime, consistent with the provisions of Proposition 47. Because these funds will be expended on direct services and other instructional support for students, these funds will be counted towards meeting the state's funding obligation under Proposition 98.

K-12 School Spending and Attendance

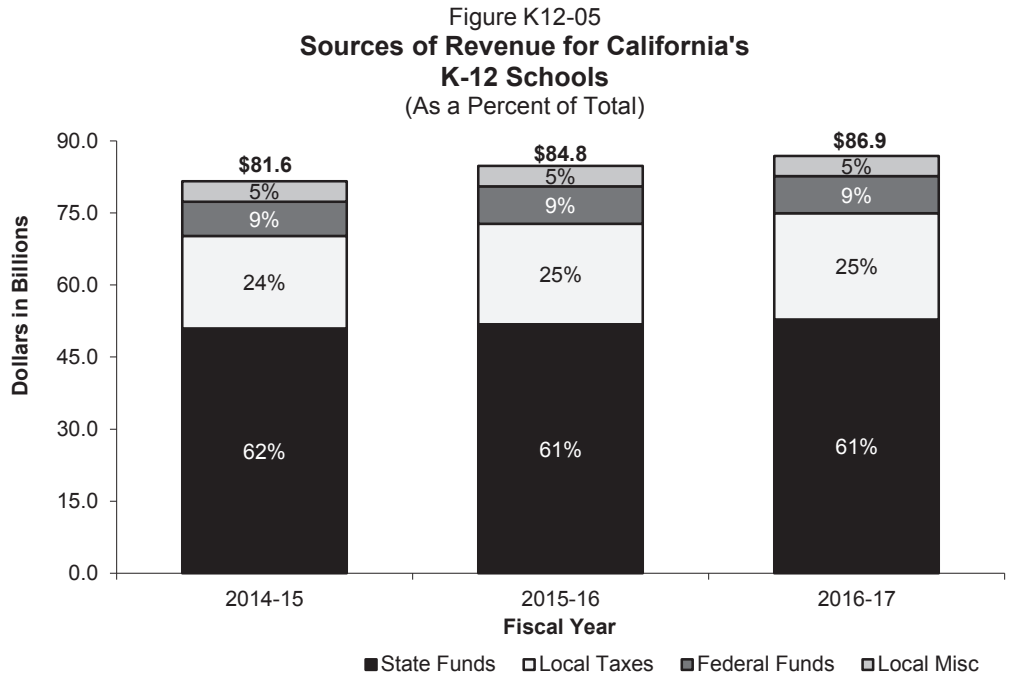
How School Districts Spend Their Money

Figure K12-04 displays 2013-14 expenditures reported by school districts from their general funds, the various categories of expenditure and the share of total funding for each category. Figure K12-05 displays the revenue sources for school districts.

Figure K12-04
Where School Districts Spend Their Money[1]



Classroom Instruction includes general education, special education, teacher compensation, and special projects.
General Administration includes superintendent and board, district and other administration and centralized electronic data processing.
Instructional Support includes research, curriculum development and staff development that benefits and supports student instruction.
Maintenance and Operations includes utilities, janitorial and groundskeeping staff, and routine repair and maintenance.
Pupil Services includes counselors, school psychologists, nurses, child welfare, and attendance staff.
Other General Fund includes spending for ancillary services, contracts with other agencies, and transfers to and from other district funds.
[1] Based on 2013-14 expenditure data reported by school districts for their general purpose funding. This and other school expenditure information may be found at www.ed-data.org.



Attendance

Public school attendance grew in 2011-12, declined slightly in 2012-13, and grew again in 2013-14. Attendance declined in 2014-15, and is projected to decline slightly in both 2015-16 and 2016-17. For 2015-16, K-12 ADA is estimated to be 5,976,227, a decrease of 4,486 from 2014-15. For 2016-17, the Budget estimates that K-12 ADA will drop by 4,935 from the 2015-16 level, to 5,971,292.

Proposition 98 Guarantee

Proposition 98 guarantees minimum funding levels for K-12 schools and community colleges. The Guarantee, which went into effect in the 1988-89 fiscal year, determines funding levels according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance growth or decline.

Proposition 98 originally mandated funding at the greater of two calculation levels or tests (Test 1 or Test 2). In 1990, Proposition 111 (SCA 1) was adopted to allow for a third funding test in low revenue years. As a result, three calculations or tests determine

funding for school districts and community colleges (K-14). The calculation or test that is used depends on how the economy and General Fund revenues grow from year to year.

For the 2014-15 through 2016-17 fiscal years, the operative Proposition 98 tests are 1, 2, and 3, respectively.

Child Care

The purpose of subsidized child care is to support the gainful employment of working families. The state provides subsidized child care through a variety of programs, which families access either through a collection of providers that contract directly with the state, or through a voucher they may use to choose a provider that best meets their needs for care. These programs are primarily administered by the Department of Education through non-Proposition 98 General Fund and the annual federal Child Care and Development Fund grant. All programs are means-tested and require that families receiving subsidies demonstrate a need for child care, which means all adults in the family must be working, seeking employment, or in training that leads to employment. Most programs are capped, drawing eligible families from waiting lists, while those specifically limited to CalWORKs families or former CalWORKs families have been funded for all eligible recipients.

The major capped programs include General Child Care, Alternative Payment Program, and Migrant Child Care. CalWORKs programs include: Stage 1, administered by the Department of Social Services, for families on cash assistance whose work activities have not stabilized; Stage 2, administered by the Department of Education, for those CalWORKs families with stable work activities and for families who are transitioning off aid, for up to two years; and Stage 3, also administered by the Department of Education, reserved for families who have successfully transitioned off aid for more than two years and still have a child care need.

California provides about a third of its child care funding by direct contract to providers and about two thirds by vouchers that families can use to choose providers. Contracts are administered by the state Department of Education and vouchers are administered locally by alternative payment agencies. Vouchers are a more efficient way to provide eligible families with access to subsidized care and provide families, especially those with a need for care during non-traditional hours, more choice and access to care that better meets their needs. The Budget proposes trailer bill language that will require the Department of

Education to develop a plan to transition contracted funding into vouchers over the next five years.

California receives about $570 million annually in federal Child Care and Development Block Grant funding, which in addition to state General Fund, provides the total funding for the General Child Care, Migrant Child Care, Alternative Payment, CalWORKs Stage 3, and child care quality programs, as well as for Local Child Care Planning Councils. Under the 2014 reauthorization of the block grant, states are expected to make changes in block grant-funded child care programs, including annualizing licensing inspections, providing health and safety inspections for non-family license-exempt providers, allowing for extended income eligibility, providing additional funding for child care quality activities, restructuring professional development for child care providers and staff, and increasing local child care program information provided to families. These changes pose challenges for California, especially as block grant funds are not anticipated to be sufficient to meet new requirements and maintain current service levels. In addition, the federal Department of Health and Human Services has not yet released final regulations implementing the reauthorization, making it difficult for states to determine their current level of compliance and decide what program and funding changes to make in response to the new law.

The 2015 Budget directed the Department of Education to convene two stakeholder workgroups to recommend actions the state may take to increase the administrative efficiency of state-subsidized child care contractors. The workgroups are required to release their recommendations by April 1, 2016. The Administration will consider these recommendations in the May Revision.

Significant Adjustments:

- Full-Year Implementation of 2015 Budget Act Investments—An increase of $16.9 million non-Proposition 98 General Fund and $30.9 million Proposition 98 General Fund to reflect a full-year implementation of child care and preschool investments made in the 2015 Budget Act and partially implemented in 2015-16. These include an increase of 7,030 slots for full-day State Preschool (beginning January 1, 2016), a 4.5-percent increase to the Regional Market Reimbursement Rate, and a five-percent rate increase for license-exempt providers (both beginning October 1, 2015).

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- Stage 2—An increase of $1.8 million non-Proposition 98 General Fund in 2016-17 to reflect an increase in the cost per case, despite a decline in the number of CalWORKs Stage 2 cases. Total cost for Stage 2 is $422.3 million.
- Stage 3—An increase of $33.4 million non-Proposition 98 General Fund in 2016-17 to reflect increases in both the number of CalWORKs Stage 3 cases and the cost per case. Total cost for Stage 3 is $315.9 million.
- Child Care and Development Funds—A net increase of $10.4 million federal funds in 2016-17 to reflect a slight projected increase to the base grant amount. Total federal funding is $593.2 million.

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Higher Education

Each year, millions of Californians pursue postsecondary degrees and certificates, enroll in courses, or participate in other kinds of education and training.

Since the development of the 1960 Master Plan for Higher Education, the state's population has grown in size and diversity, and a larger proportion of this population is seeking access to higher education. In 1960, 6 percent of Californians aged 25 and over had earned a bachelor's degree, and many students entered college directly from high school. In 2014, one in five Californians held that credential, and while many Californians continue to aspire to attend college after high school, many others come to higher education at various times in their lives—often to develop new skills or retrain for new careers. With more students, particularly more non-traditional students, pursuing postsecondary education, colleges and universities must respond to a greater diversity of student needs.

Although the budget appropriates funding directly to the state's public higher education segments and for student financial aid, the state's true investment is in students and their successful completion of a degree or certificate. By focusing on successful transitions to college-level courses, timely completion, robust career technical education pathways, and the use of technology to more directly address student needs, the state is supporting greater student success in higher education.

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State Investments

Many colleges and universities—both public and private—offer postsecondary educational programs in California. These institutions include:

- University of California (UC)—The UC offers undergraduate and graduate education. The UC is also the primary institution authorized to independently award doctoral degrees, and existing law designates the UC as the state's primary academic agency for research. Its 10 campuses enroll approximately 254,000 students. In 2014-15, the UC awarded 66,102 degrees.
- California State University (CSU)—The CSU provides undergraduate and graduate instruction generally through the master's degree. Its 23 campuses enroll approximately 394,000 students. In 2014-15, the CSU awarded 105,693 degrees.
- California Community Colleges (CCC)—The CCC provides basic skills, vocational, and undergraduate transfer education with 72 districts, 113 campuses, and 77 educational centers. The colleges enroll approximately 2.1 million students. In 2014-15, the community colleges awarded 70,261 certificates and 115,456 degrees and transferred 99,054 students to four-year higher education institutions.
- Independent Institutions of Higher Education—Independent institutions are accredited nonprofit higher education institutions that grant undergraduate degrees, graduate degrees, or both.
- Other Private Institutions—Many other private institutions, including for-profit institutions, operate in California, and the proportion of students attending institutions in this sector has grown in recent years.

In addition to providing subsidies to the state's public institutions, the state also funds access to higher education through financial aid to students who attend eligible independent and private institutions. The state's primary financial aid program is the Cal Grant program, which is administered by the California Student Aid Commission. The program is an entitlement for students who meet eligibility criteria. Students who are ineligible for the entitlement program may compete for a limited number of grants.

The Administration's investments are grounded in efforts to promote students' success in achieving their educational goals. Funding for these efforts maintains affordability, supports success for all students, and strengthens pathways through education and into the workforce.

Maintaining Affordability

The state is providing stable and predictable funding increases to encourage multiyear planning by higher education institutions and to assist in paying down past debts and liabilities. These investments keep the costs of postsecondary education low for California students and their families in recognition of the burden high costs create for many students.

Recent Budgets Included Significant Increases in Funding for Higher Education

The Budget proposes total funding of $30 billion ($17 billion General Fund and local property tax and $13 billion other funds) for higher education. Since 2011-12, spending on higher education has increased by approximately 30 percent, from $23.5 billion to $30.4 billion. Figure HED-01 displays additional detail. Since the passage of Proposition 30 in 2012, the state has funded a multiyear investment plan for the public universities. Through 2015-16, funding for UC has grown by $761 million, and funding for CSU has grown by $866 million. The Budget continues that growth, proposing an additional $125 million General Fund for UC and $148 million General Fund for CSU in 2016-17.

Likewise, funding for the community colleges has grown consistent with increases in the Proposition 98 minimum guarantee. State funding for the CCCs will increase by 4.4 percent in 2016-17. This financial stability allows the system to focus on student success, supporting student access to relevant courses and programs, enabling students to successfully transition into college-level courses, and growing enrollment in districts with the greatest unmet need.

On top of this direct support to public institutions, the state has continued to fund robust financial aid programs, maintaining the Cal Grant entitlement even during the economic downturn, amounting to significant levels of indirect state support for institutions. Since 2012-13, funding for the Cal Grant program has grown by $568.1 million, a 37-percent increase.

One-Time Funding Will Pay Down Debts and Liabilities

Consistent with the 2015 funding agreement between the Governor and the UC President, the Budget proposes one-time Proposition 2 funds of $171 million to help

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Figure HED-01
Higher Education Expenditures
(Dollars in Millions)

	2014-15	2015-16	2016-17	Change from 2015-16 Dollars	Change from 2015-16 Percent
University of California					
Total Funds	$7,260.2	$7,641.6	$8,003.7	$362.0	4.7%
General Fund [1/]	2,990.7	3,257.1	3,431.5	174.4	5.4
California State University					
Total Funds	$5,977.8	$6,276.6	$6,455.8	$179.3	2.9%
General Fund [2/]	3,017.7	3,297.1	3,448.9	151.8	4.6
Community Colleges					
Total Funds	$12,417.8	$13,351.3	$13,621.0	$269.7	2.0%
General Fund & P98 [3/]	7,825.1	8,627.6	9,003.5	376.0	4.4
Student Aid Commission					
Total Funds	$1,945.9	$2,099.7	$2,268.7	$168.9	8.0%
General Fund [4/]	1,539.0	1,563.9	1,428.2	-135.7	-8.7
Other Higher Education [5/]					
Total Funds	$138.3	$57.8	$86.5	$28.8	49.8%
General Fund	60.8	12.1	38.4	26.3	217.6
Total Funds	**$27,740.0**	**$29,427.0**	**$30,435.7**	**$1,008.7**	**3.4%**
General Fund	**$15,433.2**	**$16,757.8**	**$17,350.5**	**$592.7**	**3.5%**

1/ The change from 2015-16 to 2016-17 reflects an increase of $125.4 million ongoing, pursuant to the Administration's sustainability plan assumptions, the inclusion of $171 million in one-time Proposition 2 funds in 2016-17, and the removal of $122 million in one-time funds provided in 2015-16.

2/ The change from 2015-16 to 2016-17 reflects an increase of $148.3 million ongoing, pursuant to the Administration's sustainability plan assumptions, an increase of $27 million for health benefits for CSU retirees, an increase of $1.5 million ongoing for the California Digital Open Source Library, and the removal of $25 million in one-time funds provided in 2015-16.

3/ To allow for comparisons with UC and CSU totals, the community colleges totals include expenditures from property tax revenues.

4/ General Fund expenditures for the Cal Grant program are offset by some reimbursements, including federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services. TANF reimbursements are $377.4 million in 2014-15, $520.9 million in 2015-16, and $825.5 million in 2016-17.

5/ This category includes expenditures for the Hastings College of the Law and the Awards for Innovation in Higher Education.

pay down the unfunded liability of the UC Retirement Plan. The Administration continues to expect that the UC Regents will establish a pension plan that includes a limit on pensionable earnings consistent with those included in the Public Employees' Pension Reform Act of 2013, no later than June 30, 2016.

The Budget also proposes funds to address the deferred maintenance and equipment backlogs that accumulated at each of the segments during years of unsteady budgets and to fund projects that will reduce utilities costs in the future. The UC and CSU will receive $35 million General Fund each for deferred maintenance, and the community

colleges will receive $283 million Proposition 98 General Fund for maintenance and instructional equipment. With more stable budgets, the Administration expects institutions to build the necessary costs of maintenance and renewal into their financial plans for the future. Using Cap and Trade funds—$25 million for UC and $35 million for CSU—the segments are expected to undertake projects that will both reduce greenhouse gas emissions and lower future utilities charges.

State Policies Are Focused on Containing Student Costs

As a result of past investments, California public college and university graduates carry some of the nation's lowest student loan debt burdens. Average student debt levels are higher in 45 other states—only half of California undergraduates have student debt (about $21,000 on average) compared to about 62 percent of undergraduates nationally (about $28,000 on average).

Consistent with the Administration's goals, the UC Regents and the CSU Trustees both announced that tuition will not increase in 2016-17. Tuition is $11,220 at UC, and $5,472 at CSU. This is the fifth year both systems have kept tuition flat for undergraduate students. However, today's students are paying far more than their predecessors only a decade ago, and the state is paying more through aid for students with the greatest financial need. Keeping tuition low is essential to maintaining access to public colleges and reducing student debt.

The cost of college includes more than just tuition—it also consists of housing, food, books, and supplies. Financial aid, including the state's Cal Grant program, provides significant support to pay for these total costs. The Budget assumes total spending on the Cal Grant program of $2.1 billion—anticipated to serve a total of approximately 362,000 students. The CCC Board of Governors (BOG) anticipates waiving approximately 65 percent of the 2015-16 student enrollment fees at a state cost of approximately $780 million Proposition 98 General Fund. BOG fee waivers enable low-income California residents to enroll in credit-bearing community college courses without incurring significant educational costs. The state has introduced new financial aid programs in recent years, including the Middle Class Scholarship Program and the Full-Time Student Success Grant program. All of these reduce the need for students to take out additional loans and help students avoid working so many hours that their chances of success diminish.

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Additional Competitive Cal Grants Target Nontraditional Students

The 2015 Budget increased the number of competitive Cal Grants the California Student Aid Commission is authorized to award by 3,250—from 22,500 to 25,750. The competitive Cal Grant program is open to students who are ineligible for an entitlement, often because they did not achieve certain academic standards in high school or did not enroll in college upon graduation. Until full implementation of the policy change, the costs of these new awards increase as students renew their grants. The Budget includes $14 million for these purposes.

Figure HED-02 provides a summary of the state's commitment to financial aid for students—on top of the subsidy to institutions that keeps tuition and fees low.

Figure HED-02

Major State Sources of Financial Aid

(Dollars in Thousands)

	2014-15	2015-16	2016-17
Cal Grant Program [1/]	$1,808,640	$1,966,053	$2,103,246
UC Financial Aid Programs [2/]	1,065,626	1,084,029	1,113,956
Community Colleges Board of Governors Fee Waiver	759,519	777,243	788,370
CSU Financial Aid Programs [2/]	646,055	655,961	667,667
Middle Class Scholarship Program	62,000	82,000	116,000
Community Colleges Supplement for Cal Grant B Students [3/]	0	39,000	39,000
Other State Grant Programs	19,254	19,411	19,411
Total	**$4,361,094**	**$4,623,697**	**$4,847,650**

[1/] Includes Cal Grant B supplement funded by College Access Tax Credit Fund.

[2/] Includes programs supported by funds that are used by the universities interchangably with state funds, such as tuition and fee revenues.

[3/] Also called "Full-Time Student Success Grant." The program was funded beginning in 2015-16.

Technology Increases Access and Reduces Costs for Students

The state can broaden access to high-quality higher education for more students by more fully integrating technology into instruction at the public segments. The extent of the technology used in postsecondary institutions varies widely. Many courses are offered fully online—a student can complete the course without attending a face-to-face session. Other courses, commonly called hybrid courses, require in-person participation for at least some of the sessions.

Using funds initially provided in 2013-14, the UC, CSU, and community colleges have been working to expand access to online courses—by designing new courses and

reworking existing ones, providing professional development to faculty to teach those courses, and implementing registration systems that allow students to enroll in courses offered at other campuses within the same system. Collectively, the segments now make hundreds of courses available fully online, and some students are registering for courses across campuses.

The segments have demonstrated that technology can expand access. The Administration expects that system and campus leaders will continue to eliminate barriers to more widespread access—continuing to redesign courses and train instructors, but also rethinking budget priorities and policies to encourage greater enrollment.

In that same vein, technology can reduce student costs. Some institutions are exploring the use of open educational resources—free educational materials, such as online textbooks, that are available for use by any interested individual—that reduce student expenses for materials and textbooks. Some California faculty have been developing and collecting these resources through the California Open Educational Resources Council, an effort that has been supported by the state.

Using open educational resources, several community colleges in other states have begun developing and offering "zero-textbook-cost" associate degree programs. A zero-textbook-cost associate degree is one that only uses open educational resources. The Budget proposes $5 million Proposition 98 General Fund to support community college efforts to begin creating zero-textbook-cost degree, certificate, and credential programs in California. The Administration expects participating community college districts to focus their efforts on developing degrees that parallel already established associate degrees for transfer, and expects participating community college districts to place developed degrees in the existing online clearinghouse of effective practices so that any interested community college can replicate these efforts.

Supporting Success for All Students

The ability of California students to earn certificates and degrees in a timely manner varies widely across segments and groups of students. Historically, some groups have been poorly served by the existing higher education systems—reflected today in an achievement gap that persists between the performance of underrepresented students and their peers. The causes of these conditions are complex. The public segments

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have been working to address these challenges; some of their efforts have resulted in meaningful improvements, while others require further focus.

Community Colleges Must Continue Improving Student Support Services

Community colleges are expanding available student services, such as placement, counseling, and other education planning services, to improve a student's likelihood of success. The state provides approximately $285 million Proposition 98 General Fund for the Student Success and Support Program and $155 million Proposition 98 General Fund for Student Equity Plans to expand current services to improve student outcomes and close gaps in access and achievement between underrepresented student groups and their peers. Community colleges are investing in tutoring services, supplemental instruction, and coordination with local education agencies to improve the success of students transitioning from high schools in their region. The Administration expects community colleges to continue their efforts to improve completion rates while closing achievement gaps.

In 2015, the CCC Board of Governors adopted a revised enrollment growth formula that prioritizes the distribution of additional funding toward districts identified as having the greatest unmet need in adequately serving their communities. The revised formula reflects local factors, such as a community college district's percentage of households below the poverty line, unemployed adults living within district boundaries, and adults with "some college" living within district boundaries. The Budget proposes additional funding for enrollment growth, which will assist in implementation of these changes.

Through the Institutional Effectiveness Partnership Initiative, community colleges are implementing performance strategies statewide. The Budget proposes an increase of $10 million Proposition 98 General Fund to further implement strategies that improve student outcomes. Of this amount, $2 million will provide local technical assistance to support the implementation of effective practices across all districts. The remaining $8 million will be used to develop and disseminate effective professional, administrative, and educational practices, including curriculum and practices in support of the Strong Workforce Program, zero-textbook-cost degrees, and open educational resources initiatives highlighted in the Budget.

CSU is Focusing on Outcomes, But Four-Year Graduation Rates Lag

While CSU provides an affordable pathway to a bachelor's degree for many Californians, the University continues to struggle to support students in completing these four-year degrees within four years—as many students and families expect. Recent reports submitted by the Chancellor's Office indicate that fewer than one in five students who enter the CSU as freshmen (with the intent to enroll full-time) graduate within four years. Figure HED-03 displays graduation rates across campuses.

Figure HED-03:
Four-Year Graduation Rates at CSU Campuses[1]

	Percent
San Luis Obispo	47%
Maritime Academy	45
San Diego	34
Sonoma	28
Chico	26
Channel Islands	24
Monterey Bay	21
Pomona	18
San Francisco	18
Fullerton	18
Fresno	16
Stanislaus	16
Long Beach	15
Humboldt	15
Bakersfield	15
San Bernardino	14
East Bay	14
San Marcos	14
San José	11
Northridge	10
Sacramento	9
Los Angeles	6
Dominguez Hills	5

[1] Reflects cohort of full-time, first-time students seeking a bachelor's degree beginning in 2010, as reported by the California State University.

The CSU Chancellor and the University's Trustees have expressed a commitment to addressing this persistent challenge. Building on prior efforts, the Chancellor recently announced the Graduation Initiative 2025, the goal of which is to increase four-year rates systemwide to 24 percent by 2025. The initiative specifically addresses achievement gaps. In a recent report, the CSU indicated that four-year graduation rates of first-time freshmen who received Pell Grants is 11 percent lower than their peers. Similar disparities exist between students of different ethnicities.

The focus on these challenges is commendable. However, the Trustees' sustainability plan based its goals on the continuation of past trends rather than setting more ambitious graduation rates. Given the magnitude of these challenges and their real impacts on students each year, this work must be done more quickly.

Last year, the Chancellor established a task force to reevaluate the CSU's financial system—including how it allocates dollars to its campuses. This is an opportunity to further focus on student success. The 2015 Budget Act provided an additional $225 million General Fund ongoing—the full amount requested by the Trustees.

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Of that, the Chancellor's Office allocated $20 million for "student success and completion" initiatives, as well as $5 million for campus funding based on student outcomes—as opposed to more traditional allocations based on enrollment. While the Chancellor's efforts are steps in the right direction, the Administration expects to see continued work in the budget year to advance these reforms, including the adoption of a funding model based primarily on student success that targets additional resources to campuses that are successfully serving the students with the greatest needs.

UC is Making Progress on Agreement with the Administration

As part of the agreement between the Governor and the UC President that was announced last year, UC agreed to a series of reforms aimed at shortening the time it takes students to complete degrees. For example, the UC President has asked the Academic Senate to review existing policies related to Advanced Placement and other exams so that students can use those credits toward their degrees. All campuses are now reviewing requirements for most of their majors, with a goal of reducing unnecessary complexity. (Los Angeles has already completed its work.) By March 2016, UC administrators and faculty will develop specific pathways for students to earn degrees in three years, creating opportunities for students who want to accelerate to do so more easily. Student advising plays an important role in whether students stay on track to graduate, and the Office of the President is directing advisors to keep students on track to graduate within four years.

The agreement also focused on ways that UC can be a leader—particularly among research universities—in using technology and data to optimize instruction and campus operations. Right now, Riverside is piloting a new analytical system—called "activity-based costing"—to better manage resources in support of students. Davis and Merced are studying how to make a similar system work on their campuses. In addition, Davis, Irvine, and Santa Barbara are designing pilots to use learning technology to better adapt instruction to students' particular needs.

The Administration will continue to monitor those efforts, with future funding contingent upon implementation and outcomes within the agreed-upon timeframes. Figure HED-04 provides a summary of the components of the agreement.

Figure HED-04

2015 UC Agreement Initiatives

Improve Transfer from the Community Colleges

- Standardize the community college courses needed to transfer to any UC campus for at least 20 majors. These course sequences shall be closely aligned to the requirements for associate degrees for transfer.
- Achieve a ratio of at least one new transfer student for every two new freshmen by the 2017-18 academic year.
- The UC President shall encourage the Academic Senate to review use of Common Identification Numbering System (C-ID) developed by the Intersegmental Committee of the Academic Senates.

Structure Academic Programs to Better Meet Student Needs

- Articulate specific pathways for 10 of the top 15 majors for a student to earn a bachelor's degree in three years or less. These pathways are required to be released no later than March 1, 2016.
- Identify at least 5 percent of undergraduate students accessing three-year degree pathways by summer of 2017.
- Communicate direction to advisors to keep undergraduate students on track to graduate in four years or less.
- Review courses necessary in at least 75 percent of undergraduate majors by July 1, 2017, the goal being limiting major requirements to less than 45 units.
- The UC President shall encourage the Academic Senate to review policies on credits—specifically from Advanced Placement and College Level Examination Program tests.
- Pilot alternative pricing models at three campuses for summer session by the summer session of 2016.

Improve Operations and Instruction

- Pilot activity-based costing at three campuses.
- Report, by campus, on use of data and technology—specifically including predictive analytics—to identify and support students who are at risk.
- Pilot adaptive learning technology at at least three campuses, including Davis.
- Prioritize development of online courses for courses that have high rates of failure or those required for high-enrollment majors.
- Expand online programs in areas where high demand exists to meet the needs of employers, including by convening industry leaders and other stakeholders to identify specific online certificate and master's degree programs for development and expanding enrollment in existing online programs.

Reduce Debts and Liabilities

- Establish a pension plan that includes a limit on pensionable earnings consistent with the Public Employees' Pension Reform Act of 2013 by July 2016.

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Strengthening Pathways Through Education and Into the Workforce

For most students, the transition through—and out of—education and into the workforce is a path across many institutions. Yet, these institutions have not historically coordinated their efforts around student needs. Challenges persist in alignment between K-12 and higher education. The Administration recognizes the ongoing work of many entities at the local level, but an opportunity exists to expand collaboration to further improve student success.

Students Must Be Ready for College and Careers

Students who enter college requiring remediation increase their time to degree. According to data from the Community College Chancellor's Office, approximately 74 percent of students entering community college are unprepared for college-level courses in English, mathematics, or both. However, each community college district's ability to successfully transition these students to college-level courses varies greatly. Statewide, only 43 percent of students needing remedial English and 31 percent needing remedial math successfully complete a college-level course in these disciplines within six years. See Figure HED-05 for a sample of colleges. Similar to community colleges,

Figure HED-05

Community College District Remedial Education

The chart reflects the percentage of students enrolled in an English and/or mathematics course below transfer level in 2008-09 who subsequently completed a college-level course in the same discipline.

Top Five	English		Math
Foothill	68%	Foothill	52%
South Orange County	63	Lake Tahoe	51
Chabot-Las Positas	56	Ohlone	46
Coast	54	Sonoma	44
Pasadena	54	Santa Barbara	44

Bottom Five	English		Math
Rancho Santiago	39%	Marin	29%
MiraCosta	39	El Camino	28
Copper Mountain	38	Merced	28
San Bernardino	38	Feather River	28
Rio Hondo	37	Yuba	27

Statewide	**43%**	**Statewide**	**31%**

Data Source: California Community Colleges Chancellor's Office, Score Card Metric Summary Report.

the CSU faces challenges with its entering students. Under the CSU's existing policies, a student's eligibility for admission to the University does not necessarily mean that a student is prepared for enrollment in college-level courses. Recognizing the importance of aligning high school and college expectations and curriculum, the Budget proposes funding for efforts that require increased collaboration to address the need for effective basic skills instruction and reduce remediation.

The 2015 Budget allocated $60 million one-time Proposition 98 General Fund to support multi-year grants for the Basic Skills Transformation and Student Outcomes program to implement practices that increase students' transition to college-level courses. The 2015 Budget also allocated $20 million in ongoing Proposition 98 General Fund for the Student Success for Basic Skills Program and another $10 million Proposition 98 General Fund for a pilot program between community colleges and CSU campuses to improve remediation for incoming CSU students. Building upon these efforts, the Budget proposes an ongoing increase of $30 million Proposition 98 General Fund. The Administration expects community colleges to use these funds for purposes including, but not limited to, collaborating with high schools, CSU campuses, and UC campuses to prepare students for college-level English and mathematics courses; developing and using open educational resources to expand underprepared students' access to instructional materials; furthering the purposes of the Basic Skills Transformation and Student Outcomes program; and improving outcomes for students requiring remediation.

In 2003, to address remediation in English, a task force of high school teachers and administrators and CSU faculty members began developing the Expository Reading and Writing Course—a yearlong English course for high school seniors to support college readiness—based on the University's expectations for entering students. The CSU now partners with county offices of education to provide professional training for high school English teachers in that curriculum. No such course exists for mathematics. The Budget proposes $3 million in federal carryover funds for a one-time competition to create a grade 12 mathematics course that would prepare students for college-level mathematics, with expected collaboration between high schools and CSU campuses.

UC Agreement Makes Significant Strides with Community College Transfer

Transfer to UC has been a longstanding challenge given the complexity of courses required by the different campuses. As part of the agreement with the Governor, UC committed to a series of reforms around transfer to make this process more efficient

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and easier for students to navigate. First, UC will increase the proportion of transfer students enrolled systemwide at nearly all campuses (except for Merced)—to one new transfer student for every two new freshmen—creating the opportunity for more new students to enroll at UC. Second, UC faculty are working with their community college counterparts to create "transfer pathways" for all nine undergraduate campuses, so community college students know what courses to take based on the major they hope to complete regardless of campus. The first 10 pathways were released this past fall, with 10 more pathways to be presented in 2016. Finally, the UC President has encouraged the Academic Senate to review use of the Common Identification Numbering System (C-ID), so that students have more certainty in knowing which courses they take at the community colleges match those offered at UC campuses. To the extent these changes are implemented as expected, students will have a clearer pathway to a UC education.

Community College Can Expand Transitions into the Workforce

In 2015, the Community College Board of Governors Task Force on Workforce, Job Creation, and a Strong Economy identified an opportunity to align the myriad of career technical education programs at the community colleges and local education agencies with the state's regional workforce needs and four-year undergraduate programs. Community college career technical education serves as a gateway for a large and diverse number of careers in the California economy.

The Budget proposes $200 million Proposition 98 General Fund to support the Strong Workforce Program, which will enable community colleges to expand access to additional career technical education courses and programs and to implement a regional accountability structure that is aligned with the Task Force's recommendations.

As part of the Strong Workforce Program, community colleges will be expected to collaborate regionally with their educational, workforce, labor, and civic partners to expand access to career technical education programs that meet each region's workforce needs. These collaboratives will develop regional plans that align programmatic offerings with local workforce demand. Community colleges will use the strategic plans to inform the development, coordination, and availability of new and existing career technical education courses and programs. The CCC Board of Governors is expected to adopt guidance, policies, and regulatory reforms that enable community college districts to develop and expand access to career technical education courses and programs in a timely manner.

Innovation Awards

In 2014-15, the state recognized many higher education institutions that have been experimenting with ways to improve student success through the Awards for Innovation in Higher Education. That program provided $50 million in awards to the colleges and universities that initiated the most ambitious efforts to expand access, improve quality, and integrate efforts across entities in a meaningful way. The awards addressed K-12 alignment to higher education standards and expectations, redesign of curriculum and pedagogy to improve outcomes, and better use of technology to expand access to courses.

The Budget proposes to again fund the innovation awards with $25 million Proposition 98 General Fund. This proposal builds off the work of the prior innovation awards and focuses on the role that community colleges play as part of the state's open access higher education system—connecting with K-12 schools and leading to enrollment at the public universities and participation in the workforce. The Committee on Awards for Innovation in Higher Education will ask applicants to devise plans to make certain "innovation models" possible, leaving the "how" up to the teams that form to address the challenges and encouraging low-cost strategies. The committee will focus on innovations in technology and data, effective transfer pathways, and successful transitions from higher education into the workforce.

Significant Adjustments

The following are significant adjustments proposed in the Budget.

California Community Colleges

- CCC Apportionments—An increase of $114.7 million Proposition 98 General Fund for growth in general purpose apportionments, which represents a 2-percent increase in full-time equivalent enrollment. The Budget also provides an increase of $29.3 million Proposition 98 General Fund for a cost-of-living adjustment of 0.47 percent.
- Strong Workforce Program—An increase of $200 million Proposition 98 General Fund to support the Strong Workforce Program, which will enable community colleges to expand access to additional career technical education courses and programs and to implement a regional accountability structure that is aligned with the Task Force's recommendations.

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- Career Technical Education—An increase of $48 million Proposition 98 General Fund to support the Career Technical Education Pathways Program. These funds provide resources for community colleges to develop, enhance, and expand career technical education programs that build upon existing regional capacity to meet regional labor market demands. Career Technical Education Pathways Program funding determinations will be aligned and integrated within the regional collaborations of the Strong Workforce Program.
- Basic Skills Program—An increase of $30 million Proposition 98 General Fund to implement practices that increase students' mobility to college-level courses.
- Innovation Awards—An increase of $25 million Proposition 98 General Fund for innovation awards focusing on innovations in technology and data, effective transfer pathways, and successful transitions from higher education into the workforce.
- Zero-Textbook-Cost Degrees—An increase of $5 million Proposition 98 General Fund to support community college efforts to begin creating zero-textbook-cost degree, certificate, and credential programs in California.
- Implementing Statewide Performance Strategies—An increase of $10 million Proposition 98 General Fund to implement strategies to improve college performance in student success and outcomes. Of this amount, $2 million will provide local technical assistance to support the implementation of effective practices across all districts. The additional $8 million will be utilized to develop and disseminate effective professional, administrative, and educational practices, including the dissemination of effective practices, policies, curriculum, courses, and programs developed by local community colleges in support of the Strong Workforce Program.
- Deferred Maintenance and Instructional Equipment—An increase of $283 million, of which $255 million is one-time Proposition 98 General Fund and $28 million is from prior years' Proposition 98 settle-up, that colleges can use for deferred maintenance, instructional equipment, and specified water conservation projects. Community colleges will not need to provide matching funds for deferred maintenance in 2016-17. These resources will allow districts to protect investments previously made in facilities and to improve students' experience by replenishing and investing in new instructional equipment.
- One-Time Discretionary Funding—An increase of $76.3 million one-time Proposition 98 General Fund to continue paying down outstanding mandate claims

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by community colleges. These payments will further reduce outstanding mandate debt, while providing community colleges with one-time resources to address various one-time needs, such as addressing campus security needs, technology needs, and professional development, and developing open education resources and zero-textbook-cost degrees.

- Telecommunications and Technology Infrastructure Program—An increase of $3 million Proposition 98 General Fund to address systemwide data security efforts through the Telecommunications and Technology Infrastructure Program.
- Proposition 39—An increase of $45.2 million to support community college energy efficiency projects and clean energy job development programs in 2016-17. Proposition 39 was approved in 2012 and increases state corporate tax revenues. For 2013-14 through 2017-18, the measure requires half of the increased revenues, up to $550 million per year, to be used to support energy efficiency.
- Cost-of-Living Adjustment for Categorical Programs—An increase of $1.3 million Proposition 98 General Fund to provide a 0.47-percent cost-of-living adjustment for the Disabled Student Programs and Services program, the Extended Opportunities Programs and Services program, the Special Services for CalWORKs Recipients program, and the Child Care Tax Bailout program. In addition, the Budget provides $1.8 million to reflect the 2016-17 non-credit hourly rate for the apprenticeship program.

California State University

- Sustainability Plan—An increase of $125.4 million General Fund, consistent with the Administration's long-term plan, another $15 million General Fund available as a result of changes made to the Middle Class Scholarship Program in 2015, and $7.9 million General Fund for certain lease revenue rental payments. These adjustments total $148.3 million General Fund. Consistent with the Administration's expectations, tuition will not increase in 2016-17.
- Deferred Maintenance—An increase of $35 million General Fund on a one-time basis for deferred maintenance.
- Energy Projects—An increase of $35 million Cap and Trade funds on a one-time basis for energy projects.

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University of California

- Sustainability Plan—An increase of $125.4 million General Fund, pursuant to the assumptions included in the Administration's sustainability plan. The UC is expected to implement reforms and achieve outcomes specified in last year's agreement with the Administration.
- Proposition 2 Funds—An increase of $171 million Proposition 2 funds on a one-time basis to help pay down the unfunded liability of the UC Retirement Plan. (This builds on the one-time $96 million Proposition 2 funds included in the 2015 Budget for these purposes.) The Administration expects that the UC Regents will establish a pension plan that includes a limit on pensionable earnings consistent with those included in the Public Employees' Pension Reform Act of 2013, no later than June 30, 2016.
- Deferred Maintenance—An increase of $35 million General Fund on a one-time basis for deferred maintenance.
- Energy Projects—An increase of $25 million Cap and Trade funds on a one-time basis for energy projects.

California Student Aid Commission

- Cal Grant Program—A decrease of $48.5 million General Fund in 2015-16 and an increase of $88.7 million General Fund in 2016-17 to reflect revised costs of the Cal Grant program.
- Federal Temporary Assistance for Needy Families (TANF) Reimbursements—A decrease of $304.6 million General Fund for the Cal Grant program in 2016-17 to reflect increased TANF reimbursements budgeted for 2016-17. These reimbursements directly offset General Fund expenditures for the program.
- Middle Class Scholarship Program—An increase of $34 million General Fund in 2016-17 to continue implementation of the Middle Class Scholarship Program pursuant to current law.

California State Library

- California Library Services Act—An increase of $1.8 million General Fund ongoing and $3 million General Fund on a one-time basis for the California Library Services Act program. These funds will be used to strengthen statewide and regional services for public libraries.

Hastings College of the Law

- Sustainability Plan—An increase of $1 million General Fund ongoing, pursuant to the Administration's funding plan. Consistent with the Administration's expectations, tuition will not increase in 2016-17.

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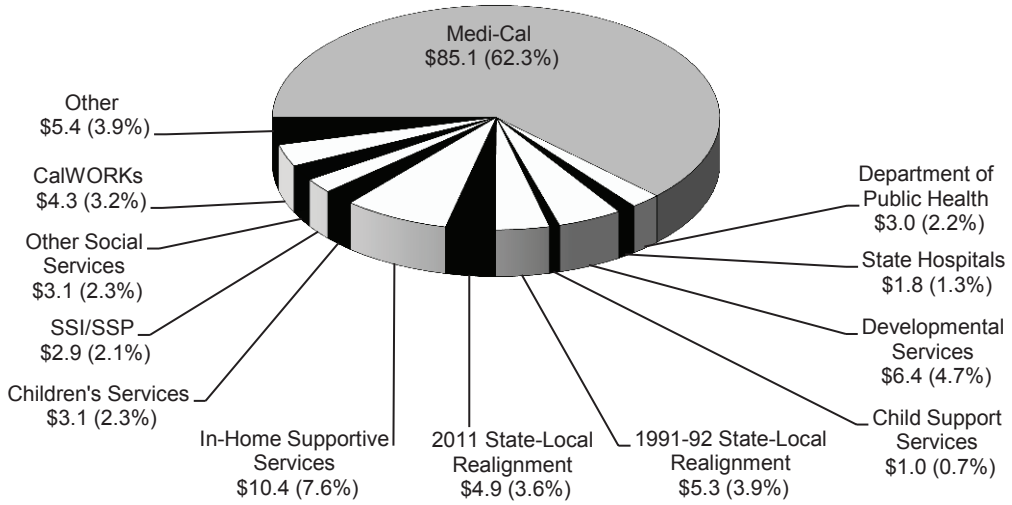
Health and Human Services

The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California's vulnerable and at-risk residents. The Budget includes $136 billion ($34 billion General Fund and $102 billion other funds) for these programs. Figure HHS-01 displays expenditures for each major program area and Figure HHS-02 displays program caseload.

Figure HHS-01
Health and Human Services Proposed 2016-17 Funding[1]
All Funds
(Dollars in Billions)



[1] Totals $136.6 billion for support, local assistance, and capital outlay. This figure includes reimbursements of $15.9 billion and excludes $5 million in Proposition 98 funding in the Department of Developmental Services budget and county funds that do not flow through the state budget.

Figure HHS-02
Major Health and Human Services Program Caseloads

	2015-16 Revised	2016-17 Estimate	Change
Medi-Cal	13,276,300	13,478,400	202,100
California Children's Services (CCS) [a]	14,820	13,113	-1,707
CalWORKs	507,615	496,558	-11,057
CalFresh	1,916,132	2,043,270	127,138
SSI/SSP (support for aged, blind, and disabled)	1,301,167	1,311,082	9,915
Child Welfare Services [b]	142,063	143,172	1,109
Foster Care	45,071	45,702	631
Adoption Assistance	84,812	84,844	32
In-Home Supportive Services	463,537	489,775	26,238
Regional Centers	290,496	302,419	11,923
State Hospitals [c]	7,313	7,323	10
Developmental Centers [d]	1,011	847	-164
Vocational Rehabilitation	27,686	27,686	0

a Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS clients.

b 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.

c Represents the year-end population.

d Represents average in-center population as of January 31 each year.

California continues its implementation of federal health care reform, which has enabled millions of Californians to obtain health care coverage. Many Californians now have access to affordable, quality health care coverage through Covered California. California also expanded Medi-Cal to cover childless adults and parent/caretaker relatives with incomes up to 138 percent of the federal poverty level, and expanded Medi-Cal mental health and substance use disorder benefits.

Federal Actions Continue To Increase State Costs

Several federal actions over the last few years have directly increased state costs. These increased costs are reflected in the Budget as follows:

- Chapter 31, Statutes of 2014 (SB 857), shifted pregnant women on Medi-Cal with "pregnancy-only" Medi-Cal benefits who are between 138 and 213 percent of the federal poverty level to Covered California to ensure comprehensive coverage, with the state paying the cost for premiums and cost-sharing. The proposal was expected to save more than $100 million in General Fund costs annually when fully implemented. The state sought a waiver to implement these changes, but the

waiver was not approved because the federal government now considers Medi-Cal pregnancy-only coverage to be comprehensive coverage.

- The federal government requires that states provide Behavioral Health Treatment as a required benefit under Medi-Cal. This benefit will cost approximately $91 million General Fund in the budget year.
- The federal Department of Labor issued regulations entitling home care providers to payment for overtime, travel time between recipients, and wait time related to doctor visits. The federal rules affect all home care workers, including the following state-funded programs: In-Home Supportive Services, Waiver Personal Care Services, and Developmental Services. These regulations will lead to over $440 million annually in additional state costs.

There have also been recent federal actions in the health and human services area that have created substantial fiscal uncertainty for California. The impact of these actions is currently unknown, but could cost the state billions of dollars annually.

- In June 2015, the federal government released a proposed regulation pertaining to Medicaid managed care programs. There are several components of the proposed regulation that could negatively impact California's Medicaid managed care program and result in General Fund costs potentially in the billions of dollars annually. The federal government has indicated it intends to finalize the regulation in the first half of 2016.
- In 2011, the federal government published a proposed regulation regarding Medicaid fee-for-service access standards and monitoring and issued the final regulation in October 2015. The final regulation is significantly improved from the initial proposal, but there are still costly provisions for states seeking to provide timely access to services and setting fee-for-service payment policies.
- The federal government recently indicated it would be implementing a change in how California has historically claimed Disproportionate Share Hospital funding for public safety net hospitals and that the change would likely be applied retroactively. This change could result in tens of millions in lost revenue to public safety net hospitals and associated General Fund costs over the next two years.
- California and the federal government reached an agreement on the Section 1115 Waiver renewal that begins January 1, 2016. While the exact magnitude is

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unknown, the Waiver reduced funding for public hospitals and will result in negative General Fund impacts over the next few years.

- The federal government, through the state Department of Public Health, determined that the state's developmental centers are noncompliant with federal regulations and should be decertified, thereby becoming ineligible for federal funding. The state entered into a settlement agreement for the decertified units at the Sonoma Developmental Center to keep federal funds available until either July 1, 2016 or July 1, 2017, depending on the state's continued compliance with the agreement. Discussions are ongoing over the decertification of the Porterville and Fairview Developmental Centers. The state must make substantial progress in closing all of the developmental centers outside the secured treatment area at Porterville to maintain federal funds. Delays could cost the state hundreds of millions if the federal government decertifies the centers.

Department of Health Care Services

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care coverage program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates basic services, 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, home and community-based services, and medical equipment. DHCS 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.

Since 2012-13, total Medi-Cal benefit costs grew at an average of 22 percent annually to $87.9 billion in 2015-16 because of a combination of health care cost inflation, program expansions, and caseload growth. Medi-Cal General Fund spending is projected to increase 8 percent from $17.7 billion in 2015-16 to $19.1 billion in 2016-17.

The Budget assumes that caseload will increase approximately 8.1 percent from 2014-15 to 2015-16 and 1.5 percent from 2015-16 to 2016-17. Recent caseload trends reflect a larger increase in the current fiscal year (727,000), with more typical growth (62,000) by

2016-17. With these trends, over a third of the state's total population will be enrolled in Medi-Cal, with total caseload expected to be 13.5 million in 2016-17.

Compared to other states, California is providing higher levels of Medicaid services while receiving lower federal reimbursements and maintaining lower-than-average costs per case. The Federal Medical Assistance Percentage (FMAP) determines the level of federal financial support for the Medi-Cal program. California has generally had an FMAP of 50 percent (the minimum percentage authorized under federal law) since the inception of the Medicaid program in 1965. California's FMAP percentage is lower than the national average and is lower than those of neighboring states. Oregon, Nevada, and Arizona currently have FMAP percentages of 64 percent, 65 percent, and 69 percent, respectively. The state's FMAP percentage is also substantially lower than Mississippi's 74 percent FMAP percentage, currently the highest in the country.

Furthermore, the Medi-Cal program cost per case is lower than the national average (28th out of 50 states plus the District of Columbia). According to data from federal fiscal year 2011, California's cost per case of $6,108 was lower than the national average of $6,502. The highest cost per case state is Massachusetts ($11,091) and the lowest is Nevada ($4,010).

California is one of 31 states (including the District of Columbia) that implemented the optional expansion under federal health care reform, which expanded Medi-Cal eligibility to all parent/caretaker relatives and childless adults under 138 percent of the federal poverty level (FPL). In addition, California provides coverage for pregnant women up to 322 percent of FPL (which is the highest of any Medicaid program in the nation), and 138 percent of FPL for parents and caretaker relatives (4th highest in the nation).

Significant Adjustments:

- Extension of Full-Scope Medi-Cal Coverage to Undocumented Children—Chapter 18, Statutes of 2015 (SB 75), expands full-scope Medi-Cal benefits to undocumented children under 19 years of age. The Budget includes $182 million ($145 million General Fund) to provide full-scope benefits to 170,000 children. The provision of this benefit is scheduled to begin by May 1, 2016.
- County Medi-Cal Administration—County workers conduct Medi-Cal eligibility work on behalf of the state. Medi-Cal caseload continues to grow significantly post implementation of the Affordable Care Act, and the system built to automate eligibility determinations is not yet completely functional. The Budget provides

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counties an additional $169.9 million ($57 million General Fund) in 2016-17 and the following year to administer the program. Once the eligibility system is stabilized, the state will conduct time studies to inform a new Medi-Cal county administration budgeting methodology.

Health Care Reform Implementation

In 2013, California implemented significant portions of the Affordable Care Act. Covered California, the state's insurance marketplace, has provided affordable health insurance, including plans subsidized with federally funded tax subsidies and products for small businesses, beginning January 1, 2014.

In addition, the Medi-Cal program was expanded in two ways:

- The mandatory expansion simplified eligibility, enrollment, and retention rules, making it easier to get on and stay on the program.
- The optional expansion extended eligibility to adults without children, and parent and caretaker relatives with incomes up to 138 percent of the federal poverty level.

Significant reforms in the individual and small group insurance markets also took effect January 1, 2014. Most health plans and insurers in California are required to cover the 10 essential health benefits required by federal law: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric oral and vision care.

With these reforms, the Medi-Cal caseload will increase from 7.9 million in 2012-13 to a projected 13.5 million in 2016-17, covering over a third of the state's population. In addition, 1.5 million people will be enrolled in Covered California by the end of 2015-16. Covered California is now a self-sustaining entity primarily through the fees it assesses on qualified health plans to fund its operating budget.

The Budget assumes net costs of $4 billion ($1.9 billion General Fund) in 2016-17 for the cost of the mandatory Medi-Cal expansion. Additionally, the federal government will pay 100 percent of the cost of the optional expansion for the first three years. Beginning in 2017, the state assumes a 5-percent share for the optional expansion population. By 2020-21, the federal share will have decreased to 90 percent and the state will pay

10 percent. The Budget assumes costs of $13.7 billion ($551.5 million General Fund) in 2016-17 for the state's share of costs for the optional Medi-Cal expansion.

1991-92 State-Local Realignment Health Account Redirection

Under the Affordable Care Act, county costs and responsibilities for indigent health care are decreasing as more individuals gain access to health care coverage. The state-based Medi-Cal expansion has resulted in indigent care costs previously paid by counties shifting to the state, contributing to significant increases in state costs.

Chapter 24, Statutes of 2013 (AB 85), modified the 1991 Realignment Local Revenue Fund (LRF) distributions to capture and redirect savings counties are experiencing from the implementation of federal health care reform. The net savings are redirected for county CalWORKs expenditures, which saves the state General Fund on the CalWORKs program. County savings are estimated to be $741.9 million in 2015-16 and $564.5 million in 2016-17. However, actual county savings in 2013-14 were $151.7 million lower than estimated and the Budget assumes reimbursement of this amount to counties in 2016-17. The estimates for 2016-17 will be updated in the May Revision using more current data from the counties. As mentioned earlier in this Chapter, the 1115 Waiver and other actions pending by the federal government may further impact the savings reported by counties.

LRF sales tax revenues are first allocated to base funding to the subaccounts (Mental Health, Health, Social Services, and CalWORKs) within the fund. Any sales tax revenues deposited into the LRF in excess of base funding are distributed through various growth formulas. These growth funds are first distributed to fund cost increases in social services programs, followed by County Medical Services Program growth pursuant to a statutory formula. Any remaining growth funds, or general growth, are distributed to each of the subaccounts within the LRF.

AB 85 established two new subaccounts within the LRF beginning in 2013-14: (1) the Family Support Subaccount, which receives sales tax funds redirected from the Health Subaccount, as noted above, and then redistributes to counties in lieu of General Fund for the CalWORKs program, and (2) the Child Poverty and Family Supplemental Support Subaccount, which receives base and growth revenues dedicated solely towards funding increases to CalWORKs grant levels. Additionally, under AB 85, the Health Subaccount receives a fixed 18.5 percent of general growth funds, while the Mental Health Subaccount continues to receive general growth without any changes to the original

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statutory formula. The Child Poverty and Family Supplemental Support Subaccount receives any remaining general growth funds.

Based on current revenue estimates, the Child Poverty and Family Supplemental Support Subaccount is projected to receive $241.5 million in base and growth funds in 2015-16, plus an additional $69.5 million in carryover funding from the prior fiscal year. These funds will be used to fund the two 5-percent increases to CalWORKs grant levels that took effect on March 1, 2014 and April 1, 2015, which are estimated to cost $326 million in 2015-16 and $319.8 million in 2016-17. Total deposits to the Child Poverty and Family Supplemental Support Subaccount in 2016-17 are projected to be $302.4 million. The Budget includes $15 million General Fund in 2015-16 and $17.4 million General Fund in 2016-17 to provide the remaining funding needed for the grant increases.

Mental Health and Substance Use Disorder Services

California expanded the mental health and substance use disorder benefits available to those eligible for Medi-Cal as part of its implementation of the Affordable Care Act. The Budget includes the costs of the expansion of these benefits.

DHCS sought a waiver from the federal Centers for Medicare and Medicaid Services to provide better coordination and a continuum of care for substance use disorder treatment services, including residential treatment services which would be unavailable for most beneficiaries absent a waiver. The waiver amendment, which was approved in August 2015 and is included in the Medi-Cal 2020 Waiver, will allow state and county officials more authority to select quality providers to provide substance use disorder treatment, assessments, and case management. To participate in the waiver, counties which must opt in by submitting an implementation plan to DHCS, which expects over 50 counties to begin participating by the end of the budget year. The Budget includes $90.9 million ($32.5 million General Fund) for residential treatment services expanded under the new waiver.

Existing law also requires DHCS, in collaboration with stakeholders, to create a Performance Outcomes System to track outcomes of Medi-Cal Specialty Mental Health Services for children and youth. DHCS continues to work with stakeholders to identify key components of the system and finalize the outcome measures that will be prioritized for data collection. The Budget includes $11.9 million General Fund for implementation of this system, including county collection of assessment data and related training to better report on participant outcomes.

Managed Care Organization Tax

Chapter 33, Statutes of 2013 (SB 78), authorized a tax on the operating revenue of Medi-Cal managed care plans based on the state sales tax rate. This tax offset General Fund spending in the Medi-Cal program by approximately $1 billion annually. The federal government released guidance in 2014 indicating that the current tax is impermissible under federal Medicaid regulations. California's current tax expires at the end of 2015-16.

The 2015 Governor's Budget proposed to amend the scope of the tax in order to: comply with federal requirements by broadening the tax to apply to nearly all managed care plans; continue to offset General Fund expenditures in the Medi-Cal program by $1 billion annually; and restore the 7-percent reduction in hours for recipients of In-Home Supportive Services. The 2015 Budget Act restored the 7-percent reduction in the In-Home Supportive Services program for one year using General Fund dollars, but the Administration's proposed tax extension has not been passed by the Legislature. The Governor called a special session in June 2015 to address the proposed tax.

Calendar year 2017 is the first year that the state will share the costs of the optional expansion population under federal health care reform. To serve the 3.4 million residents now receiving coverage, the Budget allocates $740 million General Fund for the state's 5-percent share of costs (on a half-year basis). These costs will eventually reach $1.8 billion General Fund annually by 2020-21. The managed care organization tax remains a critical component of maintaining Medi-Cal program funding that allows for the coverage of the expanded population and for future provider rate increases.

The Budget proposes a tax reform package to extend a federally allowable managed care organization tax. The Budget also assumes that revenues from the tax be placed in a special fund and be used to restore the 7-percent reduction to the In-Home Supportive Services ($236 million annually). Finally, the Budget assumes the tax is in place for three years starting in 2016-17.

Coordinated Care Initiative

Under the Coordinated Care Initiative (CCI), persons eligible for both Medicare and Medi-Cal (dual eligibles) receive medical, behavioral health, long-term supports and services, and home and community-based services coordinated through a single health plan. The coordination of care for dual eligibles has the potential to reduce costs and improve care over the long term. These changes are being implemented through a

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federal demonstration project known as Cal MediConnect. The CCI is also mandatorily enrolling most other dual eligibles in managed care plans for their Medi-Cal benefits only and integrating long-term services and supports for Medi-Cal-only beneficiaries. The CCI was intended to operate in eight counties: Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. Under CCI, the state is in the process of starting to collectively bargain with In-Home Supportive Services (IHSS) workers in the counties that have implemented the CCI. The CCI also includes a new IHSS maintenance of effort for counties that replaces the old county share of cost.

The following changes have occurred since creation of the program:

- More than 100,000 participants were exempted, including Medicare Special Needs Plans and certain categories of Medi-Cal beneficiaries based on age or health condition.
- Implementation was delayed until 2014, and Alameda County will no longer participate in the demonstration. Passive enrollment is now complete in six of the seven demonstration counties, with passive enrollment in Orange County still in progress.
- Medicare and Medicaid savings were intended to be shared 50-50 with the federal government. However, the federal government reduced the amount of savings California was allowed to retain to approximately 25 to 30 percent.
- To help pay for Cal MediConnect implementation, the federal government allowed a 4-percent tax on managed care organizations through June 30, 2016. However, the federal government has indicated the tax is inconsistent with federal Medicaid regulations and will not be allowed to continue without major modifications.
- As of November 1, 2015, approximately 69 percent of eligible participants have opted out of, or disenrolled from, the demonstration compared to initial projections of approximately 33 percent. The opt-out rate is around 83 percent for IHSS beneficiaries, and participation varies widely by county.
- Due to revised federal Fair Labor Standards Act regulations, IHSS providers are entitled to overtime compensation. Because the CCI replaced the county share of cost with a cost cap based on 2011-12 expenditure levels plus annual growth of 3.5 percent, the overtime rule has significantly increased the state's IHSS costs. The cost cap applies to all 58 counties, not just the seven counties implementing CCI.

Under current law, the Director of Finance is required to annually send to the Legislature a determination of whether the CCI is cost-effective. If the CCI is not cost-effective, the program would automatically cease operation in the following fiscal year. If the managed care tax is not extended, the Budget projects net General Fund costs for the CCI of approximately $130 million in 2016-17 and beyond due to the factors outlined above.

The Administration proposes to continue to implement the CCI in 2016. Over the course of the next year, the Administration will seek ways to improve participation in the program and extend an allowable managed care organization tax. If the tax is not extended and participation is not improved by January 2017, the CCI would cease operating effective January 2018.

Medi-Cal 1115 Waiver Renewal

Throughout 2015, California negotiated with the federal government to renew the Medi-Cal Section 1115 "Bridge to Reform" Waiver, which was fundamental to the successful implementation of the Affordable Care Act. California subsequently received approval for the Waiver renewal, called Medi-Cal 2020, effective January 1, 2016 through December 31, 2020. The total initial federal funding in the renewal is $6.2 billion over five years, with the potential for additional funding in the global payment program outlined below.

Medi-Cal 2020 will enable California to continue the delivery system transformation of public hospital systems begun under the Bridge to Reform Waiver. It will also implement new efforts to further improve services across the Medi-Cal program, including in the Medi-Cal dental program and in the treatment of high-risk, vulnerable populations.

The agreement includes the following core elements:

- A delivery system transformation and alignment incentive program for designated public hospitals and district/municipal hospitals that totals $3.3 billion.
- A global payment program for designated public hospitals for services to the remaining uninsured. The program transitions around $1 billion in current federal Disproportionate Share Hospital funding annually along with federal uncompensated care funding (initially $276 million) into a value-based system aimed at improving care for the remaining uninsured.

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- A whole person care pilot program that would integrate care for high-risk, vulnerable populations in a county-based, voluntary program. The funding for this program would be up to $1.5 billion.
- A dental transformation incentive program totaling $750 million.

In addition to these programs outlined above, the federal government requires as a condition of the waiver an independent assessment of access to care and network adequacy for Medi-Cal managed care beneficiaries and independent studies of uncompensated care and hospital financing.

2011 Realignment Funding

In an effort 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 1991-92 State-Local Realignment are now funded primarily by revenue dedicated for 2011 Realignment.

2011 Realignment is funded through two sources: a state special fund sales tax of 1.0625 cents totaling $6.9 billion, and $589.2 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. Figure HHS-03 identifies the programs and funding for 2011 Realignment.

The Administration, in consultation with county partners and stakeholders, is continuing to develop an allocation for 2014-15 funds in the 2011 Realignment Behavioral Health Services Growth Special Account. From 2014-15 revenues, the Account has $117 million. The first priority for growth funds is federal entitlement programs including Medi-Cal Specialty Mental Health (including those required by Early Periodic Screening, Diagnosis, and Treatment) and Drug Medi-Cal.

Figure HHS-03
2011 Realignment Estimate at 2016-17 Governor's Budget
(Dollars in Millions)

	2014-15	2014-15 Growth	2015-16	2015-16 Growth	2016-17	2016-17 Growth
Law Enforcement Services	**$2,078.3**		**$2,289.1**		**$2,418.2**	
Trial Court Security Subaccount	518.1	14.5	532.5	12.9	545.4	13.8
Enhancing Law Enforcement Activities	489.9	57.8	489.9	80.5	489.9	99.3
Community Corrections Subaccount	934.1	173.4	1,107.5	96.8	1,204.3	103.4
District Attorney and Public Defender	15.8	8.5	24.3	6.5	30.8	6.9
Juvenile Justice Subaccount	120.4	14.5	134.9	12.9	147.8	13.8
Youthful Offender Block Grant Special Account	*(113.8)*	*(13.7)*	*(127.5)*	*(12.2)*	*(139.6)*	*(13.0)*
Juvenile Reentry Grant Special Account	*(6.6)*	*(0.8)*	*(7.4)*	*(0.7)*	*(8.2)*	*(0.8)*
Growth, Law Enforcement Services		**268.7**		**209.6**		**237.2**
Mental Health[2]	**1,120.6**	13.4	**1,120.6**	12.0	**1,120.6**	12.8
Support Services	**3,022.1**		**3,277.6**		**3,505.2**	
Protective Services Subaccount	1,970.7	138.5	2,109.2	107.8	2,217.0	115.2
Behavioral Health Subaccount[3]	1,051.4	117.0	1,168.4	119.8	1,288.2	128.0
Women and Children's Residential Treatment Services	*(5.1)*	-	*(5.1)*	-	*(5.1)*	-
Growth, Support Services		**268.9**		**239.6**		**256.0**
Account Total and Growth	**$6,758.6**		**$7,136.5**		**$7,537.2**	
Revenue						
1.0625% Sales Tax	6,210.9		6,566.1		6,948.0	
Motor Vehicle License Fee	547.7		570.4		589.2	
Revenue Total	**$6,758.6**		**$7,136.5**		**$7,537.2**	

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

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

3 The Early and Periodic Screening, Diagnosis, and Treatment and Drug Medi-Cal programs within the Behavioral Health Subaccount do not yet have a permanent base.

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 $23.8 billion ($8 billion General Fund) for DSS in 2016-17.

Significant Adjustments:

- Continuum of Care Reform Resources—The Budget includes $94.9 million ($60.9 million General Fund) for DSS, DHCS, county child welfare agencies, and county probation departments to continue the implementation of the Continuum of Care reforms codified in Chapter 773, Statutes of 2015 (AB 403). The reforms emphasize home-based family care, improve access to services without having to change out-of-home placements to get those services, and increase the role of children, youth, and families in assessment and case planning. The measure establishes a core practice model to govern all services, whether delivered by a county or licensed provider organization, and provides medically necessary mental health services to children and youth in foster care regardless of their placement setting.
- CalFresh Assistance and Training—The Budget includes five positions and $804,000 ($261,000 General Fund) for DSS to provide technical assistance and training to the 19 largest counties on effective business processes for enrolling and retaining families in the CalFresh Program. Their work will be coordinated with Medi-Cal and the Department of Public Health's Women, Infants and Children program to provide appropriate nutrition assistance for young children.

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 $7.5 billion (state, local, and federal funds) in 2016-17. The amount budgeted includes $5.4 billion for CalWORKs program expenditures and $2.1 billion in other programs. Other programs primarily include expenditures for Cal Grants, Department of Education 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, and the Department of Child Support Services.

Average monthly CalWORKs caseload is estimated to be about 497,000 families in 2016-17, a 5.5-percent decrease from the 2015 Budget Act projection. Due to an improving economy, caseload has decreased every year from a peak of 587,000 in 2010-11.

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 institutionalization. The IHSS program is also a key component of the CCI. IHSS has been incorporated into the managed care delivery system in the seven CCI counties, along with a range of long-term services and supports. For additional information on CCI, refer to the Department of Health Care Services section.

The Budget includes $9.2 billion ($3 billion General Fund) for the IHSS program in 2016-17, an 8.4-percent increase over the revised 2015-16 level. Average monthly caseload in this program is estimated to be 490,000 recipients in 2016-17, a 4.9-percent increase from the 2015 Budget Act projection. General Fund costs in this program have doubled since 2010-11, while caseload has increased 12 percent.

The Budget proposes to restore the current 7-percent across-the-board reduction in service hours with proceeds from the managed care organization tax effective July 1, 2016. The cost to restore the 7-percent reduction is estimated to be $236 million in 2016-17. For additional information on the tax, refer to the Department of Health Care Services section.

Implementation of the U.S. Department of Labor regulations that require overtime pay for domestic workers is estimated to cost $700.4 million ($331.3 million General Fund) in 2015-16 and $942 million ($443.8 million General Fund) annually thereafter. Chapters 29 and 488, Statutes of 2014 (SB 855 and SB 873), limit providers to a 66-hour workweek. Providers who work for multiple recipients will be paid for their travel time between recipients, up to 7 hours per week.

In late December 2014, a federal district court ruled that a portion of the overtime pay regulations exceeded the Department of Labor's authority and voided the regulations. In August 2015, however, a U.S. Court of Appeals upheld the regulations. The ruling was appealed to the U.S. Supreme Court, but in October 2015, the Supreme Court denied the plaintiff's request for a motion to stay the appellate court's decision. The Court has not yet decided whether to consider the case.

To allow for an orderly transition, minimize confusion, and permit time for IHSS automation changes, implementation of the federal overtime rules for IHSS providers is anticipated to begin February 1, 2016. Increased rates to cover these costs for developmental services providers became effective December 1, 2015.

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Supplemental Security Income/State Supplementary Payment

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 (SSA) 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 non-citizens who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes $2.9 billion General Fund for the SSI/SSP program. This represents a 2.8-percent increase ($76.8 million) over the revised 2015-16 budget. The average monthly caseload in this program is estimated to be 1.3 million recipients in 2016-17, a slight increase over the 2015-16 projected level. The SSI/SSP caseload consists of 71-percent disabled persons, 28-percent aged, and 1-percent blind.

SSA applies an annual cost-of-living adjustment to the SSI portion of the grant equivalent to the year-over-year increase in the Consumer Price Index (CPI). The current CPI growth factor is a projected 1.7 percent for 2017. The Budget also includes $40.7 million General Fund for a cost-of-living increase to the SSP portion of the grant equivalent to the increase in the California Necessities Index, which is estimated to be 2.96 percent. The increase would be effective January 1, 2017 and represents the first state-provided cost-of-living increase since 2006.

Effective January 2016, maximum SSI/SSP grant levels are $889 per month for individuals and $1,496 per month for couples. Under the Budget, maximum SSI/SSP monthly grant levels will increase by $17 and $31 for individuals and couples, respectively, effective January 2017. CAPI benefits are equivalent to SSI/SSP benefits, less $10 per month for individuals and $20 per month for couples.

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 $1.8 billion ($1.7 billion General Fund) in 2016-17 for support of DSH. The patient population is projected to reach a total of 7,323 in 2016-17.

Significant Adjustments:

- Unified Hospital Communications and Public Address System—The Budget proposes $6.5 million General Fund and 2 positions in 2016-17 to replace the aged public address systems and local area networks at the Coalinga and Patton hospitals.
- Sonoma Jail-Based Competency Treatment Beds—The Budget includes $500,000 General Fund in 2015-16 and $1.5 million General Fund in 2016-17 for DSH to contract with Sonoma County for 10 beds in its jail facility. With this request, DSH will support a total of 158 restoration of competency beds to serve incompetent to stand trial patients outside of the state hospitals, at a cost of approximately $20 million General Fund annually.

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 developmental services as an individual entitlement. The state is in the process of closing all the state-operated developmental centers, except for the secure treatment area at the Porterville Developmental Center. By the end of 2016-17, DDS estimates it will serve approximately 302,000 individuals with developmental disabilities in the community and 847 individuals in state-operated developmental centers. For 2016-17, the Budget includes $6.4 billion ($3.8 billion General Fund) for support of developmental services.

Developmental Center Closures

DDS carries out its responsibilities through 21 community-based, non-profit corporations known as "regional centers" and three state-operated developmental centers. The Administration announced in 2015 the planned closure for the three remaining developmental centers: Sonoma, Fairview and the general treatment area of Porterville.

To assist in the development of community resources for placement of current developmental center residents, the Budget includes $146.6 million ($127.2 million General Fund). This amount includes $78.8 million General Fund specifically for Sonoma ($24.5 million), Fairview ($29.7 million), and Porterville ($24.6 million).

As part of the developmental center closure activities, the Budget also includes $18 million ($12 million General Fund) to resolve open workers' compensation claims, inventory and archive clinical and historical records, execute an independent monitoring

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contract as stipulated by the federal government, and relocate residents and their personal belongings.

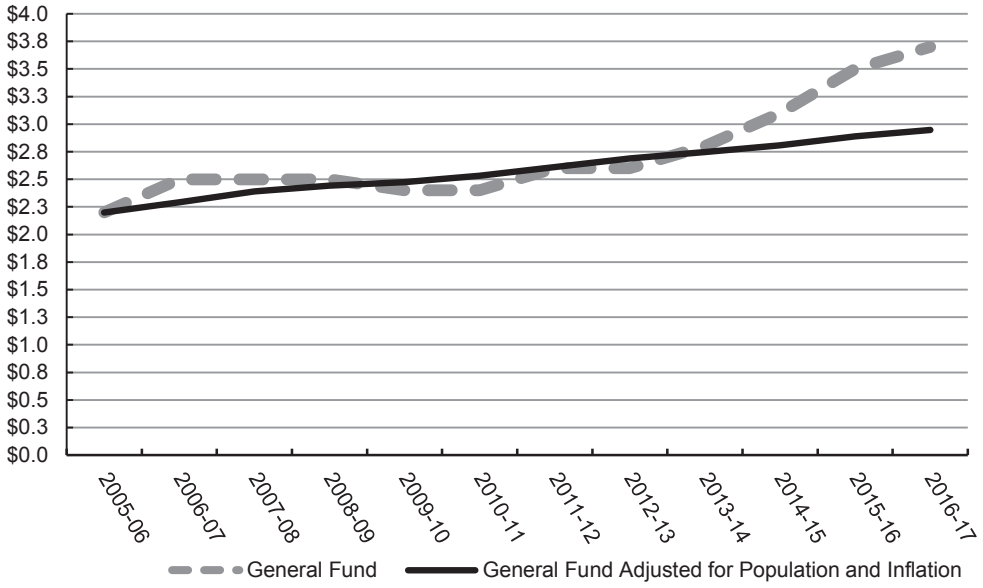
Regional Center Services

The regional center system is projected to serve more than 300,000 individuals with developmental disabilities and their families in the budget year. Regional centers provide intake, assessment, eligibility determination, resource development, and case management services. The centers also work with the thousands of businesses and individuals providing developmental services in the community.

The shift of the remaining consumers from developmental centers to the community, which will be complete by 2021 (with the exception of the secure treatment program at Porterville and the Canyon Springs facility), increases the urgency to improve the state's oversight role, identify service cost drivers, and implement efforts that support the efficient delivery of quality services.

Since 2013-14, as shown in Figure HHS-04, regional center costs have grown from $2.5 billion General Fund to $3.1 billion General Fund in 2015-16. This represents a 24-percent increase despite a freeze on provider rates. Caseload growth over the same

Figure HHS-04
Department of Developmental Services
Budgeted Expenditures vs. Inflation & Population Growth
(Dollars in Billions)



period has been only 5.7 percent. Not all of the causes of this increase are known, although increases in autism services, an aging population, individuals transitioning from the developmental centers into the community, and individuals moving from their family homes into supported living arrangements, are all contributing to the increase. To improve the oversight and understanding of the regional center system, the Budget includes targeted resources to improve the data systems and research capacity of DDS. The Budget includes $1.9 million ($1.3 million General Fund) and 14 positions for audit functions and to create a new fiscal and research unit that will help develop accurate, reliable, and data-driven programmatic information and service trends that can improve the administration of the regional center system.

Provider rates throughout the developmental services system have become a complex and layered patchwork over time. Many rates have been frozen for years, although rates have been increased recently for state and federal mandates such as minimum wage increases and overtime. The core staffing formula used to adjust regional center budgets based on the number of consumers served has not been adjusted for the majority of classifications since 1991. Under the Home and Community-Based Services Waiver, the federal government is mandating many changes to the delivery of services in the community. In recognition of these demands, the Budget includes $80 million ($50 million General Fund) for the following targeted investments in the developmental services system:

- Establish 4-bed Alternative Residential Model homes rate—$46 million ($26 million General Fund). The rates for these homes are old and were originally based on a 6-bed model, so providers have two fewer beds from which to derive revenue while maintaining the same overhead. The smaller 4-bed model is increasingly used by regional centers. A large portion of regional center clients living outside their family home live in Alternative Residential Model homes.

- Case Managers—$17 million ($12 million General Fund). The federal government mandates a maximum caseload for each case manager employed by a regional center. These ratios were eroded during the recession to preserve direct services to regional center consumers and will be improved by the funding provided in the Budget.

- Compliance with Home and Community-Based Services Waiver requirements—$15 million ($11 million General Fund). The Department will target rate increases to providers to transition services like segregated day programs and

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sheltered workshops to models that are more integrated in the community and consistent with the Home and Community-Based Services Waiver.

The Administration will also continue its work with the developmental services community to develop data-driven solutions to the issues facing regional centers and providers. Any additional targeted spending proposals are expected to be funded from the proposed extension of the managed care organization tax.

Department of Public Health

The Department of Public Health is charged with protecting and promoting the health and well-being of the people in California. The Budget includes $3 billion ($134 million General Fund) in 2016-17 for the Department.

Significant Adjustments:

- Timely Outbreak Detection and Disease Prevention—The Budget includes $1.6 million General Fund and 14 positions to enhance state laboratory capacity to address communicable diseases through increased disease surveillance and testing.
- Implementation of the Medical Marijuana Regulation and Safety Act—The Budget contains $457,000 in 2015-16 and $3.4 million and 14 positions in 2016-17 for the Department to begin its regulatory responsibilities associated with the Act. For additional information on the Act, see the Statewide Issues Chapter.

Public Safety

This Chapter describes items in the Budget related to California's correctional system and local law enforcement.

Department of Corrections and Rehabilitation

The California Department of Corrections and Rehabilitation incarcerates the most violent felons, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. The Department provides safe and secure detention facilities and necessary support services to inmates, including food, clothing, academic and vocational training, as well as health care services. The Budget proposes total funding of $10.5 billion ($10.3 billion General Fund and $248 million other funds) for the Department in 2016-17.

The 2015 Budget Act projected an overall adult inmate average daily population of 127,990 in 2015-16. The average daily adult inmate population is now projected to decrease by 0.2 percent to 127,681 in 2015-16 and increase by 0.7 percent to 128,834 in 2016-17 compared to the 2015 Budget Act projection.

The 2015 Budget Act projected an overall parolee average daily population of 44,570 in 2015-16. The average daily parolee population is now projected to decrease by 1.4 percent to 43,960 in 2015-16 and by 4.5 percent to 42,571 in 2016-17, compared to 2015 Budget Act projections.

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The Division of Juvenile Justice's average daily ward population is increasing compared to the 2015 Budget Act projections. Specifically, the ward population is projected to increase by 37 in 2015-16 and by 42 in 2016-17, for a total population of 714 in 2015-16 and 719 in 2016-17.

Continued Focus on Inmate Rehabilitation and Reentry

The Budget includes approximately $400 million General Fund for the Division of Rehabilitative Programs. The Division continues to operate 13 prison-based reentry hubs which provide reentry services to targeted populations. The reentry hubs target offenders who are within four years of release and have a moderate-to-high risk to reoffend and a moderate-to-high criminogenic need for services. The core of reentry hub programming is cognitive behavioral treatment programming, which includes the major areas of substance use disorder treatment, criminal thinking, anger management and family relationships.

The Budget includes $15.2 million to continue the expansion of substance use disorder treatment programs to the remaining 11 institutions currently without a program.

The Budget includes $32.1 million to continue the community reentry program. Reentry programs link offenders to a range of community-based, rehabilitative services that assist with substance use disorders, mental health care, medical care, employment, education, housing, family reunification, and social support. The program is voluntary and allows eligible male inmates committed to state prison to serve the end of their sentences in the community in lieu of confinement in state prison. To date, the Department has contracts to house 220 inmates in community reentry facilities. The Budget includes resources for a total of 680 beds in 2016-17 and proposes to increase the eligibility criteria from 120 days prior to release to 180 days. The Budget also includes $25 million for incentive payments to local governments to aid in the siting of these community-based facilities.

Drug and Contraband Interdiction

The Budget includes $7.9 million General Fund to continue and expand efforts to reduce illegal drugs and contraband entering prisons. Specifically, the Budget proposes to continue drug and contraband interdiction efforts at 11 institutions, including intensive interdiction at Calipatria State Prison; California State Prison, Solano; and California State Prison, Los Angeles County. The expansion will enable the Department to search more staff, visitors and vendors entering these prisons on a daily basis, as well as packages received by these prisons.

These efforts are intended to reduce inmate violence, increase safety for staff and inmates, and promote a drug-free rehabilitative environment. Additionally, these efforts complement the expansion of substance use disorder treatment to the remaining prisons that are not reentry hubs by allowing the Department to prioritize placement of inmates who test positive for illicit drug use into substance use disorder treatment programs. The Department will contract with an independent entity to analyze and evaluate data collected by the institutions, which will help inform a potential future expansion of this program.

Expansion of Programs and Services for Lifer Population

In recent years, the number of long-term offenders being released after serving lengthy periods of incarceration has steadily increased. The Board of Parole Hearings indicates that approximately 80 percent of life-term offenders released to parole require or request transitional housing as part of their parole plans. Furthermore, the needs of offenders incarcerated for long terms are unique and better served by programs tailored to their needs. To better serve long-term offenders, the Budget includes $10 million General Fund for the following program expansions:

- Parolee Service Center Beds ($3.1 million)—Parolee Service Centers provide residential and support services that focus on employment, job search and placement training, substance use disorder education, stress management, victim awareness, computer supported literacy and life skills. The Department will add 136 beds on a statewide basis for this purpose.
- In-Prison Long-Term Offender Program ($3.4 million, of which $2.1 million is one-time)—This voluntary in-prison reentry program is designed specifically for long-term offenders, providing substance use disorder treatment, criminal thinking, anger management, family relationships, victim impact, denial management and employment readiness. The Department will add a Long-Term Offender Program at a male level III or IV facility, increasing the number of slots by approximately 1,700.
- Offender Mentor Certification Program ($423,000)—Long-term and life-term inmates who complete this voluntary 10-month program are trained and certified to become mentors for alcohol and drug counseling. Upon completion, inmates are assigned as mentors and obtain 4,000 hours of work experience in substance use disorder treatment programs. Once those hours are fulfilled, inmates are eligible to obtain a substance use disorder counseling certification that can be used to gain employment upon release. This augmentation will enable the Department to train an additional 64 inmates annually.

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- Pre-Employment Transitions Program ($3.1 million)—The Transitions Program offers employment preparation, teaching job-readiness, job search and prerequisite skills needed for the current job market. Participants learn about community resources and programs to help with transition and are linked to One-Stop Career Centers and social service agencies in their counties of residence. This program is currently available at all reentry hubs and will be expanded to all prisons. The Department will discontinue the use of contractors for this program and will hire teachers to serve approximately 23,000 inmates annually.

The Department will also begin efforts to develop a program that provides six-month transitional housing in locations closest to the communities in which life-term inmates will be released. Offenders serving long terms in prison are often unprepared for reentering society due to changes in technology and day-to-day living advances. Transitional housing will assist these offenders to successfully reenter society. Additionally, the Department has taken steps to allow offenders placed in transitional housing immediate access to community leave passes, phones and visitation, and to place these parolees in an appropriate service or treatment program based on their needs assessment. Lastly, the Budget includes $480,000 for custody staff to oversee evening college courses offered in prisons, similar to the security provided in other educational and vocational programs. Life-term inmates are more likely to participate in college courses offered in the evening to enable them to retain their in-prison jobs. This augmentation will support the offering of additional in-prison college courses.

Ashker v. Brown Settlement

The Department recently reached an agreement in the *Ashker v. Brown* lawsuit related to conditions of confinement at Pelican Bay State Prison. The final agreement moves the Department away from a system of indeterminate terms for segregated housing to a system that focuses on determinate terms for behavior-based violations. In addition, the Department has made changes to its step-down program to allow inmates to transition from segregated housing into the general population more quickly than under previous policies. These changes are projected to reduce the need for several thousand segregated housing beds, which will be converted to the appropriate housing security level as the changes occur.

The Budget includes a reduction of $28 million to account for these housing conversions. To maintain public and institutional safety, the Budget includes $5.8 million for additional investigative staff to monitor gang activity in prisons as the new segregated housing policy changes are implemented.

Compliance with the Three-Judge Panel Population Cap

In 2011, the U.S. Supreme Court upheld the federal three-judge panel's order that the Department reduce the prison population to 137.5 percent of the prison's design capacity by June 2013. On February 10, 2014, the court granted the state's request for a two-year extension to meet the 137.5-percent population cap. The court ordered the state to comply with the population cap by February 28, 2016, and to implement several population reduction measures, all of which are currently underway.

The court also ordered that a Compliance Officer be appointed to ensure the state meets the interim benchmarks and the final benchmark of 137.5 percent by February 28, 2016. The Compliance Officer has authority to order the release of inmates should the state fail to meet or maintain the final benchmark.

As of December 9, 2015, the prison population was at 136.0 percent of design capacity, which is below the February 2016 benchmark. Projections indicate the inmate population will grow in the out years, but through the continuation of various population reduction measures, an infill bed expansion, and maintaining in-state and out-of-state contract beds at current levels, the prison system is projected to remain below the population cap. To maintain the in-state and out-of-state contract bed capacity, the Administration is seeking legislative authority to continue the use of these beds beyond December 31, 2016, which was the sunset date established in Chapter 310, Statutes of 2013 (SB 105). The Department will also negotiate an extension of the lease for the California City facility. These contract facilities provide critical capacity that will enable the Department to remain below the court-ordered population cap.

The 2012 Budget Act authorized the construction of three level II dormitory housing facilities at existing prisons. Two of these new dormitory housing facilities will be located adjacent to Mule Creek State Prison in Ione, and will be activated in February 2016. The third is located at the Richard J. Donovan Correctional Facility in San Diego and will be activated in late spring 2016. Upon activation, these facilities will add 2,376 beds to the prison's design capacity and expand the number of educational and vocational programming slots by 1,266.

The state first contemplated the closure of the California Rehabilitation Center in 2012 due to its design and decaying infrastructure. While the closure of this facility remains a priority, based on the projected inmate population and the need to maintain compliance with the prison population cap, the Department will continue operating the facility for the next few years. The Budget includes a one-time General Fund augmentation of $6 million

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to address critical special repairs and deferred maintenance projects at the facility. The Administration will engage the Receiver on a workable plan to address physical plant needs to improve health care access at the facility. The state will continue to monitor the total inmate population and compliance with the population cap to assess the earliest date when the facility can be closed.

Additional Population Reduction Measures

As required by Chapter 312, Statutes of 2013 (SB 260), the Board of Parole Hearings implemented the Youth Offender Parole Program, which provides youth offender parole hearings for specified offenders who were convicted of a crime prior to their 18th birthday and sentenced to state prison. This program was further expanded by Chapter 471, Statutes of 2015 (SB 261), by increasing eligibility to those convicted of a crime committed before the age of 23. An inmate is eligible for a youth offender parole hearing during the 15th year of their sentence if they received a determinate sentence; 20th year if they received a sentence that was less than 25 years to life; and during the 25th year if they received a sentence of 25 years to life. Those with an indeterminate sentence immediately eligible for a youth offender parole hearing on January 1, 2016, are required to have their hearing completed by January 1, 2018. Determinately sentenced offenders immediately eligible are required to have their hearing before December 31, 2021. The Budget includes $3.7 million General Fund to implement the expanded Youth Offender Parole Program.

The Budget includes $3.3 million in 2015-16 and $6 million beginning in 2016-17 to comply with the *Sassman v. Brown* lawsuit, which requires the state to expand the existing female Alternative Custody Program to males. Alternative custody participants can be placed on home detention or other available residential placement one year prior to their release. Although the female Alternative Custody Program is currently available for inmates two years prior to their release, it will be modified to one year. At this time, it is unclear how many males will ultimately qualify for an alternative placement. Consequently, future budget adjustments may be necessary to capture the full impact of this program expansion.

Proposition 47

On November 4, 2014, the 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. Concurrently, the Department was implementing other population reduction measures,

most of which were court-ordered. Combined, Proposition 47 and these other measures reduced the average daily inmate population by approximately 8,700. Proposition 47 accelerated the scheduled release of many offenders and it is estimated that the 2015-16 average daily inmate population will be reduced by approximately 4,700 as a result of resentencing and avoided new admissions. This estimate will be further refined as more data become available. These measures allowed the Department to reduce overcrowding and its use of some contract beds.

Proposition 47 requires state savings resulting from the proposition to be transferred into a new fund, the Safe Neighborhoods and Schools Fund. The new fund will be used to reduce truancy and support drop-out prevention programs in K-12 schools, increase victim services grants, and support mental health and substance use disorder treatment services. The Director of Finance is required, on or before July 31, 2016, and on or before July 31 of each fiscal year thereafter, to calculate the state savings for the previous fiscal year compared to 2013-14. Actual data or best estimates are to be used. The calculation must be certified to the State Controller's Office no later than August 1 of each fiscal year. The first transfer of state savings to the Safe Neighborhoods and Schools Fund will occur in August 2016.

The Department of Finance currently estimates net savings of $29.3 million when comparing 2015-16 to 2013-14. This estimate assumes savings from a reduction in the state's adult inmate population, and increased costs due to a temporary increase in the parole population and trial court workload associated with resentencing. The estimate also takes into consideration the savings associated with fewer felony filings and more misdemeanor filings, and the number of offenders resentenced and released from the Department of State Hospitals. Pursuant to the proposition, funds will be allocated as displayed in Figure SAF-01. Ongoing savings are expected to be approximately $57 million.

Inmate Health Care and Mental Health Services

The state has made a significant financial commitment to improve the Department's delivery of health care services to inmates. The Budget dedicates $2.8 billion General Fund to health care services programs resulting in inmates having continued access to mental health, medical and dental care that is consistent with the standards and scope of services appropriate within a custodial environment.

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Figure SAF-01
Proposition 47 Estimated Allocation

Department	*Purpose*	*Percentage*	*2016-17 Estimated Allocation*
Board of State and Community Corrections	Mental Health Treatment Substance Use Disorder Treatment Diversion Programs	65%	$19,039,487
State Department of Education	Improve Outcomes for K-12 Students Reduce Truancy Support Students at Risk of Dropping Out of School or who are Victims of Crime	25%	$7,322,879
California Victim Compensation and Government Claims Board	Support Trauma Recovery Centers that Serve Crime Victims	10%	$2,929,152
Total		100%	$29,291,518

Federal Receivership Overseeing Prison Medical Care

The Budget includes $1.9 billion General Fund for prison medical care. At the request of the Receiver, this amount includes $26.8 million for increased pharmaceutical costs, $12.1 million to expand the janitorial services program at the California Health Care Facility, and $11.9 million to establish executive health care management teams at prisons that currently share management oversight and create supervisory ratios for certain health care classifications. These augmentations support inmate health care and the transition of medical care back to the state.

In addition to the Receiver's proposals, the Budget includes $9.4 million for the Department to provide additional health care access staffing due to physical plant changes made by the Health Care Facility Improvement Program and insufficient security coverage in health care areas that provide emergency response services. Health Care Access Units are one of the areas of operation that was delegated back to the Department by the Receiver in 2012. Additionally, the Budget includes $2 million to increase health care staffing at in-state contract facilities to improve medical care.

Local Public Safety

The Budget addresses the following local public safety issues.

Community Corrections Performance Incentive Grant

The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB 678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. Based on the revised formula established in 2015-16, the Budget includes $129.7 million to continue this successful program.

City Law Enforcement Grants

The Budget includes $20 million General Fund to increase positive outcomes between city police and the homeless community, persons with mental health needs, and high-risk youth populations. The Board of State and Community Corrections will allocate funds to individual cities acting as a fiduciary agent within each county receiving the funds.

The Budget also continues $6 million General Fund for grants to local law enforcement agencies for programs and initiatives intended to strengthen relationships between law enforcement and the communities they serve.

Continuum of Care Reform

The Budget includes $26.8 million ($18.1 million General Fund) for county probation departments to implement Continuum of Care reforms codified in Chapter 773, Statutes of 2015 (AB 403), that support the foster youth system as discussed in the Health and Human Services chapter.

Racial and Identity Profiling Act of 2015

Chapter 466, Statutes of 2015 (AB 953), revises the definition of racial profiling and, among other things, requires the Attorney General to report on citizen complaints alleging racial or identity profiling for each state and local agency that employs peace officers. Beginning in 2018-19, these local agencies will also have to report data on all stops conducted by the agency's peace officers, including the time, date, and location of the stop, and the reason for the stop. The Budget includes $10 million General Fund to allocate to local law enforcement agencies for costs incurred through June 2017 related to increased citizen complaint reporting activities. The Administration will work with law enforcement entities during the spring to develop an allocation methodology for these funds and the overall program that limits future mandate reimbursement claims related to AB 953.

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Local Criminal Justice Facility Construction

Since 2011 Public Safety Realignment, county jails have been housing felony offenders with longer sentences. Older jails do not lend themselves to the kinds of treatment and programming space needed to run effective in-custody programs that lead to success once an offender is released. The state has provided $2.2 billion in lease revenue authority for local jail construction over the last several years—with the most recent rounds of funding focused on treatment and programming space and better beds, rather than increased capacity. Using lease revenue bonds for local criminal justice facilities has been cumbersome. Many counties' projects have been delayed because of real estate issues that need to be resolved to be compatible with lease revenue bonds.

In the previous lease revenue programs, counties were designated as large (population greater than 700,000), medium (population 200,001-700,000) or small (population 200,000 or less). Funding was earmarked for each of these categories and counties were able to request a maximum amount of funding based on their size.

- Chapter 7, Statutes of 2008 (AB 900), authorized $1.2 billion in lease revenue for local jail construction projects. Under the two phases of the program, 21 counties received awards, of which 6 were large counties, 7 were medium counties, and 8 were small counties. Funding went primarily to those counties operating under a court-ordered population cap. When all construction is completed, over 9,000 jail beds will be added.
- Chapter 42, Statutes of 2012 (SB 1022), authorized $500 million in lease revenue bond funding and funded 14 county awards, of which 3 were large counties, 5 were medium counties, and 6 were small counties. This funding was primarily available to build better beds and treatment and programming space rather than increasing capacity. The program specified that counties seeking to replace or upgrade outdated facilities and provide alternatives to incarceration, including mental health and substance use disorder treatment, would be considered. The funding provided space for education and substance use disorder classes, day reporting centers and transitional housing.
- Chapter 37, Statutes of 2014 (SB 863), authorized an additional $500 million in lease revenue bond financing and funded 15 county awards, of which 4 were large counties, 5 were medium counties, and 6 were small counties. Similar to SB 1022, funding was primarily available for improving existing capacity and treatment and programming space. The awarded projects included reentry programming space,

education and vocational classroom space, medical and mental health housing, and dental clinical space.

The state remains committed to helping counties more appropriately serve felony offenders to improve California's overall criminal justice system. The Budget includes $250 million General Fund for competitive grants to those counties that have previously received only a partial award or have never received an award from the state for replacing or renovating county jails to improve custodial housing, reentry, rehabilitative programming, mental health services, or treatment space. Consistent with SB 863, there will be a 10-percent county match requirement, but the match may be reduced to 5-percent for small counties. Counties that previously applied and submitted recent documentation to support the need for improved adult local criminal justice facility housing with an emphasis on expanded program and treatment space will not be required to resubmit such documentation.

By focusing on counties previously receiving a partial award or never receiving an award, the program proposed in the Budget will mainly fund projects in small counties (see Figure SAF-02). While 17 counties have never received an award, it is unlikely that all remaining counties will apply for funds.

Figure SAF-02

Local Criminal Justice Facility Construction Award History

	Large	Medium	Small
Total Number of Counties	15	13	30
Never Received an Award	3	1	13
Received only Partial Award	1	1	1

The state has made significant investments to support the local criminal justice system by addressing local infrastructure needs. This Budget proposal is intended to address remaining gaps at the local level, particularly in small counties, to provide appropriate programming and treatment space to better serve offenders sentenced to county jail and improve outcomes among this population. Given the state's significant investment in this area, future consideration for additional funding for this purpose would require significant justification and a demonstrable need.

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Los Angeles County received an AB 900 award of $100 million for the Mira Loma facility to house female offenders. The County recently authorized the replacement of Men's Central Jail. The Administration has been in discussions with representatives of Los Angeles County about alternative ways the state might assist in the replacement of Men's Central Jail, which is estimated to cost $2 billion. Although the Budget does not include funding to assist Los Angeles County, the Administration remains committed to working with the County to address alternative ways to create a more collaborative state and local corrections program to make the system more efficient. The Administration is considering options presented by Los Angeles County, such as a diversion program and finding alternative placements for inmates coming to state prison who have six months of time left to serve.

Transportation

The Transportation Agency is responsible for developing and coordinating the policies and programs of the state's transportation entities to improve the mobility, safety, and environmental sustainability of the state's transportation system. The Agency consists of the following six state entities:

- Department of Transportation (Caltrans)
- California Transportation Commission
- High-Speed Rail Authority
- Department of Motor Vehicles
- California Highway Patrol
- Board of Pilot Commissioners

The Office of Traffic Safety operates within the Office of the Secretary for Transportation and the New Motor Vehicle Board operates within the Department of Motor Vehicles. The transportation area also includes the State Transit Assistance item, which supports local transit operators.

The Budget includes total funding of $16.2 billion for all programs administered within the Agency. In addition, the Shared Revenues budget in the General Government

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area allocates over $1.4 billion in fuel excise tax to cities and counties for local streets and roads.

Transportation Infrastructure

California has a vast state transportation infrastructure, which includes 50,000 lane miles of state and federal highways, 304,000 miles of locally owned roads, operation of three of the top five Amtrak intercity rail services in the nation (nearly 900 miles of track), and numerous transit systems operated by 180 local transit agencies. Efficient operation of this vast network is a key component of the state's continued economic growth. The state's transportation infrastructure serves a large portion of the country's trade, with nearly 20 percent of the goods imported to the United States moving through California ports, highways, and railways.

The repair, maintenance, and efficient operation of the state's highway system are vital to California's economic growth. In addition, a recent transportation study found that Californians spend on average $762 annually on vehicle repair costs due to poorly maintained roads. However, state funding has fallen dramatically below the levels needed to maintain the system. Annual maintenance and repair needs on the state's highway system are significantly more than can be funded within existing resources, with a current identified funding gap of almost $6 billion annually.

To address these needs, the Legislature has convened a conference committee as part of the transportation special session and that work continues toward delivering a comprehensive transportation funding plan to address decades of deferred maintenance on state and local transportation facilities. The Administration remains hopeful the conference committee will adopt a funding package in 2016 that addresses the state's most urgent transportation needs and reflects the following principles:

- Focusing new revenue primarily on "fix-it-first" investments to repair neighborhood roads and state highways and bridges.
- Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy.
- Providing funding to match locally generated funds for high-priority transportation projects.

- Continuing measures to improve performance, accountability and efficiency at Caltrans.
- Investing in passenger rail and public transit modernization and improvement.
- Avoiding an impact on the precariously balanced General Fund.

As such, the Budget reflects the Governor's transportation funding and reform package, including reforms first outlined in September 2015. The package includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies and streamlined project delivery, accountability measures, and constitutional protections for the new revenues.

The Governor's package of revenues will be split evenly between state and local transportation priorities. The ten-year funding plan will provide a total of $36 billion for transportation with an emphasis on repairing and maintaining the existing transportation infrastructure. It also includes a significant investment in public transit. Specifically, the proposal includes annualized resources as follows:

- Road Improvement Charge—$2 billion from a new $65 fee on all vehicles, including hybrids and electrics.
- Stabilize Gasoline Excise Tax—$500 million by setting the gasoline excise tax beginning in 2017-18 at the historical average of 18 cents and eliminating the current annual adjustments. The broader gasoline tax would then be adjusted annually for inflation to maintain purchasing power.
- Diesel Excise Tax—$500 million from an 11-cent increase in the diesel excise tax beginning in 2017-18. This tax would also be adjusted annually for inflation to maintain purchasing power.
- Cap and Trade—$500 million in additional cap and trade proceeds.
- Caltrans Efficiencies—$100 million in cost-saving reforms.

Additionally, the Budget includes a General Fund commitment to transportation by accelerating $879 million in loan repayments over the next four years. These funds will support additional investments in the Transit and Intercity Rail Capital Program, trade corridor improvements, and repairs on local roads and the state highway system. Without this commitment, these funds would be paid back over the next 20 years.

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Over the next ten years, the $36 billion transportation package will provide $16.2 billion for highway repairs and maintenance, and invest $2.3 billion in the state's trade corridors. Local roads will receive more than $13.5 billion in new funding. Transit and intercity rail will receive over $4 billion in additional funding. Because the state's disadvantaged communities are often located in areas affected by poor air quality, a minimum of $2 billion (50 percent) of these funds will be spent on projects that benefit these communities.

2016-17 Spending

For 2016-17, the Budget reflects partial first-year resources from the transportation package of over $1.7 billion (including nearly $1.6 billion from new revenues and $173 million from loan repayments), which will be distributed as follows:

- Local Streets and Roads—An increase of $342 million in Shared Revenues to be allocated by the Controller to cities and counties for local road maintenance according to existing statutory formulas. The Budget also includes an additional $148 million from loan repayments to reimburse cities and counties for funds already spent on Traffic Congestion Relief Program projects.
- Low Carbon Road Program—$100 million Cap and Trade for Caltrans to implement a new Low Carbon Road Program for local projects that encourage active transportation such as bicycling and walking, and other carbon-reducing road investments, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- Transit and Intercity Rail Capital Program—An increase of $409 million Cap and Trade (also includes $9 million from loan repayments) for transit capital investments that provide greenhouse gas reductions, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- Highway Repairs and Maintenance—An increase of $515 million ($5 million from loan repayments) for Caltrans to fund repairs and maintenance on the state highway system.
- Trade Corridor Improvements—An increase of $211 million ($11 million from loan repayments) for Caltrans to fund projects along the state's major trade corridors, providing ongoing funding for a program originally established with $2 billion in one-time Proposition 1B bond funding.

See Figure TRN-01 for totals by investment category for 2016-17 as well as anticipated annualized expenditures.

Figure TRN-01
Governor's Transportation Package
(Dollars in Millions)

Investment Category	*Program*	*2016-17 Amount*	*Annualized Amount*[3]
Local Streets and Roads	Low Carbon Road Program	$100	$100
	Local Road Maintenance & Repairs[1]	$490	$1,010
	Local Partnership Grants[2]	$0	$250
Transit	Transit Capital[1]	$409	$400
State Highway Repair and Maintenance	Pavement[1]	$220	$900
	Bridges and Culverts	$155	$500
	Traffic Management Systems	$20	$90
	Maintenance	$120	$120
Trade Corridors	Improved Goods Movement[1]	$211	$200
Total		**$1,725**	**$3,570**

[1] The 2016-17 totals include anticipated loan repayments.
[2] Provides up to $250 million per year beginning in 2017-18.
[3] Excludes one-time loan repayments totaling $879 million.

Project Reforms and Caltrans Efficiencies

The transportation package also includes the following reforms and efficiencies at Caltrans to streamline project delivery and advance projects more quickly:

- State Highway Performance Plan—Establish measurable targets for improvement including regular reporting to California Transportation Commission, the Legislature, and the public.
- Streamlined Project Delivery—Provide a limited California Environmental Quality Act (CEQA) exemption; remove the sunset date for the federal delegation of environmental reviews so they can be completed concurrent with the state review; advance project environmental mitigation to get early buy-in on activities and reduce late challenges that delay projects; and implement more innovative procurement methods, such as combining design and construction management elements to accelerate project delivery, commonly known as Construction Manager/General Contractor (CMGC) procurements.

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- Staffing Flexibility—Permit Caltrans to deliver projects funded with new revenue by doubling contract staff over the next five years.
- Extend Public-Private Partnership Authority—Allow for these partnerships through 2027 by extending the current sunset date by ten years.

Improving Performance

The transportation package will improve performance of California's transportation system. A ten-year investment of the increased funding on state highways, bridges, and culverts—totaling over $16 billion—will achieve measurable improvements for the state's network as outlined in Figure TRN-02. Across these categories, new funding directed to preventative maintenance would save up to $5.8 billion in higher future costs.

Figure TRN-02

Ten-Year Highway Condition

With and Without the Governor's Transportation Package

Asset	Performance Target	Without New Investment	With New Investment
Pavement (50,000 lane miles)	90% Good Pavement	47% of pavement either needing preventative maintenance (30%) or already distressed (17%)	Additional 10,000 lane miles receive preventative maintenance and additional 3,000 lane miles rehabilitated, resulting in 90% good, not distressed
Bridges (13,100 bridges)	95% Good Condition	Distressed bridges increase by 90 bridges to 654 bridges	Additional 164 distressed bridges fixed, plus more functionally deficient bridges fixed, 200 more bridges repaired overall
Culverts (205,000 culverts)	80% Good Condition	78,000 culverts in poor or fair condition or 38%	37,000 additional culverts fixed, resulting in 80% in good condition
Traffic Management Systems (TMS) (48,850 elements)	90% Good Condition	10,000 TMS elements that are inoperable representing 20% of ramp meters, cameras, changeable message signs, and loop detectors	Additional 5,000 TMS elements fixed or rehabilitated, resulting in 90% in good condition
Maintenance (assets identified above)	90% - 95% Good Condition	Graffiti, litter, pothole repairs, and other indicators do not achieve performance targets	Pothole repairs, seal cracks, graffiti/ litter removal, and other indicators achieve performance targets at least 90% meeting the good performance target

Department of Motor Vehicles

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers, and protects consumers and ownership security by issuing vehicle titles and regulating vehicle sales. The Budget proposes $1.1 billion, mostly from non-General Fund sources, and 8,324 positions to support DMV operations.

Significant Adjustments:

- Road Improvement Charge Billing—$170,000 for DMV staff to make system changes to allow for the collection of the new Road Improvement Charge as part of the transportation package.
- Self-Service Terminals—$8 million to expand DMV's existing network of self-service terminals to increase public accessibility and provide additional transaction options. This is part of DMV's continuing effort to identify opportunities for providing greater convenience, at reduced costs, while managing current and future workload demands.
- New Motor Voter Program—$3.9 million General Fund to create an automatic voter registration process that is integrated with DMV's driver license application and renewal process. The California New Motor Voter Program, authorized by Chapter 729, Statutes of 2015 (AB 1461), is intended to increase the number of registered voters in the state by automatically registering eligible individuals to vote when applying for or renewing a driver license unless the individual opts out.
- Green Decal Program—The "green decal" statutory cap of 85,000 was met in December 2015. This program allows transitional and partial zero-emission vehicle use of High Occupancy Vehicle (HOV) lanes as single-occupant vehicles. The Administration will propose trailer bill language to extend this program.

Motor Vehicle Account Fee Increase

The Motor Vehicle Account is the primary funding source for DMV and the California Highway Patrol (CHP). The Motor Vehicle Account receives an average of $3.4 billion in revenues, primarily from annual vehicle registrations ($2.3 billion) and driver license, identification cards, and other fees ($1.1 billion). Over the next five years, annual expenditures are projected to be $3.9 billion from the Account. The CHP will spend an average of about $2.5 billion out of the Account, DMV about $1.2 billion, and the Air Resources Board and other departments spend the remaining $200 million. Therefore, the Account has an annual shortfall of about $500 million.

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Absent a fee increase, significant budgetary cuts would need to be made to the departments that spend out of the Account, such as reductions in the number of officers patrolling the state highways or closures of DMV field offices. To avoid these types of cuts, the Budget includes a $10 increase in the vehicle registration fee to address this imbalance between operating costs and available revenues.

Environmental Protection

The California Environmental Protection Agency works to restore, protect, and enhance environmental quality. The Agency coordinates the state's environmental regulatory programs to provide fair and consistent enforcement of the law. The Budget proposes total funding of $3.9 billion for all programs included in this Agency.

Combatting Climate Change

In 2015, California advanced climate change goals beyond 2020 with several ambitious and sweeping policies to solidify California's role as a global leader in the fight against climate change.

In January, the Governor's inaugural address introduced five key targets to reduce greenhouse gas (GHG) emissions:

- Increase electricity derived from renewable sources to 50 percent.
- Reduce petroleum use in cars and trucks by up to 50 percent.
- Double the rate of energy efficiency savings in existing buildings, and make heating fuels cleaner.
- Reduce the release of short-lived climate pollutants, such as methane and black carbon.
- Increase carbon sequestration on farms and rangelands, and in forests and wetlands.

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In April, the Governor issued Executive Order B-30-15 establishing a GHG emissions reduction target for the state of 40 percent below 1990 levels by 2030. The Legislature subsequently enacted and the Governor signed far-reaching clean energy legislation, Chapter 547, Statutes of 2015 (SB 350), to double the rate of energy efficiency savings in California buildings, generate half of the state's electricity from renewable sources by 2030, and establish widespread transportation electrification.

Throughout the year, California worked with subnational governments worldwide on an agreement known as the "Under 2 MOU," in which jurisdictions agreed to take steps to limit temperature increases to less than two degrees Celsius by 2050—the warming threshold at which scientists predict that dangerous climate disruptions will occur. Over 123 jurisdictions representing more than 720 million people and $19.9 trillion in combined Gross Domestic Product—equivalent to more than a quarter of the global economy—have signed the agreement. In December, 196 nations reached a historic global climate agreement at the United Nations Conference of the Parties in Paris to limit temperature increases to below two degrees Celsius.

Cap and Trade Expenditure Plan

The Budget supports the global climate pact, California's leadership role in the Under 2 MOU and other subnational agreements, as well as SB 350, by proposing a $3.1 billion Cap and Trade Expenditure Plan that will reduce GHG emissions through programs that support clean transportation, reduce short-lived climate pollutants, protect natural ecosystems, and benefit disadvantaged communities (see Figure EPA-01). The $3.1 billion Expenditure Plan reflects the balance of auction proceeds that were not appropriated in 2015-16, as well as the expenditure of projected proceeds in 2016-17. This Plan is consistent with the second triennial investment plan for Cap and Trade auction proceeds and was informed by public comments received through 11 public meetings and workshops as part of the development of the second investment plan. The proposed plan expends at least 10 percent of the proceeds within disadvantaged communities and at least 25 percent of the proceeds to projects that benefit those communities.

Figure EPA-01

2016-17 Cap and Trade Expenditure Plan

(Dollars in Millions)

Investment Category	*Department*	*Program*	*Amount*
Continuous Appropriation	High-Speed Rail Authority	High-Speed Rail Project	$500
	State Transit Assistance	Low Carbon Transit Operations	$100
	Transportation Agency	Transit and Intercity Rail Capital Program	$200
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	$400
50 Percent Reduction in Petroleum Use	Transportation Agency	Transit and Intercity Rail Capital Program	$400
	Caltrans	Low Carbon Road Program	$100
	Air Resources Board	Low Carbon Transportation & Fuels	$500
	Energy Commission	Biofuel Facility Investments	$25
Local Climate Action	Strategic Growth Council	Transformational Climate Communities	$100
Short-Lived Climate Pollutants	Air Resources Board	Black Carbon Woodsmoke	$40
		Refrigerants	$20
	Cal Recycle	Waste Diversion	$100
	Department of Food and Agriculture	Climate Smart Agriculture - Healthy Soils and Dairy Digesters	$55
Safeguarding California/ Water Action Plan	Departments of Food and Agriculture & Water Resources	Water and Energy Efficiency	$30
	Energy Commission	Drought Executive Order - Water and Energy Technology Program & Applicance Rebates	$60
	Department of Fish and Wildlife	Wetlands and Watershed Restoration/CalEcoRestore	$60
Safeguarding California/ Carbon Sequestration	CAL FIRE	Healthy Forests	$150
		Urban Forestry	$30
	Natural Resources Agency	Urban Greening	$20
Energy Efficiency/ Renewable Energy	Department of General Services	Energy Efficiency for Public Buildings	$30
	I Bank	California Lending for Energy and Environmental Needs Center	$20
	Conservation Corps	Energy Corps	$15
	Department of Community Services and Development	Energy Efficiency Upgrades/ Weatherization	$75
	University of California/ California State University	Renewable Energy and Energy Efficiency Projects	$60
Total			**$3,090**

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50-Percent Reduction in Petroleum Use

California's transportation sector accounts for 37 percent of GHG emissions in California, representing the highest source of statewide emissions. The primary strategies to reduce emissions from this sector include:

- Expanding public transit systems.
- Supporting transit-oriented development.
- Improving vehicle efficiency, including deployment of zero-emission vehicles and equipment.
- Reducing the carbon intensity of transportation fuels.

Consistent with existing law, the Budget reflects that 60 percent, or $1.2 billion, of 2016-17 projected auction proceeds are continuously appropriated to support public transit, sustainable communities, and high-speed rail. To further support the Governor's goal to reduce statewide petroleum use by 50 percent by 2030, the Cap and Trade Expenditure Plan includes an additional $1 billion for the following programs that will reduce emissions in the transportation sector:

- $500 million for the Air Resources Board's Low Carbon Transportation Program to provide incentives for low carbon freight and passenger transportation, including rebates for zero-emission cars, vouchers for hybrid trucks and zero-emission trucks and buses.
- $400 million for the Transportation Agency's Transit and Intercity Rail Capital Program for additional competitive grants to support capital improvements to integrate state, local and other transit systems, including those located in disadvantaged communities, and to provide connectivity to high-speed rail. This proposal is consistent with the Administration's transportation package. For additional detail, see the Transportation Chapter.
- $100 million for the Department of Transportation to administer the Low Carbon Road Program, which will prioritize disadvantaged communities, and provide competitive grants for improvements to local streets and roads that encourage active transportation, such as walking and bicycling, transit, and other carbon-reducing road investments. This proposal is consistent with the Administration's transportation package.

- $25 million for the Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program to provide incentives for in-state biofuel production through the expansion of existing facilities or the construction of new facilities.

Local Climate Action

Over the past several years, Cap and Trade proceeds have targeted disadvantaged communities through multiple pathways, such as the Department of Forestry and Fire Protection's (CAL FIRE) Urban Forestry Program and the Department of Community Services and Development's Low-Income Weatherization Program. The Budget proposes to continue to support these existing programs, as well as new, innovative approaches to support local efforts to reduce emissions. This proposal reflects comments received at the second investment plan public workshops encouraging greater local control.

Significant Adjustment:

- $100 million for the Strategic Growth Council to administer the Transformational Climate Communities Program to support local climate actions in the state's top 5 percent of disadvantaged communities. Funding will support projects that integrate multiple, cross-cutting approaches to reduce GHG emissions. The program will combine climate investments within a local area for catalytic impact, including investments in energy, transportation, active transportation, housing, urban greening, land use, water use efficiency, waste reduction, and other areas, while also increasing job training, economic, health and environmental benefits.

Short-Lived Climate Pollutants

Short-lived climate pollutants such as black carbon, methane, and fluorinated gases are much more potent than carbon dioxide. Cutting these pollutants can significantly help slow the rate of global warming and can improve health and air quality in local communities in California. Pursuant to Chapter 523, Statutes of 2014 (SB 605), the Air Resources Board has developed a plan that calls for a 50-percent reduction in black carbon and fluorinated gas emissions and a 40-percent reduction in methane emissions by 2030.

Reducing methane emissions from landfills will be a key component of the short-lived climate pollutant strategy. A key to achieving these goals is the successful collection and recycling of organic and other materials.

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Significant Adjustment:

- $100 million for the Department of Resources, Recycling and Recovery to provide financial incentives for capital investments that expand waste management infrastructure, with a priority in disadvantaged communities. Investment in new or expanded clean composting, anaerobic digestion, fiber, plastic, and glass facilities is necessary to divert more materials from landfills. These programs reduce GHG emissions and support the state's 75-percent solid waste recycling goal.

Water Action Plan and Safeguarding California

While California continues to reduce GHG emissions, the state is already confronting the impacts of climate change. Many impacts, such as increased fires, floods, severe storms and heat waves, will only become more frequent and more dramatic. California has experienced four consecutive years of below-average rain and snow, and is currently facing severe drought conditions statewide. Water levels in the state's reservoirs are depleted, the state's snowpack has been at historically low levels, and the state's rivers have been experiencing reduced flows.

In July 2014, the Natural Resources Agency released the Safeguarding California Plan, which identified risk reduction strategies to prepare for, and adapt to, climate change, including the management of the state's water supplies. In recognition of the current and future challenges of climate change, the Water Action Plan provides a blueprint to improve water supply reliability, restoration, and resilience (See the Natural Resources Chapter). The Cap and Trade Expenditure Plan includes an additional $150 million for the following programs that reduce GHG emissions by saving energy through water conservation, and restore ecosystems to improve carbon sequestration:

- $60 million for the Department of Fish and Wildlife to implement wetland restoration projects that provide carbon sequestration benefits, including habitat restoration projects within the California EcoRestore program to support the long-term health of the Delta's native fish and wildlife species.

- $30 million for the Energy Commission to begin implementation of the Water Energy Technology Program to provide funding for innovative technologies that reduce GHG emissions by (1) achieving significant energy and water savings, (2) demonstrating actual operation beyond the research and development stage, and (3) documenting readiness for rapid, large-scale deployment in California.

- $30 million for the Energy Commission to implement a consumer rebate program for the replacement of energy-inefficient water-consuming appliances, such as dishwashers and washing machines.
- $20 million for the California Department of Food and Agriculture's existing State Water Efficiency and Enhancement Program, which provides incentives to agricultural operations to invest in energy-efficient irrigation technologies that reduce GHG emissions and water use.
- $10 million for the Department of Water Resources' existing Water Energy Grant Program which reduces energy demand and GHG emissions through local projects that also support water use efficiency and conservation.

Carbon Sequestration

As a result of four consecutive years of drought conditions and an infestation of bark beetles, the U.S. Forest Service recently estimated that over 22 million trees in California are dead and tens of millions more are likely to die. In addition to increasing the frequency and severity of the state's wildfire risk, the number of dead and dying trees compromises the carbon sequestration capabilities of the state's forested lands.

Significant Adjustment:

- $150 million for CAL FIRE to support forest health programs that reduce GHG emissions through fuel reduction, reforestation projects, pest and diseased tree removal, and long-term protection of forested lands vulnerable to conversion. Funds will also support biomass energy generation projects.

Energy Efficiency and Renewable Energy

Consistent with the requirements of SB 350, one of the key climate change strategies to reduce GHG emissions is to double the rate of energy efficiency in existing buildings. Through clean energy investments in public buildings, the state will be a leader in meeting these goals.

Significant Adjustments:

- $30 million for the Department of General Services to implement Executive Order B-18-12 that requires state agencies to reduce GHG emissions by 10 percent by 2015 and 20 percent by 2020. The Department will assist state agencies in the construction of zero-net-energy state buildings, reduction of grid-based energy

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purchases at state-owned buildings, and the use of clean, on-site power generation, such as fuel cells, solar photovoltaic, solar thermal, and wind power generation.

- $20 million for the California Infrastructure and Economic Development Bank (I Bank) to leverage private investments in energy efficiency and renewable energy projects in public buildings that will save money by using less energy. These innovative financing mechanisms will accelerate the utilization of clean energy projects throughout the state.

Climate Change Research Initiative

Research has been a key component of California's climate change efforts for the past three decades, dating back to 1988 when the Legislature directed an assessment of the potential impacts of climate change on the state. California established the first state-sponsored climate research program in the United States and has prepared three significant climate change assessments. The results of state-sponsored research have played a major role in the adoption of state legislation and policy, including the California Global Warming Solutions Act of 2006 (AB 32) and Safeguarding California, the state's adaptation strategy.

Research should continue to be part of the state's comprehensive climate change strategy. Meeting the state's aggressive GHG emission reduction targets requires innovative and cutting-edge solutions in the transportation sector, the biggest source of state emissions.

Significant Adjustment:

- $15 million General Fund on a one-time basis for the Energy Commission to initiate research on innovative and emerging technologies for low carbon transportation fuels. The Energy Commission will engage experts from state universities, research laboratories, other California-based research institutions, and key private sector partners. The results will inform California climate policy and allow planning to continue to be based on science.

Department of Toxic Substances Control

The Department of Toxic Substances Control protects California residents and the environment from the harmful effects of toxic substances through restoring contaminated

sites, enforcement, regulation, and pollution prevention. The Budget includes $218 million and 890 positions for the Department.

Over the past four years, the Department has implemented several significant reforms through its "Fixing the Foundation" initiative, permit enhancement work plan, improved cost recovery program, and strengthened financial assurance reviews. Of the 288 "Fixing the Foundation" action items, 257, or about 89 percent, are complete. The Department is on track to complete 85 percent of the permit enhancement reforms by the end of 2015.

Implementing these reforms will help to modernize the state's safeguards for managing hazardous waste. The Department is also focused on issues related to environmental justice and tribal rights. The Governor has recently appointed a lead for these environmental efforts, and the Department is directing resources to build partnerships in disadvantaged communities. Protecting public health in residential and other areas around the now-shuttered Exide Technologies facility is a priority for the Department with $8.5 million dedicated to this purpose between the current and budget years.

Significant Adjustment:

- Enhanced and Streamlined Permitting—An increase of $1.2 million Hazardous Waste Control Account and continuation of 8 limited-term positions on a permanent basis to support timely permitting actions and improve the clarity, consistency, protectiveness, and enforceability of permits issued.

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Natural Resources

The Natural Resources Agency consists of 26 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California. The Budget proposes total funding of $9.5 billion ($2.9 billion General Fund) for all programs included in the Agency.

Emergency Drought Response

The State of California has entered into what may prove to be a fifth consecutive year of drought. Major reservoirs are extraordinarily low and many groundwater aquifers are significantly depleted. Drinking water supplies continue to be at risk in some communities, agricultural areas face fallowing of farmland and increased unemployment, and drier conditions have increased the risk of wildfire. The drought has also degraded important wildlife habitats and pushed some of the rarest fish and terrestrial species closer toward extinction.

Since the Governor first declared a state of drought emergency in January 2014, the Administration has worked with the Legislature to appropriate $3.7 billion to assist drought-impacted communities, provide additional resources for critical water infrastructure projects and respond to drought-related wildlife emergencies. The state has also committed an additional $292 million General Fund in the current year for emergency response activities associated with catastrophic wildfires, such as higher wildfire

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suppression costs and debris removal in impacted communities in Lake and Calaveras counties to enable community rebuilding and economic recovery.

The Budget provides an additional $323.1 million ($212.1 million General Fund) on a one-time basis to continue immediate response to the drought (see Figure RES-01). The Budget also reflects an additional $215 million General Fund for higher anticipated emergency wildfire suppression costs as a result of the drought, including significant tree mortality throughout the state. The Administration will continue to monitor and evaluate statewide drought conditions through the winter months, and will reevaluate these budget year needs in the May Revision.

Figure RES-01
Emergency Drought Response
(Dollars in Millions)

Investment Category	*Department*	*Program*	*Amount*
Protecting Water Supplies	Department of Water Resources	Emergency Salinity Barriers in the Delta	$42.0
	Department of Water Resources	Local Assistance for Small Communities	$5.0
	Water Board	Water Curtailment	$5.4
	Water Board	Emergency Drinking Water Projects	$16.0
Water Conservation	Department of Water Resources	Urban Water Conservation & Save Our Water Campaign	$15.0
	Energy Commission	Rebates for Appliances	$30.0
	Energy Commission	Water and Energy Technology Program	$30.0
	Department of Food and Agriculture	Agricultural Water Conservation	$20.0
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	$77.4
	Department of Water Resources	Drought Management and Response	$12.0
	Department of Fish and Wildlife	Protection of Fish and Wildlife	$17.7
	Department of Social Services	Drought Food Assistance	$18.4
	Office of Emergency Services	California Disaster Assistance Act	$22.7
	Office of Emergency Services	State Operations Center	$4.0
	Department of Community Services and Development	Farmworker Assistance	$7.5
Total			**$323.1**

Significant Adjustments:

- Department of Forestry and Fire Protection (CAL FIRE)—An increase of $74.5 million General Fund and $2.9 million State Responsibility Area Fire Prevention Fund to continue firefighter surge capacity, retain seasonal firefighters beyond the normal budgeted fire season, provide additional defensible space inspectors, and enhance air attack capabilities to suppress wildfires during the 2016 fire season.
- Department of Water Resources—An increase of $64 million General Fund for multiple statewide drought response efforts including:
  - $42 million for installation and removal of a temporary rock barrier in the Sacramento-San Joaquin Delta to deter salinity encroachment.
  - $12 million to implement statewide actions, including operation of the drought management operations center, water transfer support and water supply modeling.
  - $5 million to provide emergency drinking water support for small communities, including addressing private wells.
  - $5 million to continue Save Our Water, the state's public education campaign aimed at helping all Californians reduce water use.
- State Water Resources Control Board—An increase of $5.4 million General Fund and $16 million Cleanup and Abatement Account to continue enforcement of drought-related water rights and water curtailment actions and provide grants for emergency drinking water projects.
- Department of Fish and Wildlife—An increase of $15.7 million General Fund and $2 million Hatchery and Inland Fisheries Fund to continue fish rescue and stressor monitoring, water efficiency projects on department lands, law enforcement activities, and to provide infrastructure to protect salmon. Drought response efforts will include the voluntary drought initiative, which encourages landowners to keep as much water as possible in high-priority spawning streams. The Department also has expedited installation of storage tanks for landowners who would otherwise divert from streams.
- Department of Social Services—An increase of $18.4 million General Fund to continue the Drought Food Assistance Program, which since 2014 has delivered more than a million boxes of food to communities most impacted by the drought.

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- Department of Community Services and Development—An increase of $7.5 million General Fund to provide emergency assistance to unemployed farmworkers, including housing, utility and job training assistance.
- Office of Emergency Services—An increase of $26.7 million General Fund to continue to provide local communities with technical guidance and disaster recovery support related to the drought, distribution of bottled water, and response and recovery training and credentialing program for local agencies.

The Budget also includes $90 million of Cap and Trade funding for the Department of Food and Agriculture, the Department of Water Resources, and the Energy Commission for multiple water conservation projects that save energy and reduce GHG emissions. For additional detail, see the Environmental Protection Chapter.

California Water Action Plan

Released in January 2014, the California Water Action Plan provides a blueprint for California to build more reliable and resilient water systems and restore important ecosystems.

Figure RES-02

Water Action Plan

Reliability, Restoration and Resilience

1	Make conservation a way of life
2	Increase regional self-reliance and integrated water management
3	Achieve the co-equal goals for the Delta
4	Protect and restore important ecosystems
5	Manage and prepare for dry periods
6	Expand water storage capacity and improve groundwater management
7	Provide safe water for all communities
8	Increase flood protection
9	Increase operational and regulatory efficiency
10	Identify sustainable and integrated financing opportunities

Many of the emergency drought response actions executed during the previous four years further the 10 actions of the California Water Action Plan (see Figure RES-02), including making conservation a way of life, increasing regional self-reliance in water supplies, and improving flood protection. The state's emergency drought response is strategically guided by accelerating several of the key actions in the California Water Action Plan that will provide long-term benefits for the state.

In November 2014, the voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), which provides $7.5 billion in general obligation bonds for water storage, water quality, flood protection, and watershed protection and

restoration projects. Proposition 1 includes funding specifically intended to achieve the three overarching goals described in the Plan: restoration, resilience, and reliability.

Significant Adjustments:

- State Obligations—An increase of $385 million Proposition 1 funds for multiple agencies to support projects that meet the state's commitments under the Klamath Agreements ($250 million), the Central Valley Project Improvement Act ($90 million), and the San Joaquin River Settlements ($45 million).
- Flood Protection—An increase of $100 million General Fund for the Department of Water Resources to enhance flood protection in the Central Valley by repairing levees. This is part of the deferred maintenance proposal in the Statewide Issues Chapter.
- Salton Sea Restoration—An increase of $80 million Proposition 1 for the Department of Water Resources to design and implement projects that expand habitat and suppress dust at the Salton Sea, a critical resting stop for migratory birds.
- Wetlands Restoration—An increase of $60 million Greenhouse Gas Reduction Fund for the Department of Fish and Wildlife to implement wetland restoration projects that provide carbon sequestration benefits, including habitat restoration projects within the California EcoRestore program to support the long-term health of the Delta's native fish and wildlife species.
- Update of the Delta Plan and Investment in Delta Science—An increase of $3.6 million General Fund for the Delta Stewardship Council to support independent science through the Delta Science Program and to update the Delta Plan and regulations to address flood management, ecosystem restoration, and water supply reliability.
- Manage and Prepare for Dry Periods—An increase of $3 million General Fund for the Department of Water Resources to identify water delivery operational improvements in extreme conditions and evaluate long-term climate change impacts on statewide water supplies.
- Groundwater Management—An increase of $2.5 million General Fund for the Department of Water Resources to update data and fix safety hazards at 15 monitoring sites that are part of the National Hydrography Dataset, an important federal surface water mapping system.
- Investment Strategy—An increase of $1.2 million General Fund for the Department of Water Resources to strengthen coordination and performance evaluation across

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state and regional agencies and develop a long-term investment and financing strategy for the Water Action Plan.

Since the establishment of the Governor's drought task force in December of 2013, the state has made significant progress in a number of key water policy areas. California has adopted historic groundwater legislation, improved the groundwater adjudication process, enacted legislation that authorizes the consolidation of drinking water systems, and, with the help of the voters, enacted a $7.5 billion water bond.

Even with these achievements, the last four years of drought conditions have exposed the weaknesses of the state's water system and the laws that govern it. As the state adapts to the future challenges of reduced Sierra snowpack and other changes to California's hydrology associated with climate change, it will be necessary to gain more flexibility in a water system that is increasingly constrained, both physically and legally. The state must focus limited resources on projects that leverage and maximize multiple benefits, and integrate the state's water systems with regional and local supplies. New water storage and conveyance systems must work together with water recycling and conservation to support economic growth in an environmentally sustainable way. Furthermore, the state must create more flexibility to get water where it is needed —on farms, in communities, and in streams to support people and the biodiversity on which they depend. The state must also improve the ability to transfer water and help support the integration of surface water and groundwater use to lessen conflicts between human, economic and environmental demands for water.

Department of Forestry and Fire Protection

CAL FIRE provides resources management and wildland fire protection services covering over 31 million acres. It operates 235 fire stations and, on average, responds to over 5,600 wildfires annually. CAL FIRE also staffs local fire departments through reimbursement agreements with local governments. In six counties, CAL FIRE contracts with county agencies to provide fire protection and prevention services on their behalf. The Budget includes $2.1 billion ($1.3 billion General Fund) and 6,955 positions for CAL FIRE.

Significant Adjustments:

- Healthy Forests—An increase of $150 million Greenhouse Gas Reduction Fund to reduce wildfire risk and improve the carbon sequestration potential of

California's forests. For additional information, see the Cap and Trade Expenditure Plan section of the Environmental Protection Chapter.

- Fire Protection Operational Enhancements—An increase of $24.6 million ($24 million General Fund) to improve the efficiency and effectiveness of CAL FIRE's emergency response capabilities, including:
  - $17 million General Fund and 95.9 positions to increase staffing levels in CAL FIRE's 21 Emergency Command Centers, along with the two regional and Sacramento Command Centers, to address the increased volume of emergency calls during periods of historic increased fire activity.
  - $7.6 million ($7 million General Fund) and 12.8 positions to acquire, install, and support Automated Vehicle Location and Mobile Data Computer devices in all CAL FIRE emergency response equipment. This capability will allow CAL FIRE to more efficiently and accurately locate equipment and resources while in transit, improve the ability to respond with the closest available resources, improve firefighter safety and reduce the negative impact from wildfires.
- Professional Standards Program—An increase of $4.4 million ($4.1 million General Fund) and 14 positions to establish a dedicated unit responsible for implementing a comprehensive program addressing personnel investigations and adverse actions. Several incidents in recent years have demonstrated the need to strengthen CAL FIRE's ability to address department-wide personnel issues. A centralized unit will improve the quality of investigation and written adverse actions through dedicated, trained investigators, and provide centralized oversight resulting in coordination and consistency in adverse actions, penalties, and investigative materials.
- Fire Safety, Flame Retardants, and Building Insulation—An increase of $125,000 Building Standards Administration Special Revolving Fund to continue the research and implementation work to determine if flame retardants may be eliminated from building insulation materials without a negative impact to occupant and building fire safety. This request is part of the Administration's ongoing commitment to reduce and eliminate, where possible, the exposure to harmful flame retardant chemicals and to sustainable or "green" buildings, as detailed in Executive Order B-18-12.

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Helicopter Replacement

CAL FIRE currently operates 12 federal military surplus Vietnam-era helicopters to fulfill its wildland fire protection mission. These aircraft are aging, and the cost to maintain the fleet is increasing as parts are harder to find and more expensive to acquire. Furthermore, these helicopters do not meet CAL FIRE's current needs. CAL FIRE has been working with the Department of General Services to complete a competitive procurement to replace these aircraft. With the current procurement schedule, the Administration anticipates a spring budget proposal for the acquisition of new helicopters.

Department of Parks and Recreation

The Department operates the state park system to preserve and protect the state's most valued natural, cultural, and historical resources. The park system includes 280 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites. The Budget includes $589 million ($117.5 million General Fund) and 3,547 positions for the Department.

Continued Strengthening of State Park System

The Administration is continuing to take actions that strengthen the state parks system, improve visitors' experiences, and make the services provided by the state parks system more relevant to a broader and more diverse group of people. Last year, the Administration established a transformation team to develop and lead the Department in executing structural and sustainable reforms. This effort focuses on the budget, maximizing partnerships, improving internal practices, setting up a structure for more innovative revenue generation opportunities, developing an outside support entity, and better identifying programs for broader populations and diverse communities. A number of initiatives have been developed and implemented, consistent with the recommendations of the Parks Forward Commission. This independent commission performed an assessment of the financial, cultural, and operational challenges facing State Parks.

Significant Achievements:

- New Path to Park Leadership—In May 2015, the Department secured the approval of the State Personnel Board for a new civil service classification which now allows individuals from broad professional backgrounds, including those outside of state government, to compete to serve as top leaders throughout the state

parks system. Previously, only peace officers could serve in these positions. Now, nearly 25 percent of the top Parks leaders in the field will be serving in this new classification by March 2016.

- Modernizing Fee Collection and Technology in the Parks System—Last year, the Department installed technology allowing visitors to use credit and debit cards at more state parks. Visitors can now pay for parking fees using smartphones. The Department has also been exploring more robust technology that will serve as the new statewide parks reservation system and anticipates awarding a contract to a vendor by spring 2016.
- Enhancing Information on the Parks System—Last year, the Department began providing panoramic images of trails in state parks over the internet. Through this ongoing effort, images are available for over half of the state parks. This includes all state parks along the California coast, trails throughout the system, and at the entire Bodie State Historic Park. The increased information allows visitors to view state park trails in advance of a trip and allows those with limited mobility to experience trails. The Department also expanded its Parks Online Resources for Teachers and Students (PORTS) program to now include the immigration station at Angel Island State Park. This long-distance learning program utilizes video conferencing to connect Parks interpretive staff at nine state parks to K-12 classrooms throughout the state, serving over 40,000 students annually including schools in underserved communities. Through the program, children learn about topics such as immigration, climate change, and the importance of protecting natural resources.
- New Budget Tool and Organization Structure—Two essential initiatives of the transformation team's efforts are completing a Service-Based Budgeting tool and recommending an update to the organization structure. These two initiatives complement each other and will articulate the services that can be provided at various funding levels and how the Department will best deliver those services. With philanthropic funds, the Department secured the assistance of a consulting group to help develop these initiatives.

The Budget includes several proposals that build on these existing efforts.

Significant Adjustments:

- Off-Highway Vehicle Loan Repayment and Fuel Tax Transfer—A repayment of $112 million of General Fund loans made from the Off-Highway Vehicle (OHV)

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Trust Fund and a one-time transfer of $31 million of existing fuel tax revenues, currently deposited into the OHV Fund, to the State Parks and Recreation Fund. This proposal supports the Administration's commitment to pay down debt while maintaining existing service levels across the entire state parks system, including the OHV Program. The transformation team will continue to identify improvements for the Department's long-term fiscal viability.

- Deferred Maintenance—An increase of $60 million General Fund for high-priority deferred maintenance projects in the state parks system. This is part of the deferred maintenance proposal in the Statewide Issues Chapter.
- Outreach to Urban Communities—An increase of $690,000 State Park Protection Fund and 3 positions for a two-year pilot project to implement a community liaison project within the two largest urban population centers in the state, Los Angeles and the Bay Area. These liaisons will work with community-based organizations and nonprofit groups to create culturally relevant interpretive and environmental programs. The Department also is working to secure philanthropic support to augment the resources for this project and initiate efforts in the current year.

Department of Conservation

The Department of Conservation administers programs responsible for the sustainable management and development of the state's land, energy, and mineral resources. The Department's programs preserve agricultural and open space land, evaluate geology and seismology, and regulate mineral, oil, and gas development activities. The Budget includes $112.8 million ($3.3 million General Fund) and 503 positions for the Department.

Oil and Gas Regulation

The Division of Oil, Gas & Geothermal Resources was established 100 years ago to regulate oil and gas industry practices. Today, the Division oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.

About 35 percent of the oil used in California comes from the oil and gas reservoirs in the state. These resources are produced through more than 80,000 active oil and gas wells owned and operated by more than 450 operators and companies. Most of the production comes from the San Joaquin Valley, but operators also produce oil and gas in coastal areas such as the Los Angeles Basin, Ventura, Santa Barbara, and around Santa Maria.

Over the past few years, the Administration has identified changes needed to improve the policies, practices, and regulations administered by the Division. In October 2015, the Department published a Renewal Plan for Oil and Gas Regulation to guide Division reforms over the next two years and accelerate the progress underway since 2012, with the overarching goal of building a regulatory program that emphasizes the safe development of oil, natural gas, and geothermal resources through sound engineering practices that protect the environment, prevent pollution, provide public safety and utilize up-to-date information management systems.

Over the past several years, the Department has added more than 100 regulatory positions to address compliance with permitting requirements, underground injection control, and significant statutory changes, such as Chapter 313, Statutes of 2014 (SB 4), which increase regulation of well stimulation.

Significant Adjustments:

- Oil and Gas Training Program—An increase of $1.3 million Oil, Gas, and Geothermal Administrative Fund and 2 positions to develop and implement a comprehensive training program for regulatory staff.
- Pipeline Inspections—An increase of $1.4 million Oil, Gas, and Geothermal Administrative Fund and 10 positions to enable the Department to test sensitive gas pipelines on a more periodic basis and accurately map pipelines to identify potential threats.

California Conservation Corps

Governor Brown established the California Conservation Corps in 1976 to provide young women and men the opportunity to be trained to work on conservation projects and respond to natural disasters. The Corps builds trails, plants trees, and implements clean energy and water conservation projects.

Among other accomplishments in 2015, the Corps added two water conservation corpsmembers to each of its Energy Corps crews to provide water efficiency assessments in addition to energy audits. In anticipation of potential floods this winter, all corpsmembers have been trained in flood-fighting techniques. The Corps also provided more than half a million hours of fire response and support throughout the 2015 fire season.

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After the reductions sustained during the recession, many of the Corps' residential program were closed. The Corps continues to renew its focus on residential programs started in 2015 and will open a new residential center in Butte County in the upcoming year.

Significant Adjustments:

- Energy Corps—An increase of $15 million Cap and Trade funds for the Energy Corps Program. This funding will support 10 crews and approximately 100 corpsmembers to conduct energy audits and install energy efficiency and water conservation upgrades in public buildings over the next several years.
- Forest Health Improvement Projects—CAL FIRE will partner with the Corps on forest health projects targeting the highest fire risk areas of the state. These months-long projects necessitate establishing tent camps near the project areas. Funding is provided in the CAL FIRE budget and approximately $5 million of work will be allocated to the Corps as projects are identified.
- Butte Fire Center—An increase of $2.6 million General Fund to allow the Corps, in partnership with CAL FIRE, to open a residential center in the Magalia Conservation Camp with three fire crews totaling 47 corpsmembers.
- Site Evaluation – An increase of $400,000 General Fund to initiate a site selection process for residential centers in Pomona, Napa, and Ukiah. This future residential expansion will allow the Corps to transition from non-residential facilities in Napa and Pomona to facilities giving corpsmembers the opportunity to live on site.
- Auburn Center – An increase of $19.7 million General Fund to construct a kitchen, multi-purpose room and dorm replacement at the Corps' Auburn Center.

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 funding from the 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 $3.8 billion ($1.8 billion General Fund and $2 billion other funds) in 2016-17 for the Judicial Branch, of which $2.8 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

In 1998, California voters passed a constitutional amendment 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. This was the culmination of over a decade of preparation and work to improve court coordination and uniform access to justice. 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. The Act created a state-funded trial court system and capped county contributions, having the state assume responsibility for growth in the costs of court operations. Prior to state funding, many small courts were in financial crisis and needed emergency state funding to keep their doors open.

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The Budget contains the following proposals to support efforts by the Judicial Council to improve court operations and increase access.

Improving California's Court System

In planning for future court demands, the Chief Justice has created the Commission on the Future of California's Court System. The Commission expects to release initial recommendations in the summer of 2016 on initiatives to effectively and efficiently enhance access to justice. The Administration is committed to working with the Judiciary on improving access and modernizing court operations through innovative approaches.

To this end, the Administration is proposing to work with the Judicial Council to reallocate up to five vacant superior court judgeships and the staffing and security complements needed to support and implement the proposal. This will shift judgeships where the workload is highest without needing to increase the overall number of judges. The Administration also proposes to reduce the current allowable number of 10 peremptory challenges per side in misdemeanor trials to 6 challenges per side. Six challenges per side is the current average, and additional challenges unnecessarily add delays to proceedings.

The Administration is working collaboratively with the Judicial Council to develop and administer a competitive grant program to encourage courts to develop new ways of doing business. The projects funded by the grants must have measurable results or benefits that have a demonstrated impact on the court and the public it serves. The Budget includes $30 million General Fund on a one-time basis to fund these grants.

Many courts have demonstrated the capacity to adapt and innovate, resulting in programs and practices that save money and better serve the public. Successful examples of these improvements include: Fresno Superior Court's remote video proceedings for traffic violations, Imperial Superior Court's Binational Justice Project, Contra Costa Superior Court's efforts related to online probable cause determinations, and San Bernardino Superior Court's automated payment processing. Additional innovative programs could include a self-scheduling system for traffic courts, the use of kiosks for traffic court proceedings, and the development of electronic recordings in family courts.

2016-17 Budget

During the recession, General Fund support for the Judicial Branch was reduced like every area of state government; however, the state mitigated the impact of the reductions on the Judicial Branch through increased user fees, the redirection of various

special funds, and the expenditure of trial court reserves. During the fiscal crisis, some trial courts were forced to reduce service hours, furlough and lay off employees, and close courtrooms, while other courts were able to fully maintain operations and even provide salary increases. The disparity in how trial courts handled the reductions highlighted the need for a comprehensive evaluation of the state's progress in achieving the goals outlined in the Trial Court Funding Act of 1997. A working group composed of Administration and Judicial Branch appointees made recommendations to better allocate existing resources. The Chief Justice and the Judicial Council, through a modification of the Workload Allocation Funding Model, have taken significant steps to promote equal access to justice by allocating funding more equitably to the trial courts.

As shown in Figure JUD-01, after making various budget adjustments, trial court funding is proposed to be 10.5 percent above 2007-08 in 2016-17.

Figure JUD-01
Judicial Branch Expenditures
(Dollars in Thousands)

Judicial Branch Expenditures by Program	2007-08 Actual	2015-16 Estimated	2016-17 Governor's Budget
Supreme Court	44,397	46,519	46,438
Courts of Appeal	200,706	219,274	224,784
Judicial Council	130,396	134,203	133,173
Habeas Corpus Resource Center	12,553	14,525	15,015
Facility Program	(49,965)	(369,788)	(409,904)
Staff and OE&E [1]	22,634	35,196	42,825
Trial Court Facility Expenses	27,331	334,592	367,079
Trial Courts	3,288,873	2,674,738	2,804,693
Total	**$3,726,890**	**$3,459,047**	**$3,634,007**
Adjustments to Trial Courts	$3,288,873	$2,674,738	$2,804,693
Trial Court Facility Expenses	$27,331	$334,592	$367,079
Sub-total, Trial Courts	**$3,316,204**	**$3,009,330**	**$3,171,772**
Trial Court Security Costs [2]	-444,901		
Adjusted Total, Trial Courts	**$2,871,303**	**$3,009,330**	**$3,171,772**

[1] Increase in Facility Program due to new construction and facility management projects.

[2] For comparison purposes, court security costs for 2007-08 are removed from trial court expenditure totals due to the realignment of court security costs beginning in 2011-12.

Significant Adjustments:

- Trial Court Employee Costs—The Budget includes $15.6 million General Fund for trial court employee benefit costs, of which $7.4 million reflects funding for trial courts that have made progress towards meeting the Public Employees' Pension Reform Act of 2013 standard for employees sharing the cost of pension funding. Recognizing that many of these costs are beyond the control of the trial courts, the Administration will continue to fund future increases related to existing health benefits and retirement costs for trial court employees and retirees.

- Trial Court Trust Fund Revenues—The Budget includes a total of $75 million General Fund to backfill a continued reduction of fines and penalty revenues expected in 2016-17. This reflects an increase of $8.8 million compared to the amount needed in 2015-16.

- Proposition 47—Following the passage of Proposition 47 in November 2014, the trial courts have experienced increased workload due to the requirement that courts reclassify and resentence certain drug and property crimes that involve less than $950 from felonies to misdemeanors. The Budget includes $21.4 million General Fund to reflect the projected resentencing hearings in 2016-17. By the end of 2016-17, the Administration expects that the courts' workload associated with Proposition 47 will be significantly reduced or eliminated.

- Court Innovations Grant Program—The Budget includes an increase of $30 million General Fund on a one-time basis for a grant program that promotes improvement, efficiencies, and access to justice in the courts.

- Language Access—Given California's diversity, the court system is faced with significant linguistic challenges. The Judicial Council's current annual budget allocation for interpreter services is $94.5 million. To improve language access for limited English proficient court users, the Budget includes an additional $7 million General Fund to provide court interpreter services in civil proceedings.

- Trial Court Funding—An augmentation of $20 million General Fund for discretionary trial court operations.

- Fund Shift for Financial System—The Budget includes $8.7 million General Fund to fund the Phoenix Financial System, operated by Judicial Council staff, that provides the state with consistent financial information of trial court expenditures. It was previously funded from the State Trial Court Improvement and Modernization Fund (IMF). The IMF is intended to pay for innovative approaches to technology to support

the trial courts. This fund shift is part of a multi-pronged approach to help with the solvency of the IMF and preserve critical programs.

- State-Level Reserve—Currently, 2 percent of annual trial court allocations are held back until each spring, in case a court needs an emergency allocation. Any unused funds are allocated to all trial courts late in the year. The Budget proposes a new reserve policy for trial courts that avoids late allocations by providing $10 million General Fund one-time as a reserve in the Trial Court Trust Fund. If any funds from the reserve are used, they would be replenished annually out of base allocations to the trial courts.
- Deferred Maintenance—The Budget proposes $60 million one-time General Fund for deferred maintenance in the courts as prioritized by the Judicial Council. (For more information about deferred maintenance please see the Statewide Issues Chapter.)

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Local Government

This part of the Budget includes information related to local governments.

Redevelopment Agencies

Chapter 5, Statutes of 2011 (ABx1 26), eliminated the state's approximately 400 Redevelopment Agencies (RDAs) and replaced them with locally organized successor agencies that are tasked with retiring the former RDAs' outstanding debts and other legal obligations. The elimination of RDAs allows local governments to protect core public services by returning property tax money to cities, counties, special districts and K-14 schools.

Between 2011-12 and 2014-15, $3.6 billion in general-purpose property tax revenue has been returned to cities, counties, and special districts. The Budget anticipates that in 2015-16 and 2016-17, cities will receive an additional $643 million in general-purpose revenues, with counties receiving $684 million and special districts $203 million.

Between 2011-12 and 2014-15, $4.7 billion was returned to K-14 schools. The Budget anticipates Proposition 98 General Fund savings resulting from the dissolution of RDAs will be $1.1 billion in 2015-16. For 2016-17, Proposition 98 General Fund savings are expected to be $1 billion. This amount should continue to grow over the next three decades as the former RDAs' debts and other legal obligations are paid off and property tax revenues grow.

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The Administration is currently in the process of implementing Chapter 325, Statutes of 2015 (SB 107), which made numerous changes to the RDA dissolution process. The most significant short-term change is transitioning successor agencies from a biannual Recognized Obligation Payment Schedule (ROPS) process to an annual ROPS process in 2016. The law also allows a successor agency with a finding of completion to submit a Last and Final ROPS that schedules all of its payments over the life of the agency. These two significant changes will greatly reduce workload for successor agencies, oversight boards, and the state.

Other significant changes made by SB 107 include:

- Clarifying what types of loans qualify for repayment to cities and counties that provided money to their RDAs prior to dissolution and the interest rates at which those loans may be repaid.
- Authorizing the limited expenditure of proceeds from RDA bonds issued after December 31, 2010.
- Requiring property tax "override" revenues to be returned to the levying entity if those revenues are not needed by the successor agency to pay approved enforceable obligations.
- Clarifying that RDA tax revenue caps and project area time limits do not apply for purposes of paying approved enforceable obligations.
- Clarifying that agreements between a city or county and an RDA that were reauthorized by an oversight board after June 26, 2012 are invalid.
- Postponing the transition to countywide oversight boards for two years, to July 1, 2018.
- Establishing a deadline of December 31, 2015 for a successor agency to qualify for a finding of completion.

Other Local Government Changes

- Siting Incentive Grants—Local governments have sole control over land use, zoning and permitting within their communities. When local communities are reluctant to allow the operation of programs for the rehabilitation of offenders in the criminal justice system, this local authority has slowed the ability of the state and local governments to provide meaningful rehabilitation programs. The Budget

proposes $25 million General Fund for incentive payments to cities and/or counties that approve, between January 1, 2016 and June 30, 2017, new long-term permits for hard-to-site facilities that improve public safety and support the criminal justice system through the provision of services, such as substance use disorder treatment, mental health, and reentry programming. The Administration will work with city and county stakeholders during the spring to develop an allocation methodology while also safeguarding existing permitted facilities.

- Wildfire Relief—In 2015, Lake and Calaveras Counties suffered devastating losses due to two separate wildfires. The fires burned more than 145,000 acres combined and destroyed more than 2,000 homes and other structures. The Budget includes the following actions to help support Lake and Calaveras Counties:
    - Revenue Loss Backfill—$1.9 million General Fund one-time in 2016-17 to backfill property tax, sales and use tax, and transient occupancy tax revenue losses that Calaveras and Lake Counties, and the special districts located in those counties, will incur due to the wildfires.
    - Relief from Paying for State Services—The state will cover local costs for an existing CAL FIRE $2.6 million contract with South Lake County Fire and a $267,000 contract with Calaveras County. CAL FIRE is funding these costs from its existing General Fund appropriation in the current year.

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Statewide Issues and Various Departments

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

State Employee and Teacher Retirement

The Budget includes $5.5 billion ($3.2 billion General Fund) for state contributions to the California Public Employees' Retirement System (CalPERS) for state pension costs. These costs include the third and final phase-in of retirement rates to address the impact of demographic assumptions adopted by the CalPERS Board in February 2014.

In 2014, the Governor signed into law a comprehensive funding strategy to address the unfunded liability at the California State Teachers' Retirement System (CalSTRS), which is currently estimated to be $72.7 billion. Consistent with this strategy, the Budget includes $2.5 billion General Fund in 2016-17 for CalSTRS. The funding strategy positions CalSTRS on a sustainable path forward, eliminating the unfunded liability in about 30 years. Based on a model of shared responsibility, the state, school districts, and teachers all increased their contributions to the system beginning in 2014-15. Specifically, the funding plan in 2016-17 increases the state contribution to 6.3 percent of teacher compensation, 10.2 percent for most teachers, and 12.6 percent for school districts. The state also makes an additional contribution of 2.5 percent of teacher compensation to CalSTRS for the Supplemental Benefits Maintenance Account.

Figure SWE-01 provides a historical overview of contributions to CalPERS, CalSTRS, the Judges' Retirement System (JRS), the Judges' Retirement System II (JRS II), and the Legislators' Retirement System (LRS) for pension and health care benefits. Pension and health care costs continue to increase and put additional pressure on the budget, with retiree health care costs—estimated at more than $2 billion in 2016-17—growing more than 80 percent over the last 10 years.

Figure SWE-01

State Retirement and Health Care Contributions[1]

(Dollars in Millions)

	CalPERS[2]	CSU CalPERS	CalSTRS	JRS	JRS II	LRS	Active Health & Dental[3]	Retiree Health & Dental	CSU Retiree Health
2007-08	$2,999		$1,623 [4]	$162	$37	$0	$2,020	$1,114	
2008-09	3,063		1,133	189	40	0	2,146	1,183	
2009-10	2,861		1,191	184	32	0	2,120	1,182	
2010-11	3,230		1,200	166	54	0	2,277	1,387	
2011-12	3,174		1,259	195	58	0	2,439	1,505	
2012-13	2,948 [5]	$449 [5]	1,303	160	51	0	2,567	1,365 [5]	$222 [5]
2013-14	3,269	474	1,360	188	52	1	2,697	1,383	225
2014-15	4,042	543	1,486	179	63	1	2,797	1,462	256
2015-16[6]	4,338	585	1,935	190	67	1	2,938	1,585	264
2016-17[6]	4,829	636	2,468	202	68	1	3,131	1,744	291

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

2/ 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.

3/ These amounts include health, dental, and vision contributions for employees within state civil service, the Judicial and Legislative Branches, and CSU.

4/ Includes repayment of $500 million from Supplemental Benefit Maintenance Account lawsuit.

5/ Beginning in 2012-13, CSU pension and health care costs are displayed separately.

6/ Estimated as of the 2016-17 Governor's Budget. 2016-17 General Fund costs are estimated to be $2,534 million for CalPERS, $636 million for CSU CalPERS, $2,030 million for Retiree Health & Dental, and $1,554 million for Active Health and Dental. The remaining totals are all General Fund.

Employee Compensation

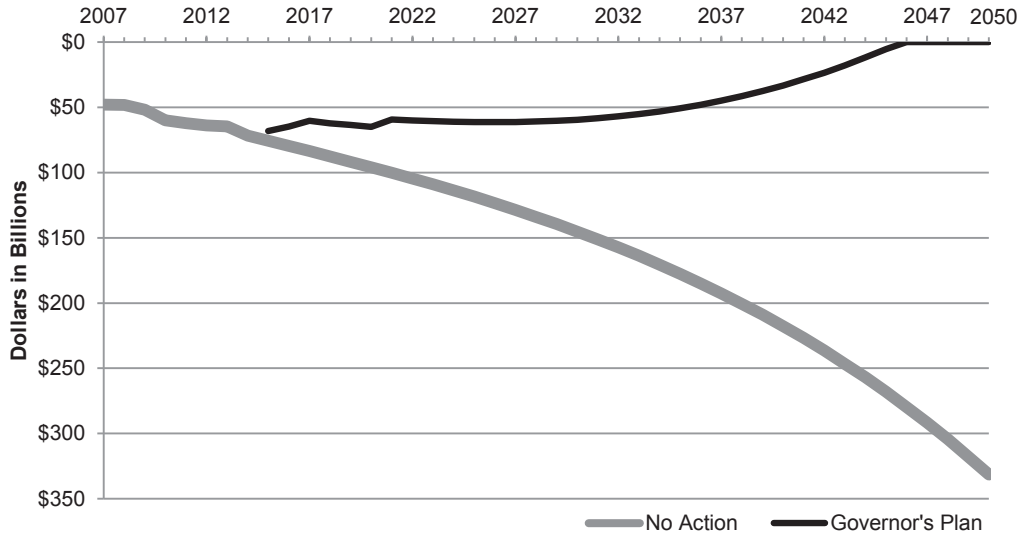
The Administration continues to actively bargain with four of the state's employee bargaining units, representing correctional peace officers, firefighters, scientists, and craft and maintenance workers. With the exception of firefighters, each of these

units' memorandum of understanding (MOU) with the state expired in early July 2015. For firefighters, the bargaining unit has exercised its option to reopen the contract, pursuant to existing provisions within its MOU. Additionally, in the upcoming calendar year, the Administration will begin collective bargaining negotiations with 15 of the state's 21 bargaining units, whose contracts with the state will expire in early July 2016.

For current and upcoming bargaining negotiations, the Administration remains focused on several key priorities aimed at eliminating the state's $72 billion in unfunded retiree health care obligations. These strategies include the state and employees equally sharing in the prefunding of normal costs for future retiree health care benefits, and modifying the state's contribution and vesting schedules for retiree health care for future workers. The effort builds on progress the Administration made last year, including a prefunding agreement with Bargaining Unit 9 (professional engineers), as well as legislative changes that lock prefunding contributions in a trust fund to pay for future retiree health care obligations, tighten enrollment eligibility, and improve transparency and oversight of the state's health care program administered by CalPERS.

Figure SWE-02 shows that retiree health care unfunded liabilities will increase to more than $300 billion over the next 30 years under the current pay-as-you-go approach. The Governor's plan will erase the unfunded liability over that same period, ultimately saving the state billions of dollars in the long term.

Figure SWE-02
Eliminating Unfunded Liability for Retiree Health Care



The Budget includes $220 million ($27 million General Fund) in 2016-17 for employee compensation and health care costs for active state employees. Included in these costs are collectively bargained salary increases for the state's rank-and-file employees represented by Bargaining Unit 9, which the Administration is extending to state managers and supervisors related to these employees. In addition, the Budget sets aside an additional $350 million ($300 million General Fund) to fund potential employee compensation increases subject to good faith bargaining under the Ralph C. Dills Act.

Improving the State's Civil Service System

California state government continues to face many challenges as an employer in the ever-changing marketplace. A year ago, the Governor launched Civil Service Improvement, a comprehensive effort to systematically improve and modernize the state's civil service system. The Administration continues to implement reforms which were approved in 2015. These measures included simplifying the state's hiring processes, broadening the pool of potential candidates eligible for a civil service appointment, increasing transparency, and eliminating outdated and overly bureaucratic statutes governing departmental position authority.

However, the improvement process is far from complete. With more than 40 percent of the state workforce entering retirement age by 2018, more work is needed to develop and support the next generation of employees.

The state is in the process of making improvements to the application process for civil service jobs. Job candidates will soon be able to take more examinations online and submit their applications and résumés for job vacancies electronically. But the process remains unnecessarily cumbersome and confusing, especially to external applicants. The Administration plans to eliminate antiquated and duplicative classifications to allow state departments to hire from a broader applicant pool.

Once the state hires new employees, it also needs to improve training for these workers to meet the fast-evolving needs of 21st century California. A workforce training program is being developed to increase professional development and to give more experiential training through internships and partnerships. The state's leadership training will reflect modern trends in public administration and strengthen the state's culture of accountability.

To further support the Civil Service Improvement efforts, the Budget includes 16 positions and $1.9 million ($600,000 General Fund) for the California Department of

Human Resources (CalHR). With these resources, CalHR will develop and implement statewide solutions for workforce and succession planning, recruitment, and training.

The Administration will also continue making meaningful progress on simplifying the state's arcane and outdated job classification system, working with each department to create a workforce development plan, and improving the state's outreach and recruitment efforts.

Infrastructure

Debt Service

General Obligation (GO) and lease revenue bonds are used to fund major infrastructure improvements such as new road construction, flood control levees, and other critical public infrastructure. California voters have approved more than $103.2 billion of new GO bonds since 2000, including the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) approved in November 2014. As the state issues the remaining voter-authorized bonds, debt service costs will continue to increase.

Estimated General Fund debt service expenditures in 2016-17, after various other funding offsets, will increase by $60.3 million over current-year expenditures, to a total of $5.4 billion. This increase is comprised of $13.5 million for GO debt service ($4.8 billion total) and $46.8 million for lease revenue bonds ($579 million total) and is attributed to recent bond sales and the planned issuance of additional bonds over the next year.

The Administration continues to take actions to better manage this growing area of the Budget, such as requiring GO bond programs to demonstrate an immediate need for additional bond proceeds prior to issuing new bonds. These efforts have helped reduce the amount of unspent GO bond proceeds in the state treasury from approximately $13.9 billion as of December 2010, to just less than $1.7 billion by the end of October 2015, excluding the recent fall 2015 bond sales. In addition, only the most critical new lease revenue bond funded projects have been approved, thus minimizing new debt service while continuing to make needed investments.

California Five-Year Infrastructure Plan

In conjunction with the release of the Governor's Budget, the Administration is releasing the 2016 Five-Year Infrastructure Plan. The Plan outlines the Administration's infrastructure priorities for the next five years including investments in transportation and

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high-speed rail, state institutions, the judicial branch, natural resource programs, state office infrastructure, and education.

State office infrastructure in Sacramento—including the State Capitol Annex—is aged, inefficient, and inadequate to meet the state's needs in the years to come. The Annex, completed in 1952, is undersized to meet current demands for legislative hearings and office space, and its antiquated building systems are prone to failure and expensive to maintain. A 2015 study of Sacramento state office infrastructure documented serious deficiencies with other existing buildings that will require their replacement or renovation. To address these needs, the Budget proposes a $1.5 billion transfer from the General Fund to a new State Office Infrastructure Fund to be used for the long-deferred renovation or replacement of state office buildings in the Sacramento region.

The $1.5 billion will improve the safety and capacity of the Capitol Annex building, as well as make significant first steps towards addressing other state office space deficiencies. Initial projects include replacement of the Natural Resources Agency building and construction of a new building on O Street in Sacramento to replace the vacant Department of Food and Agriculture Annex and to better use that existing parcel of state-owned land. Using cash for this investment rather than borrowing will allow projects to proceed more quickly because the bond sale calendar will not dictate construction schedules. As a result, the state will avoid $1.3 billion in interest and related bond administration costs and there will be greater opportunities to incorporate mixed use into the projects.

Additionally, the Budget allocates one-time resources of $807 million—$500 million General Fund, $289 million Proposition 98 General Fund, and $18 million Motor Vehicle Account—to address the most critical statewide deferred maintenance needs. The proposed investments in deferred maintenance are as follows:

- California Community Colleges: $289 million (Proposition 98 General Fund)
- Department of Water Resources: $100 million for levee repairs
- Department of State Hospitals: $64 million
- Judicial Branch: $60 million
- Department of Parks and Recreation: $60 million
- Department of Corrections and Rehabilitation: $55 million

- California State University: $35 million
- University of California: $35 million
- Department of Developmental Services—Porterville Facility: $18 million
- Department of Fish and Wildlife: $15 million
- California Military Department: $15 million
- Department of General Services: $12 million
- California Highway Patrol: $10 million (Motor Vehicle Account)
- Department of Motor Vehicles: $8 million (Motor Vehicle Account)
- Department of Veterans Affairs: $8 million
- Department of Forestry and Fire Protection: $8 million
- State Special Schools: $4 million
- Network of California Fairs: $4 million
- California Science Center: $3 million
- Hastings College of the Law: $2 million
- Office of Emergency Services: $800,000
- California Conservation Corps: $700,000
- Department of Food and Agriculture: $300,000
- San Joaquin River Conservancy: $200,000

Supplemental Transfer to the Rainy Day Fund

The Budget proposes a $2 billion transfer from the General Fund to the Budget Stabilization Account in addition to the current projected amounts required by Section 20 of Article XVI of the California Constitution. In total, this $3.6 billion transfer brings the balance of the Rainy Day Fund to $8 billion in 2016-17, or 65 percent of its maximum. In the event the amounts required to be transferred for 2015-16 and 2016-17 exceed the current estimate in the Governor's Budget (as part of the Proposition 2 "true

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up" process), this supplemental transfer will be first applied towards meeting the additional requirement.

Department of Technology

The Department of Technology is the central information technology (IT) organization for the State of California. The Department is responsible for the approval and oversight of statewide IT projects, statewide IT professional development, and centralized IT services to state and local governments. The Department promulgates statewide IT security policies and procedures, and has responsibility over telecommunication and reportable IT project procurements. To support the Department, the Budget includes total funding of $364.4 million ($4.5 million General Fund).

Significant Adjustments:

- Information Security—The Budget includes an increase of $1.6 million and 11 positions to expand an information security pilot program into a permanent audit unit that will review all departments for compliance with information security requirements.
- Project Oversight—The Budget includes an increase of $1.7 million and 12 positions to provide project oversight and procurement support to departments to improve the quality, value, and likelihood that IT projects undertaken by the state will be successful.

Public Employment Relations Board

The Public Employment Relations Board administers and enforces California public sector collective bargaining laws, promotes improved public sector employer-employee relations, and provides a timely and cost-effective method through which employers, employee organizations, and employees can resolve their labor relations disputes. To support the Board and its activities, the Budget includes total funding of $10.3 million ($10.2 million General Fund).

Significant Adjustment:

- Reducing Backlogs—The Budget includes an increase of $885,000 General Fund and 5 positions to reduce backlogs and contribute toward meeting statutory timelines.

Department of Fair Employment and Housing

The Department of Fair Employment and Housing is responsible for protecting the people of California from employment, housing and public accommodations discrimination, and acts of hate violence. The Department has jurisdiction over both private and public entities operating within the state, including corporate entities, private sector contracts granted by the state, and all state departments and local governments. To support the Department, the Budget includes total funding of $25.9 million ($20.2 million General Fund).

Significant Adjustment:

- Enforcement Resources—The Budget includes an increase of $2.5 million General Fund and 21 positions to allow the Department to meet its federal and state requirements to provide thorough and timely investigations of discrimination complaints.

Office of Emergency Services

The principal objective of the Office of Emergency Services (OES) is to protect lives and property, build capabilities, and support communities for a resilient California. The OES collaborates with local governments in preparing for and responding to hazards and threats. During an emergency, the OES functions as the Governor's immediate staff to provide guidance and coordinate the state's responsibilities while responding to disasters such as fires, floods, earthquakes, and terrorism. To support the OES, the Budget includes total funding of approximately $1.5 billion ($166.5 million General Fund).

Significant Adjustment:

- Enhanced Services—The Budget proposes an increase of $35.2 million General Fund to support the Office of Emergency Services' responsibility for emergency preparedness and response. This proposal includes a one-time $20 million General Fund augmentation to purchase wildland fire engines, which will be placed throughout the state as part of the State Fire and Rescue Mutual Aid System. In addition, this proposal includes $4.2 million General Fund for both the Fire and Rescue Branch and the Law Enforcement Branch to expand the capacity to respond to major fires and other natural and man-made disasters throughout

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the state. This also includes $5 million General Fund to support Statewide Disaster Programs.

Medical Marijuana Regulations

The Medical Marijuana Regulation and Safety Act enacted in 2015 created a regulatory framework for the licensing and enforcement of the cultivation, manufacture, transportation, storage, and distribution of medical marijuana in California.

The Budget includes $5.4 million Medical Marijuana Regulation and Safety Act Fund in 2015-16 to fund initial regulatory activities. In addition, the Budget includes $12.8 million General Fund, $10.6 million Medical Marijuana Regulation and Safety Act Fund, $1.2 million other special funds, and 126 positions to implement the regulation of medical marijuana in California. Specific proposals include:

- Department of Consumer Affairs—$1.6 million in 2015-16 and $3.8 million from the Medical Marijuana Regulation and Safety Act Fund and 25 positions in 2016-17 to create the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs. The Bureau will regulate the transportation, storage, distribution, and sale of medical marijuana within the state and will also be responsible for licensing, investigation, enforcement, and coordination with local governments.
- Department of Public Health—$457,000 in 2015-16 and $3.4 million from the Medical Marijuana Regulation and Safety Act Fund and 14 positions in 2016-17 to the Department of Public Health for the licensing and regulation of medical marijuana product manufacturers and testing laboratories.
- Department of Food and Agriculture—$3.3 million in 2015-16 and $3.4 million from the Medical Marijuana Regulation and Safety Act Fund and 18 positions in 2016-17 to the Department of Food and Agriculture to provide Medical Cannabis Cultivation Program administrative oversight, promulgate regulations, issue medical marijuana cultivation licenses, and perform an Environmental Impact Report. In addition, the Department of Food and Agriculture will be responsible, with assistance from the Board of Equalization, to establish a "seed-to-sale" program to report the movement of medical marijuana products throughout the distribution chain using unique identifiers.

- Department of Pesticide Regulation—$700,000 Pesticide Regulation Fund and 3 positions in 2016-17 to the Department of Pesticide Regulation to develop guidelines for the use of pesticides in the cultivation of medical marijuana.
- Department of Fish and Wildlife—$7.6 million General Fund and 31 positions in 2016-17 for the Department of Fish and Wildlife to expand and make permanent the statewide multi-agency task force established in 2014 to address environmental impacts of medical marijuana cultivation and work with the State Water Resources Control Board (Water Board) and Department of Food and Agriculture to regulate water diversions.
- State Water Resources Control Board—$5.7 million ($5.2 million General Fund and $472,000 Waste Discharge Permit Fund) and 35 positions in 2016-17 for the Water Boards to develop and implement a regulatory program to address the environmental impacts of medical cannabis cultivation. This program will protect instream flows for fish from water diversions related to marijuana cultivation.

Precision Medicine

The Budget provides $10 million on a one-time basis to the Office of Planning and Research (OPR) to further the efforts of the California Initiative to Advance Precision Medicine (CIAPM), and build on the $3 million appropriation made in the 2014 Budget Act. Hosted by the University of California (UC) San Francisco and University of California Health through an interagency agreement with OPR, CIAPM currently funds two demonstration projects: the Kids Cancer Comparison Project, led by UC Santa Cruz, and the Precision Diagnosis of Acute Infectious Disease project, led by UC San Francisco, with both projects representing multi-institution collaboration and in-kind support. The $10 million augmentation will fund additional demonstration projects in precision medicine over a multi-year period and facilitate additional multi-institution and private-sector partnerships, with a portion of this funding subject to nonstate matching funds. Projects will be expected to demonstrate concrete results and findings related to uses of precision medicine within a 24-month period.

Department of Industrial Relations

The Department of Industrial Relations works to improve working conditions, enforces laws relating to wages, hours, conditions of employment, and workers' compensation, and adjudicates workers' compensation claims.

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Significant Adjustments:

- Private Attorney General Act Resources—The Labor and Workforce Development Agency receives notices for approximately 6,000 Private Attorney General Act cases per year. The Budget includes an increase of $1.4 million Labor and Workforce Development Fund and 9 positions for the Department of Industrial Relations to review and investigate additional cases and evaluate proposed settlement agreements to determine if they are consistent with the Act. The Budget also includes $207,000 Labor and Workforce Development Fund and 1 attorney at the Agency to oversee the program. The Budget additionally includes proposed legislation to streamline the administration of the Act.

- Retaliation Complaint Investigation Caseload—The Budget includes an increase of $3.2 million Labor Enforcement and Compliance Fund and 19.5 positions to address a significant increase in caseload, eliminate the current backlog of old cases, and provide an appropriate number of supervisory staff. From 2011 to 2014, the unit experienced a 48-percent increase in caseload and over 2,400 cases remained open at the end of 2014.

- Wage Claim Adjudication Hearings—The Budget includes an increase of $1.8 million Labor Enforcement and Compliance Fund and 9 positions to address a growing backlog of wage claim adjudication hearings. The growing complexity of labor law has resulted in higher wage claims comprised of multiple violations. As a result, hearings are taking longer. In 2014, it took an average of four months for a hearing to be held after an initial conference failed to result in a settlement. In busier offices, this can take as long as eight months.

Demographic Information

California's demographic profile continues to change. Life expectancy is increasing while birth rates have been trending downward for decades. Compared to previous generations, people are more likely to extend their education and enter the workforce later, delay starting families until their thirties instead of their twenties, and have fewer children. Working well into one's sixties is becoming more common. Even so, the needs of an aging population will increase in importance as those over 65 grow in number and share of the population. Although younger cohorts will comprise a smaller overall share of the population, their numbers will remain significant.

Demographic Outlook

California continued to experience moderate population growth of 0.9 percent in fiscal year 2014-15. As of July 2015, there were an estimated 39.1 million people residing in California. The population is projected to increase to 39.4 million in 2016 and 39.8 million by 2017, continuing short-term annual growth rates of 0.9 percent for both years. California's population is expected to reach 40 million in 2018.

Over the next five years, the state is projected to grow by an average of 345,000 residents annually. Natural increase (births minus deaths) will account for most of the growth. The number of individuals moving to California from other states and countries will continue to exceed those moving out, due to international migration.

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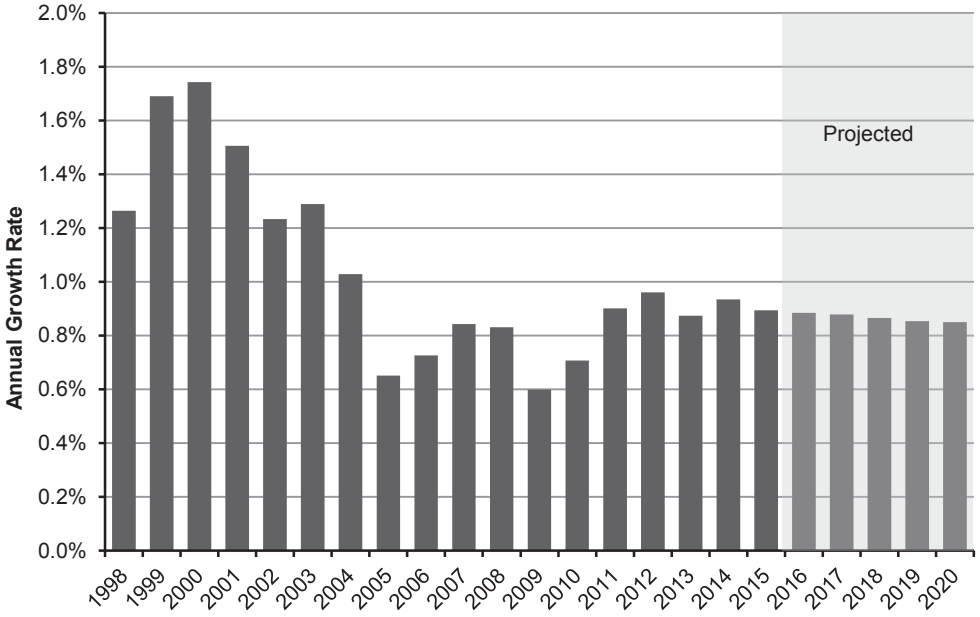
Figure DEM-01 displays the growth rate of California's population from 1998 to 2020.

Figure DEM-01
California's Annual Population Growth Rate



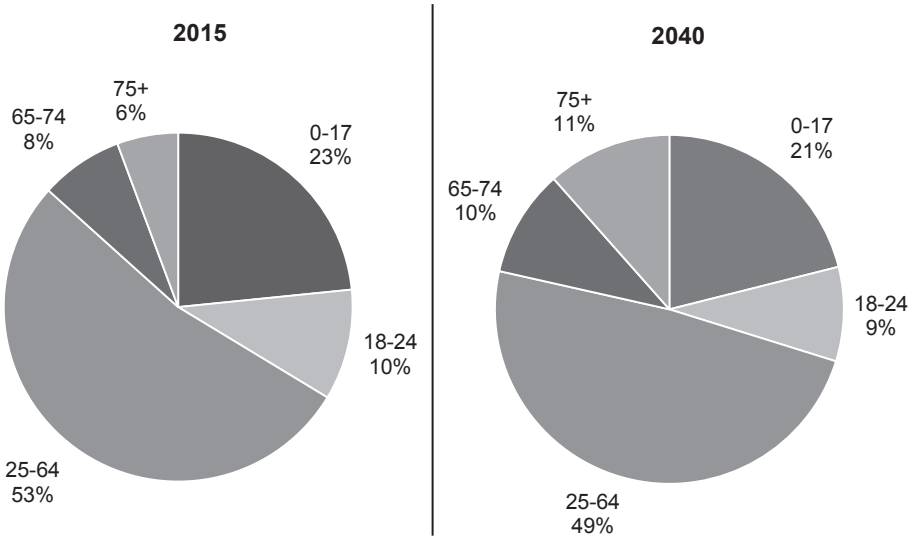
Population Change

Nearly 9.1 million people—or 23 percent of California's population—are less than 18 years old, which is a slightly higher percentage than the remainder of the U.S. California also has a lower percentage of those ages 65 and older and a younger median age when compared to the U.S.

A key age cohort for California's future is comprised of those born as part of the "echo boom"—individuals with one or both parents born during the baby boom era. Currently the largest five-year cohort in both California and the U.S. is the 20 to 24-year-old age group. For California, over 46 percent of this group has attended some college, a significant increase over the 41 percent just eight years ago. In the coming years, these echo boomers will move out of the college-age population and enter the working-age population. Their choices will have a long-lasting influence on California's economy and labor force.

In contrast, over 1,000 California baby-boomers turn 65 years old every day, a number expected to be over 1,250 per day in 2020. More than 5 million Californians are at least 65 years old. Over the next 25 years, the proportion of the population over 65 years will grow from 14 percent to 21 percent (Figure DEM-02). At the same time, the working-age (25-64) population will grow slowly in number and decline in population share. Absent a significant change in fertility rates, the age structure of the population is likely to stabilize with a higher proportion of older Californians. The aging of the population is driven by two factors—a longer life expectancy and lower birth rates.

Figure DEM-02
Age by Share of Population



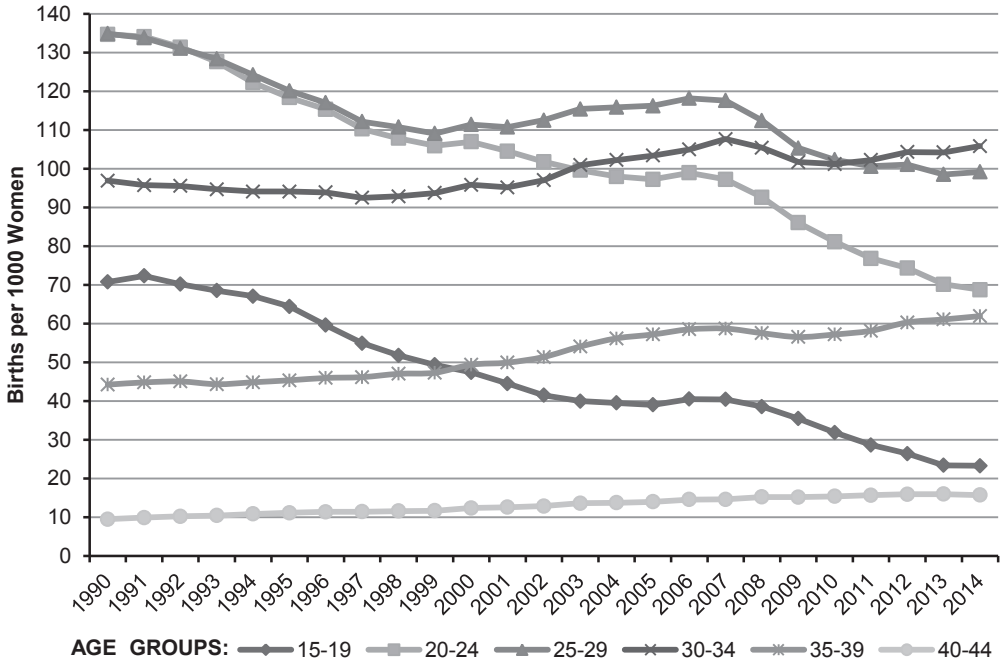
Fertility

Birth rates have been declining nearly every year for the last 20 years. Fertility has recently fallen below the replacement rate, such that without migration, California's population would eventually begin to shrink. While birth rates are somewhat higher than levels seen during the Great Recession, they are not expected to return to replacement levels in the next decade.

Recent shifts in fertility from younger mothers to older ones drive the change in birth rates. Mothers of newborns are now older than their counterparts were two decades ago. This shift has seen teen birth rates decline along with the birth rates of women ages 20-24 and 25-29 (Figure DEM-03). This decline has been partly offset by increased fertility among women of older ages, especially ages 35-39. As recently as the year 2000, the fertility rate of women age 35 was just half that of women age 20, but by 2014, the birth rates of these two groups were nearly equal. Overall fertility has declined since 1990, with a brief increase during the late 2000s.

Figure DEM-03

Trends in Age-Specific Fertility Rates: California, 1990 - 2014



The decline in fertility has occurred for all race/ethnic groups during the past two decades. Since 2007, Hispanic fertility has fallen very rapidly, resulting in Hispanic fertility rates that were quite close to the statewide average for 2014.

Economic Outlook

Both the nation and California are at pre-recession employment levels, and steady economic growth is expected to continue for the next few years. When unemployment rates reach historical low levels, inflation tends to rise. However, falling oil prices have kept inflation close to zero at the national level, while higher housing costs in California have resulted in relatively higher state inflation.

The outlook assumes that growth is solid in 2016 and 2017, and that inflation remains low. However, potential stresses include slower global growth, a correction in the stock market, or a recession sooner rather than later.

The Nation – Continued Growth

After reaching a high of 10 percent in October 2009, the national unemployment rate fell to 5 percent in October 2015, a level last seen in April 2008. The U.S. economy grew unevenly in 2015, although annual real Gross Domestic Product growth is expected to be 2.4 percent. Growth is expected to pick up in 2016 and 2017. (See Figure ECO-01 for details.)

In light of the improvements in the economy, the Federal Reserve raised the benchmark interest rate by 0.25 percentage point for the first time in seven years in December 2015. Interest rates are expected to increase very gradually over the next few years, while inflation is expected to remain around 2 percent. Oil prices have been low and falling since the second half of 2014, leading to inflation below 1 percent in 2015. Prices are expected to begin to rise in 2016, along with inflation.

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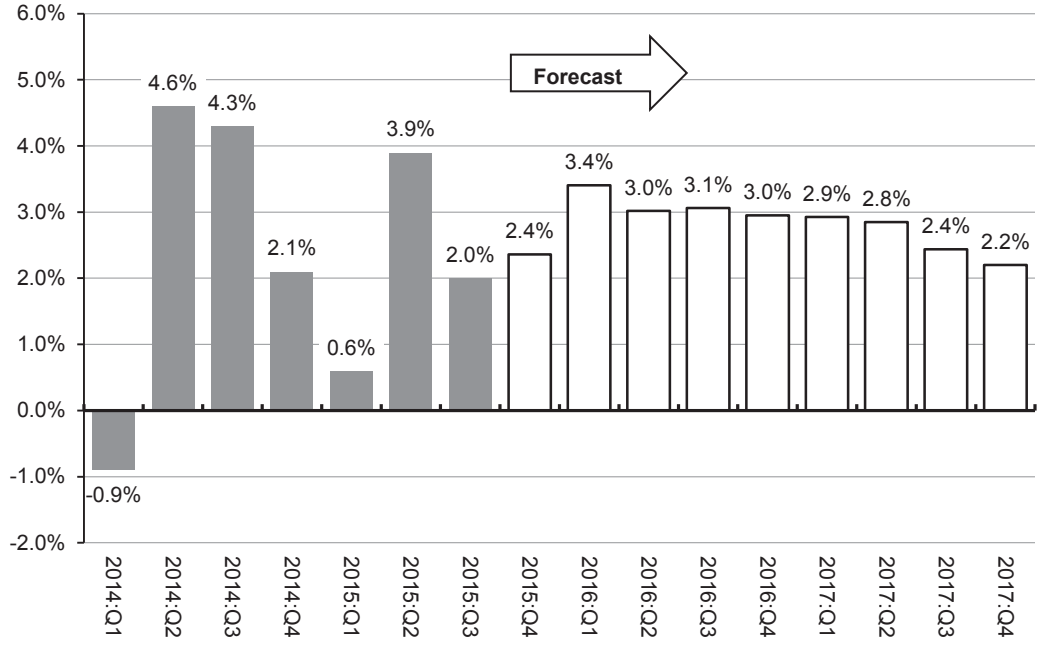
Figure ECO-01
U.S. Real Gross Domestic Product
Quarter-to-Quarter Growth, Annualized



Source: U.S. Bureau of Economic Analysis; CA Department of Finance Governor's Budget Forecast.

California – Steady Growth

California's economy continues to improve along with the nation. See Figure ECO-02 for highlights of the national and California forecasts. The unemployment rate dropped to 5.7 percent in November 2015 due primarily to the historically low labor force participation rate of 62 percent. It is expected to fall very gradually to around 5.5 percent (Figure ECO-03) as labor force participation stabilizes. Despite a higher pace of retirements from an aging population, the labor force is growing at close to 1 percent a year as younger Californians look for and find jobs. Many of these new entrants to the workforce have benefited from additional years in school, and these higher skills are expected to support higher wage growth. California continues to add jobs at a steady pace, with around 40,000 a month added on average in 2015. Nonfarm employment growth is expected to slow over the next few years as fewer unemployed workers leads to higher wage growth. The fourth consecutive year of the drought resulted in the first decrease in farm employment in 2015 during the drought period. Although the forecast projects modest improvements in agriculture beginning in 2016, the effects of the drought on the farm sector may continue for a few years.

Figure ECO-02

Selected Economic Indicators

United States	2011	2012	2013	2014	2015 Estimated	2016 Projected	2017 Projected
Nominal gross domestic product, $ billions	$ 15,518	$ 16,155	$ 16,663	$ 17,348	$ 17,955	$ 18,806	$ 19,743
Real gross domestic product, percent change	1.6%	2.2%	1.5%	2.4%	2.4%	2.9%	2.8%
Contributions to real GDP growth							
Personal consumption expenditures	1.6%	1.0%	1.2%	1.8%	2.2%	2.1%	2.1%
Gross private domestic investment	0.7%	1.5%	0.7%	0.9%	0.8%	0.8%	1.1%
Net exports	0.0%	0.1%	0.2%	-0.2%	-0.6%	-0.5%	-0.4%
Government purchases of goods and services	-0.7%	-0.4%	-0.6%	-0.1%	0.1%	0.4%	0.1%
Personal income, $ billions	$ 13,255	$ 13,915	$ 14,068	$ 14,694	$ 15,310	$ 15,996	$ 16,851
Corporate profits, percent change	4.0%	10.0%	2.0%	1.7%	0.3%	7.8%	2.3%
Housing permits, thousands	624	830	991	1,052	--	--	--
Housing starts, thousands	612	784	928	1,001	1,114	1,277	1,437
Median sales price of existing homes	$ 166,200	$ 177,200	$ 197,400	$ 208,900	--	--	--
Federal funds rate, percent	0.1%	0.1%	0.1%	0.1%	0.1%	0.9%	1.9%
Consumer price index, percent change	3.2%	2.1%	1.5%	1.6%	0.2%	1.7%	2.2%
Unemployment rate, percent	8.9%	8.1%	7.4%	6.2%	5.3%	5.1%	5.0%
Civilian labor force, millions	153.6	155.0	155.4	155.9	157.3	159.6	161.9
Nonfarm employment, millions	131.8	134.1	136.4	139.0	141.9	144.1	146.1
California							
Personal income, $ billions	$ 1,691	$ 1,812	$ 1,850	$ 1,940	$ 2,043	$ 2,155	$ 2,268
Made-in-California exports, percent change	11.3%	1.5%	3.9%	3.6%	--	--	--
Housing permits, thousands	47	59	86	86	101	111	129
Housing unit net change, thousands	36	45	59	69	--	--	--
Median sales price of existing homes	$ 286,040	$ 319,310	$ 407,150	$ 447,010	--	--	--
Consumer price index, percent change	2.6%	2.2%	1.5%	1.8%	1.5%	2.3%	2.6%
Unemployment rate, percent	11.6%	10.2%	8.8%	7.5%	6.2%	5.7%	5.6%
Civilian labor force, millions	18.4	18.5	18.6	18.8	19.0	19.2	19.4
Nonfarm employment, millions	14.4	14.7	15.2	15.7	16.1	16.5	16.7
Percent of total nonfarm employment							
Mining and logging	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Construction	3.9%	4.0%	4.2%	4.3%	4.5%	4.8%	5.1%
Manufacturing	8.7%	8.5%	8.3%	8.1%	8.0%	7.9%	7.8%
High technology	2.4%	2.3%	2.2%	2.1%	2.1%	2.1%	2.1%
Trade, transportation, and utilities	18.6%	18.6%	18.4%	18.3%	18.1%	18.0%	17.9%
Information	3.0%	3.0%	3.0%	2.9%	3.0%	3.0%	2.9%
Financial activities	5.3%	5.3%	5.2%	5.0%	4.9%	4.9%	4.8%
Professional and business services	14.9%	15.2%	15.4%	15.5%	15.4%	15.2%	15.0%
High technology	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.6%
Educational and health services	14.5%	14.8%	15.3%	15.3%	15.0%	15.1%	15.0%
Leisure and hospitality	10.7%	10.9%	11.0%	11.5%	12.3%	12.7%	13.0%
Other services	3.4%	3.4%	3.4%	3.4%	3.3%	3.3%	3.2%
Government	16.7%	16.2%	15.6%	15.4%	15.2%	15.0%	14.9%

Forecast based on data available as of November 2015.

Percent changes calculated from unrounded data.

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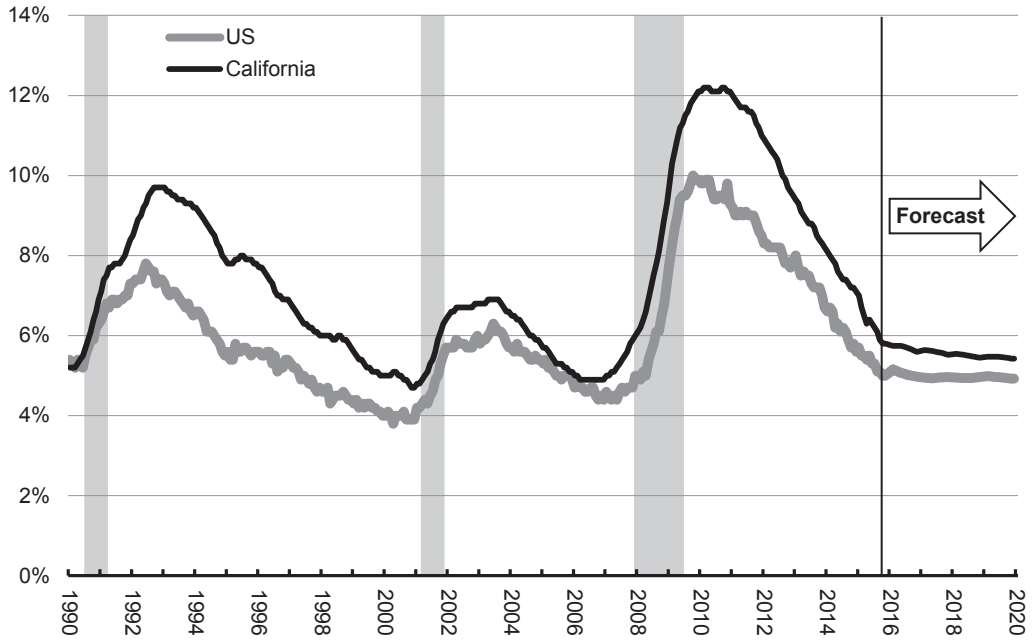
Figure ECO-03
U.S. and California Unemployment Rate



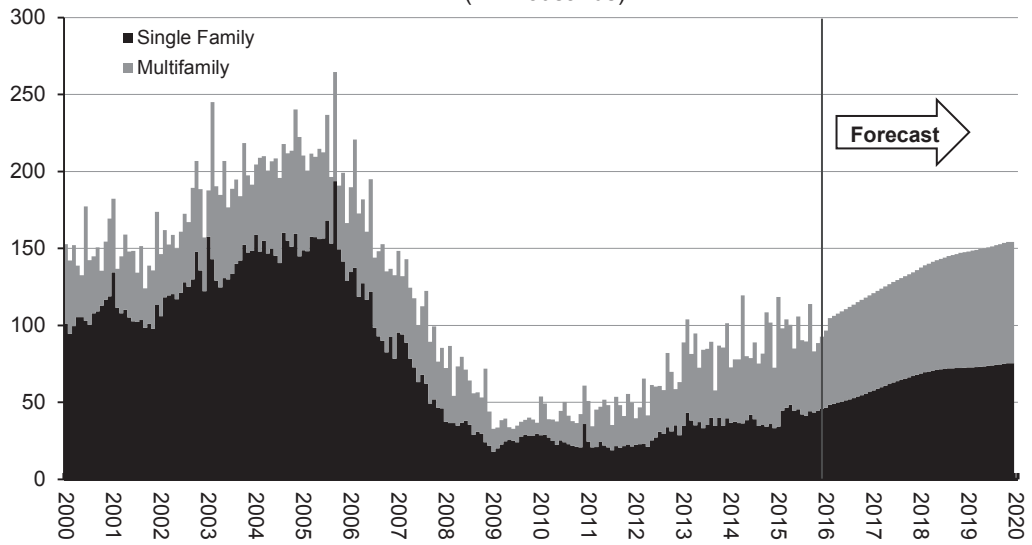
Shaded areas indicate U.S. recessions.

Source: CA EDD, Labor Market Information Division; CA Department of Finance Governor's Budget Forecast.

Personal income has been growing faster than expected. Growth above 5 percent is forecast in 2016 and 2017 as a tighter labor market induces rising wages for more workers, before falling to a more normal growth rate of around 4.5 percent beginning in 2018.

Consumer inflation, as measured by the Consumer Price Index (CPI), has been relatively low throughout the recovery, and is expected to remain around 2.5 percent over the forecast period. Housing prices have been rising faster than the overall index, particularly in the San Francisco area, and are expected to keep inflation somewhat higher than the nation. After a few years of relatively low levels of housing permits being issued, the forecast expects that strong growth will resume in 2016 (Figure ECO-04). Housing prices, as measured by the median sales price of existing single-family homes, are almost double the low reached during the Great Recession, but at $475,000 are still 20 percent below the pre-recession peak of almost $600,000. Nonresidential permits are already growing strongly as firms hire more people and expand their businesses.

Figure ECO-04
California Residential Construction Permits
Seasonally Adjusted at Annual Rates
(In Thousands)



Source: CA Construction Industry Research Board; CA Homebuilding Foundation; CA Department of Finance Governor's Budget Forecast.

Risks to Consider

The main risks to the state's economy in the next few years are a slowdown in the global economy or a stock market correction.

It appears that China's growth slowed in 2015, although its stock market has stabilized. There is also some uncertainty about the growth path in the European Union. Slower growth in one or both could dampen U.S. growth as well.

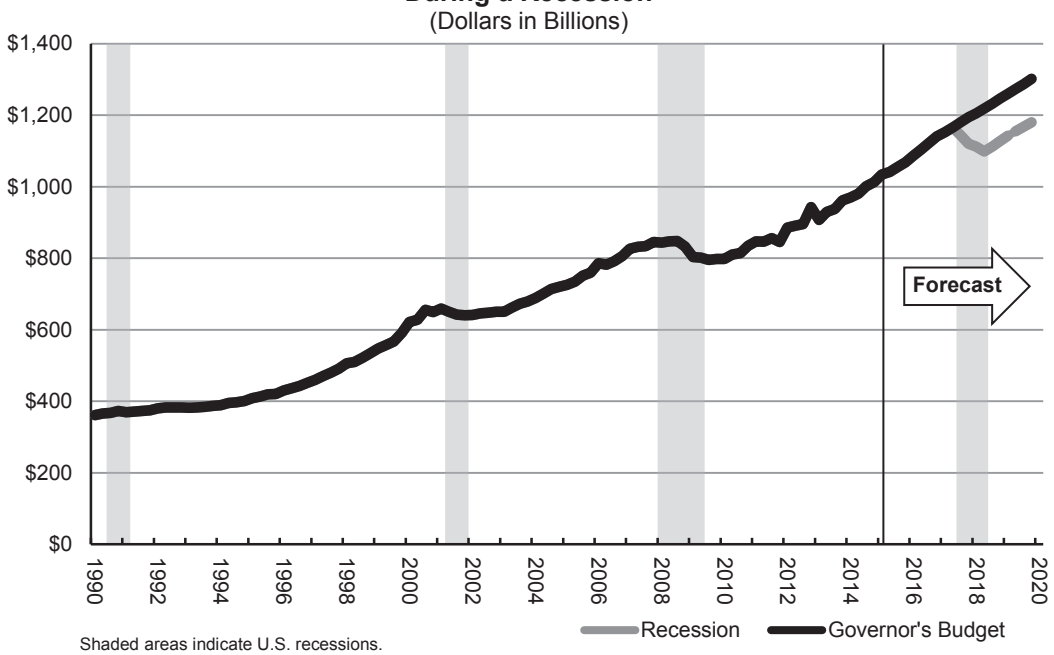
The stock market stabilized following the August correction, but volatility remains. The S&P 500 index was forecast to end 2015 around 2,075. Valuations of technology stocks have also been rising much faster than overall economic growth, contributing to rising wage pressures for high-skilled workers. With many of these workers concentrated in urban areas with limited growth in housing supply, this can also increase competition for housing and raise housing prices.

Planning for the Next Recession

The current expansion has lasted since mid-2009, but on average expansions continue for only around five years. As can be seen in some of the preceding figures, it would

be a historical anomaly for there not to be a recession before 2020. Even a fairly mild recession for the U.S. would be difficult for California. For example, if unemployment rates fell to the point where inflation began to rise, this could trigger a moderate recession in 2017-18. If so, the Department of Finance's recession scenario forecasts U.S. real Gross Domestic Product falling by 0.4 percent and then recovering in the following two years. California would lose almost half a million jobs, and wages and salaries would fall by about 6 percent (Figure ECO-05). Some of these losses would be partially offset by higher unemployment insurance payments and there may be higher growth rates during the recovery that would follow. However, as a recession would likely be accompanied by a large fall in the stock market, revenues would be strongly affected.

Figure ECO-05
California Wages and Salaries Would Drop Below the Forecast During a Recession
(Dollars in Billions)



Shaded areas indicate U.S. recessions.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Revenue Estimates

California's economy continues to grow and is expected to see ongoing improvement over the next few years. General Fund revenue will benefit from the growing economy, with high levels of capital gains and strong growth in wages, particularly for high-income taxpayers. As a result, before accounting for transfers such as to the Rainy Day Fund, General Fund revenue is higher than the 2015 Budget Act projections by $3.5 billion in 2015-16 and $2.4 billion in 2016-17.

Figure REV-01 compares the revenue forecasts, by source, in the 2015 Budget Act and the Governor's Budget. Revenue, including transfers, is expected to be $118 billion in 2015-16 and $121 billion in 2016-17. The projected increases are due primarily to a higher forecast for the personal income tax—up $700 million in 2014-15, $3.7 billion in 2015-16, and $2.2 billion in 2016-17.

The improved revenue forecast for personal income tax is driven by higher capital gains and increased tax receipts from wages. The upward revision in capital gains is based on preliminary 2014 tax year data from the Franchise Tax Board showing more 2014 capital gains than anticipated, along with robust growth in estimated payments through November 2015. In addition to capital gains increases, the Budget forecasts personal income tax on wages to be significantly higher than anticipated for the 2015 Budget Act. The wage forecast is up modestly for 2015 and significantly for 2016 and 2017. Wage withholding through November was nearly 8 percent above 2014 levels. With growth in withholding higher than overall wage growth, increases in wages are likely more concentrated among high-income taxpayers who pay higher marginal tax rates.

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Figure REV-01

2016-17 Governor's Budget
General Fund Revenue Forecast
Reconciliation with the 2015 Budget Act
(Dollars in Millions)

Source	2015 Budget Act	Governor's Budget	Change From Budget Act Forecast	
Fiscal 2014-15: Preliminary				
Personal Income Tax	$75,384	$76,079	$694	0.9%
Sales & Use Tax	23,684	23,709	25	0.1%
Corporation Tax	9,809	9,007	-802	-8.2%
Insurance Tax	2,486	2,445	-41	-1.7%
Alcoholic Beverage	353	357	4	1.1%
Cigarette	84	86	2	2.3%
Pooled Money Interest	19	21	1	7.4%
Other Revenues	1,537	1,594	57	3.7%
Subtotal	$113,357	$113,298	-$60	
Transfers[1]	-2,050	-1,980	70	-3.4%
Total	**$111,307**	**$111,318**	**$11**	0.0%
Fiscal 2015-16				
Personal Income Tax	$77,700	$81,354	$3,654	4.7%
Sales & Use Tax	25,240	25,246	6	0.0%
Corporation Tax	10,342	10,304	-38	-0.4%
Insurance Tax	2,556	2,493	-64	-2.5%
Alcoholic Beverage	360	366	6	1.7%
Cigarette	82	84	2	2.1%
Pooled Money Interest	37	36	-1	-3.6%
Other Revenues	1,615	1,583	-32	-2.0%
Subtotal	$117,931	$121,465	$3,534	3.0%
Transfers[1]	-2,899	-3,929	-1,030	35.5%
Total	**$115,033**	**$117,537**	**$2,505**	2.2%
Fiscal 2016-17				
Personal Income Tax	$81,652	$83,841	$2,189	2.7%
Sales & Use Tax	25,761	25,942	181	0.7%
Corporation Tax	11,073	10,956	-117	-1.1%
Insurance Tax	2,635	2,549	-86	-3.3%
Alcoholic Beverage	367	373	6	1.7%
Cigarette	80	81	1	1.9%
Pooled Money Interest	95	89	-7	-7.0%
Other Revenues	1,027	1,247	220	21.5%
Subtotal	$122,690	$125,078	$2,388	
Transfers[1]	-2,434	-4,445	-2,011	82.6%
Total	**$120,256**	**$120,633**	**$377**	0.3%
Three-Year Total			**$2,893**	

Totals may not add because of rounding.

[1] Includes transfers to Budget Stabilization Account for each year.

The corporation tax forecast is almost $1 billion below the 2015 Budget Act forecast due primarily to higher refunds affecting 2014-15. The sales tax forecast is $200 million higher over the budget window than the 2015 Budget Act forecast. While taxable sales were revised modestly downward, lower utilization of the manufacturer's equipment sales tax exemption results in an overall increase to the forecast.

At the 2015 Budget Act, capital gains realizations for 2014 were expected to be $120 billion, an increase of over 50 percent relative to 2013. The Budget forecasts 2014 capital gains to be $130 billion, an increase of 63 percent relative to 2013. The year-to-year increase reflects, in part, the estimated shift of capital gains from 2013 to 2012 because of federal tax rate changes. At the 2015 Budget Act, capital gains for 2015 were expected to be $116 billion. The Budget forecast expects 2015 capital gains to continue to grow to $135 billion. Although the stock market is expected to yield slow growth in the coming years, the strong performance of the stock market over the past several years is expected to lead to continued above-normal capital gains through 2017. The Budget forecasts 2016 capital gains to be $125 billion.

Figure REV-02 shows revenue from capital gains as a percentage of total General Fund tax revenue. As seen from this table, the amount of revenue the General Fund derived from capital gains 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 2015, capital gains are expected to contribute nearly $13.7 billion to General Fund revenue—the highest amount ever.

Figure REV-02

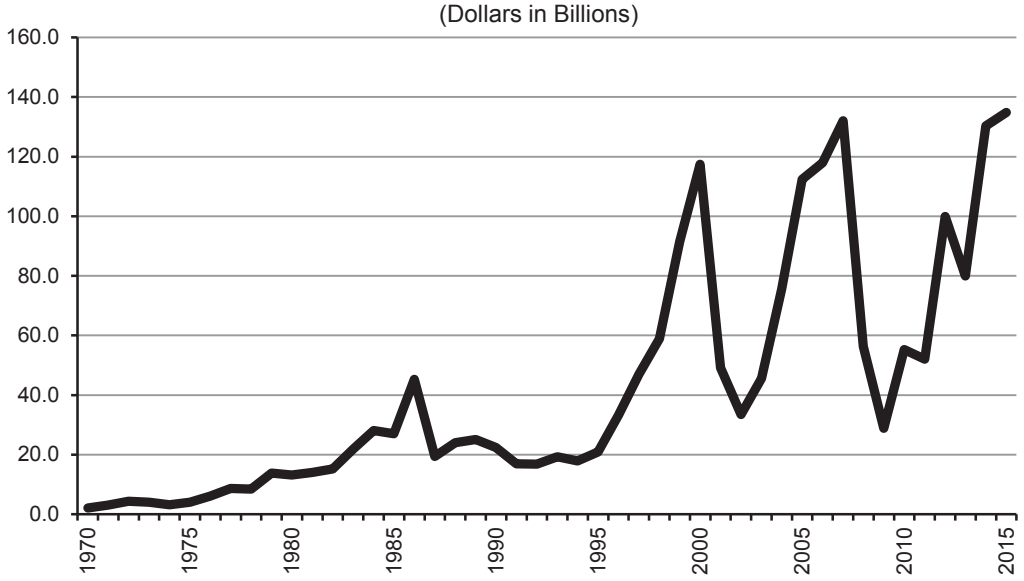
Capital Gains Revenue
As a Percent of General Fund Tax Revenues
(Dollars in Billions)

Annual Values	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 [e]	2015 [e]	2016 [e]
Capital Gains Realizations	$75.5	$112.4	$117.9	$132.0	$56.3	$28.8	$55.3	$52.1	$99.9	$79.9	$130.3	$134.9	$124.8
Tax Revenues from Capital Gains	$6.1	$9.2	$9.6	$10.9	$4.6	$2.3	$4.7	$4.2	$10.4	$7.6	$13.1	$13.7	$12.7
Fiscal Year Values	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Tax Revenues from Capital Gains	$7.0	$9.3	$10.0	$9.0	$3.9	$3.0	$4.5	$6.0	$9.6	$9.3	$13.3	$13.4	$12.4
Total General Fund Tax Revenues	$80.4	$91.0	$93.8	$95.8	$79.5	$84.6	$90.1	$83.3	$96.3	$101.5	$112.0	$120.2	$124.2
Percentage	8.8%	10.3%	10.7%	9.4%	4.9%	3.5%	5.0%	7.2%	9.9%	9.1%	11.9%	11.1%	10.0%

[e] Estimated

Figure REV-03 shows capital gains reported on California tax returns from 1970 through projections for 2015. 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 suggests that above-normal levels of capital gains eventually drop off.

Figure REV-03
Capital Gains Realizations
(Dollars in Billions)



The highest-income Californians pay a large share of the state's personal income tax. For the 2013 tax year, the top 1 percent of income earners paid over 45 percent of personal income taxes. This percentage has been greater than 40 percent for nine of the past eleven years. The share of total adjusted gross income from the top 1 percent of income earners has increased from 13.8 percent in 1993 to almost 22 percent in 2013. This number has exceeded 20 percent in nine of the past eleven years. Consequently, changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

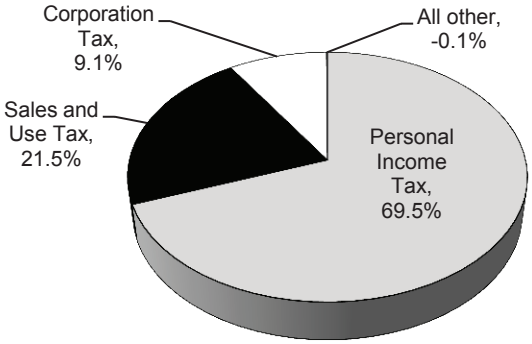
These two related phenomena—significant reliance of the General Fund on capital gains and on taxes paid by a small portion of the population—underscore the difficulty of forecasting personal income tax revenue. The Rainy Day Fund will help address some level of volatility. Under Proposition 2, when capital gains revenue is projected to be

greater than 8 percent of General Fund tax revenue, that windfall revenue will be used to pay off General Fund debts and build up a reserve for future downturns.

General Fund Revenue

Figure REV-04 shows the breakdown of General Fund revenues by taxation type. Personal income tax contributes 69.5 percent of the total.

Figure REV-04
2016-17 General Fund Revenues and Transfers = $120.6 Billion



Long-Term Forecast

Figure REV-05 shows the forecast for the three largest General Fund revenues from 2014-15 through 2019-20. Total General Fund revenue from these sources is expected to grow from $108.8 billion in 2014-15 to $128 billion in 2019-20. The average year-over-year growth rate for this period is 3.3 percent.

Figure REV-05
Long-Term Revenue Forecast - Three Largest Sources
(General Fund Revenue - Dollars in Billions)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Average Year-Over-Year Growth
Personal Income Tax	$76.1	$81.4	$83.8	$86.4	$84.5	$86.4	2.6%
Sales and Use Tax	23.7	25.2	25.9	26.4	27.6	28.9	4.1%
Corporation Tax	9.0	10.3	11.0	11.6	12.1	12.7	7.2%
Total	**$108.8**	**$116.9**	**$120.7**	**$124.4**	**$124.2**	**$128.0**	3.3%
Growth	10.7%	7.5%	3.3%	3.0%	-0.1%	3.0%	

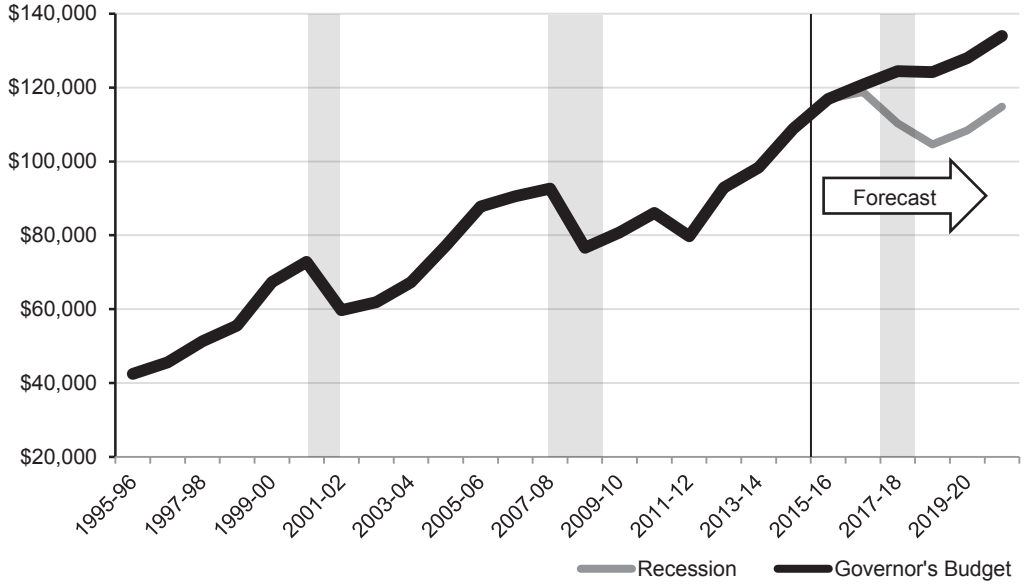
Note: Numbers may not add due to rounding.

The economic forecast reflects robust growth through 2017 and slower but steady growth through 2020. The projected average growth rate in Gross Domestic Product over this period is less than 3 percent, a slightly slower rate than normal for an economic expansion. The long-term revenue forecast reflects the sunset of the 0.25-cent Proposition 30 sales tax increase halfway through 2016-17 and the elimination of the top three personal income tax brackets at the end of 2018.

Planning for the Next Recession

Economic growth is forecast to continue over the next few years. However, a recession during this period is possible, particularly in light of the length of the current expansion. Even in a moderate recession, revenue declines could be significant. Figure REV-06

Figure REV-06
Annual Revenue Could Drop by $20 Billion in a Recession
(Dollars in Millions)



shows a history of California's largest three revenue sources—personal income tax, sales tax, and corporation tax—along with revenue projections for the budget forecast and a moderate one-year recession in 2017-18. Under this scenario, revenue losses result from a decline in wages of over $100 billion compared to forecast and by a drop in capital gain realizations due to a 25-percent stock market correction. The shaded areas in this figure

show the timing of the 2001 recession, the 2007 recession, and the forecasted recession. Note that 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 approach $20 billion per year for several years and lead to a permanently lower revenue base compared to the current forecast.

Personal Income Tax

The personal income tax is the state's largest single revenue source and is expected to generate $76.1 billion in 2014-15, $81.4 billion in 2015-16, and $83.8 billion in 2016-17. These figures reflect a reduction of $380 million per year in 2015-16 and 2016-17 for the state's new earned income tax credit.

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 much of the income spectrum. For the 2012 tax year, the marginal rates ranged from 1 percent to 12.3 percent. Proposition 30 created three additional income tax brackets for families 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 $1,000,000. These tax brackets are in effect for seven years—tax years 2012 to 2018.

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 sources, wages and salaries include some unpredictable types of compensation such as stock grants, restricted stock units, stock options, and bonus payments. In 2013, taxes attributable to wages and salaries accounted for over 60.7 percent of personal income tax revenues. Based on the economic forecast, wages and salaries are expected to increase 5.9 percent in 2015, 6.1 percent in 2016, and 5.3 percent in 2017.

Strong stock market growth for several previous years is expected to result in capital gains that are significantly above normal levels through 2017. Forecasting capital gains is difficult since capital gains realizations are heavily dependent upon stock market performance. This forecast assumed that the S&P 500 ended 2015 at 2,075 and will grow at around 2 percent per year for the next several years. This is expected to lead to capital gains declining from their forecasted peak level in 2015 of $135 billion to

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$107 billion by 2018. The 2018 level of capital gains equates to 4.5 percent of personal income in 2018, which is considered a normal level for capital gains.

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 $1.9 billion are estimated for 2014-15. Annual revenues of $2 billion for 2015-16 and $2.1 billion for 2016-17 are projected. The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2014-15 through 2016-17 are shown in Figure REV-07.

Figure REV-07

Personal Income Tax Revenue

(Dollars in Thousands)

	2014-15 Preliminary	2015-16 Forecast	2016-17 Forecast
General Fund	$76,078,551	$81,354,261	$83,840,558
Mental Health Services Fund	1,851,000	2,028,000	2,051,000
Total	**$77,929,551**	**$83,382,261**	**$85,891,558**

Sales and Use Tax

The sales and use tax (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 economic factors such as income and housing starts. The sales tax is expected to generate General Fund revenue of $25.2 billion in 2015-16 and $25.9 billion in 2016-17. Receipts from the sales tax, the state's second largest revenue source, are expected to contribute 21.5 percent of all General Fund revenues and transfers in 2016-17. Revenue in 2016-17 only grows slightly because the temporary 0.25-cent Proposition 30 increase expires at end of 2016, halfway through the fiscal year.

Figure REV-08 displays total sales tax revenues for the General Fund and various special funds for 2014-15 through 2016-17. Beginning on July 1, 2004, a temporary 0.25-cent state sales tax rate was imposed with revenues dedicated to the repayment of Economic Recovery Bonds. The total sales tax rate did not increase, however, as there was a concurrent 0.25-cent drop in the Bradley-Burns rate for local governments. These bonds were repaid in July 2015 and the rate adjustments ended on January 1, 2016.

Figure REV-08

State Sales Tax Revenue

(Dollars in Thousands)

	2014-15 Preliminary	2015-16 Forecast	2016-17 Forecast
General Fund	$23,708,959	$25,245,880	$25,941,601
Sales and Use Tax-1991 Realignment	3,175,400	3,316,147	3,491,033
Sales and Use Tax-2011 Realignment	6,210,946	6,566,098	6,948,008
Economic Recovery Fund[1]	1,584,475	999,000	-
Public Transportation Account	610,124	477,187	502,015
Total	**$35,289,904**	**$36,604,312**	**$36,882,657**

[1] Economic Recovery Bonds were repaid in July 2015.

Figure REV-09 displays the individual elements of the state and local sales tax rates.

Figure REV-09

2016-17 State and Local Sales and Use Tax Rates (as of January 1, 2016)

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.
Economic Recovery Fund	0.25%	Beginning on July 1, 2004, a temporary 0.25% state sales tax rate was imposed, with a corresponding decrease in the Bradley-Burns rate. These revenues are dedicated to repayment of Economic Recovery Bonds. Once these bonds are repaid, this tax will sunset and the Bradley-Burns rate will return to 1%. This is expected to occur in January of 2016.
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[4] up to a combined maximum of 2.00% in any county.[5] 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] Increments imposed at 0.125 percent are only allowed when revenues are dedicated for library purposes.

[5] Alameda, Contra Costa, and Los Angeles counties may impose up to 2.5 percent transactions and use tax.

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Figure REV-10 shows combined state and local tax rates for each county, including special rates for certain cities within those counties.

Figure REV-10

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, 2016

County	Tax Rate
Alameda	9.50%
Albany, Hayward, San Leandro, Union City	10.00%
Alpine	7.50%
Amador	8.00%
Butte	7.50%
Paradise	8.00%
Calaveras	7.50%
Colusa	7.50%
Williams	8.00%
Contra Costa	8.50%
Antioch, Concord, Hercules, Orinda, Pittsburg	9.00%
San Pablo	9.25%
Moraga, Pinole, Richmond	9.50%
El Cerrito	10.00%
Del Norte	7.75%
El Dorado	7.50%
Placerville, South Lake Tahoe	8.00%
Fresno	8.225%
Reedley, Selma	8.725%
Sanger	8.975%
Huron	9.225%
Glenn	7.50%
Humboldt	8.00%
Arcata, Eureka, Trinidad	8.75%
Rio Dell	9.00%
Imperial	8.00%
Calexico	8.50%
Inyo	8.00%
Kern	7.50%
Ridgecrest	8.25%
Arvin, Delano	8.50%
Kings	7.50%
Lake	7.50%
Clearlake, Lakeport	8.00%
Lassen	7.50%
Los Angeles	9.00%
Avalon, Commerce, Culver City, El Monte, Inglewood, San Fernando, Santa Monica, South El Monte	9.50%
La Mirada, Pico Rivera, South Gate	10.00%
Madera	8.00%
Marin	8.50%
Corte Madera, Fairfax, Larkspur, Novato, San Anselmo, Sausalito	9.00%
San Rafael	9.25%
Mariposa	8.00%
Mendocino	7.625%
Point Arena, Ukiah, Willits	8.125%
Fort Bragg	8.625%
Merced	7.50%
Atwater, Gustine, Los Banos, Merced	8.00%
Modoc	7.50%
Mono	7.50%
Mammoth Lakes	8.00%
Monterey	7.625%
Gonzales, King City	8.125%
Carmel-by-the-Sea, Greenfield, Marina, Monterey, Pacific Grove, Sand City, Seaside, Soledad	8.625%
Del Rey Oaks, Salinas	9.125%
Napa	8.00%
Nevada	7.625%
Grass Valley	8.125%
Truckee	8.375%
Nevada City	8.50%
Orange	8.00%
La Habra	8.50%
Stanton	9.00%
Placer	7.50%
Plumas	7.50%
Riverside	8.00%
Cathedral City, Coachella, Palm Springs	9.00%
Sacramento	8.00%
Galt, Rancho Cordova, Sacramento	8.50%
San Benito	7.50%
San Juan Bautista	8.25%
Hollister	8.50%
San Bernardino	8.00%
Montclair, San Bernardino	8.25%
San Diego	8.00%
El Cajon, Vista	8.50%
La Mesa	8.75%
National City	9.00%
San Francisco	8.75%
San Joaquin	8.00%
Manteca, Tracy	8.50%
Lathrop, Stockton	9.00%
San Luis Obispo	7.50%
Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo	8.00%
San Mateo	9.00%
San Mateo	9.25%
Half Moon Bay	9.50%
Santa Barbara	8.00%
Guadalupe, Santa Maria	8.25%
Santa Clara	8.75%
Campbell	9.00%
Santa Cruz	8.25%
Capitola, Santa Cruz, Scotts Valley	8.75%
Watsonville	9.00%
Shasta	7.50%
Anderson	8.00%
Sierra	7.50%
Siskiyou	7.50%
Mount Shasta, Weed	7.75%
Solano	7.625%
Vacaville	7.875%
Rio Vista	8.375%
Benecia, Fairfield, Vallejo	8.625%
Sonoma	8.25%
Healdsburg, Rohnert Park, Santa Rosa, Sonoma	8.75%
Sebastopol	9.00%
Cotati	9.25%
Stanislaus	7.625%
Ceres, Oakdale	8.125%
Sutter	7.50%
Tehama	7.50%
Red Bluff	7.75%
Trinity	7.50%
Tulare	8.00%
Visalia	8.25%
Farmersville, Porterville, Tulare	8.50%
Dinuba	8.75%
Tuolumne	7.50%
Sonora	8.00%
Ventura	7.50%
Oxnard, Port Hueneme	8.00%
Yolo	7.50%
West Sacramento	8.00%
Woodland	8.25%
Davis	8.50%
Yuba	7.50%
Wheatland	8.00%

Over the last few years, wholesale trade has been the largest contributor to the sales tax base. However, through the first three quarters of 2014, motor vehicle and parts dealer taxable sales were the largest contributor to the sales tax base due to strong growth in automobile sales. Another significant contributor to the sales tax base is sales from food service, which includes full-service restaurants and food contractors and caterers.

Beginning on July 1, 2010, the General Fund portion of the sales tax no longer applies to gasoline. Taxable sales, excluding gasoline, increased by 5.5 percent in 2013-14. Based on preliminary data, it is estimated that taxable sales increased by 6.1 percent in 2014-15. Growth is expected to continue at 5.7 percent in 2015-16, followed by 5.8 percent in 2016-17.

A General Fund sales tax exemption for manufacturing equipment commenced July 1, 2014. The sales tax exemption applies to purchases of manufacturing or biotech research and development equipment, valued at up to $200 million in qualifying purchases per business, per year. Utilization of this exemption is forecast to be $160 million in 2015-16 and $180 million in 2016-17.

Corporation Tax

Corporation tax revenues are expected to contribute 9.1 percent of all General Fund revenues and transfers in 2016-17. Corporation tax revenues were $9 billion in 2014-15 and are expected to increase by 14.4 percent to $10.3 billion in 2015-16. In 2016-17, they are expected to increase by 6.3 percent to $11 billion. Revenue growth from 2014-15 to 2015-16 is inflated by a large number of refunds paid in 2015-16. Refunds are generally accrued back one year; therefore, nearly all refunds paid in 2015-16 reduce 2014-15 revenues, affecting the year-over-year growth rate.

Although economic data are generally positive and corporate payments related to current year liabilities are in line with the Budget Act forecast, corporation tax revenues are expected to be lower than the Budget Act forecast by $802 million in 2014-15, $38 million in 2015-16, and $117 million in 2016-17 due primarily to refunds related to prior tax years. These types of refunds occur when tax disputes are resolved and

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can fluctuate significantly from year to year. There has been an unusually high level of refunds in the first part of this fiscal year, which is expected to continue for the remainder of the fiscal year. Since nearly all these refunds are accrued back one year, 2014-15 revenues decrease. The forecast assumes that refunds will return to levels more in line with historical averages in 2016-17.

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 $2.5 billion in both 2015-16 and 2016-17.

The Department of Finance conducts an annual survey to project insurance premium growth. This year's sample represents about 48 percent of the dollar value of premiums written in California. Based on this year's survey, growth in insurance tax revenue will be only around 2 percent beginning in 2015-16.

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 are based on projections of total per capita consumption and population growth for each type of beverage. Overall, consumption of alcoholic beverages is expected to grow by about 2.4 percent and 1.8 percent in 2015-16 and 2016-17, respectively. Revenues from this tax were $357 million in 2014-15 and are forecasted to be $366 million in 2015-16 and $373 million in 2016-17.

Cigarette Tax

The state imposes an excise tax of 87 cents per pack of 20 cigarettes on distributors selling cigarettes in California. An excise tax is also imposed on the distribution of other tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff. The rate on

other tobacco products is calculated annually by the Board of Equalization 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.
- 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 an equivalent rate levied on non-cigarette tobacco products, 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.

Projections of cigarette tax revenues are based on projected per capita consumption of cigarettes and population growth, while revenue estimates for other tobacco products also rely on wholesale price data. The cumulative effect of product price increases, the increasingly restrictive environments for smokers, anti-smoking campaigns (including state campaigns funded by Proposition 99 Tobacco Tax and Health Protection Act revenues and revenues from the Master Tobacco Settlement), and the 2009 federal cigarette tax rate increase have reduced cigarette consumption considerably. This declining trend is expected to continue. Annual per capita consumption (based on population ages 18-64) was 123 packs in 1989-90, 84 packs in 1997-98, and 35 packs in 2014-15. This forecast assumes an annual decline in total consumption of approximately 2.8 percent.

Figure REV-11 shows the distribution of tobacco tax revenues for the General Fund and various special funds for 2014-15 through 2016-17.

Figure REV-11
Tobacco Tax Revenue
(Dollars in Millions)

	2014-15 Preliminary	2015-16 Forecast	2016-17 Forecast
General Fund	$86.3	$83.8	$81.5
Cigarette and Tobacco Products Surtax Fund	267.9	262.3	255.0
Breast Cancer Fund	17.2	15.9	15.5
California Children and Families First Trust Fund	461.0	451.1	438.5
Total	**$832.4**	**$813.2**	**$790.5**

Other Revenues

Unclaimed Property

The Budget reflects receipts of $419 million in 2015-16 and $431 million in 2016-17. These numbers reflect continuation of program outreach efforts to increase property holder awareness and compliance with Unclaimed Property Law.

Indian Gaming

The Budget reflects General Fund revenues from tribal gaming of $320 million in 2014-15, $325 million in 2015-16, and $227 million in 2016-17.

Loan Repayments to Special Funds

The Budget reflects the repayment of loans to special funds based on the operational needs of the programs requiring these repayments. Total repayments are projected to be $1.4 billion and $891 million in 2015-16 and 2016-17, respectively.

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.

Assessed value growth is estimated based on statistical modeling and evaluations of real estate trends. The median sales price of existing single-family homes rose by 10 percent in 2014 (with activity in the 2014 calendar year driving fiscal year 2015-16 assessed valuations for property tax purposes). This is lower than the almost 27-percent increase in median sales prices that occurred in 2013. While both median prices and sales volumes in 2014 were less than they were in 2013, property tax revenues will continue to show positive growth. This will occur as moderating home prices and rising personal incomes increase sales volume, and as homes whose values were reassessed downward during the 2007-2009 housing slump are reassessed to their prior valuations.

Statewide property tax revenues are estimated to increase 5.6 percent in both 2015-16 and 2016-17. Roughly 29 percent ($18 billion) of 2016-17 property tax revenues will go to K-14 schools. While this amount includes $1 billion that schools are expected to receive in 2016-17 pursuant to the dissolution of the redevelopment agencies, it excludes the $7.6 billion shifted to cities and counties to replace Vehicle License Fee (VLF) revenue losses stemming from the reduced VLF rate of 0.65 percent. This figure also reflects the

end in 2015-16 of the shift of property tax revenues from schools to backfill sales and use tax revenues redirected from cities and counties to repay the Economic Recovery Bonds.

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 are estimated to be $49.9 billion in 2016-17, which includes revenues related to the Governor's transportation package. Taxes and fees related to motor vehicles are expected to comprise about 25 percent of all special fund revenue in 2016-17. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2016-17, it is expected that about $12.6 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, including the new road improvement charge related to the Governor's transportation package. Figure REV-12 displays revenue from these sources from 2014-15 through 2016-17.

Figure REV-12
Motor Vehicle Fees Special Fund Revenue
(Dollars in Thousands)

	2014-15 Preliminary	2015-16 Forecast	2016-17 Forecast
Vehicle License Fees	$2,287,785	$2,357,441	$2,437,178
Registration, Weight, and Other Fees	4,201,663	4,262,474	4,350,177
Road Improvement Charge	0	0	1,056,055
Total	**$6,489,448**	**$6,619,915**	**$7,843,410**

The Vehicle License Fee (VLF) is imposed on vehicles that travel on public highways in California. The current VLF tax rate is 0.65 percent. This tax is imposed in lieu of a local personal property tax on automobiles and is 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, trucks, trailers, and motorcycles, including vehicles registered in multiple states—is estimated to be 31.3 million in 2015-16 and is expected to increase to 32.5 million in 2016-17. Consistent with expected increases in national new vehicle sales due to the availability of consumer credit, an improving employment picture, and projected

increases to after-tax income, the forecast projects that there will be 2.4 million new vehicles registered in 2015-16, increasing to 2.5 million in 2016-17.

In addition to the VLF, truck owners pay a fee based on vehicle weight. Due partly to the expected increase in truck sales reflecting an improving business climate, weight fee revenues are expected to be $1 billion in 2015-16 and increase 2.2 percent to $1.1 billion in 2016-17.

Motor Vehicle Fuel Taxes

The motor vehicle fuel 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 Figure REV-13.

Figure REV-13

Motor Vehicle Fuel Tax Revenue

(Dollars in Thousands)

	2014-15 Preliminary	2015-16 Forecast	2016-17 Forecast
Gasoline [1]	$5,345,526	$4,525,632	$4,213,246
Diesel	365,634	430,367	516,431
Total	**$5,711,160**	**$4,955,999**	**$4,729,677**

[1] Does not include jet fuel.

Gasoline consumption increased 2 percent in 2014-15 when compared to the prior fiscal year. While continued gains in the average fuel economy of cars and trucks on the road are expected to support long-term declines in gasoline consumption, lower gasoline prices are likely to lead to modest increases in gasoline consumption through 2016-17. Gasoline consumption is expected to increase 1.5 percent in 2015-16 and 0.5 percent in 2016-17.

Because most diesel fuel is consumed by the commercial trucking industry, consumption is affected most significantly by general economic conditions. A solid economy is expected to contribute to growth of 2.3 percent in diesel consumption in 2015-16 and 1 percent in 2016-17.

The motor vehicle fuel tax (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 30 cents

per gallon under current law. The excise rate is adjusted annually so that the total amount of tax revenue generated is equal to what it would have been when gasoline was subject to the state sales tax rate. The Budget forecasts that the excise tax on gasoline will be 27.8 cents per gallon in 2016-17. Fuels subject to the gas tax include gasoline, natural gas, and blends of gasoline and alcohol sold for use on public streets and highways.

Distributors pay the diesel fuel tax, which applies to both pure diesel fuel and blends, at the fuel terminal. Diesel fuel for highway use is taxed at a rate of 13 cents per gallon in 2015-16. The excise rate is adjusted annually so that the total amount of tax revenue generated is neutral given the changes to the sales tax add-on for diesel fuel. Under current law, the sales tax rate add-on will remain 1.75 percent in 2016-17, and the Budget forecasts that the excise tax on diesel fuel will be adjusted to 15.9 cents per gallon in 2016-17. 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 Figure REV-14. 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 2016-17 is displayed in Schedule 3 in the Appendix.

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Figure REV-14
Outline of State Tax System as of January 1, 2016

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	Net income	8.84% [1]	Franchise	General
Bank and Financial Corp.	Net income	10.84%	Franchise	General
Alternative Minimum Tax	Alt. Taxable Income	6.65%	Franchise	General
Tobacco				
Cigarette	Package	$0.87 [2]	Equalization	See below[2]
Other Tobacco Products	Wholesale cost	28.13% [3]	Equalization	See below[3]
Insurance				
Insurers	Gross Premiums	2.35% [4]	Insurance Dept.	General
Liquor License Fees	Type of license	Various	Alc. Bev. Control	General
Motor Vehicle				
Vehicle License Fees (VLF)	Market value	0.65%	DMV	VLF, Local Revenue[5]
Fuel—Gasoline	Gallon	$0.30 [6]	Equalization	Motor Vehicle Fuel[7]
Fuel—Diesel	Gallon	$0.13 [8]	Equalization	Motor Vehicle Fuel
Registration Fees	Vehicle	$46.00	DMV	Motor Vehicle[9]
Weight Fees	Gross Vehicle Wt.	Various	DMV	State Highway
Personal Income	Taxable income	1.0-12.3% [10]	Franchise	General
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	Sales or lease of taxable items	7.50% [11]	Equalization	See below[11]
Medi-Cal Managed Care Plans	Gross Receipts	3.94% [12]	Equalization	Children's Health and Human Services Special Fund

[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, and 50 cents/pack for the California Children and Families First Trust Fund.

[3] The surtax rate is determined annually by the BOE 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, 2015, through June 30, 2016, the rate is 28.13 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, and nonadmitted insurance.

[5] For return to cities and counties. Trailer coach license fees are deposited in the General Fund.

[6] As part of the fuel tax swap implemented beginning July 1, 2010, this rate was increased from 18 cents and will be adjusted each year to maintain revenue neutrality with the elimination of the General Fund portion of the sales tax on gasoline.

[7] For administrative expenses and apportionment to State, counties and cities for highways, airports, and small craft harbors.

[8] As part of the fuel tax swap, this rate will be adjusted each year to maintain revenue neutrality with the 1.75% increase in sales tax on diesel fuel beginning July 1, 2014.

[9] For support of State Department of Motor Vehicles, California Highway Patrol, other agencies, and motor vehicle related programs.

[10] 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.

[11] The 7.50-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. This rate includes a 0.25 percent rate due to the passage of Proposition 30, effective beginning January 1, 2013. This 0.25-percent rate expires on December 31, 2016.

[12] Effective July 1, 2013 through June 30, 2016, sales tax is imposed on sellers of Medi-Cal Managed Care Plans at a rate of 3.9375% of total gross receipts.

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Appendices and Schedules

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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 January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through mid December. In the event that the Governor wants to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance (Finance) proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually 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. Listed below are the key documents used in the budget process.

Title	Purpose	Prepared/Issued by	When
Budget Letters and Management Memos	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 delete existing programs.	Agencies and departments submit to Finance analysts	July through September
Governor's Budget	Governor's proposed budget for the upcoming fiscal year.	Governor/Finance	January 10
Governor's Budget Summary	A summary of the Governor's Budget.	Governor/Finance	January 10
Budget Bill	Requests spending authorization to carry out the Governor's expenditure plan (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 Article IV of the California Constitution.	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	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.	Legislature/Governor	Late June or enactment of the Budget
Final Budget Summary	Update of the individual Budget Act items with changes by the Governor's vetoes, including certain budget summary schedules.	Finance	Late July - August or 1-2 months after Budget enactment
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Late July - August or 1-2 months after Budget enactment

Adjustments in Accounting Methods and Prior Year Fund Balances

Government Code section 13344 requires the Department of Finance (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 (Annual Report).

Accounting Methods

No major changes were implemented or proposed since last year's report.

Prior Year Fund Balances

Government Code section 13344 requires state departments 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 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 the reconciliation of special funds between the Governor's Budget documents provided to Finance and the year-end financial statements provided to the State Controller's Office by departments. Departments that are the designated fund administrators continue to be primarily responsible for the reconciliation, and Finance works very closely with the departments to ensure this is completed for all special funds. Special fund balances were reconciled using the best information available. However, final balances for the Annual Report 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.

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*****—***S*tate tax collections per capita and per $100 of personal income.

Schedule 3 ***Comparative Yield of State Taxes*****—**Revenues for major state taxes.

Schedule 4 ***Positions 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 2014-15 Fiscal Year Cashflow*****—**Actual receipts, disbursements, borrowable resources, and cashflow loan balances for the last fiscal year.

Schedule 5C ***Estimated 2015-16 Fiscal Year Cashflow*****—**Projected receipts, disbursements, borrowable resources, and cashflow loan balances for the current fiscal year.

Schedule 5D ***Estimated 2016-17 Fiscal Year Cashflow*****—**Projected receipts, disbursements, borrowable resources, and cashflow 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 7 ***General Fund Statement of Fund Balance*****—**Available upon request. Contact the Department of Finance, Budget Operations Support Unit, at (916) 445-5332.

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 or Surplus.

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 1
GENERAL BUDGET SUMMARY[1]
(In Thousands)

	Reference to Schedule	General Fund	Special Funds	Selected Bond Fund Expenditures	Expenditure Totals
2014-15					
Prior year resources available	10	$5,355,596	$10,442,165		
Revenues and transfers	8	111,317,808	46,105,455		
Expenditures	9	112,974,272	41,701,706	$5,145,249	$159,821,227
Fund Balance	10	$3,699,132	$14,845,914		
Reserve for Liquidation of Encumbrances [2]		*966,444*	--		
Reserves for Economic Uncertainties [3]		--	*14,845,914*		
Special Fund for Economic Uncertainties [3]		*2,732,688*	--		
Budget Stabilization Account/Rainy Day Fund		*1,606,422*			
2015-16					
Prior year resources available	10	$3,699,132	$14,845,914		
Revenues and transfers	8	117,537,253	50,049,529		
Expenditures	9	116,064,476	47,635,583	$7,847,243	$171,547,302
Fund Balance	10	$5,171,909	$17,259,860		
Reserve for Liquidation of Encumbrances [2]		*966,444*	--		
Reserves for Economic Uncertainties [3]		--	*17,259,860*		
Special Fund for Economic Uncertainties [3]		*4,205,465*	--		
Budget Stabilization Account/Rainy Day Fund		*4,455,422*	--		
2016-17					
Prior year resources available	10	$5,171,909	$17,259,860		
Revenues and transfers	8	120,632,968	49,860,215		
Expenditures	9	122,608,817	45,032,061	$3,086,398	$170,727,276
Fund Balance	10	$3,196,060	$22,088,014		
Reserve for Liquidation of Encumbrances [2]		*966,444*	--		
Reserves for Economic Uncertainties [3]		--	*22,088,014*		
Special Fund for Economic Uncertainties [3]		*2,229,616*	--		
Budget Stabilization Account/Rainy Day Fund		*8,011,422*	--		

[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. The amounts included in this schedule for expenditures and revenues may not agree with those shown in Schedules 8, 9, and 10 due to rounding.

[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 XIIIB of the California Constitution.

SCHEDULE 2
SUMMARY OF STATE TAX COLLECTIONS
(Excludes Departmental, Interest, and Miscellaneous Revenue)

Fiscal Year Beginning	Per Capita Personal Income [1, 2]	State Tax Collections (Dollars in Millions) General Fund	Total	Taxes per Capita [1] General Fund	Total	Taxes per $100 of Personal Income [3] General 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	4,523	4,126	5,409	208.96	273.94	4.62	6.06
1970	4,796	4,290	5,598	214.08	279.36	4.46	5.83
1971	5,028	5,213	6,597	256.22	324.24	5.10	6.45
1972	5,451	5,758	7,231	279.72	351.28	5.13	6.44
1973	5,942	6,377	7,877	305.57	377.45	5.14	6.35
1974	6,555	8,043	9,572	379.85	452.06	5.79	6.90
1975	7,136	9,050	10,680	420.19	495.87	5.89	6.95
1976	7,836	10,781	12,525	491.48	570.98	6.27	7.29
1977	8,572	12,951	14,825	579.41	663.25	6.76	7.74
1978	9,573	14,188	16,201	621.30	709.45	6.49	7.41
1979	10,719	16,904	19,057	726.83	819.41	6.78	7.64
1980	11,938	17,808	20,000	748.80	840.97	6.27	7.04
1981	13,148	19,053	21,501	784.78	885.62	5.97	6.74
1982	13,751	19,567	22,359	788.83	901.39	5.74	6.55
1983	14,532	22,300	25,674	880.14	1,013.30	6.06	6.97
1984	15,932	25,515	29,039	988.34	1,124.85	6.20	7.06
1985	16,801	26,974	30,898	1,021.63	1,170.25	6.08	6.97
1986	17,559	31,331	35,368	1,158.18	1,307.41	6.60	7.45
1987	18,487	31,228	35,611	1,126.67	1,284.81	6.09	6.95
1988	19,565	35,647	40,613	1,255.49	1,430.39	6.42	7.31
1989	20,503	37,248	43,052	1,278.16	1,477.32	6.23	7.21
1990	21,473	36,828	43,556	1,234.66	1,460.21	5.75	6.80
1991	21,744	40,072	48,856	1,315.62	1,604.01	6.05	7.38
1992	22,428	39,197	48,230	1,264.93	1,556.44	5.64	6.94
1993	22,715	38,351	48,941	1,224.72	1,562.90	5.39	6.88
1994	23,420	41,099	50,648	1,303.75	1,606.67	5.57	6.86
1995	24,486	44,825	54,805	1,413.51	1,728.20	5.77	7.06
1996	25,833	47,955	58,400	1,500.33	1,827.10	5.81	7.07
1997	27,092	53,859	64,826	1,659.61	1,997.56	6.13	7.37
1998	29,307	58,199	69,724	1,770.96	2,121.65	6.04	7.24
1999	30,752	70,027	81,773	2,095.45	2,446.93	6.81	7.96
2000	33,390	75,668	88,147	2,225.47	2,592.50	6.67	7.76
2001	34,031	62,679	73,295	1,816.12	2,123.70	5.34	6.24
2002	34,157	64,879	75,420	1,856.95	2,158.65	5.44	6.32
2003	35,164	70,229	81,628	1,984.49	2,306.60	5.64	6.56
2004	36,965	80,070	93,764	2,239.55	2,622.57	6.06	7.09
2005	38,799	90,468	105,860	2,514.02	2,941.74	6.48	7.58
2006	41,369	93,237	109,390	2,572.28	3,017.93	6.22	7.30
2007	42,799	95,290	111,778	2,606.95	3,058.01	6.09	7.15
2008	43,312	79,398	95,020	2,154.26	2,578.12	4.97	5.95
2009	41,438	84,537	99,284	2,280.02	2,677.76	5.50	6.46
2010	42,290	89,910	106,942	2,407.92	2,864.04	5.69	6.77
2011	44,676	82,850	106,351	2,199.02	2,822.77	4.92	6.32
2012	47,458	95,444	119,798	2,509.19	3,149.44	5.29	6.64
2013	48,387	101,187	127,388	2,637.13	3,319.98	5.45	6.86
2014 [p]	50,080	111,684	139,529	2,883.75	3,602.74	5.76	7.19
2015 [e]	52,284	119,847	147,286	3,067.11	3,769.32	5.87	7.21
2016 [e]	54,675	123,742	151,603	3,139.02	3,845.78	5.74	7.03

[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).

[p] Preliminary.

[e] Estimated.

SCHEDULE 3
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2016-17
Includes both General and Special Funds

(Dollars in Thousands)

Fiscal Year Beginning	Sales and Use [1]	Personal Income [2]	Corporation [3]	Tobacco [4]	Estate Inheritance and Gift [5]	Insurance [6]	Alcoholic Beverage [7]	Motor 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	3,202,511	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	3,366,141	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	3,432,527	5,147,341
2007	31,972,874	55,745,970	11,849,097	1,037,287	6,303	2,172,936	327,260	3,418,413	5,212,811
2008	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,180,112	5,566,642
2009	31,197,154	45,650,901	9,114,589	922,986	0	2,180,786	311,242	3,163,694	6,726,967
2010	30,996,372	50,507,989	9,613,594	905,245	0	2,307,022	334,178	5,705,527	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	7,462,000	868,703	0	2,242,379	357,000	5,492,850	5,864,814
2013	34,163,864	68,306,264	9,092,696	833,127	0	2,362,738	354,297	6,063,356	6,226,553
2014 [p]	35,289,904	77,929,551	9,007,182	832,379	0	2,444,573	357,373	5,711,160	6,511,046
2015 [e]	36,604,312	83,382,261	10,303,707	813,224	0	2,492,714	366,047	4,955,999	6,641,549
2016 [e]	36,882,657	85,891,558	10,956,119	790,454	0	2,549,127	372,663	4,729,677	7,865,384

[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 and forecast to end on December 31, 2015, for repayment of economic recovery bonds. Includes passage of Proposition 30, which increases 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 Proposition 30, which establishes three additional tax brackets for tax years 2012 through 2018.

[3] Includes the corporation tax, corporation income tax, LLC fees, and minimum franchise tax for corporations, partnerships, LLCs, and LLPs. From 1989 through 1997, it included the unitary election fee. Also 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 to other tobacco products.

[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 as 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.

[7] Alcoholic beverage excise taxes were increased effective July 15, 1991.

[8] Motor vehicle fuel tax (gasoline), use fuel tax (diesel and other fuels), and jet fuel. Gasoline is taxed at 30 cents per gallon in 2015-16 and the Budget forecasts that the excise rate on gasoline will be 27.8 cents per gallon in 2016-17. The excise rate on diesel is 13 cents per gallon in 2015-16 and the Budget forecasts that the rate will increase to 15.9 cents per gallon in 2016-17.

[9] Registration and weight fees, motor vehicle license fees, and other fees. Includes $1.1 billion in 2016-17 from the Governor's proposed road improvement charge of $65 per vehicle.

[p] Preliminary.
[e] Estimated.

SCHEDULE 4
POSITIONS AND SALARY COST ESTIMATES
(Excludes Staff Benefits[1/])
(Dollars in Thousands)

	Positions			Dollars		
	Actuals 2014-15*	Estimated 2015-16*	Proposed 2016-17*	Actuals 2014-15*	Estimated 2015-16*	Proposed 2016-17*
Executive						
Executive	15,190.1	13,946.5	14,298.3	$1,075,548	$1,079,751	$1,117,618
Business, Consumer Services, and Housing	5,552.4	5,081.1	5,134.1	362,057	332,679	335,737
Transportation	39,636.0	39,049.7	38,446.4	3,210,206	3,283,977	3,261,495
Natural Resources	19,553.8	17,650.2	18,555.9	1,419,332	1,395,408	1,434,897
California Environmental Protection	5,442.2	5,153.6	5,312.4	473,990	418,606	439,368
Health and Human Services	33,075.7	29,886.3	29,854.3	2,494,777	2,214,157	2,218,908
Corrections and Rehabilitation	60,745.2	53,427.0	54,157.8	5,051,735	4,886,971	4,876,359
Education						
K thru 12 Education	2,852.4	2,530.4	2,526.4	187,644	168,827	170,550
Community Colleges/Other	334.5	295.6	295.6	29,355	27,260	27,264
Labor and Workforce Development	11,513.3	11,056.2	11,040.7	750,244	723,638	711,440
Government Operations	15,032.6	14,379.5	14,887.2	1,005,113	991,930	1,010,594
General Government	12,425.2	12,092.0	12,256.5	794,135	656,782	1,308,786
SUBTOTAL, EXECUTIVE	**221,353.4**	**204,548.1**	**206,765.6**	**$16,854,136**	**$16,179,986**	**$16,913,016**
Higher Education						
University of California	92,034.0	96,872.1	96,872.1	$7,820,266	$8,678,004	$8,988,748
Hastings College of Law	254.2	245.7	245.7	25,802	25,030	25,141
California State University	44,483.0	46,608.1	46,608.1	2,737,342	2,899,203	2,968,755
SUBTOTAL, HIGHER EDUCATION	**136,771.2**	**143,725.9**	**143,725.9**	**$10,583,410**	**$11,602,237**	**$11,982,644**
Legislative [1/]	750.0	750.0	750.0	$60,596	$63,610	$63,610
Judicial	1,984.8	1,733.8	1,737.8	204,764	183,436	192,612
GRAND TOTALS	**360,859.4**	**350,757.8**	**352,979.3**	**$27,702,906**	**$28,029,269**	**$29,151,882**

[1/] The numbers of positions include 120 legislators and staff at the Legislative Counsel Bureau. They do not include the Legislature's staff and 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
STATEMENT OF ESTIMATED ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
GENERAL FUND
(Dollars In Thousands)

	Actual 2014-15 Fiscal Year Accruals [1/]			Estimated 2015-16 Fiscal Year Accruals [2/]			Estimated 2016-17 Fiscal Year Accruals [2/]		
	Accounts payable June 30, 2015	*Accounts receivable June 30, 2015*	*Net accruals June 30, 2015*	*Accounts payable June 30, 2016*	*Accounts receivable June 30, 2016*	*Net accruals June 30, 2016*	*Accounts payable June 30, 2017*	*Accounts receivable June 30, 2017*	*Net accruals June 30, 2017*
STATE OPERATIONS									
Legislative/Judicial/Executive	$298,321	$244,026	$54,295	$307,271	$251,347	$55,924	$316,489	$258,887	$57,602
Business, Consumer Services, and Housing	15	4	11	15	4	11	15	4	11
Transportation	1	909	-908	1	936	-935	1	964	-963
Natural Resources	744,300	539,134	205,166	766,629	555,308	211,321	789,628	571,967	217,661
California Environmental Protection	19,542	1,781	17,760	20,128	1,834	18,294	20,732	1,889	18,843
Health and Human Services:									
Health Care Services	1,612	1,042	570	1,660	1,073	587	1,710	1,105	605
Developmental Services	57,922	117,486	-59,563	59,660	121,011	-61,351	61,450	124,641	-63,191
State Hospitals	111,969	32,612	79,356	115,328	33,590	81,738	118,788	34,598	84,190
Other Health and Human Services	145,709	205,139	-59,430	150,080	211,293	-61,213	154,582	217,632	-63,050
Corrections and Rehabilitation	1,140,775	623,791	516,984	1,174,998	642,505	532,493	1,210,248	661,780	548,468
Education:									
Department of Education	3,341	801	2,540	3,441	825	2,616	3,544	850	2,694
University of California	0	0	0	0	0	0	0	0	0
California State University	79,564	0	79,564	81,951	0	81,951	84,410	0	84,410
Other Education	11,535	5,507	6,029	11,881	5,672	6,209	12,237	5,842	6,395
Government Operations	144,237	111,535	32,702	148,564	114,881	33,683	153,021	118,327	34,694
General Government/Labor	391,483	1,460,709	-1,069,227	403,227	1,504,530	-1,101,303	415,324	1,549,666	-1,134,342
Totals, State Operations	**$3,150,326**	**$3,344,476**	**-$194,151**	**$3,244,834**	**$3,444,809**	**-$199,975**	**$3,342,179**	**$3,548,152**	**-$205,973**
LOCAL ASSISTANCE									
Public Schools K-12	$1,110,363	$266,222	$844,140	$1,143,674	$274,209	$869,465	$1,177,984	$282,435	$895,549
California Community Colleges	97,526	32,085	65,441	100,452	33,048	67,404	103,466	34,039	69,427
Other Education	63,197	3,057	60,140	65,093	3,149	61,944	67,046	3,243	63,803
Health Care Services (Non-Medi-Cal)	159,612	103,180	56,432	164,400	106,275	58,125	169,332	109,463	59,869
Developmental Services	491,412	963,431	-472,019	506,154	992,334	-486,180	521,339	1,022,104	-500,765
State Hospitals	0	0	0	0	0	0	0	0	0
Social Services	311,512	756,556	-445,044	320,857	779,253	-458,396	330,483	802,631	-472,148
Other Health and Human Services	32,008	57,610	-25,602	32,968	59,338	-26,370	33,957	61,118	-27,161
Tax Relief	0	0	0	0	0	0	0	0	0
Other Local Assistance	13,094	6,508	6,586	13,487	6,703	6,784	13,892	6,904	6,988
Totals, Local Assistance	**$2,278,724**	**$2,188,649**	**$90,075**	**$2,347,085**	**$2,254,309**	**$92,776**	**$2,417,499**	**$2,321,937**	**$95,562**
TOTALS, ALL CHARACTERS	**$5,429,050**	**$5,533,125**	**-$104,076**	**$5,591,919**	**$5,699,118**	**-$107,199**	**$5,759,678**	**$5,870,089**	**-$110,411**

[1/] Information per the State Controller's Office.

[2/] 2015-16 and 2016-17 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
ACTUAL 2014-15 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	**$1,922**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,922**
RECEIPTS:													
Alcoholic Beverage Excise Tax	$64	$33	$29	$30	$3	$48	$4	$55	$7	$52	$4	$57	$386
Corporation Tax	320	126	1,115	328	84	1,754	275	4	1,557	1,812	226	2,654	10,255
Cigarette Tax	14	1	14	7	2	12	8	6	2	12	7	7	92
Inheritance, Gift and Estate Taxes	0	0	0	1	0	0	0	0	0	0	0	0	3
Insurance Tax	18	236	333	29	202	365	17	22	193	472	235	329	2,450
Personal Income Tax	4,068	3,935	6,057	4,701	3,294	8,634	11,417	2,631	3,326	13,790	3,500	10,917	76,268
Retail Sales and Use Tax	920	2,259	2,076	882	2,690	2,279	783	3,456	1,655	769	3,292	2,180	23,242
Vehicle License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from Pooled Money Investments	2	0	2	1	1	3	1	0	2	1	1	5	18
Transfer from Special Fund for Economic Uncertainties	24	0	0	70	0	0	527	0	0	0	0	0	621
Other	112	212	149	216	443	94	144	415	166	117	329	651	3,051
TOTAL, Receipts	**$5,542**	**$6,802**	**$9,775**	**$6,264**	**$6,720**	**$13,189**	**$13,176**	**$6,589**	**$6,908**	**$17,025**	**$7,594**	**$16,800**	**$116,386**
DISBURSEMENTS:													
State Operations:													
University of California	$284	$228	$228	$229	$422	$228	$228	$228	$228	$228	$456	$0	$2,991
Debt Service	-46	346	550	1,073	243	-35	-90	423	547	1,442	294	199	4,946
Other State Operations	2,383	2,110	3,480	2,027	1,019	2,302	1,430	1,489	1,446	2,015	1,637	1,230	22,569
Social Services	1,025	425	722	276	455	487	552	349	479	602	136	349	5,857
Medi-Cal Assistance for DHCS	2,710	898	2,118	1,880	468	2,035	2,044	1,243	1,702	1,495	-893	1,365	17,064
Other Health and Human Services	561	212	135	504	265	182	250	434	233	263	-101	137	3,076
Schools	7,646	2,930	5,388	3,728	3,990	5,031	3,413	3,465	5,289	3,217	2,998	4,493	51,588
Teachers' Retirement	226	0	0	517	0	226	0	0	0	517	0	0	1,486
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	1,606	0	0	0	0	0	0	0	0	0	1,606
Other	578	231	455	395	610	255	60	75	194	223	1,130	389	4,594
TOTAL, Disbursements	**$15,365**	**$7,381**	**$14,682**	**$10,628**	**$7,474**	**$10,711**	**$7,888**	**$7,706**	**$10,118**	**$10,002**	**$5,658**	**$8,162**	**$115,778**
EXCESS RECEIPTS/(DEFICIT)	**-$9,824**	**-$580**	**-$4,907**	**-$4,364**	**-$753**	**$2,478**	**$5,288**	**-$1,117**	**-$3,209**	**$7,023**	**$1,936**	**$8,638**	**$608**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$1,047	$0	$0	-$70	$0	$0	-$527	$0	$0	$0	$0	-$450	$0
Budget Stabilization Account	0	0	1,606	0	0	0	0	0	0	0	0	-1,606	0
Other Internal Sources	6,855	580	501	4,434	753	-2,478	-4,761	1,117	3,209	-7,023	-1,936	-1,252	0
External Borrowing/RANs	0	0	2,800	0	0	0	0	0	0	0	0	-2,800	0
TOTAL, Net Temporary Loans	**$7,902**	**$580**	**$4,907**	**$4,364**	**$753**	**-$2,478**	**-$5,288**	**$1,117**	**$3,209**	**-$7,023**	**-$1,936**	**-$6,108**	**$0**
ENDING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,529**	**$2,529**
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	$1,047	$1,047	$1,047	$977	$977	$977	$450	$450	$450	$450	$450	$450	$450
Budget Stabilization Account	0	0	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606
Other Internal Sources	24,652	25,719	25,607	24,120	24,439	23,461	23,153	25,008	26,217	25,935	27,326	26,235	26,235
External Borrowing/RANs	0	0	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	0	0
TOTAL, Available/Borrowable Resources	**$25,699**	**$26,766**	**$31,060**	**$29,504**	**$29,822**	**$28,844**	**$28,010**	**$29,864**	**$31,073**	**$30,791**	**$32,182**	**$28,291**	**$28,291**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$1,047	$1,047	$1,047	$977	$977	$977	$450	$450	$450	$450	$450	$0	$0
Budget Stabilization Account	0	0	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	0	0
Other Internal Sources	6,855	7,435	7,936	12,370	13,124	10,645	5,885	7,002	10,211	3,188	1,252	0	0
External Borrowing/RANs	0	0	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	0	0
TOTAL, Cumulative Loan Balances	**$7,902**	**$8,482**	**$13,389**	**$17,754**	**$18,507**	**$16,029**	**$10,741**	**$11,858**	**$15,067**	**$8,045**	**$6,108**	**$0**	**$0**
UNUSED BORROWABLE RESOURCES	**$17,797**	**$18,284**	**$17,671**	**$11,750**	**$11,315**	**$12,815**	**$17,269**	**$18,006**	**$16,006**	**$22,746**	**$26,074**	**$28,291**	**$28,291**
CASH AND UNUSED BORROWABLE RESOURCES	**$17,797**	**$18,284**	**$17,671**	**$11,750**	**$11,315**	**$12,815**	**$17,269**	**$18,006**	**$16,006**	**$22,746**	**$26,074**	**$30,821**	**$30,821**

Note: Numbers may not add due to rounding.

Source: State Controller's Office

SCHEDULE 5C
ESTIMATED 2015-16 FISCAL YEAR CASHFLOW
GENERAL FUND
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE	**$2,529**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,529**
RECEIPTS:													
Alcoholic Beverage Excise Tax	$38	$11	$40	$33	$29	$31	$38	$24	$26	$31	$31	$32	$364
Corporation Tax	291	159	837	178	89	1,715	200	17	1,665	1,881	245	2,219	9,496
Cigarette Tax	7	8	2	13	2	7	7	6	6	7	7	7	79
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	1	1
Insurance Tax	23	298	284	18	199	375	18	20	167	522	216	362	2,502
Personal Income Tax	4,460	4,170	6,682	5,145	3,782	9,402	12,032	2,573	3,522	14,622	3,726	11,502	81,618
Retail Sales and Use Tax	859	3,089	1,695	935	3,001	2,402	871	3,702	1,758	870	3,563	2,379	25,124
Vehicle License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from Pooled Money Investments	1	1	3	1	2	2	3	3	1	4	1	9	31
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	55	83	0	0	0	0	0	0	138
Other	222	565	83	108	373	147	92	292	47	80	296	714	3,019
TOTAL, Receipts	**$5,901**	**$8,301**	**$9,626**	**$6,431**	**$7,532**	**$14,164**	**$13,261**	**$6,637**	**$7,192**	**$18,017**	**$8,085**	**$17,225**	**$122,372**
DISBURSEMENTS:													
State Operations:													
University of California	$293	$238	$238	$263	$238	$442	$238	$238	$238	$238	$475	$118	$3,257
Debt Service	113	150	600	869	729	-217	-108	455	619	1,295	223	168	4,896
Other State Operations	2,441	1,777	1,953	2,318	1,669	2,284	1,806	1,562	1,621	2,188	1,790	1,459	22,868
Social Services	969	103	602	1,155	810	569	896	621	574	857	290	335	7,781
Medi-Cal Assistance for DHCS	3,133	1,678	1,244	1,483	880	1,821	1,320	1,004	1,816	1,602	1,028	584	17,593
Other Health and Human Services	621	42	398	487	338	429	101	274	309	298	318	-108	3,507
Schools	2,510	2,712	6,860	4,124	3,962	7,813	5,534	3,917	5,936	4,587	3,377	5,924	57,256
Teachers' Retirement	332	0	0	636	0	332	0	0	0	636	0	1	1,937
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	804	0	0	0	0	0	804
Transfer to Budget Stabilization Account	0	0	1,854	0	0	0	0	0	0	0	0	0	1,854
Other	260	501	540	228	148	272	36	31	27	187	157	1,716	4,105
TOTAL, Disbursements	**$10,672**	**$7,201**	**$14,289**	**$11,563**	**$8,774**	**$13,745**	**$10,627**	**$8,102**	**$11,140**	**$11,888**	**$7,658**	**$10,197**	**$125,858**
EXCESS RECEIPTS/(DEFICIT)	**-$4,771**	**$1,099**	**-$4,663**	**-$5,132**	**-$1,242**	**$418**	**$2,634**	**-$1,466**	**-$3,948**	**$6,129**	**$427**	**$7,028**	**-$3,487**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$450	$0	-$10	$0	-$45	-$83	$804	$0	$0	$0	$0	-$158	$957
Budget Stabilization Account	1,606	-914	2,768	0	0	0	0	0	0	0	0	-3,460	0
Other Internal Sources	185	-185	1,905	5,132	1,287	-335	-3,438	1,466	3,948	-6,129	-427	-3,409	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	**$2,241**	**-$1,099**	**$4,663**	**$5,132**	**$1,242**	**-$418**	**-$2,634**	**$1,466**	**$3,948**	**-$6,129**	**-$427**	**-$7,027**	**$957**
ENDING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	$450	$450	$440	$440	$395	$312	$1,116	$1,116	$1,116	$1,116	$1,116	$1,116	$1,116
Budget Stabilization Account	1,606	1,606	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460
Other Internal Sources	26,284	28,848	28,825	27,474	29,323	27,093	26,803	26,760	26,996	27,569	28,010	27,714	27,714
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	**$28,340**	**$30,904**	**$32,725**	**$31,374**	**$33,178**	**$30,865**	**$31,379**	**$31,336**	**$31,572**	**$32,145**	**$32,586**	**$32,290**	**$32,290**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$450	$450	$440	$440	$395	$312	$1,116	$1,116	$1,116	$1,116	$1,116	$957	$957
Budget Stabilization Account	1,606	693	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	0	0
Other Internal Sources	185	0	1,905	7,037	8,324	7,988	4,551	6,016	9,965	3,836	3,409	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	**$2,242**	**$1,142**	**$5,805**	**$10,937**	**$12,179**	**$11,760**	**$9,127**	**$10,592**	**$14,541**	**$8,412**	**$7,985**	**$957**	**$957**
UNUSED BORROWABLE RESOURCES	**$26,099**	**$29,762**	**$26,920**	**$20,437**	**$20,999**	**$19,105**	**$22,252**	**$20,743**	**$17,031**	**$23,733**	**$24,601**	**$31,333**	**$31,333**
Cash and Unused Borrowable Resources	**$26,099**	**$29,762**	**$26,920**	**$20,437**	**$20,999**	**$19,105**	**$22,252**	**$20,743**	**$17,031**	**$23,733**	**$24,601**	**$31,333**	**$31,333**

Note: Numbers may not add due to rounding.

SCHEDULE 5D
ESTIMATED 2016-17 FISCAL YEAR CASHFLOW
GENERAL FUND
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
RECEIPTS:													
Alcoholic Beverage Excise Tax	$36	$29	$32	$31	$32	$31	$38	$24	$26	$31	$31	$32	$373
Corporation Tax	278	120	1,152	238	83	1,923	185	-18	1,772	1,982	255	3,006	10,976
Cigarette Tax	7	7	7	7	7	7	7	6	6	7	7	6	81
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	12	220	373	22	195	386	18	21	172	537	222	371	2,549
Personal Income Tax	4,781	4,472	7,105	5,560	3,683	9,967	12,447	2,737	3,494	14,467	3,886	11,981	84,580
Retail Sales and Use Tax	916	3,274	1,797	1,009	3,196	2,575	949	3,828	1,751	869	3,488	2,308	25,960
Income from Pooled Money Investments	7	7	5	6	3	6	8	8	4	9	3	23	89
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	70	227	80	56	325	92	148	262	101	105	261	700	2,427
TOTAL, Receipts	**$6,107**	**$8,356**	**$10,551**	**$6,929**	**$7,524**	**$14,987**	**$13,800**	**$6,868**	**$7,326**	**$18,007**	**$8,153**	**$18,426**	**$127,035**
DISBURSEMENTS:													
State Operations:													
University of California	$268	$268	$268	$268	$268	$489	$268	$268	$268	$268	$531	$0	$3,432
Debt Service	-78	329	634	769	598	-222	-78	578	762	1,241	266	111	4,910
Other State Operations	2,304	2,427	1,950	2,599	1,589	2,394	1,775	1,629	1,612	2,320	1,796	1,377	23,772
Social Services	1,044	523	734	695	774	605	794	614	423	813	451	501	7,971
Medi-Cal Assistance for DHCS	2,502	1,272	1,624	1,495	1,362	1,735	1,562	1,470	1,975	1,567	1,709	758	19,031
Other Health and Human Services	493	11	124	728	428	379	188	269	487	461	22	31	3,621
Schools	2,362	2,954	6,633	4,083	4,077	6,448	4,608	4,410	6,382	4,375	3,822	5,964	56,118
Teachers' Retirement	455	0	0	779	0	455	0	0	0	779	0	0	2,468
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	1,114	0	0	0	0	0	1,114
Transfer to Budget Stabilization Account	0	0	4,551	0	0	0	0	0	0	0	0	0	4,551
Other	685	641	1,891	332	128	290	44	22	38	190	175	1,534	5,971
TOTAL, Disbursements	**$10,035**	**$8,425**	**$18,409**	**$11,748**	**$9,224**	**$12,573**	**$10,275**	**$9,260**	**$11,947**	**$12,014**	**$8,772**	**$10,276**	**$132,959**
EXCESS RECEIPTS/(DEFICIT)	**-$3,928**	**-$69**	**-$7,858**	**-$4,818**	**-$1,701**	**$2,414**	**$3,525**	**-$2,393**	**-$4,621**	**$5,993**	**-$619**	**$8,150**	**-$5,924**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$158	$0	$0	$0	$0	$0	$1,114	$0	$0	$0	$0	$0	$1,273
Budget Stabilization Account	3,460	0	4,551	0	0	0	0	0	0	0	0	-3,360	4,651
Other Internal Sources	309	69	3,307	4,818	1,701	-2,414	-4,640	2,393	4,621	-5,993	619	-4,790	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	**$3,927**	**$69**	**$7,858**	**$4,818**	**$1,701**	**-$2,414**	**-$3,526**	**$2,393**	**$4,621**	**-$5,993**	**$619**	**-$8,150**	**$5,924**
ENDING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	$1,116	$1,116	$1,116	$1,116	$1,116	$1,116	$2,230	$2,230	$2,230	$2,230	$2,230	$2,230	$2,230
Budget Stabilization Account	3,460	3,460	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011
Other Internal Sources	28,445	29,205	31,285	30,052	29,820	29,536	28,198	29,593	29,136	30,025	28,797	30,573	30,573
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	**$33,021**	**$33,781**	**$40,412**	**$39,179**	**$38,947**	**$38,663**	**$38,440**	**$39,834**	**$39,377**	**$40,266**	**$39,039**	**$40,815**	**$40,815**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$1,116	$1,116	$1,116	$1,116	$1,116	$1,116	$2,230	$2,230	$2,230	$2,230	$2,230	$2,230	$2,230
Budget Stabilization Account	3,460	3,460	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	4,651	4,651
Other Internal Sources	309	378	3,685	8,503	10,204	7,790	3,150	5,543	10,164	4,170	4,790	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	**$4,886**	**$4,954**	**$12,812**	**$17,630**	**$19,331**	**$16,917**	**$13,391**	**$15,784**	**$20,405**	**$14,412**	**$15,031**	**$6,881**	**$6,881**
UNUSED BORROWABLE RESOURCES	**$28,136**	**$28,827**	**$27,600**	**$21,549**	**$19,616**	**$21,746**	**$25,048**	**$24,050**	**$18,972**	**$25,854**	**$24,007**	**$33,934**	**$33,934**
Cash and Unused Borrowable Resources	**$28,136**	**$28,827**	**$27,600**	**$21,549**	**$19,616**	**$21,746**	**$25,048**	**$24,050**	**$18,972**	**$25,854**	**$24,007**	**$33,934**	**$33,934**

Note: Numbers may not add due to rounding.

SCHEDULE 6
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES

Year	Population [1] (Thousands)	Employees [2]	Employees per 1,000 Population	Personal Income (Billions)[3]	Revenue: General Fund (Millions)	Revenue: Total (Millions)	Expenditures: General Fund [4] (Millions)	Expenditures: Total [5] (Millions)	Expenditures per Capita: General Fund [4]	Expenditures per Capita: Total [5]	Expenditures per $100 of Personal Income: General Fund [4]	Expenditures per $100 of Personal Income: Total [5]
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	93,443	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	86,786	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	103,375	142,860	100,005	142,810	2,606.33	3,721.92	5.39	7.69
2014-15	38,729	360,859	9.3	1,939.5	111,318	157,423	112,974	159,821	2,917.04	4,126.65	5.82	8.24
2015-16	39,075	350,758	9.0	2,043.0	117,537	167,587	116,064	171,547	2,970.29	4,390.20	5.68	8.40
2016-17	39,421	352,979	9.0	2,155.3	120,633	170,493	122,609	170,727	3,110.25	4,330.86	5.69	7.92

[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
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actual 2014-15 General Fund	Actual 2014-15 Special Funds	Actual 2014-15 Total	Estimated 2015-16 General Fund	Estimated 2015-16 Special Funds	Estimated 2015-16 Total	Estimated 2016-17 General Fund	Estimated 2016-17 Special Funds	Estimated 2016-17 Total
MAJOR TAXES AND LICENSES									
4110200-Excise Tax - Beer and Wine	$168,879	-	$168,879	$172,215	-	$172,215	$174,117	-	$174,117
4110250-Excise Tax - Spirits	188,494	-	188,494	193,832	-	193,832	198,546	-	198,546
4110400-Cigarette Tax	86,317	746,062	832,379	83,831	729,393	813,224	81,485	708,969	790,454
4110800-Corporation Tax	9,007,182	-	9,007,182	10,303,707	-	10,303,707	10,956,119	-	10,956,119
4113000-Identification Card Fees	-	32,770	32,770	-	33,430	33,430	-	34,091	34,091
4113400-Insurance Gross Premiums Tax	2,444,573	-	2,444,573	2,492,714	-	2,492,714	2,549,127	-	2,549,127
4113600-Jet Fuel Tax	-	2,538	2,538	-	2,538	2,538	-	2,538	2,538
4113800-Lien Sale Application Fees	-	1,198	1,198	-	1,210	1,210	-	1,222	1,222
4114000-Mobilehome In-Lieu Tax	914	1,888	2,802	839	1,888	2,727	764	1,888	2,652
4115000-Motor Vehicles - Drivers License Fees	-	308,834	308,834	-	302,579	302,579	-	233,944	233,944
4115100-Motor Vehicles - Fuel Tax -Diesel-	-	365,634	365,634	-	430,367	430,367	-	516,431	516,431
4115200-Motor Vehicles - Fuel Tax - Gasoline-	-	5,345,526	5,345,526	-	4,525,632	4,525,632	-	4,213,246	4,213,246
4115300-Motor Vehicles - License -In-Lieu- Fees	150	2,285,897	2,286,047	-	2,355,553	2,355,553	-	2,435,290	2,435,290
4115400-Motor Vehicles - Registration Fees	-	3,672,430	3,672,430	-	3,741,333	3,741,333	-	3,896,104	3,896,104
4115600-Motor Vehicles - Other Fees	-	186,430	186,430	-	183,922	183,922	-	184,815	184,815
4116200-Personal Income Tax	76,078,551	1,851,000	77,929,551	81,354,261	2,028,000	83,382,261	83,840,558	2,051,000	85,891,558
4117000-Retail Sales and Use Tax	23,708,959	610,124	24,319,083	25,245,880	477,187	25,723,067	25,941,601	502,015	26,443,616
4117200-Retail Sales and Use Tax - Fiscal Recovery	-	1,584,475	1,584,475	-	999,000	999,000	-	-	-
4117400-Retail Sales and Use Tax - 2011 Realignment	-	6,210,946	6,210,946	-	6,566,098	6,566,098	-	6,948,008	6,948,008
4117600-Retail Sales and Use Tax - 1991 Realignment	-	3,175,400	3,175,400	-	3,316,147	3,316,147	-	3,491,033	3,491,033
4117800-Retail Sales and Use Tax - Medi-Cal Managed Care	-	1,464,288	1,464,288	-	1,744,753	1,744,753	-	1,583,986	1,583,986
4115450-Motor Vehicles – Road Improvement Charge	-	-	-	-	-	-	-	1,056,055	1,056,055
TOTALS, MAJOR TAXES AND LICENSES	**$111,684,019**	**$27,845,440**	**$139,529,459**	**$119,847,279**	**$27,439,030**	**$147,286,309**	**$123,742,317**	**$27,860,635**	**$151,602,952**
MINOR REVENUES									
REGULATORY TAXES AND LICENSES									
4120000-Beverage Container Redemption Fees	-	1,260,778	1,260,778	-	1,262,114	1,262,114	-	1,263,643	1,263,643
4120400-Building Construction Filing Fees - Physically Handicapped-	-	9,743	9,743	-	10,313	10,313	-	11,232	11,232
4120600-Candidate Filing Fee	209	-	209	902	-	902	902	-	902
4120800-Corporation Fees - Domestic Corporations	-	9,687	9,687	-	8,500	8,500	-	8,500	8,500
4121000-Corporation Fees - Foreign Corporations	-	1,232	1,232	-	1,070	1,070	-	1,070	1,070
4121200-Delinquent Fees	3	7,655	7,658	2	7,132	7,134	2	7,361	7,363
4121600-Elevator and Boiler Inspection Fees	-	35,577	35,577	-	11,126	11,126	-	10,754	10,754
4121800-Employment Agency Filing Fees	155	-	155	120	-	120	-	120	120
4122000-Employment Agency License Fees	744	4,534	5,278	720	4,524	5,244	-	5,252	5,252
4122200-Energy Resources Surcharge	-	507,174	507,174	-	704,253	704,253	-	777,374	777,374
4122400-Environmental and Hazardous Waste Fees	-	49,111	49,111	-	51,787	51,787	-	54,484	54,484
4122600-Explosive Permit Fees	-	33	33	-	33	33	-	33	33

SCHEDULE 8
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actual 2014-15 General Fund	Actual 2014-15 Special Funds	Actual 2014-15 Total	Estimated 2015-16 General Fund	Estimated 2015-16 Special Funds	Estimated 2015-16 Total	Estimated 2016-17 General Fund	Estimated 2016-17 Special Funds	Estimated 2016-17 Total
4122800-Filing Financing Statements	-	2,274	2,274	-	2,200	2,200	-	2,200	2,200
4123000-Fish and Game - Licenses Tags and Permits	-	102,899	102,899	-	105,310	105,310	-	106,398	106,398
4123200-Fish and Game - Taxes	-	600	600	-	1,398	1,398	-	1,399	1,399
4123400-Genetic Disease Testing Fees	-	124,347	124,347	-	121,291	121,291	-	127,495	127,495
4123600-Highway Carriers Uniform Business License Tax	218	-	218	218	-	218	218	-	218
4123720-Horse Racing Licenses	929	13,080	14,009	987	14,362	15,349	987	14,362	15,349
4123740-Horse Racing Miscellaneous	1	-	1	5	-	5	5	-	5
4123800-Industrial Homework Fees	1	-	1	-	-	-	-	-	-
4124000-Insurance Company - Examination Fees	-	23,377	23,377	-	23,718	23,718	-	24,326	24,326
4124200-Insurance Company - License Fees and Penalties	-	50,780	50,780	-	54,499	54,499	-	56,044	56,044
4124400-Insurance Company - General Fees	-	26,839	26,839	-	29,297	29,297	-	31,389	31,389
4124600-Insurance Company - Proposition 103 Fees	-	29,208	29,208	-	31,140	31,140	-	31,679	31,679
4124800-Insurance Fraud Assessment - Automobile	-	49,145	49,145	-	50,786	50,786	-	52,309	52,309
4125000-Insurance Fraud Assessment - General	-	11,469	11,469	-	13,584	13,584	-	13,838	13,838
4125200-Insurance Fraud Assessment - Workers Compensation	-	52,502	52,502	-	59,262	59,262	-	58,444	58,444
4125400-Liquor License Fees	-	56,512	56,512	-	57,077	57,077	-	57,648	57,648
4125600-New Motor Vehicle Dealer License Fee	-	1,709	1,709	-	1,690	1,690	-	1,690	1,690
4125800-Notary Public License Fees	-	991	991	-	925	925	-	925	925
4126000-Off Highway Vehicle Fees	-	23,271	23,271	-	23,029	23,029	-	40,529	40,529
4126200-Private Rail Car Tax	8,925	-	8,925	8,925	-	8,925	8,925	-	8,925
4126400-Processing Fee	-	344	344	-	375	375	-	368	368
4126600-Public Utilities Commission - Quarterly Fees	-	119,855	119,855	-	120,073	120,073	-	117,619	117,619
4126800-Public Utilities Commission - Penalties on Quarterly Fees	-	1	1	-	1	1	-	1	1
4127000-Real Estate - Examination Fees	-	3,776	3,776	-	4,019	4,019	-	4,341	4,341
4127200-Real Estate - License Fees	-	39,790	39,790	-	42,144	42,144	-	45,185	45,185
4127300-Refinery Fees	-	356	356	-	4,456	4,456	-	3,955	3,955
4127400-Renewal Fees	-	258,267	258,267	-	266,898	266,898	-	278,938	278,938
4128000-Subdivision Filing Fees	-	7,270	7,270	-	7,279	7,279	-	7,279	7,279
4128400-Teacher Credential Fees	-	15,943	15,943	-	20,930	20,930	-	21,430	21,430
4128600-Teacher Examination Fees	-	4,715	4,715	-	4,715	4,715	-	4,715	4,715
4128740-Trailer Coach License -In Lieu-Fees	20,535	-	20,535	20,795	-	20,795	21,211	-	21,211
4129000-Other Fees and Licenses	-	1,808	1,808	-	1,808	1,808	-	1,558	1,558
4129200-Other Regulatory Fees	1,112	6,503,551	6,504,663	1,079	7,689,002	7,690,081	1,068	7,132,360	7,133,428
4129400-Other Regulatory Licenses and Permits	5,566	526,198	531,764	5,697	567,274	572,971	4,951	627,232	632,183
4129600-Other Regulatory Taxes	-	124,683	124,683	-	144,955	144,955	-	130,670	130,670
Totals, REGULATORY TAXES AND LICENSES	**$38,398**	**$10,061,084**	**$10,099,482**	**$39,450**	**$11,524,349**	**$11,563,799**	**$38,269**	**$11,136,149**	**$11,174,418**
REVENUE FROM LOCAL AGENCIES									
4130000-Architecture Public Building Fees	-	31,446	31,446	-	36,764	36,764	-	50,463	50,463
4131000-Crimes of Public Offense Fines	63	10,579	10,642	57	10,000	10,057	57	10,000	10,057
4131500-Felony Conviction Penalties	-	55,266	55,266	-	50,001	50,001	-	50,001	50,001

SCHEDULE 8
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

	Actual 2014-15			Estimated 2015-16			Estimated 2016-17		
Sources	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**
4132000-Fingerprint Identification Card Fees	-	76,854	76,854	-	77,623	77,623	-	77,623	77,623
4132500-Fish and Game Fines	-	458	458	-	591	591	-	700	700
4133000-Fish and Game Fines - Additional Assessments	-	83	83	-	4	4	-	4	4
4134000-Local Agencies - Interest on Loans	772	788	1,560	772	709	1,481	772	1,111	1,883
4134500-Local Agencies - Cost Recoveries	22,433	10,128	32,561	22,166	10,227	32,393	22,166	10,328	32,494
4135000-Local Agencies - Miscellaneous Revenue	175,957	1,282,139	1,458,096	164,517	1,456,588	1,621,105	169,749	1,445,201	1,614,950
4135500-Narcotic Fines	1,292	-	1,292	1,000	-	1,000	1,000	-	1,000
4136000-Open Space Cancellation Fee Deferred Taxes	1,796	2,949	4,745	76	2,924	3,000	-	2,800	2,800
4136500-Traffic Violation Penalties	-	67,978	67,978	-	77,090	77,090	-	61,785	61,785
Totals, REVENUE FROM LOCAL AGENCIES	**$202,313**	**$1,538,668**	**$1,740,981**	**$188,588**	**$1,722,521**	**$1,911,109**	**$193,744**	**$1,710,016**	**$1,903,760**
SERVICES TO THE PUBLIC									
4140000-Document Sales	96	4,258	4,354	97	4,368	4,465	97	4,353	4,450
4140500-Emergency Telephone Users Surcharge	-	97,664	97,664	-	91,471	91,471	-	85,670	85,670
4142500-License Plate Fees - Personalized Plates	-	52,309	52,309	-	53,942	53,942	-	54,772	54,772
4143000-Medicare Receipts - Federal Government	13,659	-	13,659	10,655	-	10,655	11,321	-	11,321
4143500-Miscellaneous Services to the Public	2,464	175,756	178,220	1,710	180,821	182,531	1,700	182,109	183,809
4144000-Parental Fees	-	5,490	5,490	-	4,837	4,837	-	4,837	4,837
4144500-Parking Lot Revenues	-	10,483	10,483	-	10,959	10,959	-	11,064	11,064
4145000-Pay Patients Board Charges	10,045	-	10,045	9,379	-	9,379	8,161	-	8,161
4145500-Secretary of State - Fees	168	33,740	33,908	96	29,355	29,451	187	29,445	29,632
4146000-State Beach and Park Service Fees	-	105,068	105,068	-	102,523	102,523	-	104,830	104,830
Totals, SERVICES TO THE PUBLIC	**$26,432**	**$484,768**	**$511,200**	**$21,937**	**$478,276**	**$500,213**	**$21,466**	**$477,080**	**$498,546**
USE OF PROPERTY AND MONEY									
4150000-Geothermal Resources Well Fees	-	4,450	4,450	-	4,200	4,200	-	3,950	3,950
4150500-Interest Income - Interfund Loans	1	35,063	35,064	-	4,061	4,061	-	941	941
4151000-Interest Income - Other Loans	4,381	10,293	14,674	4,361	3,810	8,171	4,331	4,176	8,507
4151500-Miscellaneous Revenue - Use of Property and Money	3,304	20,955	24,259	106	18,815	18,921	106	20,185	20,291
4152000-Oil and Gas Leases - 1 Percent Revenue Cities and Counties	493	-	493	248	-	248	317	-	317
4152500-Rental of State Property	19,768	60,466	80,234	19,389	61,132	80,521	18,944	60,507	79,451
4153500-Fees for Use of State Property	-	2	2	-	15	15	-	15	15
4154000-Royalties - Federal Land	-	58,519	58,519	-	56,213	56,213	-	56,319	56,319
4154500-Royalties - School Land	-	30	30	-	30	30	-	50	50
4155000-Royalties - State Lands	244,451	-	244,451	36,499	-	36,499	101,459	-	101,459
Totals, USE OF PROPERTY AND MONEY	**$272,398**	**$189,778**	**$462,176**	**$60,603**	**$148,276**	**$208,879**	**$125,157**	**$146,143**	**$271,300**
INVESTMENT INCOME									
4160000-Investment Income - Condemnation Deposits Fund	-	135	135	-	101	101	-	101	101
4161000-Investment Income - Other	-	1	1	-	-	-	-	-	-
4162000-Investment Income - Pooled Money Investments	20,735	163	20,898	35,570	265	35,835	88,687	266	88,953

SCHEDULE 8
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

	Actual 2014-15			Estimated 2015-16			Estimated 2016-17		
Sources	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**
4163000-Investment Income - Surplus Money Investments	1,449	25,386	26,835	1,340	23,496	24,836	1,340	22,509	23,849
Totals, INVESTMENT INCOME	**$22,184**	**$25,685**	**$47,869**	**$36,910**	**$23,862**	**$60,772**	**$90,027**	**$22,876**	**$112,903**
MISCELLANEOUS									
4170100-Abandoned Property Revenue	431,756	-	431,756	419,481	-	419,481	431,334	-	431,334
4170400-Capital Asset Sales Proceeds	-	1,594	1,594	-	1,106	1,106	-	1,622	1,622
4170600-Carbon Allowances Auction Proceeds	-	1,490,777	1,490,777	-	2,400,000	2,400,000	-	2,000,000	2,000,000
4170700-Civil and Criminal Violation Assessment	368	219,699	220,067	300	162,881	163,181	250	161,192	161,442
4170800-Confiscated Property Sales	6,186	74	6,260	6,515	27	6,542	6,515	27	6,542
4171000-Cost Recoveries - Delinquent Receivables	11,768	380	12,148	11,762	209	11,971	11,768	227	11,995
4171100-Cost Recoveries - Other	36,799	136,426	173,225	42,501	116,946	159,447	49,178	117,050	166,228
4171200-Court Filing Fees and Surcharges	-	549,954	549,954	-	525,504	525,504	-	503,181	503,181
4171300-Donations	1	7,276	7,277	-	183,580	183,580	-	201,426	201,426
4171400-Escheat - Unclaimed Checks Warrants Bonds and Coupons	36,815	8,806	45,621	32,431	9,483	41,914	32,434	9,471	41,905
4171500-Escheat - Unclaimed Property	-	41	41	-	-	-	-	-	-
4172000-Fines and Forfeitures	3,323	200,470	203,793	3,252	197,012	200,264	3,228	194,529	197,757
4172200-Fine and Penalties - Horse Racing	206	-	206	151	-	151	229	-	229
4172500-Miscellaneous Revenue	140,838	516,006	656,844	137,421	533,928	671,349	103,619	560,187	663,806
4172600-Miscellaneous Tax Revenue	-	2	2	-	-	-	-	-	-
4172800-Parking Violations	15,711	1,606	17,317	14,348	1,630	15,978	14,348	1,630	15,978
4172900-Penalty Assessments - Criminal Fines	-	235,232	235,232	-	223,279	223,279	-	214,364	214,364
4173000-Penalty Assessments - Other	93,109	284,707	377,816	340,636	296,533	637,169	28,136	245,463	273,599
4173100-Personal Income Tax - Penalties and Interest	-	12,464	12,464	-	22,289	22,289	-	23,598	23,598
4173200-Proceeds from Estates of Deceased Persons	38	-	38	38	-	38	38	-	38
4173400-Settlements and Judgments - Anti-Trust Actions -Attorney General-	1,603	2,679	4,282	-	2,300	2,300	-	2,300	2,300
4173500-Settlements and Judgments - Other	31,486	18,527	50,013	13,870	13,950	27,820	2,012	14,009	16,021
4173600-State Public Land Sales	-	22,812	22,812	-	23,908	23,908	-	15,908	15,908
4173800-Traffic Violations	-	36,479	36,479	-	34,293	34,293	-	32,969	32,969
4173900-Tribal Gaming Revenues	241,049	49,649	290,698	247,439	49,760	297,199	183,089	49,760	232,849
4174000-Unclaimed Contributions	-	2	2	-	-	-	-	-	-
4174100-Unemployment and Disability Insurance Contributions - Penalties and Inte	-	142,595	142,595	-	146,518	146,518	-	152,027	152,027
4174200-Uninsured Motorist Fees	1,104	274	1,378	1,041	276	1,317	1,041	279	1,320
4180000-Cash Adjustment for Transportation Funds -SAL I-	-	-144,524	-144,524	-	-	-	-	-	-
4180050-Cash Adjustment for Transportation Funds -SAL E-	-	119,500	119,500	-	27,500	27,500	-	-	-
4180100-Prior Year Revenue Adjustments	-	93,140	93,140	-	160,718	160,718	-	-	-
4524000-Other Receipts	-	13	13	-	-	-	-	-	-
Totals, MISCELLANEOUS	**$1,052,160**	**$4,006,660**	**$5,058,820**	**$1,271,186**	**$5,133,630**	**$6,404,816**	**$867,219**	**$4,501,219**	**$5,368,438**
TOTALS, MINOR REVENUES	**$1,613,885**	**$16,306,642**	**$17,920,527**	**$1,618,674**	**$19,030,913**	**$20,649,587**	**$1,335,882**	**$17,993,483**	**$19,329,365**
TOTALS, REVENUES	**$113,297,904**	**$44,152,082**	**$157,449,986**	**$121,465,953**	**$46,469,943**	**$167,935,896**	**$125,078,199**	**$45,854,118**	**$170,932,317**

SCHEDULE 8
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

	Actual 2014-15			Estimated 2015-16			Estimated 2016-17		
Sources	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**	**General Fund**	**Special Funds**	**Total**
TRANSFERS AND LOANS									
Revenue Transfers	-1,284,880	1,281,102	-3,778	-2,511,411	2,466,319	-45,092	-3,417,517	3,382,877	-34,640
Loans	151,331	-182,315	-30,984	-18,033	17,469	-564	-13,382	12,717	-665
Loan Repayments	-846,547	854,586	8,039	-1,399,256	1,095,798	-303,458	-1,014,332	610,503	-403,829
TOTALS, TRANSFERS AND LOANS	**- $1,980,096**	**$1,953,373**	**- $26,723**	**- $3,928,700**	**$3,579,586**	**- $349,114**	**- $4,445,231**	**$4,006,097**	**- $439,134**
TOTALS, REVENUES, TRANSFERS AND LOANS	**$111,317,808**	**$46,105,455**	**$157,423,263**	**$117,537,253**	**$50,049,529**	**$167,586,782**	**$120,632,968**	**$49,860,215**	**$170,493,183**

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE															
0110-Senate															
State Operations	116,247	--	--	116,247	--	121,536	--	--	121,536	--	121,536	--	--	121,536	--
Totals,0110-Senate	**$116,247**	**--**	**--**	**$116,247**	**--**	**$121,536**	**--**	**--**	**$121,536**	**--**	**$121,536**	**--**	**--**	**$121,536**	**--**
0120-Assembly															
State Operations	153,170	--	--	153,170	--	160,139	--	--	160,139	--	160,139	--	--	160,139	--
Totals,0120-Assembly	**$153,170**	**--**	**--**	**$153,170**	**--**	**$160,139**	**--**	**--**	**$160,139**	**--**	**$160,139**	**--**	**--**	**$160,139**	**--**
0130-Joint Expenses															
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,0130-Joint Expenses	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
0160-Legislative Counsel Bureau															
State Operations	78,015	--	--	78,015	--	80,253	--	--	80,253	--	80,428	--	--	80,428	--
Totals,0160-Legislative Counsel Bureau	**$78,015**	**--**	**--**	**$78,015**	**--**	**$80,253**	**--**	**--**	**$80,253**	**--**	**$80,428**	**--**	**--**	**$80,428**	**--**
Legislative															
State Operations	347,432	--	--	347,432	--	361,928	--	--	361,928	--	362,103	--	--	362,103	--
Totals, Legislative	**$347,432**	**--**	**--**	**$347,432**	**--**	**$361,928**	**--**	**--**	**$361,928**	**--**	**$362,103**	**--**	**--**	**$362,103**	**--**
0250-Judicial Branch															
State Operations	358,066	344,370	--	702,436	2,649	369,802	384,703	--	754,505	4,385	387,737	409,112	--	796,849	4,381
Local Assistance	1,046,254	1,403,722	--	2,449,976	1,345	1,228,097	1,353,859	--	2,581,956	2,275	1,314,333	1,397,578	--	2,711,911	2,275
Capital Outlay	--	107,997	--	107,997	--	--	65,959	--	65,959	--	--	91,538	--	91,538	--
Totals,0250-Judicial Branch	**$1,404,320**	**$1,856,089**	**--**	**$3,260,409**	**$3,994**	**$1,597,899**	**$1,804,521**	**--**	**$3,402,420**	**$6,660**	**$1,702,070**	**$1,898,228**	**--**	**$3,600,298**	**$6,656**
0280-Commission on Judicial Performance															
State Operations	4,308	--	--	4,308	--	4,422	--	--	4,422	--	4,641	--	--	4,641	--
Totals,0280-Commission on Judicial Performance	**$4,308**	**--**	**--**	**$4,308**	**--**	**$4,422**	**--**	**--**	**$4,422**	**--**	**$4,641**	**--**	**--**	**$4,641**	**--**
0390-Judges Retirement System Contributions															
State Operations	4,391	--	--	4,391	--	4,245	--	--	4,245	--	4,132	--	--	4,132	--
Local Assistance	240,376	--	--	240,376	--	252,253	--	--	252,253	--	266,006	--	--	266,006	--
Totals,0390-Judges Retirement System Contributions	**$244,767**	**--**	**--**	**$244,767**	**--**	**$256,498**	**--**	**--**	**$256,498**	**--**	**$270,138**	**--**	**--**	**$270,138**	**--**
Judicial															
State Operations	366,765	344,370	--	711,135	2,649	378,469	384,703	--	763,172	4,385	396,510	409,112	--	805,622	4,381
Local Assistance	1,286,630	1,403,722	--	2,690,352	1,345	1,480,350	1,353,859	--	2,834,209	2,275	1,580,339	1,397,578	--	2,977,917	2,275
Capital Outlay	--	107,997	--	107,997	--	--	65,959	--	65,959	--	--	91,538	--	91,538	--
Totals, Judicial	**$1,653,395**	**$1,856,089**	**--**	**$3,509,484**	**$3,994**	**$1,858,819**	**$1,804,521**	**--**	**$3,663,340**	**$6,660**	**$1,976,849**	**$1,898,228**	**--**	**$3,875,077**	**$6,656**
0500-Governors Office															
State Operations	10,846	--	--	10,846	--	11,519	--	--	11,519	--	11,924	--	--	11,924	--
Totals, 0500-Governors Office	**$10,846**	**--**	**--**	**$10,846**	**--**	**$11,519**	**--**	**--**	**$11,519**	**--**	**$11,924**	**--**	**--**	**$11,924**	**--**
0509-Governors Office of Bus Econ Developm															
State Operations	8,251	119	--	8,370	--	12,508	120	--	12,628	--	10,286	20,120	--	30,406	--
Totals, 0509-Governors Office of Bus Econ Developm	**$8,251**	**$119**	**--**	**$8,370**	**--**	**$12,508**	**$120**	**--**	**$12,628**	**--**	**$10,286**	**$20,120**	**--**	**$30,406**	**--**
0511-Government Operations Secretary															
State Operations	1,068	--	--	1,068	--	1,296	--	--	1,296	--	1,297	--	--	1,297	--
Totals, 0511-Government Operations Secretary	**$1,068**	**--**	**--**	**$1,068**	**--**	**$1,296**	**--**	**--**	**$1,296**	**--**	**$1,297**	**--**	**--**	**$1,297**	**--**
0515-Business Consumer Svcs Housing Scty															
State Operations	92	712	--	804	--	122	779	--	901	--	122	800	--	922	--
Totals, 0515-Business Consumer Svcs Housing Scty	**$92**	**$712**	**--**	**$804**	**--**	**$122**	**$779**	**--**	**$901**	**--**	**$122**	**$800**	**--**	**$922**	**--**
0521-Transportation Secy															
State Operations	--	2,371	--	2,371	58,587	--	2,783	--	2,783	59,636	--	2,816	--	2,816	59,643
Local Assistance	--	--	--	--	35,416	--	239,486	--	239,486	59,325	--	608,217	--	608,217	36,793
Totals, 0521-Transportation Secy	**--**	**$2,371**	**--**	**$2,371**	**$94,003**	**--**	**$242,269**	**--**	**$242,269**	**$118,961**	**--**	**$611,033**	**--**	**$611,033**	**$96,436**
0530-Health Human Services Agency Secy															
State Operations	3,158	1,981	--	5,139	--	6,283	2,109	--	8,392	3,643	3,899	2,077	--	5,976	3,000
Totals, 0530-Health Human Services Agency Secy	**$3,158**	**$1,981**	**--**	**$5,139**	**--**	**$6,283**	**$2,109**	**--**	**$8,392**	**$3,643**	**$3,899**	**$2,077**	**--**	**$5,976**	**$3,000**
0540-Natural Resources Agency Secy															
State Operations	--	4,477	3,898	8,375	2,907	2,655	10,527	5,635	18,817	9,213	5,099	6,216	344,552	355,867	9,212
Local Assistance	--	2,671	--	2,671	--	--	6,700	18,273	24,973	--	--	33,257	14,948	48,205	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals, 0540-Natural Resources Agency Secy	**--**	**$7,148**	**$3,898**	**$11,046**	**$2,907**	**$2,655**	**$17,227**	**$23,908**	**$43,790**	**$9,213**	**$5,099**	**$39,473**	**$359,500**	**$404,072**	**$9,212**
0552-Office of the Inspector General															
State Operations	16,361	--	--	16,361	--	22,140	--	--	22,140	--	21,977	--	--	21,977	--
Totals, 0552-Office of the Inspector General	**$16,361**	**--**	**--**	**$16,361**	**--**	**$22,140**	**--**	**--**	**$22,140**	**--**	**$21,977**	**--**	**--**	**$21,977**	**--**
0555-Environmental Protection Secy															
State Operations	1,905	11,023	--	12,928	1,876	1,935	11,345	--	13,280	1,888	1,937	12,328	--	14,265	1,888
Totals, 0555-Environmental Protection Secy	**$1,905**	**$11,023**	**--**	**$12,928**	**$1,876**	**$1,935**	**$11,345**	**--**	**$13,280**	**$1,888**	**$1,937**	**$12,328**	**--**	**$14,265**	**$1,888**
0559-Labor and Workforce Development Secy															
State Operations	--	266	--	266	--	152	324	--	476	--	152	590	--	742	--
Totals, 0559-Labor and Workforce Development Secy	**--**	**$266**	**--**	**$266**	**--**	**$152**	**$324**	**--**	**$476**	**--**	**$152**	**$590**	**--**	**$742**	**--**
0650-Office of Planning and Research															
State Operations	5,509	795	--	6,304	1,221	3,862	1,840	--	5,702	2,471	13,979	6,271	--	20,250	1,980
Local Assistance	5,000	--	--	5,000	26,349	5,000	478,160	--	483,160	26,000	--	493,729	--	493,729	26,000
Totals, 0650-Office of Planning and Research	**$10,509**	**$795**	**--**	**$11,304**	**$27,570**	**$8,862**	**$480,000**	**--**	**$488,862**	**$28,471**	**$13,979**	**$500,000**	**--**	**$513,979**	**$27,980**
0690-Office of Emergency Services															
State Operations	44,224	14,918	843	59,985	46,145	46,072	17,166	2,723	65,961	71,658	82,790	16,851	2,726	102,367	69,327
Local Assistance	61,993	98,891	100,000	260,884	457,067	83,997	143,543	100,000	327,540	929,166	83,797	129,757	80,000	293,554	929,166
Capital Outlay	2,665	--	--	2,665	--	2,159	--	--	2,159	--	2,626	--	--	2,626	--
Totals, 0690-Office of Emergency Services	**$108,882**	**$113,809**	**$100,843**	**$323,534**	**$503,212**	**$132,228**	**$160,709**	**$102,723**	**$395,660**	**$1,000,824**	**$169,213**	**$146,608**	**$82,726**	**$398,547**	**$998,493**
Executive and Governor															
State Operations	91,414	36,662	4,741	132,817	110,736	108,544	46,993	8,358	163,895	148,509	153,462	68,069	347,278	568,809	145,050
Local Assistance	66,993	101,562	100,000	268,555	518,832	88,997	867,889	118,273	1,075,159	1,014,491	83,797	1,264,960	94,948	1,443,705	991,959
Capital Outlay	2,665	--	--	2,665	--	2,159	--	--	2,159	--	2,626	--	--	2,626	--
Totals, Executive and Governor	**$161,072**	**$138,224**	**$104,741**	**$404,037**	**$629,568**	**$199,700**	**$914,882**	**$126,631**	**$1,241,213**	**$1,163,000**	**$239,885**	**$1,333,029**	**$442,226**	**$2,015,140**	**$1,137,009**
0750-Office of the Lieutenant Governor															
State Operations	1,006	--	--	1,006	--	1,096	--	--	1,096	--	1,388	--	--	1,388	--
Totals,0750-Office of the Lieutenant Governor	**$1,006**	**--**	**--**	**$1,006**	**--**	**$1,096**	**--**	**--**	**$1,096**	**--**	**$1,388**	**--**	**--**	**$1,388**	**--**
0820-Department of Justice															
State Operations	189,601	268,940	--	458,541	31,227	205,672	286,484	--	492,156	35,206	216,731	287,600	--	504,331	41,575
Local Assistance	--	4,883	--	4,883	--	--	4,883	--	4,883	--	--	4,883	--	4,883	--
Totals,0820-Department of Justice	**$189,601**	**$273,823**	**--**	**$463,424**	**$31,227**	**$205,672**	**$291,367**	**--**	**$497,039**	**$35,206**	**$216,731**	**$292,483**	**--**	**$509,214**	**$41,575**
0840-State Controller															
State Operations	60,199	9,456	1,754	71,409	1,025	53,685	16,514	2,195	72,393	1,256	48,872	13,988	2,193	65,052	1,263
Local Assistance	-49	--	--	-49	--	-52	--	--	-52	--	--	--	--	--	--
Totals,0840-State Controller	**$60,150**	**$9,456**	**$1,754**	**$71,360**	**$1,025**	**$53,633**	**$16,514**	**$2,195**	**$72,341**	**$1,256**	**$48,872**	**$13,988**	**$2,193**	**$65,052**	**$1,263**
0845-Department of Insurance															
State Operations	2,393	179,671	--	182,064	1,810	8,261	194,255	--	202,516	1,150	4,698	197,760	--	202,458	1,096
Local Assistance	1,000	59,564	--	60,564	--	1,000	64,618	--	65,618	--	1,000	64,618	--	65,618	--
Totals,0845-Department of Insurance	**$3,393**	**$239,235**	**--**	**$242,628**	**$1,810**	**$9,261**	**$258,873**	**--**	**$268,134**	**$1,150**	**$5,698**	**$262,378**	**--**	**$268,076**	**$1,096**
0855-Gambling Control Commission															
State Operations	--	5,233	--	5,233	--	--	6,723	--	6,723	--	--	6,616	--	6,616	--
Totals,0855-Gambling Control Commission	**--**	**$5,233**	**--**	**$5,233**	**--**	**--**	**$6,723**	**--**	**$6,723**	**--**	**--**	**$6,616**	**--**	**$6,616**	**--**
0860-State Board of Equalization															
State Operations	298,949	77,678	--	376,627	138	308,643	92,997	--	401,640	435	319,261	89,977	--	409,238	437
Totals,0860-State Board of Equalization	**$298,949**	**$77,678**	**--**	**$376,627**	**$138**	**$308,643**	**$92,997**	**--**	**$401,640**	**$435**	**$319,261**	**$89,977**	**--**	**$409,238**	**$437**
0890-Secretary of State															
State Operations	27,899	55,567	--	83,466	17,649	31,821	59,747	--	91,568	33,997	29,038	52,193	--	81,231	8,423
Local Assistance	--	--	--	--	2,307	--	--	--	--	4,833	--	--	--	--	51,000
Totals,0890-Secretary of State	**$27,899**	**$55,567**	**--**	**$83,466**	**$19,956**	**$31,821**	**$59,747**	**--**	**$91,568**	**$38,830**	**$29,038**	**$52,193**	**--**	**$81,231**	**$59,423**
0911-Citizens Redistricting Initiative															
State Operations	94	--	--	94	--	90	--	--	90	--	90	--	--	90	--
Totals,0911-Citizens Redistricting Initiative	**$94**	**--**	**--**	**$94**	**--**	**$90**	**--**	**--**	**$90**	**--**	**$90**	**--**	**--**	**$90**	**--**
0950-State Treasurer															
State Operations	3,358	--	--	3,358	--	4,939	--	--	4,939	--	4,708	--	--	4,708	--
Totals,0950-State Treasurer	**$3,358**	**--**	**--**	**$3,358**	**--**	**$4,939**	**--**	**--**	**$4,939**	**--**	**$4,708**	**--**	**--**	**$4,708**	**--**

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
0954-Scholarshare Investment Board															
State Operations	351	--	--	351	--	364	--	--	364	--	364	--	--	364	--
Totals,0954-Scholarshare Investment Board	**$351**	**--**	**--**	**$351**	**--**	**$364**	**--**	**--**	**$364**	**--**	**$364**	**--**	**--**	**$364**	**--**
0956-Debt Investment Advisory Commission															
State Operations	--	2,626	--	2,626	--	--	3,285	--	3,285	--	--	3,325	--	3,325	--
Totals,0956-Debt Investment Advisory Commission	**--**	**$2,626**	**--**	**$2,626**	**--**	**--**	**$3,285**	**--**	**$3,285**	**--**	**--**	**$3,325**	**--**	**$3,325**	**--**
0959-Debt Limit Allocation Committee															
State Operations	--	1,354	--	1,354	--	--	1,492	--	1,492	--	--	1,428	--	1,428	--
Totals,0959-Debt Limit Allocation Committee	**--**	**$1,354**	**--**	**$1,354**	**--**	**--**	**$1,492**	**--**	**$1,492**	**--**	**--**	**$1,428**	**--**	**$1,428**	**--**
0965-Industrial Dvlmt Financing Advisory Comm															
State Operations	--	3	--	3	--	--	125	--	125	--	--	40	--	40	--
Totals,0965-Industrial Dvlmt Financing Advisory Comm	**--**	**$3**	**--**	**$3**	**--**	**--**	**$125**	**--**	**$125**	**--**	**--**	**$40**	**--**	**$40**	**--**
0968-Tax Credit Allocation Committee															
State Operations	--	5,660	--	5,660	--	--	7,408	--	7,408	--	--	8,087	--	8,087	--
Local Assistance	--	189	--	189	--	--	190	--	190	--	--	190	--	190	--
Totals,0968-Tax Credit Allocation Committee	**--**	**$5,849**	**--**	**$5,849**	**--**	**--**	**$7,598**	**--**	**$7,598**	**--**	**--**	**$8,277**	**--**	**$8,277**	**--**
0971-Alt Energy Advanced Trans Fin Auth															
State Operations	--	311	--	311	--	--	560	--	560	--	--	571	--	571	--
Local Assistance	--	10,000	--	10,000	--	--	--	--	--	--	--	--	--	--	--
Totals,0971-Alt Energy Advanced Trans Fin Auth	**--**	**$10,311**	**--**	**$10,311**	**--**	**--**	**$560**	**--**	**$560**	**--**	**--**	**$571**	**--**	**$571**	**--**
0974-Pollution Control Financing Authority															
Local Assistance	--	--	--	--	--	10,000	--	--	10,000	28,666	--	--	--	--	28,666
Totals,0974-Pollution Control Financing Authority	**--**	**--**	**--**	**--**	**--**	**$10,000**	**--**	**--**	**$10,000**	**$28,666**	**--**	**--**	**--**	**--**	**$28,666**
0977-Health Facilities Financing Authority															
State Operations	22	--	372	394	--	--	--	531	531	--	--	--	532	532	--
Local Assistance	20,213	3,999	18,458	42,670	--	50,000	4,000	130,000	184,000	--	--	4,000	115,000	119,000	--
Totals,0977-Health Facilities Financing Authority	**$20,235**	**$3,999**	**$18,830**	**$43,064**	**--**	**$50,000**	**$4,000**	**$130,531**	**$184,531**	**--**	**--**	**$4,000**	**$115,532**	**$119,532**	**--**
0985-School Finance Authority															
State Operations	277	--	650	927	119	398	--	1,203	1,601	189	398	--	1,203	1,601	174
Local Assistance	92,031	--	--	92,031	18,942	112,031	--	--	112,031	20,000	112,031	--	--	112,031	20,000
Totals,0985-School Finance Authority	**$92,308**	**--**	**$650**	**$92,958**	**$19,061**	**$112,429**	**--**	**$1,203**	**$113,632**	**$20,189**	**$112,429**	**--**	**$1,203**	**$113,632**	**$20,174**
0989-Educational Facilities Authority															
State Operations	--	--	--	--	--	--	248	--	248	--	--	238	--	238	--
Totals,0989-Educational Facilities Authority	**--**	**--**	**--**	**--**	**--**	**--**	**$248**	**--**	**$248**	**--**	**--**	**$238**	**--**	**$238**	**--**
0996-General Obligation Bonds-LJE															
State Operations	9,088	--	--	9,088	--	18,366	--	--	18,366	--	12,133	--	--	12,133	--
Totals,0996-General Obligation Bonds-LJE	**$9,088**	**--**	**--**	**$9,088**	**--**	**$18,366**	**--**	**--**	**$18,366**	**--**	**$12,133**	**--**	**--**	**$12,133**	**--**
Exec and Const Offices															
State Operations	593,237	606,499	2,776	1,202,512	51,968	633,335	669,838	3,929	1,307,101	72,233	637,681	661,823	3,928	1,303,431	52,968
Local Assistance	113,195	78,635	18,458	210,288	21,249	172,979	73,691	130,000	376,670	53,499	113,031	73,691	115,000	301,722	99,666
Totals, Exec and Const Offices	**$706,432**	**$685,134**	**$21,234**	**$1,412,800**	**$73,217**	**$806,314**	**$743,529**	**$133,929**	**$1,683,771**	**$125,732**	**$750,712**	**$735,514**	**$118,928**	**$1,605,153**	**$152,634**
TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE	**$2,868,331**	**$2,679,447**	**$125,975**	**$5,673,752**	**$706,779**	**$3,226,761**	**$3,462,931**	**$260,560**	**$6,950,252**	**$1,295,392**	**$3,329,549**	**$3,966,771**	**$561,154**	**$7,857,473**	**$1,296,299**
State Operations	1,398,848	987,531	7,517	2,393,896	165,353	1,482,276	1,101,534	12,287	2,596,096	225,127	1,549,756	1,139,004	351,206	3,039,965	202,399
Local Assistance	1,466,818	1,583,919	118,458	3,169,195	541,426	1,742,326	2,295,439	248,273	4,286,038	1,070,265	1,777,167	2,736,229	209,948	4,723,344	1,093,900
Capital Outlay	2,665	107,997	--	110,662	--	2,159	65,959	--	68,118	--	2,626	91,538	--	94,164	--
BUSINESS, CONSUMER SERVICES, & HOUSING															
1110-Department of Consumer Affairs Boards															
State Operations	--	290,938	--	290,938	--	--	331,026	--	331,026	--	--	--	--	--	--
Local Assistance	--	44	--	44	--	--	314	--	314	--	--	--	--	--	--
Totals,1110-Department of Consumer Affairs Boards	**--**	**$290,982**	**--**	**$290,982**	**--**	**--**	**$331,340**	**--**	**$331,340**	**--**	**--**	**--**	**--**	**--**	**--**
1111-Department of Consumer Affairs Bureaus															
State Operations	--	267,920	--	267,920	--	--	300,101	--	300,101	--	--	641,570	--	641,570	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	150	--	150	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals,1111-Department of Consumer Affairs Bureaus	**--**	**$267,920**	**--**	**$267,920**	**--**	**--**	**$300,101**	**--**	**$300,101**	**--**	**--**	**$641,720**	**--**	**$641,720**	**--**
1690-Seismic Safety Commission A E Alquist															
State Operations	--	1,177	--	1,177	--	--	1,412	--	1,412	--	--	1,360	--	1,360	--
Totals,1690-Seismic Safety Commission A E Alquist	**--**	**$1,177**	**--**	**$1,177**	**--**	**--**	**$1,412**	**--**	**$1,412**	**--**	**--**	**$1,360**	**--**	**$1,360**	**--**
1700-Department of Fair Employment Housing															
State Operations	16,426	--	--	16,426	3,773	17,615	--	--	17,615	5,700	20,193	--	--	20,193	5,697
Totals,1700-Department of Fair Employment Housing	**$16,426**	**--**	**--**	**$16,426**	**$3,773**	**$17,615**	**--**	**--**	**$17,615**	**$5,700**	**$20,193**	**--**	**--**	**$20,193**	**$5,697**
1701-Business Oversight															
State Operations	--	81,219	--	81,219	--	--	90,559	--	90,559	--	--	91,597	--	91,597	--
Totals,1701-Business Oversight	**--**	**$81,219**	**--**	**$81,219**	**--**	**--**	**$90,559**	**--**	**$90,559**	**--**	**--**	**$91,597**	**--**	**$91,597**	**--**
1750-Horse Racing Board															
State Operations	--	11,713	--	11,713	--	--	13,432	--	13,432	--	--	13,469	--	13,469	--
Totals,1750-Horse Racing Board	**--**	**$11,713**	**--**	**$11,713**	**--**	**--**	**$13,432**	**--**	**$13,432**	**--**	**--**	**$13,469**	**--**	**$13,469**	**--**
1996-General Obligation Bonds-BCH															
State Operations	717,772	--	--	717,772	--	598,887	--	--	598,887	--	403,613	--	--	403,613	--
Totals,1996-General Obligation Bonds-BCH	**$717,772**	**--**	**--**	**$717,772**	**--**	**$598,887**	**--**	**--**	**$598,887**	**--**	**$403,613**	**--**	**--**	**$403,613**	**--**
2100-Department of Alcoholic Beverage Control															
State Operations	--	52,973	--	52,973	--	--	58,332	--	58,332	--	--	58,498	--	58,498	--
Local Assistance	--	2,995	--	2,995	--	--	3,000	--	3,000	--	--	3,000	--	3,000	--
Totals,2100-Department of Alcoholic Beverage Control	**--**	**$55,968**	**--**	**$55,968**	**--**	**--**	**$61,332**	**--**	**$61,332**	**--**	**--**	**$61,498**	**--**	**$61,498**	**--**
2120-Alcoholic Beverage Control Appeals Board															
State Operations	--	812	--	812	--	--	1,061	--	1,061	--	--	1,077	--	1,077	--
Totals,2120-Alcoholic Beverage Control Appeals Board	**--**	**$812**	**--**	**$812**	**--**	**--**	**$1,061**	**--**	**$1,061**	**--**	**--**	**$1,077**	**--**	**$1,077**	**--**
2240-Dept of Housing Community Development															
State Operations	3,081	28,234	7,624	38,939	7,625	4,067	31,432	8,834	44,333	8,604	4,129	34,231	8,132	46,492	8,748
Local Assistance	105,629	121,955	206,838	434,422	93,127	15,129	--	105,325	120,454	111,570	5,629	--	129,825	135,454	111,570
Totals,2240-Dept of Housing Community Development	**$108,710**	**$150,189**	**$214,462**	**$473,361**	**$100,752**	**$19,196**	**$31,432**	**$114,159**	**$164,787**	**$120,174**	**$9,758**	**$34,231**	**$137,957**	**$181,946**	**$120,318**
TOTALS, BUSINESS, CONSUMER SERVICES, & HOUSING	**$842,908**	**$859,979**	**$214,462**	**$1,917,349**	**$104,525**	**$635,698**	**$830,669**	**$114,159**	**$1,580,526**	**$125,874**	**$433,564**	**$844,952**	**$137,957**	**$1,416,473**	**$126,015**
State Operations	737,279	734,985	7,624	1,479,888	11,398	620,569	827,355	8,834	1,456,758	14,304	427,935	841,802	8,132	1,277,869	14,445
Local Assistance	105,629	124,994	206,838	437,461	93,127	15,129	3,314	105,325	123,768	111,570	5,629	3,150	129,825	138,604	111,570
TRANSPORTATION															
2600-California Transportation Commission															
State Operations	--	2,517	270	2,787	--	--	2,860	628	3,488	--	--	3,297	628	3,925	--
Local Assistance	--	--	15,971	15,971	--	--	--	25,000	25,000	--	--	--	25,000	25,000	--
Totals,2600-California Transportation Commission	**--**	**$2,517**	**$16,241**	**$18,758**	**--**	**--**	**$2,860**	**$25,628**	**$28,488**	**--**	**--**	**$3,297**	**$25,628**	**$28,925**	**--**
2640-State Transit Assistance															
Local Assistance	--	408,095	668,889	1,076,984	--	--	419,188	154,000	573,188	--	--	414,931	44,130	459,061	--
Totals,2640-State Transit Assistance	**--**	**$408,095**	**$668,889**	**$1,076,984**	**--**	**--**	**$419,188**	**$154,000**	**$573,188**	**--**	**--**	**$414,931**	**$44,130**	**$459,061**	**--**
2660-Department of Transportation															
State Operations	--	2,694,916	119,182	2,814,098	936,852	--	2,878,714	72,874	2,951,588	1,134,979	--	2,766,792	72,365	2,839,157	1,123,617
Local Assistance	--	213,008	194,808	407,816	1,342,289	--	395,025	63,795	458,820	2,014,059	--	389,196	72,564	461,760	1,907,319
Capital Outlay	--	365,016	217,055	582,071	1,942,153	--	375,139	293,558	668,697	2,558,711	--	1,099,486	114,936	1,214,422	1,701,532
Unclassified	83,416	-83,416	--	--	5,000	84,039	-84,039	--	--	5,000	--	--	--	--	5,000
Totals,2660-Department of Transportation	**$83,416**	**$3,189,524**	**$531,045**	**$3,803,985**	**$4,226,294**	**$84,039**	**$3,564,839**	**$430,227**	**$4,079,105**	**$5,712,749**	**--**	**$4,255,474**	**$259,865**	**$4,515,339**	**$4,737,468**
2665-High-Speed Rail Authority															
State Operations	--	--	28,264	28,264	--	--	103	41,288	41,391	--	--	103	42,190	42,293	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	1,100,000	1,100,000	32,000
Capital Outlay	--	250,000	1,087,074	1,337,074	840,478	--	599,897	228,030	827,927	28,007	--	599,897	11,364	611,261	--
Totals,2665-High-Speed Rail Authority	**--**	**$250,000**	**$1,115,338**	**$1,365,338**	**$840,478**	**--**	**$600,000**	**$269,318**	**$869,318**	**$28,007**	**--**	**$600,000**	**$1,153,554**	**$1,753,554**	**$32,000**
2670-Board of Pilot Commissioners															
State Operations	--	1,802	--	1,802	--	--	2,495	--	2,495	--	--	2,262	--	2,262	--
Totals,2670-Board of Pilot Commissioners	**--**	**$1,802**	**--**	**$1,802**	**--**	**--**	**$2,495**	**--**	**$2,495**	**--**	**--**	**$2,262**	**--**	**$2,262**	**--**
2720-Dept of the California Highway Patrol															

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	--	2,049,384	--	2,049,384	16,991	--	2,182,158	--	2,182,158	20,196	--	2,238,068	--	2,238,068	20,224
Capital Outlay	--	33,617	--	33,617	--	--	94,087	--	94,087	--	--	81,682	--	81,682	--
Totals,2720-Dept of the California Highway Patrol	**--**	**$2,083,001**	**--**	**$2,083,001**	**$16,991**	**--**	**$2,276,245**	**--**	**$2,276,245**	**$20,196**	**--**	**$2,319,750**	**--**	**$2,319,750**	**$20,224**
2740-Department of Motor Vehicles															
State Operations	--	1,073,217	--	1,073,217	1,415	--	1,107,297	--	1,107,297	2,855	3,888	1,082,779	--	1,086,667	2,875
Capital Outlay	--	189	--	189	--	--	11,189	--	11,189	--	--	5,639	--	5,639	--
Totals,2740-Department of Motor Vehicles	**--**	**$1,073,406**	**--**	**$1,073,406**	**$1,415**	**--**	**$1,118,486**	**--**	**$1,118,486**	**$2,855**	**$3,888**	**$1,088,418**	**--**	**$1,092,306**	**$2,875**
2830-General Obligation Bonds-Transportation															
State Operations	115,255	927,988	--	1,043,243	--	183,448	1,124,208	--	1,307,656	--	218,249	1,236,916	--	1,455,165	--
Totals,2830-General Obligation Bonds-Transportation	**$115,255**	**$927,988**	**--**	**$1,043,243**	**--**	**$183,448**	**$1,124,208**	**--**	**$1,307,656**	**--**	**$218,249**	**$1,236,916**	**--**	**$1,455,165**	**--**
TOTALS, TRANSPORTATION	**$198,671**	**$7,936,333**	**$2,331,513**	**$10,466,517**	**$5,085,178**	**$267,487**	**$9,108,321**	**$879,173**	**$10,254,981**	**$5,763,807**	**$222,137**	**$9,921,048**	**$1,483,177**	**$11,626,362**	**$4,792,567**
State Operations	115,255	6,749,824	147,716	7,012,795	955,258	183,448	7,297,835	114,790	7,596,073	1,158,030	222,137	7,330,217	115,183	7,667,537	1,146,716
Local Assistance	--	621,103	879,668	1,500,771	1,342,289	--	814,213	242,795	1,057,008	2,014,059	--	804,127	1,241,694	2,045,821	1,939,319
Capital Outlay	--	648,822	1,304,129	1,952,951	2,782,631	--	1,080,312	521,588	1,601,900	2,586,718	--	1,786,704	126,300	1,913,004	1,701,532
Unclassified	83,416	-83,416	--	--	5,000	84,039	-84,039	--	--	5,000	--	--	--	--	5,000
NATURAL RESOURCES															
3100-Science Center															
State Operations	21,096	7,911	--	29,007	--	21,702	9,721	--	31,423	--	21,732	9,987	--	31,719	--
Totals,3100-Science Center	**$21,096**	**$7,911**	**--**	**$29,007**	**--**	**$21,702**	**$9,721**	**--**	**$31,423**	**--**	**$21,732**	**$9,987**	**--**	**$31,719**	**--**
3110-Special Resources Programs															
State Operations	--	211	--	211	--	--	533	--	533	--	--	229	--	229	--
Local Assistance	--	4,752	--	4,752	--	--	4,838	--	4,838	--	3,998	840	--	4,838	--
Totals,3110-Special Resources Programs	**--**	**$4,963**	**--**	**$4,963**	**--**	**--**	**$5,371**	**--**	**$5,371**	**--**	**$3,998**	**$1,069**	**--**	**$5,067**	**--**
3125-Tahoe Conservancy															
State Operations	--	4,304	12	4,315	230	--	4,684	212	4,896	251	--	4,807	247	5,054	235
Local Assistance	--	300	--	300	--	--	--	13,950	13,950	--	--	--	--	--	--
Capital Outlay	--	1,800	1,727	3,527	1,258	--	1,987	5,977	7,964	3,500	--	726	4,376	5,102	2,000
Totals,3125-Tahoe Conservancy	**--**	**$6,404**	**$1,738**	**$8,142**	**$1,488**	**--**	**$6,671**	**$20,139**	**$26,810**	**$3,751**	**--**	**$5,533**	**$4,623**	**$10,156**	**$2,235**
3340-California Conservation Corps															
State Operations	43,851	42,291	4,461	90,603	--	45,342	49,262	--	94,604	--	44,375	67,043	--	111,418	--
Local Assistance	--	--	109	109	--	--	--	275	275	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	2,655	--	--	2,655	--	20,066	--	--	20,066	--
Totals,3340-California Conservation Corps	**$43,851**	**$42,291**	**$4,570**	**$90,712**	**--**	**$47,997**	**$49,262**	**$275**	**$97,534**	**--**	**$64,441**	**$67,043**	**--**	**$131,484**	**--**
3360-Energy Resource Conservation Dvlmt Comm															
State Operations	--	298,299	--	298,299	6,141	--	340,764	--	340,764	11,146	15,000	293,981	--	308,981	16,161
Local Assistance	--	218,515	--	218,515	--	--	281,015	--	281,015	1,800	--	211,203	--	211,203	8,000
Totals,3360-Energy Resource Conservation Dvlmt Comm	**--**	**$516,814**	**--**	**$516,814**	**$6,141**	**--**	**$621,779**	**--**	**$621,779**	**$12,946**	**$15,000**	**$505,184**	**--**	**$520,184**	**$24,161**
3370-Renewable Resources Investment Program															
State Operations	--	1,299	--	1,299	--	--	1,200	--	1,200	--	--	1,200	--	1,200	--
Totals,3370-Renewable Resources Investment Program	**--**	**$1,299**	**--**	**$1,299**	**--**	**--**	**$1,200**	**--**	**$1,200**	**--**	**--**	**$1,200**	**--**	**$1,200**	**--**
3460-Colorado River Board of California															
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3460-Colorado River Board of California	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
3480-Department of Conservation															
State Operations	3,089	69,210	1,834	74,133	1,664	3,282	84,191	2,043	89,516	2,812	3,288	89,954	2,279	95,521	2,803
Local Assistance	--	--	16,373	16,373	--	--	5,000	866	5,866	--	--	--	1,142	1,142	--
Totals,3480-Department of Conservation	**$3,089**	**$69,210**	**$18,207**	**$90,506**	**$1,664**	**$3,282**	**$89,191**	**$2,909**	**$95,382**	**$2,812**	**$3,288**	**$89,954**	**$3,421**	**$96,663**	**$2,803**
3540-Department of Forestry Fire Protection															
State Operations	944,312	117,893	--	1,062,205	4,162	1,286,758	124,786	--	1,411,544	19,833	1,293,559	180,645	--	1,474,204	20,363
Local Assistance	--	24,153	--	24,153	--	--	2,950	--	2,950	--	--	117,311	--	117,311	--
Capital Outlay	266	--	--	266	--	3,742	--	--	3,742	--	3,324	--	--	3,324	--
Totals,3540-Department of Forestry Fire Protection	**$944,578**	**$142,046**	**--**	**$1,086,624**	**$4,162**	**$1,290,500**	**$127,736**	**--**	**$1,418,236**	**$19,833**	**$1,296,883**	**$297,956**	**--**	**$1,594,839**	**$20,363**
3560-State Lands Commission															
State Operations	10,374	15,230	--	25,604	--	11,389	17,715	--	29,104	--	12,105	18,597	--	30,702	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals,3560-State Lands Commission	**$10,374**	**$15,230**	**--**	**$25,604**	**--**	**$11,389**	**$17,715**	**--**	**$29,104**	**--**	**$12,105**	**$18,597**	**--**	**$30,702**	**--**
3600-Department of Fish and Wildlife															
State Operations	91,452	202,113	18,374	311,939	42,869	84,280	219,425	68,002	371,707	45,161	96,738	214,322	37,646	348,706	45,084
Local Assistance	4,113	22,981	5,748	32,842	19,999	2,076	5,087	39,015	46,178	20,000	576	59,093	35,001	94,670	20,000
Capital Outlay	--	405	--	405	--	--	3,403	--	3,403	--	--	108	--	108	--
Totals,3600-Department of Fish and Wildlife	**$95,565**	**$225,499**	**$24,122**	**$345,186**	**$62,868**	**$86,356**	**$227,915**	**$107,017**	**$421,288**	**$65,161**	**$97,314**	**$273,523**	**$72,647**	**$443,484**	**$65,084**
3640-Wildlife Conservation Board															
State Operations	--	1,104	2,162	3,266	--	--	2,513	2,810	5,323	--	--	2,490	2,819	5,309	--
Local Assistance	--	18,206	49,414	67,620	--	--	--	41,200	41,200	--	--	--	41,900	41,900	--
Capital Outlay	17,160	-7,017	74,452	84,595	35,000	16,618	7,950	374,357	398,925	35,000	19,471	2,192	1,500	23,163	35,000
Totals,3640-Wildlife Conservation Board	**$17,160**	**$12,293**	**$126,028**	**$155,480**	**$35,000**	**$16,618**	**$10,463**	**$418,367**	**$445,448**	**$35,000**	**$19,471**	**$4,682**	**$46,219**	**$70,372**	**$35,000**
3720-Coastal Commission															
State Operations	12,364	3,911	--	16,275	2,819	12,030	4,470	--	16,500	2,641	15,016	1,707	--	16,723	2,635
Local Assistance	1,000	754	--	1,754	--	--	503	--	503	--	--	503	--	503	--
Totals,3720-Coastal Commission	**$13,364**	**$4,665**	**--**	**$18,029**	**$2,819**	**$12,030**	**$4,973**	**--**	**$17,003**	**$2,641**	**$15,016**	**$2,210**	**--**	**$17,226**	**$2,635**
3760-State Coastal Conservancy															
State Operations	1,095	406	6,033	7,534	156	183	1,500	5,769	7,452	282	180	285	5,985	6,450	279
Local Assistance	--	500	9,603	10,103	1,191	--	1,430	55,077	56,507	6,000	--	765	43,107	43,872	6,000
Capital Outlay	4,000	-997	25,097	28,100	6,689	4,000	7,102	31,616	42,718	960	--	3,800	--	3,800	--
Totals,3760-State Coastal Conservancy	**$5,095**	**- $91**	**$40,733**	**$45,736**	**$8,036**	**$4,183**	**$10,032**	**$92,462**	**$106,677**	**$7,242**	**$180**	**$4,850**	**$49,092**	**$54,122**	**$6,279**
3780-Native American Heritage Commission															
State Operations	844	--	--	844	--	2,523	--	--	2,523	--	1,519	--	--	1,519	--
Totals,3780-Native American Heritage Commission	**$844**	**--**	**--**	**$844**	**--**	**$2,523**	**--**	**--**	**$2,523**	**--**	**$1,519**	**--**	**--**	**$1,519**	**--**
3790-Department of Parks Recreation															
State Operations	115,542	237,670	27,247	380,459	9,222	115,326	276,244	27,626	419,196	15,954	115,513	256,572	17,268	389,353	15,723
Local Assistance	2,000	38,056	18,571	58,627	12,581	2,000	42,246	2,090	46,336	59,096	2,000	37,440	--	39,440	50,096
Capital Outlay	--	33,936	12,397	46,333	--	--	18,283	40,559	58,842	946	--	3,077	14,593	17,670	--
Totals,3790-Department of Parks Recreation	**$117,542**	**$309,662**	**$58,215**	**$485,419**	**$21,803**	**$117,326**	**$336,773**	**$70,275**	**$524,374**	**$75,996**	**$117,513**	**$297,089**	**$31,861**	**$446,463**	**$65,819**
3810-Santa Monica Mountains Conservancy															
State Operations	--	321	286	607	--	--	312	738	1,049	--	--	501	769	1,270	--
Local Assistance	--	--	--	--	--	--	--	17,500	17,500	--	--	--	15,702	15,702	--
Capital Outlay	--	--	5,888	5,888	--	--	--	9,391	9,391	--	--	--	--	--	--
Totals,3810-Santa Monica Mountains Conservancy	**--**	**$321**	**$6,174**	**$6,495**	**--**	**--**	**$312**	**$27,629**	**$27,940**	**--**	**--**	**$501**	**$16,471**	**$16,972**	**--**
3820-SF Bay Conservation Development Comm															
State Operations	4,335	500	--	4,835	82	5,553	--	--	5,553	194	5,508	--	--	5,508	--
Totals,3820-SF Bay Conservation Development Comm	**$4,335**	**$500**	**--**	**$4,835**	**$82**	**$5,553**	**--**	**--**	**$5,553**	**$194**	**$5,508**	**--**	**--**	**$5,508**	**--**
3825-San GabrielLower LA RiverMtns Consvcy															
State Operations	--	363	409	772	--	--	373	625	998	--	--	481	610	1,091	--
Local Assistance	--	--	--	--	--	--	--	10,000	10,000	--	--	--	--	--	--
Capital Outlay	--	--	2,617	2,617	--	--	--	11,866	11,866	--	--	--	--	--	--
Totals,3825-San GabrielLower LA RiverMtns Consvcy	**--**	**$363**	**$3,026**	**$3,389**	**--**	**--**	**$373**	**$22,491**	**$22,864**	**--**	**--**	**$481**	**$610**	**$1,091**	**--**
3830-San Joaquin River Conservancy															
State Operations	--	373	201	573	--	--	444	244	688	--	--	431	244	675	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3830-San Joaquin River Conservancy	**--**	**$373**	**$201**	**$573**	**--**	**--**	**$444**	**$244**	**$688**	**--**	**--**	**$431**	**$244**	**$675**	**--**
3835-Baldwin Hills Conservancy															
State Operations	--	354	105	459	--	--	386	353	739	--	--	383	353	736	--
Local Assistance	--	--	--	--	--	--	--	2,000	2,000	--	--	--	8,025	8,025	--
Capital Outlay	--	--	1,758	1,758	--	--	--	7,500	7,500	--	--	--	4,282	4,282	--
Totals,3835-Baldwin Hills Conservancy	**--**	**$354**	**$1,863**	**$2,217**	**--**	**--**	**$386**	**$9,853**	**$10,239**	**--**	**--**	**$383**	**$12,660**	**$13,043**	**--**
3840-Delta Protection Commission															
State Operations	--	866	--	866	--	--	1,073	--	1,073	--	150	1,086	--	1,236	--
Totals,3840-Delta Protection Commission	**--**	**$866**	**--**	**$866**	**--**	**--**	**$1,073**	**--**	**$1,073**	**--**	**$150**	**$1,086**	**--**	**$1,236**	**--**
3845-San Diego River Conservancy															
State Operations	--	357	--	357	--	--	380	104	484	--	--	406	105	511	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	--	--	--	--	--	--	--	3,000	3,000	--	--	--	4,000	4,000	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,3845-San Diego River Conservancy	**--**	**$357**	**--**	**$357**	**--**	**--**	**$380**	**$3,104**	**$3,484**	**--**	**--**	**$406**	**$4,105**	**$4,511**	**--**
3850-Coachella Valley Mountains Conservancy															
State Operations	--	295	50	345	--	--	316	130	446	--	--	315	130	445	--
Local Assistance	--	--	--	--	--	--	--	2,500	2,500	--	--	--	--	--	--
Capital Outlay	--	--	1,236	1,236	--	--	--	11,719	11,719	--	--	--	--	--	--
Totals,3850-Coachella Valley Mountains Conservancy	**--**	**$295**	**$1,286**	**$1,581**	**--**	**--**	**$316**	**$14,349**	**$14,665**	**--**	**--**	**$315**	**$130**	**$445**	**--**
3855-Sierra Nevada Conservancy															
State Operations	--	4,027	252	4,279	--	--	4,476	357	4,833	--	--	4,570	331	4,901	--
Local Assistance	--	--	327	327	--	--	--	11,223	11,223	--	--	--	--	--	--
Totals,3855-Sierra Nevada Conservancy	**--**	**$4,027**	**$579**	**$4,606**	**--**	**--**	**$4,476**	**$11,580**	**$16,056**	**--**	**--**	**$4,570**	**$331**	**$4,901**	**--**
3860-Department of Water Resources															
State Operations	122,944	31,089	95,986	250,020	3,618	101,131	30,345	708,491	839,967	13,922	148,413	27,781	55,026	231,220	13,646
Local Assistance	--	--	317,311	317,311	--	5,000	47,000	1,535,374	1,587,374	--	5,000	10,000	121,615	136,615	--
Capital Outlay	--	2,028	118,631	120,659	--	--	17,972	1,059,094	1,077,066	--	--	--	75,000	75,000	--
Totals,3860-Department of Water Resources	**$122,944**	**$33,117**	**$531,928**	**$687,990**	**$3,618**	**$106,131**	**$95,317**	**$3,302,959**	**$3,504,407**	**$13,922**	**$153,413**	**$37,781**	**$251,641**	**$442,835**	**$13,646**
3875-Sacramento-San Joaquin Delta Conservancy															
State Operations	939	78	--	1,017	541	1,188	77	518	1,783	408	1,313	77	417	1,807	691
Local Assistance	--	--	--	--	--	--	--	9,363	9,363	--	--	--	9,301	9,301	--
Totals,3875-Sacramento-San Joaquin Delta Conservancy	**$939**	**$78**	**--**	**$1,017**	**$541**	**$1,188**	**$77**	**$9,881**	**$11,146**	**$408**	**$1,313**	**$77**	**$9,718**	**$11,108**	**$691**
3882-General Obligation Bonds-Natural Res															
State Operations	967,606	--	--	967,606	--	985,826	--	--	985,826	--	1,061,253	--	--	1,061,253	--
Totals,3882-General Obligation Bonds-Natural Res	**$967,606**	**--**	**--**	**$967,606**	**--**	**$985,826**	**--**	**--**	**$985,826**	**--**	**$1,061,253**	**--**	**--**	**$1,061,253**	**--**
3885-Delta Stewardship Council															
State Operations	10,309	604	997	11,910	159	17,233	809	--	18,042	2,749	18,734	807	--	19,541	2,785
Totals,3885-Delta Stewardship Council	**$10,309**	**$604**	**$997**	**$11,910**	**$159**	**$17,233**	**$809**	**--**	**$18,042**	**$2,749**	**$18,734**	**$807**	**--**	**$19,541**	**$2,785**
TOTALS, NATURAL RESOURCES	**$2,378,692**	**$1,399,450**	**$819,666**	**$4,597,808**	**$148,381**	**$2,729,837**	**$1,622,767**	**$4,113,534**	**$8,466,137**	**$242,655**	**$2,908,831**	**$1,625,715**	**$503,773**	**$5,038,319**	**$241,501**
State Operations	2,350,153	1,041,079	158,408	3,549,640	71,663	2,693,746	1,176,001	818,021	4,687,768	115,353	2,854,396	1,178,657	124,229	4,157,282	120,405
Local Assistance	7,113	328,216	417,456	752,786	33,771	9,076	390,069	1,743,433	2,142,578	86,896	11,574	437,155	279,793	728,522	84,096
Capital Outlay	21,426	30,155	243,801	295,382	42,947	27,015	56,697	1,552,079	1,635,791	40,406	42,861	9,903	99,751	152,515	37,000
ENVIRONMENTAL PROTECTION															
3900-Air Resources Board															
State Operations	--	293,854	2,983	296,837	4,676	--	257,474	411	257,885	16,839	--	262,574	301	262,875	16,888
Local Assistance	--	194,978	--	194,978	--	--	272,886	--	272,886	--	--	664,858	--	664,858	--
Capital Outlay	--	--	--	--	--	--	5,893	--	5,893	--	--	--	--	--	--
Totals,3900-Air Resources Board	**--**	**$488,832**	**$2,983**	**$491,815**	**$4,676**	**--**	**$536,253**	**$411**	**$536,664**	**$16,839**	**--**	**$927,432**	**$301**	**$927,733**	**$16,888**
3930-Department of Pesticide Regulation															
State Operations	--	59,660	--	59,660	2,253	--	63,003	--	63,003	2,011	--	68,454	--	68,454	2,006
Local Assistance	--	25,343	--	25,343	--	--	25,513	--	25,513	--	--	26,091	--	26,091	--
Totals,3930-Department of Pesticide Regulation	**--**	**$85,003**	**--**	**$85,003**	**$2,253**	**--**	**$88,516**	**--**	**$88,516**	**$2,011**	**--**	**$94,545**	**--**	**$94,545**	**$2,006**
3940-State Water Resources Control Board															
State Operations	23,060	362,611	3,911	389,582	71,190	44,652	468,235	84,874	597,761	86,595	47,879	473,129	12,705	533,713	97,143
Local Assistance	12,680	10,972	344,562	368,214	233,678	2,198	183,075	1,737,024	1,922,297	232,693	--	48,833	21,172	70,005	233,093
Totals,3940-State Water Resources Control Board	**$35,740**	**$373,583**	**$348,473**	**$757,796**	**$304,868**	**$46,850**	**$651,310**	**$1,821,898**	**$2,520,058**	**$319,288**	**$47,879**	**$521,962**	**$33,877**	**$603,718**	**$330,236**
3960-Department of Toxic Substances Control															
State Operations	26,627	136,649	--	163,276	29,651	27,378	155,044	--	182,422	30,500	29,343	140,165	--	169,508	30,915
Local Assistance	--	259	--	259	103	--	1,000	--	1,000	3,062	--	1,000	--	1,000	3,027
Totals,3960-Department of Toxic Substances Control	**$26,627**	**$136,908**	**--**	**$163,535**	**$29,754**	**$27,378**	**$156,044**	**--**	**$183,422**	**$33,562**	**$29,343**	**$141,165**	**--**	**$170,508**	**$33,942**
3970-Resources Recycling and Recovery															
State Operations	--	199,253	--	199,253	--	243,000	236,121	--	479,121	--	-116,500	234,175	--	117,675	--
Local Assistance	--	1,335,686	--	1,335,686	--	--	1,314,458	--	1,314,458	--	--	1,404,149	--	1,404,149	--
Totals,3970-Resources Recycling and Recovery	**--**	**$1,534,939**	**--**	**$1,534,939**	**--**	**$243,000**	**$1,550,579**	**--**	**$1,793,579**	**--**	**- $116,500**	**$1,638,324**	**--**	**$1,521,824**	**--**
3980-Environmental Health Hazard Assessment															

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	4,475	13,415	--	17,890	--	4,831	13,400	--	18,231	414	4,834	15,074	--	19,908	414
Totals,3980-Environmental Health Hazard Assessment	**$4,475**	**$13,415**	**--**	**$17,890**	**--**	**$4,831**	**$13,400**	**--**	**$18,231**	**$414**	**$4,834**	**$15,074**	**--**	**$19,908**	**$414**
3996-General Obligation Bonds-Environmental															
State Operations	3,283	--	--	3,283	--	3,173	--	--	3,173	--	3,531	--	--	3,531	--
Totals,3996-General Obligation Bonds-Environmental	**$3,283**	**--**	**--**	**$3,283**	**--**	**$3,173**	**--**	**--**	**$3,173**	**--**	**$3,531**	**--**	**--**	**$3,531**	**--**
TOTALS, ENVIRONMENTAL PROTECTION	**$70,125**	**$2,632,680**	**$351,456**	**$3,054,261**	**$341,551**	**$325,232**	**$2,996,102**	**$1,822,309**	**$5,143,643**	**$372,114**	**- $30,913**	**$3,338,502**	**$34,178**	**$3,341,767**	**$383,486**
State Operations	57,445	1,065,442	6,894	1,129,781	107,770	323,034	1,193,277	85,285	1,601,596	136,359	-30,913	1,193,571	13,006	1,175,664	147,366
Local Assistance	12,680	1,567,238	344,562	1,924,480	233,781	2,198	1,796,932	1,737,024	3,536,154	235,755	--	2,144,931	21,172	2,166,103	236,120
Capital Outlay	--	--	--	--	--	--	5,893	--	5,893	--	--	--	--	--	--
HEALTH AND HUMAN SERVICES															
4100-State Council-Developmental Disabilities															
State Operations	--	--	--	--	6,636	--	--	--	--	7,112	--	--	--	--	7,128
Totals,4100-State Council-Developmental Disabilities	**--**	**--**	**--**	**--**	**$6,636**	**--**	**--**	**--**	**--**	**$7,112**	**--**	**--**	**--**	**--**	**$7,128**
4120-Emergency Medical Services Authority															
State Operations	909	3,662	--	4,571	2,469	1,863	3,908	--	5,771	3,273	1,860	3,732	--	5,592	3,364
Local Assistance	7,116	--	--	7,116	153	6,619	300	--	6,919	2,671	6,865	300	--	7,165	2,671
Totals,4120-Emergency Medical Services Authority	**$8,025**	**$3,662**	**--**	**$11,687**	**$2,622**	**$8,482**	**$4,208**	**--**	**$12,690**	**$5,944**	**$8,725**	**$4,032**	**--**	**$12,757**	**$6,035**
4140-Statewide Health Planning Development															
State Operations	--	90,520	--	90,520	449	--	104,946	--	104,946	443	--	107,592	--	107,592	443
Local Assistance	--	26,144	--	26,144	1,068	--	32,442	--	32,442	1,000	--	34,577	--	34,577	1,000
Totals,4140-Statewide Health Planning Development	**--**	**$116,664**	**--**	**$116,664**	**$1,517**	**--**	**$137,388**	**--**	**$137,388**	**$1,443**	**--**	**$142,169**	**--**	**$142,169**	**$1,443**
4150-Department of Managed Health Care															
State Operations	--	52,316	--	52,316	461	--	70,862	--	70,862	589	--	75,038	--	75,038	--
Totals,4150-Department of Managed Health Care	**--**	**$52,316**	**--**	**$52,316**	**$461**	**--**	**$70,862**	**--**	**$70,862**	**$589**	**--**	**$75,038**	**--**	**$75,038**	**--**
4170-Department of Aging															
State Operations	3,006	233	--	3,239	6,491	3,886	250	--	4,136	8,023	4,212	256	--	4,468	7,903
Local Assistance	28,288	4,146	--	32,434	144,147	29,538	4,546	--	34,084	143,881	29,538	4,546	--	34,084	143,597
Totals,4170-Department of Aging	**$31,294**	**$4,379**	**--**	**$35,673**	**$150,638**	**$33,424**	**$4,796**	**--**	**$38,220**	**$151,904**	**$33,750**	**$4,802**	**--**	**$38,552**	**$151,500**
4180-Commission on Aging															
State Operations	--	--	--	--	400	--	--	--	--	446	--	--	--	--	441
Totals,4180-Commission on Aging	**--**	**--**	**--**	**--**	**$400**	**--**	**--**	**--**	**--**	**$446**	**--**	**--**	**--**	**--**	**$441**
4250-Children and Families Commission															
State Operations	--	6,331	--	6,331	--	--	6,474	--	6,474	--	--	6,490	--	6,490	--
Local Assistance	--	436,854	--	436,854	--	--	418,060	--	418,060	--	--	405,734	--	405,734	--
Totals,4250-Children and Families Commission	**--**	**$443,185**	**--**	**$443,185**	**--**	**--**	**$424,534**	**--**	**$424,534**	**--**	**--**	**$412,224**	**--**	**$412,224**	**--**
4260-Department of Health Care Services															
State Operations	169,543	18,800	--	188,343	289,721	187,940	27,169	--	215,109	357,333	189,096	27,681	--	216,777	355,925
Local Assistance	17,273,964	7,939,714	--	25,213,678	54,386,878	17,867,442	9,079,059	--	26,946,501	61,373,534	19,366,941	6,806,638	--	26,173,579	54,365,745
Totals,4260-Department of Health Care Services	**$17,443,507**	**$7,958,514**	**--**	**$25,402,021**	**$54,676,599**	**$18,055,382**	**$9,106,228**	**--**	**$27,161,610**	**$61,730,867**	**$19,556,037**	**$6,834,319**	**--**	**$26,390,356**	**$54,721,670**
4265-Department of Public Health															
State Operations	80,844	256,663	--	337,507	251,466	84,202	369,722	--	453,924	298,295	84,961	355,402	--	440,363	272,665
Local Assistance	36,819	332,442	--	369,261	1,342,566	45,143	300,469	--	345,612	1,457,518	45,202	373,798	--	419,000	1,412,353
Capital Outlay	--	--	--	--	--	534	--	--	534	--	3,799	--	--	3,799	--
Totals,4265-Department of Public Health	**$117,663**	**$589,105**	**--**	**$706,768**	**$1,594,032**	**$129,879**	**$670,191**	**--**	**$800,070**	**$1,755,813**	**$133,962**	**$729,200**	**--**	**$863,162**	**$1,685,018**
4300-Department of Developmental Services															
State Operations	336,933	716	--	337,649	2,506	378,635	839	--	379,474	2,846	340,119	763	--	340,882	2,809
Local Assistance	2,795,514	1,496	--	2,797,010	67,197	3,129,340	3,623	--	3,132,963	51,354	3,426,912	3,427	--	3,430,339	51,354
Capital Outlay	--	--	--	--	--	802	--	--	802	--	6,512	--	--	6,512	--
Totals,4300-Department of Developmental Services	**$3,132,447**	**$2,212**	**--**	**$3,134,659**	**$69,703**	**$3,508,777**	**$4,462**	**--**	**$3,513,239**	**$54,200**	**$3,773,543**	**$4,190**	**--**	**$3,777,733**	**$54,163**
4440-Department of State Hospitals															
State Operations	1,525,445	--	--	1,525,445	--	1,620,485	--	--	1,620,485	--	1,631,202	--	--	1,631,202	--
Capital Outlay	3,361	--	--	3,361	--	14,691	--	--	14,691	--	49,963	--	--	49,963	--
Totals,4440-Department of State Hospitals	**$1,528,806**	**--**	**--**	**$1,528,806**	**--**	**$1,635,176**	**--**	**--**	**$1,635,176**	**--**	**$1,681,165**	**--**	**--**	**$1,681,165**	**--**

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
4560-Mental Hlth Svcs Ovrst and Acntblty Comm															
State Operations	--	52,599	--	52,599	--	--	49,575	--	49,575	--	--	42,922	--	42,922	--
Totals,4560-Mental Hlth Svcs Ovrst and Acntblty Comm	**--**	**$52,599**	**--**	**$52,599**	**--**	**--**	**$49,575**	**--**	**$49,575**	**--**	**--**	**$42,922**	**--**	**$42,922**	**--**
4700-Dept of Community Services Development															
State Operations	--	1,697	--	1,697	13,721	--	7,076	--	7,076	24,992	--	5,039	--	5,039	25,251
Local Assistance	--	37,472	--	37,472	226,139	7,500	107,528	--	115,028	227,163	7,500	70,300	--	77,800	227,163
Totals,4700-Dept of Community Services Development	**--**	**$39,169**	**--**	**$39,169**	**$239,860**	**$7,500**	**$114,604**	**--**	**$122,104**	**$252,155**	**$7,500**	**$75,339**	**--**	**$82,839**	**$252,414**
4800-California Health Benefit Exchange															
State Operations	--	--	--	--	320,514	--	--	--	--	76,628	--	--	--	--	--
Totals,4800-California Health Benefit Exchange	**--**	**--**	**--**	**--**	**$320,514**	**--**	**--**	**--**	**--**	**$76,628**	**--**	**--**	**--**	**--**	**--**
5160-Department of Rehabilitation															
State Operations	58,389	945	--	59,334	332,494	59,782	1,002	--	60,784	354,632	59,896	1,200	--	61,096	357,034
Local Assistance	--	--	--	--	15,736	--	--	--	--	15,736	--	--	--	--	15,736
Totals,5160-Department of Rehabilitation	**$58,389**	**$945**	**--**	**$59,334**	**$348,230**	**$59,782**	**$1,002**	**--**	**$60,784**	**$370,368**	**$59,896**	**$1,200**	**--**	**$61,096**	**$372,770**
5170-State Independent Living Council															
State Operations	--	--	--	--	107	--	--	--	--	184	--	--	--	--	--
Totals,5170-State Independent Living Council	**--**	**--**	**--**	**--**	**$107**	**--**	**--**	**--**	**--**	**$184**	**--**	**--**	**--**	**--**	**--**
5175-Department of Child Support Services															
State Operations	46,171	--	--	46,171	105,117	51,327	--	--	51,327	116,636	52,603	--	--	52,603	119,733
Local Assistance	258,217	--	--	258,217	364,889	262,988	--	--	262,988	398,793	261,568	--	--	261,568	400,100
Totals,5175-Department of Child Support Services	**$304,388**	**--**	**--**	**$304,388**	**$470,006**	**$314,315**	**--**	**--**	**$314,315**	**$515,429**	**$314,171**	**--**	**--**	**$314,171**	**$519,833**
5180-Department of Social Services															
State Operations	124,016	30,902	--	154,918	347,039	149,951	36,832	--	186,783	388,912	163,809	36,726	--	200,535	393,979
Local Assistance	6,465,193	1,512	--	6,466,705	6,450,065	7,689,103	1,422	--	7,690,525	6,810,175	7,863,611	237,618	--	8,101,229	7,323,858
Totals,5180-Department of Social Services	**$6,589,209**	**$32,414**	**--**	**$6,621,623**	**$6,797,104**	**$7,839,054**	**$38,254**	**--**	**$7,877,308**	**$7,199,087**	**$8,027,420**	**$274,344**	**--**	**$8,301,764**	**$7,717,837**
5195-State-Local Realignment															
Local Assistance	--	4,882,681	--	4,882,681	--	--	5,152,134	--	5,152,134	--	--	5,317,269	--	5,317,269	--
Totals,5195-State-Local Realignment	**--**	**$4,882,681**	**--**	**$4,882,681**	**--**	**--**	**$5,152,134**	**--**	**$5,152,134**	**--**	**--**	**$5,317,269**	**--**	**$5,317,269**	**--**
5196-State-Local Realignment 2011															
Local Assistance	--	4,411,629	--	4,411,629	--	--	4,637,770	--	4,637,770	--	--	4,881,819	--	4,881,819	--
Totals,5196-State-Local Realignment 2011	**--**	**$4,411,629**	**--**	**$4,411,629**	**--**	**--**	**$4,637,770**	**--**	**$4,637,770**	**--**	**--**	**$4,881,819**	**--**	**$4,881,819**	**--**
5206-General Obligation Bonds-HHS															
State Operations	61,903	--	--	61,903	--	74,248	--	--	74,248	--	145,800	--	--	145,800	--
Totals,5206-General Obligation Bonds-HHS	**$61,903**	**--**	**--**	**$61,903**	**--**	**$74,248**	**--**	**--**	**$74,248**	**--**	**$145,800**	**--**	**--**	**$145,800**	**--**
5209-Statewide Item-High Cost Medications															
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals,5209-Statewide Item-High Cost Medications	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
TOTALS, HEALTH AND HUMAN SERVICES	**$29,275,631**	**$18,589,474**	**--**	**$47,865,105**	**$64,678,430**	**$31,666,019**	**$20,416,008**	**--**	**$52,082,027**	**$72,122,169**	**$33,741,969**	**$18,798,867**	**--**	**$52,540,836**	**$65,490,252**
State Operations	2,407,159	515,384	--	2,922,543	1,679,592	2,612,319	678,655	--	3,290,974	1,640,344	2,673,558	662,841	--	3,336,399	1,546,675
Local Assistance	26,865,111	18,074,089	--	44,939,200	62,998,838	29,037,673	19,737,353	--	48,775,026	70,481,825	31,008,137	18,136,026	--	49,144,163	63,943,577
Capital Outlay	3,361	--	--	3,361	--	16,027	--	--	16,027	--	60,274	--	--	60,274	--
CORRECTIONS AND REHABILITATION															
5225-Corrections and Rehabilitation															
State Operations	9,662,594	14,676	--	9,677,270	1,129	9,968,111	28,611	--	9,996,722	1,183	10,140,200	--	--	10,140,200	1,184
Local Assistance	156,301	-1,000	--	155,301	--	147,431	-1,000	--	146,431	--	151,991	-1,000	--	150,991	--
Capital Outlay	79,931	--	--	79,931	--	115,746	--	--	115,746	--	23,999	--	--	23,999	--
Totals,5225-Corrections and Rehabilitation	**$9,898,826**	**$13,676**	**--**	**$9,912,502**	**$1,129**	**$10,231,288**	**$27,611**	**--**	**$10,258,899**	**$1,183**	**$10,316,190**	**- $1,000**	**--**	**$10,315,190**	**$1,184**
5227-Board of State and Community Corrections															
State Operations	8,633	3,494	--	12,127	1,310	9,494	2,958	--	12,453	3,710	9,510	2,955	--	12,465	3,683
Local Assistance	59,831	37,383	--	97,214	16,929	58,350	56,065	--	114,415	53,598	319,234	28,265	--	347,499	53,598
Totals,5227-Board of State and Community Corrections	**$68,464**	**$40,877**	**--**	**$109,341**	**$18,239**	**$67,844**	**$59,023**	**--**	**$126,868**	**$57,308**	**$328,744**	**$31,220**	**--**	**$359,964**	**$57,281**
5296-Enhancing Law Enforcement Activities															

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	--	489,900	--	489,900	--	--	489,900	--	489,900	--	--	489,900	--	489,900	--
Totals,5296-Enhancing Law Enforcement Activities	**--**	**$489,900**	**--**	**$489,900**	**--**	**--**	**$489,900**	**--**	**$489,900**	**--**	**--**	**$489,900**	**--**	**$489,900**	**--**
5396-Trial Court Security 2011 Realignment															
Local Assistance	--	532,536	--	532,536	--	--	545,437	--	545,437	--	--	559,223	--	559,223	--
Totals,5396-Trial Court Security 2011 Realignment	**--**	**$532,536**	**--**	**$532,536**	**--**	**--**	**$545,437**	**--**	**$545,437**	**--**	**--**	**$559,223**	**--**	**$559,223**	**--**
5496-Local Community Corrections															
Local Assistance	--	1,107,529	--	1,107,529	--	--	1,204,287	--	1,204,287	--	--	1,307,683	--	1,307,683	--
Totals,5496-Local Community Corrections	**--**	**$1,107,529**	**--**	**$1,107,529**	**--**	**--**	**$1,204,287**	**--**	**$1,204,287**	**--**	**--**	**$1,307,683**	**--**	**$1,307,683**	**--**
5596-Dist Attorney and Public Defender Svcs															
Local Assistance	--	24,342	--	24,342	--	--	30,792	--	30,792	--	--	37,685	--	37,685	--
Totals,5596-Dist Attorney and Public Defender Svcs	**--**	**$24,342**	**--**	**$24,342**	**--**	**--**	**$30,792**	**--**	**$30,792**	**--**	**--**	**$37,685**	**--**	**$37,685**	**--**
5696-Juvenile Justice Programs															
Local Assistance	--	134,911	--	134,911	--	--	147,812	--	147,812	--	--	161,598	--	161,598	--
Totals,5696-Juvenile Justice Programs	**--**	**$134,911**	**--**	**$134,911**	**--**	**--**	**$147,812**	**--**	**$147,812**	**--**	**--**	**$161,598**	**--**	**$161,598**	**--**
5796-Enhancing Law Enforcement Act Growth															
Local Assistance	--	57,814	--	57,814	--	--	80,524	--	80,524	--	--	99,305	--	99,305	--
Totals,5796-Enhancing Law Enforcement Act Growth	**--**	**$57,814**	**--**	**$57,814**	**--**	**--**	**$80,524**	**--**	**$80,524**	**--**	**--**	**$99,305**	**--**	**$99,305**	**--**
5990-Federal Immigration Funding-Incarceratn															
State Operations	-41,601	--	--	-41,601	41,601	-44,192	--	--	-44,192	44,192	-44,192	--	--	-44,192	44,192
Totals,5990-Federal Immigration Funding-Incarceratn	**- $41,601**	**--**	**--**	**- $41,601**	**$41,601**	**- $44,192**	**--**	**--**	**- $44,192**	**$44,192**	**- $44,192**	**--**	**--**	**- $44,192**	**$44,192**
5996-General Obligation Bonds-DCR															
State Operations	25,754	--	--	25,754	--	21,007	--	--	21,007	--	18,911	--	--	18,911	--
Totals,5996-General Obligation Bonds-DCR	**$25,754**	**--**	**--**	**$25,754**	**--**	**$21,007**	**--**	**--**	**$21,007**	**--**	**$18,911**	**--**	**--**	**$18,911**	**--**
TOTALS, CORRECTIONS AND REHABILITATION	**$9,951,443**	**$2,401,585**	**--**	**$12,353,028**	**$60,969**	**$10,275,947**	**$2,585,386**	**--**	**$12,861,333**	**$102,683**	**$10,619,653**	**$2,685,614**	**--**	**$13,305,267**	**$102,657**
State Operations	9,655,380	18,170	--	9,673,550	44,040	9,954,420	31,569	--	9,985,990	49,085	10,124,429	2,955	--	10,127,384	49,059
Local Assistance	216,132	2,383,415	--	2,599,547	16,929	205,781	2,553,817	--	2,759,598	53,598	471,225	2,682,659	--	3,153,884	53,598
Capital Outlay	79,931	--	--	79,931	--	115,746	--	--	115,746	--	23,999	--	--	23,999	--
EDUCATION															
6100-Department of Education															
State Operations	148,947	2,823	2,246	154,016	149,889	161,849	3,199	2,972	168,020	168,866	158,846	3,090	2,964	164,900	160,463
Local Assistance	45,723,769	-189,546	--	45,534,223	6,934,549	45,583,306	446,618	--	46,029,924	7,218,448	46,375,765	52,956	--	46,428,721	7,145,893
Capital Outlay	--	--	--	--	--	--	--	--	--	--	1,749	--	--	1,749	--
Totals, 6100-Department of Education	**$45,872,716**	**- $186,723**	**$2,246**	**$45,688,239**	**$7,084,438**	**$45,745,155**	**$449,817**	**$2,972**	**$46,197,944**	**$7,387,314**	**$46,536,360**	**$56,046**	**$2,964**	**$46,595,370**	**$7,306,356**
6120-State Library															
State Operations	16,872	406	41	17,319	5,438	17,267	406	--	17,673	6,788	16,993	386	--	17,379	6,802
Local Assistance	10,950	552	--	11,502	9,346	14,175	552	--	14,727	11,266	13,925	552	--	14,477	11,266
Totals, 6120-State Library	**$27,822**	**$958**	**$41**	**$28,821**	**$14,784**	**$31,442**	**$958**	**--**	**$32,400**	**$18,054**	**$30,918**	**$938**	**--**	**$31,856**	**$18,068**
6125-Education Audit Appeals Panel															
State Operations	773	--	--	773	--	1,153	--	--	1,153	--	1,154	--	--	1,154	--
Totals, 6125-Education Audit Appeals Panel	**$773**	**--**	**--**	**$773**	**--**	**$1,153**	**--**	**--**	**$1,153**	**--**	**$1,154**	**--**	**--**	**$1,154**	**--**
6255-Summer School for the Arts															
State Operations	1,402	--	--	1,402	--	1,415	--	--	1,415	--	1,416	--	--	1,416	--
Totals, 6255-Summer School for the Arts	**$1,402**	**--**	**--**	**$1,402**	**--**	**$1,415**	**--**	**--**	**$1,415**	**--**	**$1,416**	**--**	**--**	**$1,416**	**--**
6300-Teachers Retirement System Contributions															
Local Assistance	1,486,004	--	--	1,486,004	--	1,935,287	--	--	1,935,287	--	2,468,422	--	--	2,468,422	--
Totals, 6300-Teachers Retirement System Contributions	**$1,486,004**	**--**	**--**	**$1,486,004**	**--**	**$1,935,287**	**--**	**--**	**$1,935,287**	**--**	**$2,468,422**	**--**	**--**	**$2,468,422**	**--**
6305-Retirement Costs for Community Colleges															
Local Assistance	-118,076	--	--	-118,076	--	-152,856	--	--	-152,856	--	-190,844	--	--	-190,844	--
Totals, 6305-Retirement Costs for Community Colleges	**- $118,076**	**--**	**--**	**- $118,076**	**--**	**- $152,856**	**--**	**--**	**- $152,856**	**--**	**- $190,844**	**--**	**--**	**- $190,844**	**--**
6350-School Facilities Aid Program															
Local Assistance	519	3,796	1,052,082	1,056,397	--	83	-4,206	290,398	286,275	--	83	5,616	119,079	124,778	--
Totals, 6350-School Facilities Aid Program	**$519**	**$3,796**	**$1,052,082**	**$1,056,397**	**--**	**$83**	**- $4,206**	**$290,398**	**$286,275**	**--**	**$83**	**$5,616**	**$119,079**	**$124,778**	**--**
6360-Commission on Teacher Credentialing															

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	--	20,475	--	20,475	--	7,467	25,966	--	33,433	--	2,533	26,742	--	29,275	--
Totals, 6360-Commission on Teacher Credentialing	**--**	**$20,475**	**--**	**$20,475**	**--**	**$7,467**	**$25,966**	**--**	**$33,433**	**--**	**$2,533**	**$26,742**	**--**	**$29,275**	**--**
6396-General Obligation Bonds-K-12															
State Operations	2,261,621	--	--	2,261,621	--	2,289,723	--	--	2,289,723	--	2,379,912	--	--	2,379,912	--
Totals, 6396-General Obligation Bonds-K-12	**$2,261,621**	**--**	**--**	**$2,261,621**	**--**	**$2,289,723**	**--**	**--**	**$2,289,723**	**--**	**$2,379,912**	**--**	**--**	**$2,379,912**	**--**
K-12 Education															
State Operations	2,429,615	23,704	2,287	2,455,606	155,327	2,478,874	29,571	2,972	2,511,417	175,654	2,560,854	30,218	2,964	2,594,036	167,265
Local Assistance	47,103,166	-185,198	1,052,082	47,970,050	6,943,895	47,379,995	442,964	290,398	48,113,357	7,229,714	48,667,351	59,124	119,079	48,845,554	7,157,159
Capital Outlay	--	--	--	--	--	--	--	--	--	--	1,749	--	--	1,749	--
Totals, K-12 Education	**$49,532,781**	**- $161,494**	**$1,054,369**	**$50,425,656**	**$7,099,222**	**$49,858,869**	**$472,535**	**$293,370**	**$50,624,774**	**$7,405,368**	**$51,229,954**	**$89,342**	**$122,043**	**$51,441,339**	**$7,324,424**
6440-University of California															
State Operations	2,990,671	45,098	--	3,035,769	3,610,370	3,257,138	51,641	--	3,308,779	3,711,995	3,431,544	54,351	--	3,485,895	3,701,995
Totals, 6440-University of California	**$2,990,671**	**$45,098**	**--**	**$3,035,769**	**$3,610,370**	**$3,257,138**	**$51,641**	**--**	**$3,308,779**	**$3,711,995**	**$3,431,544**	**$54,351**	**--**	**$3,485,895**	**$3,701,995**
6445-Institute for Regenerative Medicine															
State Operations	--	--	15,768	15,768	--	--	--	18,718	18,718	--	--	--	18,718	18,718	--
Local Assistance	--	--	198,926	198,926	--	--	--	210,000	210,000	--	--	--	215,000	215,000	--
Totals, 6445-Institute for Regenerative Medicine	**--**	**--**	**$214,693**	**$214,693**	**--**	**--**	**--**	**$228,718**	**$228,718**	**--**	**--**	**--**	**$233,718**	**$233,718**	**--**
6600-Hastings College of the Law															
State Operations	9,628	--	--	9,628	--	10,644	--	--	10,644	--	11,659	--	--	11,659	--
Totals, 6600-Hastings College of the Law	**$9,628**	**--**	**--**	**$9,628**	**--**	**$10,644**	**--**	**--**	**$10,644**	**--**	**$11,659**	**--**	**--**	**$11,659**	**--**
6610-California State University															
State Operations	2,762,018	--	--	2,762,018	1,282,027	3,033,033	--	--	3,033,033	1,326,010	3,157,805	35,000	--	3,192,805	1,326,010
Capital Outlay	--	--	10,113	10,113	--	--	--	5,592	5,592	--	--	--	--	--	--
Totals, 6610-California State University	**$2,762,018**	**--**	**$10,113**	**$2,772,131**	**$1,282,027**	**$3,033,033**	**--**	**$5,592**	**$3,038,625**	**$1,326,010**	**$3,157,805**	**$35,000**	**--**	**$3,192,805**	**$1,326,010**
6645-CSU Health Benefits Retired Annuitants															
State Operations	255,638	--	--	255,638	--	264,084	--	--	264,084	--	291,096	--	--	291,096	--
Totals, 6645-CSU Health Benefits Retired Annuitants	**$255,638**	**--**	**--**	**$255,638**	**--**	**$264,084**	**--**	**--**	**$264,084**	**--**	**$291,096**	**--**	**--**	**$291,096**	**--**
6870-Board of Governors of Community Colleges															
State Operations	12,417	85	1,903	14,405	31	12,686	104	2,189	14,979	--	13,052	94	2,191	15,337	--
Local Assistance	4,952,318	9,097	--	4,961,415	--	5,372,539	8,032	--	5,380,571	--	5,427,707	7,804	--	5,435,511	--
Capital Outlay	--	--	13,812	13,812	--	--	--	112,448	112,448	--	--	--	278	278	--
Totals, 6870-Board of Governors of Community Colleges	**$4,964,735**	**$9,182**	**$15,715**	**$4,989,632**	**$31**	**$5,385,225**	**$8,136**	**$114,637**	**$5,507,998**	**--**	**$5,440,759**	**$7,898**	**$2,469**	**$5,451,126**	**--**
6874-General Obligation Bonds-Hi Ed-CC															
State Operations	259,891	--	--	259,891	--	275,031	--	--	275,031	--	314,515	--	--	314,515	--
Totals, 6874-General Obligation Bonds-Hi Ed-CC	**$259,891**	**--**	**--**	**$259,891**	**--**	**$275,031**	**--**	**--**	**$275,031**	**--**	**$314,515**	**--**	**--**	**$314,515**	**--**
6878-Retirement Costs-Hi Ed-CC															
Local Assistance	118,076	--	--	118,076	--	152,856	--	--	152,856	--	190,844	--	--	190,844	--
Totals, 6878-Retirement Costs-Hi Ed-CC	**$118,076**	**--**	**--**	**$118,076**	**--**	**$152,856**	**--**	**--**	**$152,856**	**--**	**$190,844**	**--**	**--**	**$190,844**	**--**
6910-Awards for Innovation in Higher Ed															
Local Assistance	50,000	--	--	50,000	--	--	--	--	--	--	25,000	--	--	25,000	--
Totals, 6910-Awards for Innovation in Higher Ed	**$50,000**	**--**	**--**	**$50,000**	**--**	**--**	**--**	**--**	**--**	**--**	**$25,000**	**--**	**--**	**$25,000**	**--**
6980-Student Aid Commission															
State Operations	11,959	--	--	11,959	258	13,578	--	--	13,578	--	13,606	--	--	13,606	--
Local Assistance	1,527,037	--	--	1,527,037	14,489	1,550,293	1,918	--	1,552,211	--	1,414,556	1,918	--	1,416,474	--
Totals, 6980-Student Aid Commission	**$1,538,996**	**--**	**--**	**$1,538,996**	**$14,747**	**$1,563,871**	**$1,918**	**--**	**$1,565,789**	**--**	**$1,428,162**	**$1,918**	**--**	**$1,430,080**	**--**
7996-General Obligation Bonds-Hi Ed															
State Operations	276,168	--	--	276,168	--	370,337	--	--	370,337	--	276,007	--	--	276,007	--
Totals, 7996-General Obligation Bonds-Hi Ed	**$276,168**	**--**	**--**	**$276,168**	**--**	**$370,337**	**--**	**--**	**$370,337**	**--**	**$276,007**	**--**	**--**	**$276,007**	**--**
Higher Education															
State Operations	6,578,390	45,183	17,671	6,641,244	4,892,686	7,236,531	51,745	20,907	7,309,183	5,038,005	7,509,284	89,445	20,909	7,619,638	5,028,005
Local Assistance	6,647,431	9,097	198,926	6,855,454	14,489	7,075,688	9,950	210,000	7,295,638	--	7,058,107	9,722	215,000	7,282,829	--
Capital Outlay	--	--	23,925	23,925	--	--	--	118,040	118,040	--	--	--	278	278	--
Totals, Higher Education	**$13,225,821**	**$54,280**	**$240,521**	**$13,520,623**	**$4,907,175**	**$14,312,219**	**$61,695**	**$348,947**	**$14,722,861**	**$5,038,005**	**$14,567,391**	**$99,167**	**$236,187**	**$14,902,745**	**$5,028,005**
TOTALS, EDUCATION	**$62,758,602**	**- $107,214**	**$1,294,890**	**$63,946,278**	**$12,006,397**	**$64,171,088**	**$534,230**	**$642,317**	**$65,347,635**	**$12,443,373**	**$65,797,345**	**$188,509**	**$358,230**	**$66,344,084**	**$12,352,429**

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	9,008,005	68,887	19,958	9,096,850	5,048,013	9,715,405	81,316	23,879	9,820,600	5,213,659	10,070,138	119,663	23,873	10,213,674	5,195,270
Local Assistance	53,750,597	-176,101	1,251,008	54,825,504	6,958,384	54,455,683	452,914	500,398	55,408,995	7,229,714	55,725,458	68,846	334,079	56,128,383	7,157,159
Capital Outlay	--	--	23,925	23,925	--	--	--	118,040	118,040	--	1,749	--	278	2,027	--
LABOR AND WORKFORCE DEVELOPMENT															
7100-Employment Development Department															
State Operations	266,317	132,649	--	398,966	661,338	194,483	185,020	--	379,503	696,788	147,259	203,450	--	350,709	659,436
Local Assistance	--	--	--	--	5,921,163	--	--	--	--	6,182,263	--	--	--	--	6,061,620
Capital Outlay	--	--	--	--	--	1	--	--	1	--	--	--	--	--	--
Totals,7100-Employment Development Department	**$266,317**	**$132,649**	**--**	**$398,966**	**$6,582,501**	**$194,484**	**$185,020**	**--**	**$379,504**	**$6,879,051**	**$147,259**	**$203,450**	**--**	**$350,709**	**$6,721,056**
7120-Workforce Development Board															
State Operations	--	4,451	--	4,451	2,356	--	4,500	--	4,500	2,962	--	3,000	--	3,000	3,027
Totals,7120-Workforce Development Board	**--**	**$4,451**	**--**	**$4,451**	**$2,356**	**--**	**$4,500**	**--**	**$4,500**	**$2,962**	**--**	**$3,000**	**--**	**$3,000**	**$3,027**
7300-Agricultural Labor Relations Board															
State Operations	7,142	933	--	8,075	--	8,478	1,194	--	9,672	--	8,437	1,176	--	9,613	--
Totals,7300-Agricultural Labor Relations Board	**$7,142**	**$933**	**--**	**$8,075**	**--**	**$8,478**	**$1,194**	**--**	**$9,672**	**--**	**$8,437**	**$1,176**	**--**	**$9,613**	**--**
7320-Public Employment Relations Board															
State Operations	8,769	--	--	8,769	--	9,101	--	--	9,101	--	10,218	--	--	10,218	--
Totals,7320-Public Employment Relations Board	**$8,769**	**--**	**--**	**$8,769**	**--**	**$9,101**	**--**	**--**	**$9,101**	**--**	**$10,218**	**--**	**--**	**$10,218**	**--**
7350-Department of Industrial Relations															
State Operations	--	354,673	--	354,673	32,139	--	508,271	--	508,271	36,909	--	521,808	--	521,808	36,581
Totals,7350-Department of Industrial Relations	**--**	**$354,673**	**--**	**$354,673**	**$32,139**	**--**	**$508,271**	**--**	**$508,271**	**$36,909**	**--**	**$521,808**	**--**	**$521,808**	**$36,581**
TOTALS, LABOR AND WORKFORCE DEVELOPMENT	**$282,228**	**$492,706**	**--**	**$774,934**	**$6,616,996**	**$212,063**	**$698,985**	**--**	**$911,048**	**$6,918,922**	**$165,914**	**$729,434**	**--**	**$895,348**	**$6,760,664**
State Operations	282,228	492,706	--	774,934	695,833	212,062	698,985	--	911,047	736,659	165,914	729,434	--	895,348	699,044
Local Assistance	--	--	--	--	5,921,163	--	--	--	--	6,182,263	--	--	--	--	6,061,620
Capital Outlay	--	--	--	--	--	1	--	--	1	--	--	--	--	--	--
GOVERNMENT OPERATIONS															
7501-Department of Human Resources															
State Operations	6,801	6	--	6,807	--	8,722	75	--	8,797	--	9,226	75	--	9,301	--
Totals,7501-Department of Human Resources	**$6,801**	**$6**	**--**	**$6,807**	**--**	**$8,722**	**$75**	**--**	**$8,797**	**--**	**$9,226**	**$75**	**--**	**$9,301**	**--**
7502-Department of Technology															
State Operations	4,718	--	--	4,718	--	4,914	--	--	4,914	--	4,538	--	--	4,538	--
Totals,7502-Department of Technology	**$4,718**	**--**	**--**	**$4,718**	**--**	**$4,914**	**--**	**--**	**$4,914**	**--**	**$4,538**	**--**	**--**	**$4,538**	**--**
7503-State Personnel Board															
State Operations	937	--	--	937	--	1,212	--	--	1,212	--	1,214	--	--	1,214	--
Totals,7503-State Personnel Board	**$937**	**--**	**--**	**$937**	**--**	**$1,212**	**--**	**--**	**$1,212**	**--**	**$1,214**	**--**	**--**	**$1,214**	**--**
7730-Franchise Tax Board															
State Operations	697,247	18,775	--	716,022	--	712,016	21,442	--	733,458	--	715,475	21,530	--	737,005	--
Totals,7730-Franchise Tax Board	**$697,247**	**$18,775**	**--**	**$716,022**	**--**	**$712,016**	**$21,442**	**--**	**$733,458**	**--**	**$715,475**	**$21,530**	**--**	**$737,005**	**--**
7760-Department of General Services															
State Operations	37,313	82,515	7,090	126,918	--	32,513	106,528	6,241	145,282	--	9,509	138,521	6,345	154,375	--
Capital Outlay	2,500	--	--	2,500	--	--	--	--	--	--	1,500,000	-1,489,900	--	10,100	--
Totals,7760-Department of General Services	**$39,813**	**$82,515**	**$7,090**	**$129,418**	**--**	**$32,513**	**$106,528**	**$6,241**	**$145,282**	**--**	**$1,509,509**	**- $1,351,379**	**$6,345**	**$164,475**	**--**
7870-Victim CompensationGovernment Claims Bd															
State Operations	0	29,650	--	29,650	804	0	33,657	--	33,657	1,814	121	34,083	--	34,204	1,789
Local Assistance	--	48,426	--	48,426	26,138	--	62,671	--	62,671	23,000	2,929	63,378	--	66,307	23,000
Totals,7870-Victim CompensationGovernment Claims Bd	**$0**	**$78,076**	**--**	**$78,076**	**$26,942**	**$0**	**$96,328**	**--**	**$96,328**	**$24,814**	**$3,050**	**$97,461**	**--**	**$100,511**	**$24,789**
7910-Office of Administrative Law															
State Operations	1,734	--	--	1,734	--	1,829	--	--	1,829	--	1,924	--	--	1,924	--
Totals,7910-Office of Administrative Law	**$1,734**	**--**	**--**	**$1,734**	**--**	**$1,829**	**--**	**--**	**$1,829**	**--**	**$1,924**	**--**	**--**	**$1,924**	**--**
TOTALS, GOVERNMENT OPERATIONS	**$751,251**	**$179,372**	**$7,090**	**$937,713**	**$26,942**	**$761,206**	**$224,373**	**$6,241**	**$991,820**	**$24,814**	**$2,244,936**	**- $1,232,313**	**$6,345**	**$1,018,968**	**$24,789**
State Operations	748,751	130,946	7,090	886,787	804	761,206	161,702	6,241	929,149	1,814	742,007	194,209	6,345	942,561	1,789
Local Assistance	--	48,426	--	48,426	26,138	--	62,671	--	62,671	23,000	2,929	63,378	--	66,307	23,000

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	2,500	--	--	2,500	--	--	--	--	--	--	1,500,000	-1,489,900	--	10,100	--
GENERAL GOVERNMENT															
8120-Peace Officer Standards Training Comm															
State Operations	--	36,684	--	36,684	--	--	37,295	--	37,295	--	13,000	24,751	--	37,751	--
Local Assistance	3,200	15,858	--	19,058	--	--	18,326	--	18,326	--	--	19,103	--	19,103	--
Totals, 8120-Peace Officer Standards Training Comm	**$3,200**	**$52,542**	**--**	**$55,742**	**--**	**--**	**$55,621**	**--**	**$55,621**	**--**	**$13,000**	**$43,854**	**--**	**$56,854**	**--**
8140-State Public Defender															
State Operations	11,180	--	--	11,180	--	11,594	--	--	11,594	--	12,667	--	--	12,667	--
Totals, 8140-State Public Defender	**$11,180**	**--**	**--**	**$11,180**	**--**	**$11,594**	**--**	**--**	**$11,594**	**--**	**$12,667**	**--**	**--**	**$12,667**	**--**
8260-Arts Council															
State Operations	1,008	649	--	1,658	920	1,371	843	--	2,214	998	1,374	858	--	2,232	1,013
Local Assistance	4,884	1,162	--	6,045	93	6,950	1,405	--	8,355	100	6,950	1,405	--	8,355	100
Totals, 8260-Arts Council	**$5,892**	**$1,811**	**--**	**$7,703**	**$1,012**	**$8,321**	**$2,248**	**--**	**$10,569**	**$1,098**	**$8,324**	**$2,263**	**--**	**$10,587**	**$1,113**
8385-Citizens Compensation Commission															
State Operations	--	--	--	--	--	10	--	--	10	--	10	--	--	10	--
Totals, 8385-Citizens Compensation Commission	**--**	**--**	**--**	**--**	**--**	**$10**	**--**	**--**	**$10**	**--**	**$10**	**--**	**--**	**$10**	**--**
8570-Department of Food and Agriculture															
State Operations	63,076	124,878	23	187,977	78,365	81,060	190,500	1,178	272,738	110,218	71,649	137,882	1,178	210,709	90,568
Local Assistance	6,405	34,293	--	40,698	--	9,010	33,825	--	42,835	--	9,010	104,795	--	113,805	--
Totals, 8570-Department of Food and Agriculture	**$69,481**	**$159,171**	**$23**	**$228,675**	**$78,365**	**$90,070**	**$224,325**	**$1,178**	**$315,573**	**$110,218**	**$80,659**	**$242,677**	**$1,178**	**$324,514**	**$90,568**
8620-Fair Political Practices Commission															
State Operations	9,500	--	--	9,500	--	10,427	--	--	10,427	--	11,191	--	--	11,191	--
Totals, 8620-Fair Political Practices Commission	**$9,500**	**--**	**--**	**$9,500**	**--**	**$10,427**	**--**	**--**	**$10,427**	**--**	**$11,191**	**--**	**--**	**$11,191**	**--**
8640-Political Reform Act of 1974															
State Operations	--	--	--	--	--	--	--	--	--	--	2,680	--	--	2,680	--
Totals, 8640-Political Reform Act of 1974	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$2,680**	**--**	**--**	**$2,680**	**--**
8660-Public Utilities Commission															
State Operations	--	219,098	--	219,098	5,094	--	248,682	--	248,682	8,097	--	282,110	--	282,110	5,549
Local Assistance	--	980,764	--	980,764	--	--	1,226,338	--	1,226,338	--	--	1,455,553	--	1,455,553	--
Totals, 8660-Public Utilities Commission	**--**	**$1,199,862**	**--**	**$1,199,862**	**$5,094**	**--**	**$1,475,020**	**--**	**$1,475,020**	**$8,097**	**--**	**$1,737,663**	**--**	**$1,737,663**	**$5,549**
8780-Milton Marks Little Hoover Commission															
State Operations	859	--	--	859	--	973	--	--	973	--	1,013	--	--	1,013	--
Totals, 8780-Milton Marks Little Hoover Commission	**$859**	**--**	**--**	**$859**	**--**	**$973**	**--**	**--**	**$973**	**--**	**$1,013**	**--**	**--**	**$1,013**	**--**
8790-CA Commission on Disability Access															
State Operations	522	--	--	522	--	538	--	--	538	--	639	--	--	639	--
Totals, 8790-CA Commission on Disability Access	**$522**	**--**	**--**	**$522**	**--**	**$538**	**--**	**--**	**$538**	**--**	**$639**	**--**	**--**	**$639**	**--**
8820-Comm on the Status of Women and Girls															
State Operations	358	--	--	358	--	555	--	--	555	--	512	--	--	512	--
Totals, 8820-Comm on the Status of Women and Girls	**$358**	**--**	**--**	**$358**	**--**	**$555**	**--**	**--**	**$555**	**--**	**$512**	**--**	**--**	**$512**	**--**
8830-Law Revision Commission															
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals, 8830-Law Revision Commission	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
8855-California State Auditors Office															
State Operations	15,268	-2,681	--	12,587	--	17,541	--	--	17,541	--	18,116	--	--	18,116	--
Totals, 8855-California State Auditors Office	**$15,268**	**- $2,681**	**--**	**$12,587**	**--**	**$17,541**	**--**	**--**	**$17,541**	**--**	**$18,116**	**--**	**--**	**$18,116**	**--**
8860-Department of Finance															
State Operations	30,215	987	174	31,376	--	36,639	684	39	37,362	--	36,412	--	--	36,412	--
Totals, 8860-Department of Finance	**$30,215**	**$987**	**$174**	**$31,376**	**--**	**$36,639**	**$684**	**$39**	**$37,362**	**--**	**$36,412**	**--**	**--**	**$36,412**	**--**
8880-Financial Information System for CA															
State Operations	95,602	6,516	--	102,118	--	103,715	19,533	--	123,248	--	96,285	13,812	--	110,097	--
Totals, 8880-Financial Information System for CA	**$95,602**	**$6,516**	**--**	**$102,118**	**--**	**$103,715**	**$19,533**	**--**	**$123,248**	**--**	**$96,285**	**$13,812**	**--**	**$110,097**	**--**
8885-Commission on State Mandates															
State Operations	1,966	--	--	1,966	--	2,049	--	--	2,049	--	2,053	--	--	2,053	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	897,958	2,637	--	900,595	--	44,447	2,637	--	47,084	--	45,555	2,411	--	47,966	--
Totals, 8885-Commission on State Mandates	**$899,924**	**$2,637**	**--**	**$902,561**	**--**	**$46,496**	**$2,637**	**--**	**$49,133**	**--**	**$47,608**	**$2,411**	**--**	**$50,019**	**--**
8940-Military Department															
State Operations	45,176	1,339	--	46,515	100,658	52,507	1,773	--	54,280	116,628	49,414	1,781	--	51,195	121,678
Local Assistance	20	--	--	20	--	60	--	--	60	--	60	--	--	60	--
Capital Outlay	125	--	--	125	--	13,462	--	--	13,462	4,631	15,652	--	--	15,652	8,763
Totals, 8940-Military Department	**$45,321**	**$1,339**	**--**	**$46,660**	**$100,658**	**$66,029**	**$1,773**	**--**	**$67,802**	**$121,259**	**$65,126**	**$1,781**	**--**	**$66,907**	**$130,441**
8951-Federal Per Diem for Veterans Housing															
State Operations	-44,803	--	--	-44,803	44,803	-57,194	--	--	-57,194	57,194	-63,409	--	--	-63,409	63,409
Totals, 8951-Federal Per Diem for Veterans Housing	**- $44,803**	**--**	**--**	**- $44,803**	**$44,803**	**- $57,194**	**--**	**--**	**- $57,194**	**$57,194**	**- $63,409**	**--**	**--**	**- $63,409**	**$63,409**
8955-Department of Veterans Affairs															
State Operations	285,650	330	--	285,980	1,657	353,340	789	--	354,129	2,206	376,851	393	406	377,650	2,608
Local Assistance	5,600	1,104	--	6,704	--	5,600	1,104	--	6,704	--	5,600	1,104	--	6,704	--
Capital Outlay	500	1,420	--	1,920	6,797	525	--	5,123	5,648	13,925	--	--	--	--	--
Totals, 8955-Department of Veterans Affairs	**$291,750**	**$2,854**	**--**	**$294,604**	**$8,454**	**$359,465**	**$1,893**	**$5,123**	**$366,481**	**$16,131**	**$382,451**	**$1,497**	**$406**	**$384,354**	**$2,608**
8998-General Obligation Bonds-Gen Govt															
State Operations	21,014	--	--	21,014	--	16,122	--	--	16,122	--	15,728	--	--	15,728	--
Totals, 8998-General Obligation Bonds-Gen Govt	**$21,014**	**--**	**--**	**$21,014**	**--**	**$16,122**	**--**	**--**	**$16,122**	**--**	**$15,728**	**--**	**--**	**$15,728**	**--**
General Administration															
State Operations	536,590	387,801	197	924,588	231,497	631,247	500,099	1,217	1,132,563	295,341	646,185	461,587	1,584	1,109,356	284,825
Local Assistance	918,067	1,035,818	--	1,953,884	93	66,067	1,283,635	--	1,349,702	100	67,175	1,584,371	--	1,651,546	100
Capital Outlay	625	1,420	--	2,045	6,797	13,987	--	5,123	19,110	18,556	15,652	--	--	15,652	8,763
Totals, General Administration	**$1,455,282**	**$1,425,038**	**$197**	**$2,880,517**	**$238,386**	**$711,301**	**$1,783,734**	**$6,340**	**$2,501,374**	**$313,997**	**$729,012**	**$2,045,958**	**$1,584**	**$2,776,554**	**$293,688**
9100-Tax Relief															
Local Assistance	415,151	-11,286	--	403,865	--	431,657	-7,200	--	424,457	--	435,001	-7,200	--	427,801	--
Totals, 9100-Tax Relief	**$415,151**	**- $11,286**	**--**	**$403,865**	**--**	**$431,657**	**- $7,200**	**--**	**$424,457**	**--**	**$435,001**	**- $7,200**	**--**	**$427,801**	**--**
9210-Local Government Financing															
Local Assistance	17,121	--	--	17,121	--	10,562	845,000	--	855,562	--	41,708	--	--	41,708	--
Totals, 9210-Local Government Financing	**$17,121**	**--**	**--**	**$17,121**	**--**	**$10,562**	**$845,000**	**--**	**$855,562**	**--**	**$41,708**	**--**	**--**	**$41,708**	**--**
9285-Trial Court Security-Court Construction															
Local Assistance	713	--	--	713	--	2,000	--	--	2,000	--	5,000	--	--	5,000	--
Totals, 9285-Trial Court Security-Court Construction	**$713**	**--**	**--**	**$713**	**--**	**$2,000**	**--**	**--**	**$2,000**	**--**	**$5,000**	**--**	**--**	**$5,000**	**--**
9286-Trial Court Security-Judgeships															
Local Assistance	--	--	--	--	--	--	--	--	--	--	700	--	--	700	--
Totals, 9286-Trial Court Security-Judgeships	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$700**	**--**	**--**	**$700**	**--**
9300-Payment to Counties for Homicide Trials															
Local Assistance	73	--	--	73	--	1	--	--	1	--	1	--	--	1	--
Totals, 9300-Payment to Counties for Homicide Trials	**$73**	**--**	**--**	**$73**	**--**	**$1**	**--**	**--**	**$1**	**--**	**$1**	**--**	**--**	**$1**	**--**
9350-Shared Revenues															
Local Assistance	492	1,835,963	--	1,836,455	34,939	492	1,467,962	--	1,468,454	34,939	492	1,697,646	--	1,698,138	34,939
Totals, 9350-Shared Revenues	**$492**	**$1,835,963**	**--**	**$1,836,455**	**$34,939**	**$492**	**$1,467,962**	**--**	**$1,468,454**	**$34,939**	**$492**	**$1,697,646**	**--**	**$1,698,138**	**$34,939**
Tax Relief-Local Gov Subv															
Local Assistance	433,550	1,824,677	--	2,258,227	34,939	444,712	2,305,762	--	2,750,474	34,939	482,902	1,690,446	--	2,173,348	34,939
Totals, Tax Relief-Local Gov Subv	**$433,550**	**$1,824,677**	**--**	**$2,258,227**	**$34,939**	**$444,712**	**$2,305,762**	**--**	**$2,750,474**	**$34,939**	**$482,902**	**$1,690,446**	**--**	**$2,173,348**	**$34,939**
9600-Debt Service GO Bonds Commercial Paper															
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals, 9600-Debt Service GO Bonds Commercial Paper	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9612-Enhanced Tobacco Asset-Backed Bonds															
State Operations	--	--	--	--	--	--	--	--	--	--	1	--	--	1	--
Totals, 9612-Enhanced Tobacco Asset-Backed Bonds	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$1**	**--**	**--**	**$1**	**--**
9618-Economic Recovery Financing Committee															
State Operations	--	16,577	--	16,577	--	--	--	--	--	--	--	--	--	--	--
Unclassified	--	2,880,186	--	2,880,186	--	--	997,246	--	997,246	--	--	--	--	--	--
Totals, 9618-Economic Recovery Financing Committee	**--**	**$2,896,763**	**--**	**$2,896,763**	**--**	**--**	**$997,246**	**--**	**$997,246**	**--**	**--**	**--**	**--**	**--**	**--**

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
9620-Cash Management and Budgetary Loans															
State Operations	52,010	--	--	52,010	--	58,817	--	--	58,817	--	78,665	--	--	78,665	--
Totals, 9620-Cash Management and Budgetary Loans	**$52,010**	**--**	**--**	**$52,010**	**--**	**$58,817**	**--**	**--**	**$58,817**	**--**	**$78,665**	**--**	**--**	**$78,665**	**--**
9625-Interest Payments to the Federal Govt															
State Operations	203	25	--	228	--	3,000	1,001	--	4,001	--	3,000	1,001	--	4,001	--
Totals, 9625-Interest Payments to the Federal Govt	**$203**	**$25**	**--**	**$228**	**--**	**$3,000**	**$1,001**	**--**	**$4,001**	**--**	**$3,000**	**$1,001**	**--**	**$4,001**	**--**
9650-Health Dental Benefits for Annuitants															
State Operations	1,455,932	--	--	1,455,932	--	1,580,331	--	--	1,580,331	--	1,739,356	--	--	1,739,356	--
Totals, 9650-Health Dental Benefits for Annuitants	**$1,455,932**	**--**	**--**	**$1,455,932**	**--**	**$1,580,331**	**--**	**--**	**$1,580,331**	**--**	**$1,739,356**	**--**	**--**	**$1,739,356**	**--**
9651-Prefunding Hlth-Dental Bens Annuitants															
State Operations	--	37,507	--	37,507	--	--	--	--	--	--	--	--	--	--	--
Totals, 9651-Prefunding Hlth-Dental Bens Annuitants	**--**	**$37,507**	**--**	**$37,507**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9658-Budget Stabilization Account															
Unclassified	1,606,422	-1,606,422	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals, 9658-Budget Stabilization Account	**$1,606,422**	**- $1,606,422**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9670-Victim Compensation Government Claims Bd															
State Operations	3,176	2,956	--	6,132	10	4,068	804	2,611	7,483	--	--	--	--	--	--
Totals, 9670-Victim Compensation Government Claims Bd	**$3,176**	**$2,956**	**--**	**$6,132**	**$10**	**$4,068**	**$804**	**$2,611**	**$7,483**	**--**	**--**	**--**	**--**	**--**	**--**
9800-Augmentation for Employee Compensation															
State Operations	--	--	--	--	--	--	--	--	--	--	26,667	129,571	--	156,238	--
Totals, 9800-Augmentation for Employee Compensation	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$26,667**	**$129,571**	**--**	**$156,238**	**--**
9802-June to July Payroll Deferral															
State Operations	-76,825	-32,589	--	-109,414	--	-25,640	-12,799	--	-38,439	--	-21,024	-10,496	--	-31,520	--
Totals, 9802-June to July Payroll Deferral	**- $76,825**	**- $32,589**	**--**	**- $109,414**	**--**	**- $25,640**	**- $12,799**	**--**	**- $38,439**	**--**	**- $21,024**	**- $10,496**	**--**	**- $31,520**	**--**
9840-Contingencies-Emergencies Augmentation															
State Operations	--	--	--	--	--	20,000	6,500	--	26,500	--	20,000	15,000	--	35,000	--
Totals, 9840-Contingencies-Emergencies Augmentation	**--**	**--**	**--**	**--**	**--**	**$20,000**	**$6,500**	**--**	**$26,500**	**--**	**$20,000**	**$15,000**	**--**	**$35,000**	**--**
9860-Capital Outlay Planning Studies															
Capital Outlay	1,000	--	--	1,000	--	1,000	--	--	1,000	--	1,000	--	--	1,000	--
Totals, 9860-Capital Outlay Planning Studies	**$1,000**	**--**	**--**	**$1,000**	**--**	**$1,000**	**--**	**--**	**$1,000**	**--**	**$1,000**	**--**	**--**	**$1,000**	**--**
9885-Reserve for Liquidation of Encumbrances															
Unclassified	4,124	--	--	4,124	--	--	--	--	--	--	--	--	--	--	--
Totals, 9885-Reserve for Liquidation of Encumbrances	**$4,124**	**--**	**--**	**$4,124**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9894-Statewide Proposition 98 Reconciliation															
Local Assistance	-484,685	--	--	-484,685	--	-209,602	--	--	-209,602	--	-84,125	--	--	-84,125	--
Totals, 9894-Statewide Proposition 98 Reconciliation	**- $484,685**	**--**	**--**	**- $484,685**	**--**	**- $209,602**	**--**	**--**	**- $209,602**	**--**	**- $84,125**	**--**	**--**	**- $84,125**	**--**
9897-Section 360 Rate Adjustments															
State Operations	--	--	--	--	--	--	--	--	--	--	304,934	167,936	--	472,870	--
Totals, 9897-Section 360 Rate Adjustments	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$304,934**	**$167,936**	**--**	**$472,870**	**--**
9898-PERS General Fund Deferral Payment															
State Operations	488,449	--	--	488,449	--	591,192	--	--	591,192	--	570,355	--	--	570,355	--
Totals, 9898-PERS General Fund Deferral Payment	**$488,449**	**--**	**--**	**$488,449**	**--**	**$591,192**	**--**	**--**	**$591,192**	**--**	**$570,355**	**--**	**--**	**$570,355**	**--**
9900-Statewide General Admin Exp -Pro Rata-															
State Operations	-603,707	--	--	-603,707	--	-667,830	18	--	-667,812	--	-676,647	--	--	-676,647	--
Totals, 9900-Statewide General Admin Exp -Pro Rata-	**- $603,707**	**--**	**--**	**- $603,707**	**--**	**- $667,830**	**$18**	**--**	**- $667,812**	**--**	**- $676,647**	**--**	**--**	**- $676,647**	**--**
9901-Various Departments															
State Operations	--	--	--	--	--	5,400	--	--	5,400	--	800,000	52,000	--	852,000	--
Local Assistance	--	89,939	--	89,939	--	--	73,546	--	73,546	--	--	73,546	--	73,546	--
Totals, 9901-Various Departments	**--**	**$89,939**	**--**	**$89,939**	**--**	**$5,400**	**$73,546**	**--**	**$78,946**	**--**	**$800,000**	**$125,546**	**--**	**$925,546**	**--**
9910-General Fund Credits from Federal Funds															
State Operations	-147,349	--	--	-147,349	--	-153,255	--	--	-153,255	--	-164,689	--	--	-164,689	--
Totals, 9910-General Fund Credits from Federal Funds	**- $147,349**	**--**	**--**	**- $147,349**	**--**	**- $153,255**	**--**	**--**	**- $153,255**	**--**	**- $164,689**	**--**	**--**	**- $164,689**	**--**
9935-PERS Deferral															
State Operations	-591,192	--	--	-591,192	--	-570,355	--	--	-570,355	--	-633,575	--	--	-633,575	--

SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2014-15					Estimated 2015-16					Estimated 2016-17				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Totals, 9935-PERS Deferral	**- $591,192**	**--**	**--**	**- $591,192**	**--**	**- $570,355**	**--**	**--**	**- $570,355**	**--**	**- $633,575**	**--**	**--**	**- $633,575**	**--**
Statewide Expenditures															
State Operations	580,697	24,476	--	605,173	10	845,728	-4,476	2,611	843,863	--	2,047,043	355,012	--	2,402,055	--
Local Assistance	-484,685	89,939	--	-394,746	--	-209,602	73,546	--	-136,056	--	-84,125	73,546	--	-10,579	--
Capital Outlay	1,000	--	--	1,000	--	1,000	--	--	1,000	--	1,000	--	--	1,000	--
Unclassified	1,610,546	1,273,764	--	2,884,310	--	--	997,246	--	997,246	--	--	--	--	--	--
Totals, Statewide Expenditures	**$1,707,558**	**$1,388,179**	**--**	**$3,095,737**	**$10**	**$637,126**	**$1,066,316**	**$2,611**	**$1,706,053**	**--**	**$1,963,918**	**$428,558**	**--**	**$2,392,476**	**--**
TOTALS, GENERAL GOVERNMENT	**$3,596,390**	**$4,637,894**	**$197**	**$8,234,481**	**$273,336**	**$1,793,139**	**$5,155,812**	**$8,951**	**$6,957,901**	**$348,936**	**$3,175,832**	**$4,164,962**	**$1,584**	**$7,342,378**	**$328,627**
State Operations	$1,117,288	$412,276	$197	$1,529,761	$231,507	$1,476,975	$495,623	$3,828	$1,976,426	$295,341	$2,693,228	$816,599	$1,584	$3,511,411	$284,825
Local Assistance	$866,932	$2,950,434	--	$3,817,365	$35,032	$301,177	$3,662,943	--	$3,964,120	$35,039	$465,952	$3,348,363	--	$3,814,315	$35,039
Capital Outlay	$1,625	$1,420	--	$3,045	$6,797	$14,987	--	$5,123	$20,110	$18,556	$16,652	--	--	$16,652	$8,763
Unclassified	$1,610,546	$1,273,764	--	$2,884,310	--	--	$997,246	--	$997,246	--	--	--	--	--	--
GRAND TOTAL	**$112,974,272**	**$41,701,706**	**$5,145,249**	**$159,821,226**	**$90,049,484**	**$116,064,476**	**$47,635,583**	**$7,847,243**	**$171,547,303**	**$99,760,740**	**$122,608,817**	**$45,032,061**	**$3,086,398**	**$170,727,276**	**$91,899,286**
State Operations	$27,877,790	$12,217,230	$355,404	$40,450,424	$9,011,231	$30,035,460	$13,743,851	$1,073,165	$44,852,475	$9,586,076	$31,492,585	$14,208,952	$643,558	$46,345,095	$9,407,993
Local Assistance	$83,291,012	$27,505,733	$3,217,990	$114,014,735	$78,200,878	$85,769,043	$31,769,665	$4,577,248	$122,115,955	$87,523,984	$89,468,071	$30,424,864	$2,216,511	$122,109,446	$80,738,998
Capital Outlay	$111,508	$788,394	$1,571,855	$2,471,757	$2,832,375	$175,935	$1,208,860	$2,196,830	$3,581,626	$2,645,680	$1,648,161	$398,245	$226,329	$2,272,735	$1,747,295
Unclassified	$1,693,962	$1,190,348	--	$2,884,310	$5,000	$84,039	$913,207	--	$997,246	$5,000	--	--	--	--	$5,000
BUDGET ACT TOTALS	**$64,161,999**	**$14,622,309**	**$1,434,405**	**$80,218,714**	**$76,632,544**	**$68,380,155**	**$15,928,947**	**$2,987,039**	**$87,296,142**	**$84,580,154**	**$73,505,411**	**$18,880,492**	**$1,303,130**	**$93,689,033**	**$79,403,620**
OTHER APPROPRIATIONS TOTALS	**$48,812,272**	**$27,079,396**	**$3,710,844**	**$79,602,513**	**$13,416,940**	**$47,684,321**	**$31,706,636**	**$4,860,204**	**$84,251,161**	**$15,180,586**	**$49,103,406**	**$26,151,569**	**$1,783,268**	**$77,038,243**	**$12,495,666**

Note: Numbers may not add due to rounding

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
GENERAL FUND	**5,355,596**	**111,317,808**	**112,974,272**	**3,699,132**	**117,537,253**	**116,064,476**	**5,171,909**	**120,632,968**	**122,608,817**	**3,196,060**
SPECIAL FUNDS										
0002-Property Acquisition Law Money Account	4,251	-811	3,326	114	4,438	3,665	887	3,454	3,816	525
0003-Motor Vehicle Parking Facilities Moneys Account	1,732	3,281	2,947	2,066	3,698	3,379	2,385	3,698	3,490	2,593
0004-Breast Cancer Fund	2,817	-2,002	738	77	1,535	827	785	1,074	834	1,025
0006-Disability Access Account	5,172	9,746	6,526	8,392	10,314	7,723	10,983	11,234	8,999	13,218
0007-Breast Cancer Research Account Breast Cancer Fund	16,839	11,325	16,827	11,337	9,055	19,892	500	9,055	9,055	500
0009-Breast Cancer Control Account Breast Cancer Fund	8,717	11,293	9,715	10,295	9,050	11,773	7,572	9,050	11,835	4,787
0012-Attorney General Antitrust Account	836	2,327	2,468	695	2,300	2,534	461	2,300	2,548	213
0014-Hazardous Waste Control Account	27,119	56,610	57,914	25,815	68,024	63,973	29,866	55,113	61,656	23,323
0017-Fingerprint Fees Account	29,392	76,865	69,099	37,158	77,634	72,761	42,031	77,634	73,262	46,403
0018-Site Remediation Account	14,443	10,206	24,028	621	10,636	11,047	210	10,761	10,503	468
0020-California State Law Library Special Account	130	361	406	85	361	407	39	361	386	14
0022-State Emergency Telephone Number Account	63,910	97,664	84,801	76,773	91,471	117,054	51,190	85,670	116,728	20,132
0023-Farmworker Remedial Account	-14	285	101	170	285	291	164	285	291	158
0024-State Board of Guide Dogs for the Blind Fund	127	152	190	89	153	183	59	153	208	4
0025-Leaking Underground Storage Tank Cost Recovery Fund	96	--	--	96	--	--	96	--	--	96
0026-State Motor Vehicle Insurance Account	42,179	21,946	21,551	42,574	27,892	35,135	35,331	27,892	34,780	28,443
0028-Unified Program Account	7,905	4,581	7,474	5,012	6,667	8,133	3,546	6,667	7,952	2,261
0029-Nuclear Planning Assessment Special Account	-4	5,583	5,370	209	6,069	6,069	209	4,201	4,202	208
0030-County School Service Fund Contingency Account	100	--	--	100	--	--	100	--	--	100
0032-Firearm Safety Account	2,946	810	235	3,521	816	345	3,992	828	345	4,475
0033-State Energy Conservation Assistance Account	37,617	30,234	37,414	30,437	2,325	2,770	29,992	2,325	2,505	29,812
0034-Geothermal Resources Development Account	--	3,325	3,075	250	3,070	2,976	344	2,840	2,976	208
0035-Surface Mining and Reclamation Account	1,222	2,001	2,298	925	4,124	4,234	815	4,298	4,303	810
0041-Aeronautics Account State Transportation Fund	3,334	9,477	6,271	6,540	5,546	7,814	4,272	5,574	7,444	2,402
0042-State Highway Account State Transportation Fund	1,229,973	3,797,650	3,052,980	1,974,643	3,366,572	3,349,984	1,991,231	3,601,638	3,656,413	1,936,456
0044-Motor Vehicle Account State Transportation Fund	445,305	3,124,918	3,271,565	298,657	3,657,440	3,483,922	472,175	3,238,213	3,510,536	199,853

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0045-Bicycle Transportation Account State Transportation Fund	13,332	-29,601	-16,269	--	--	--	--	--	--	--
0046-Public Transportation Account State Transportation Fund	402,006	727,472	583,750	545,728	532,044	578,138	499,634	536,791	611,359	425,066
0052-Local Airport Loan Account	18,855	-3,171	-2,640	18,324	8,254	-767	27,345	1,160	-407	28,912
0054-New Motor Vehicle Board Account	753	1,715	1,448	1,020	1,695	1,695	1,020	1,695	1,716	999
0055-Mass Transit Revolving Account State Transportation Fund	1,000	--	--	1,000	--	--	1,000	--	--	1,000
0058-Rail Accident Prevention Response Fund	7	--	--	7	--	--	7	--	--	7
0059-Hazardous Spill Prevention Account Rail Accident Prevention and Response Fu	--	--	--	--	--	--	--	--	--	--
0061-Motor Vehicle Fuel Account Transportation Tax Fund	15,823	15,980	31,803	--	33,983	33,983	--	34,233	34,233	--
0062-Highway Users Tax Account Transportation Tax Fund	11,816	1,821,958	1,833,774	--	1,465,471	1,465,471	--	1,352,859	1,352,859	--
0063-Motor Vehicle Transportation Tax Account Transportation Tax Fund	9	-9	--	--	--	--	--	--	--	--
0064-Motor Vehicle License Fee Account Transportation Tax Fund	10,681	22,424	24,178	8,927	20,988	20,894	9,021	22,221	21,050	10,192
0065-Illegal Drug Lab Cleanup Account	2,997	3	819	2,181	1,014	811	2,384	3	829	1,558
0066-Sale of Tobacco to Minors Control Account	2,044	151	570	1,625	177	629	1,173	177	843	508
0067-State Corporations Fund	51,495	52,210	46,289	57,415	49,257	53,709	52,963	67,638	52,254	68,347
0069-Barbering and Cosmetology Contingent Fund	16,274	23,557	20,707	19,125	24,088	24,948	18,265	35,999	22,951	31,313
0070-Occupational Lead Poisoning Prevention Account	1,823	4,366	3,358	2,831	2,973	4,117	1,687	2,923	4,529	81
0071-Yosemite Foundation Account California Environmental License Plate Fund	18	756	754	20	900	840	80	900	840	140
0072-California Collegiate License Plate Fund	-2	36	19	15	38	38	15	38	38	15
0073-Resources License Plate Fund	834	-834	--	--	--	--	--	--	--	--
0074-Medical Waste Management Fund	2,770	2,365	2,290	2,845	2,307	2,873	2,279	2,307	2,840	1,746
0075-Radiation Control Fund	8,081	22,575	24,121	6,535	24,523	25,441	5,617	24,523	25,153	4,987
0076-Tissue Bank License Fund	2,323	766	557	2,532	834	572	2,794	904	584	3,114
0078-Graphic Design License Plate Account	910	1,977	1,812	1,075	2,204	2,249	1,030	2,204	2,264	970
0080-Childhood Lead Poisoning Prevention Fund	75,069	20,759	21,811	74,017	21,183	25,161	70,040	21,183	33,510	57,713
0082-Export Document Program Fund	2,061	432	551	1,942	450	639	1,753	450	728	1,475
0083-Veterans Service Office Fund	1,168	1,112	881	1,399	1,173	888	1,684	1,156	889	1,951

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0093-Construction Management Education Account -CMEA-	30	65	10	85	71	100	56	78	100	34
0098-Clinical Laboratory Improvement Fund	18,413	11,834	9,615	20,632	11,315	11,103	20,844	11,416	11,070	21,190
0099-Health Statistics Special Fund	3,877	25,030	23,794	5,113	24,944	25,316	4,741	25,451	26,308	3,884
0100-California Used Oil Recycling Fund	20,071	29,161	22,430	26,802	23,536	29,821	20,517	23,536	28,458	15,595
0101-School Facilities Fee Assistance Fund	121	--	121	--	--	--	--	--	--	--
0102-State Fire Marshal Licensing and Certification Fund	2,425	2,245	2,127	2,543	2,446	3,988	1,002	5,011	3,948	2,065
0104-San Joaquin River Conservancy Fund	1,523	297	90	1,730	300	126	1,904	300	121	2,083
0106-Department of Pesticide Regulation Fund	17,004	86,280	87,842	15,442	92,063	91,537	15,968	93,433	97,666	11,736
0108-Acupuncture Fund	2,213	2,634	2,925	1,921	3,223	3,514	1,630	7,245	4,311	4,564
0111-Department of Agriculture Account Department of Food and Agriculture Fund	83,965	132,381	132,685	83,661	138,676	148,201	74,136	139,523	147,024	66,635
0113-Missing Children Reward Fund	3	--	--	3	-3	--	--	--	--	--
0115-Air Pollution Control Fund	56,793	136,879	114,154	79,517	120,415	120,640	79,292	120,595	118,388	81,499
0116-Wine Safety Fund	159	--	--	159	--	--	159	--	--	159
0117-Alcoholic Beverage Control Appeals Fund	2,806	1,265	813	3,258	1,278	1,063	3,473	1,278	1,078	3,673
0120-California Mexican American Veterans Memorial Beautification and Enhancemen	100	98	2	196	100	207	89	--	--	89
0121-Hospital Building Fund	45,654	54,469	52,795	47,328	93,090	61,447	78,971	103,090	60,947	121,114
0122-Emergency Food Assistance Program Fund	454	499	594	359	514	498	375	455	513	317
0124-California Agricultural Export Promotion Account	49	14	16	47	10	10	47	10	10	47
0125-Assembly Operating Fund	137	--	--	137	--	--	137	--	--	137
0126-State Audit Fund	5,877	--	-2,681	8,558	--	--	8,558	--	--	8,558
0129-Water Device Certification Special Account	930	212	135	1,007	192	424	775	192	404	563
0131-Foster Family Home and Small Family Home Insurance Fund	1,016	--	22	994	--	--	994	--	--	994
0132-Workers Compensation Managed Care Fund	591	5	6	590	7	78	519	7	78	448
0133-California Beverage Container Recycling Fund	244,475	1,283,693	1,231,606	296,562	1,173,055	1,223,353	246,264	1,168,145	1,219,784	194,625
0139-Driving Under-the-Influence Program Licensing Trust Fund	231	1,707	1,331	607	1,945	1,885	667	1,215	1,791	91
0140-California Environmental License Plate Fund	5,703	38,613	41,493	2,823	38,611	39,358	2,076	39,723	36,948	4,851

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0141-Soil Conservation Fund	3,890	2,961	2,442	4,409	2,924	2,933	4,400	2,800	3,214	3,986
0142-Department of Justice Sexual Habitual Offender Fund	2,082	2,183	2,232	2,033	2,290	2,550	1,773	2,290	2,565	1,498
0143-California Health Data and Planning Fund	18,267	27,606	34,609	11,265	40,076	35,911	15,430	28,633	34,179	9,884
0144-California Water Fund	35	--	--	35	--	--	35	1,100	--	1,135
0152-State Board of Chiropractic Examiners Fund	2,931	6,241	5,746	3,426	3,463	4,019	2,870	3,368	4,096	2,142
0156-California Heritage Fund	55	--	--	55	--	--	55	--	--	55
0158-Travel Seller Fund	1,969	699	701	1,967	699	1,445	1,221	699	1,453	467
0159-State Trial Court Improvement and Modernization Fund	29,083	5,106	24,934	9,255	22,206	23,010	8,451	19,757	28,108	100
0160-Operating Funds of the Assembly and Senate	8	--	--	8	--	--	8	--	--	8
0163-Continuing Care Provider Fee Fund	1,984	1,266	1,062	2,188	1,314	1,362	2,140	1,314	1,389	2,065
0166-Certification Account Consumer Affairs Fund	1,154	1,209	1,235	1,129	1,237	1,209	1,157	1,241	1,254	1,144
0168-Structural Pest Control Research Fund	449	141	--	590	140	3	727	140	3	864
0169-California Debt Limit Allocation Committee Fund	3,002	970	1,355	2,617	3,073	1,494	4,196	707	1,429	3,474
0170-Corrections Training Fund	6,432	18,965	21,463	3,934	20,744	21,370	3,308	18,161	21,380	89
0171-California Debt and Investment Advisory Commission Fund	3,888	2,166	2,628	3,426	4,578	3,290	4,714	2,216	3,329	3,601
0172-Developmental Disabilities Program Development Fund	1,296	5,493	1,032	5,757	4,839	3,091	7,505	4,839	2,862	9,482
0174-Clandestine Drug Lab Clean-Up Account	--	--	--	--	--	--	--	--	--	--
0175-Dispensing Opticians Fund	249	197	275	172	180	215	137	180	310	7
0177-Food Safety Fund	8,931	11,791	8,029	12,694	8,604	9,897	11,401	8,754	9,795	10,359
0178-Driver Training Penalty Assessment Fund	1,078	1,715	1,617	1,176	807	1,775	208	1,763	1,763	208
0179-Environmental Laboratory Improvement Fund	722	1,710	2,270	162	2,780	2,938	4	3,467	3,351	120
0180-Northern California Veterans Cemetery Master Development Fund	125	--	--	125	--	--	125	--	--	125
0181-Registered Nurse Education Fund	2,661	1,871	2,112	2,420	1,971	2,194	2,197	2,069	2,189	2,077
0183-Environmental Enhancement and Mitigation Program Fund	19,175	19,216	3,317	35,074	7,814	7,221	35,667	7,814	13,730	29,751
0184-Employment Development Department Benefit Audit Fund	-4	39,814	11,976	27,834	22,587	40,525	9,896	41,399	51,295	--
0185-Employment Development Department Contingent Fund	26,420	115,691	120,108	22,003	127,643	140,561	9,085	143,355	152,155	285
0186-Energy Resources Surcharge Fund	--	--	--	--	--	--	--	--	--	--
0191-Fair and Exposition Fund	5,707	1,337	1,528	5,516	299	1,320	4,495	299	1,318	3,476

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0193-Waste Discharge Permit Fund	14,123	125,289	119,078	20,334	115,121	126,163	9,292	126,577	128,647	7,222
0194-Emergency Medical Services Training Program Approval Fund	4	207	205	6	222	209	19	222	200	41
0198-California Fire and Arson Training Fund	1,263	2,118	2,204	1,177	2,376	3,440	114	3,503	3,504	113
0200-Fish and Game Preservation Fund	89,235	94,285	121,229	62,291	98,443	133,160	27,574	100,292	121,846	6,021
0203-Genetic Disease Testing Fund	8,338	121,068	111,288	18,118	117,973	114,535	21,556	124,177	118,523	27,210
0205-Geology and Geophysics Account Professional Engineers and Land Surveyors Fu	1,087	1,103	1,068	1,122	1,034	1,484	672	-672	1	-1
0207-Fish and Wildlife Pollution Account	398	123	495	26	565	260	331	499	340	490
0209-California Hazardous Liquid Pipeline Safety Fund	8,316	3,043	2,705	8,654	2,999	3,698	7,955	3,433	3,596	7,792
0210-Outpatient Setting Fund of the Medical Board of California	337	1	1	336	75	27	384	5	27	362
0211-California Waterfowl Habitat Preservation Account Fish and Game Preservatio	2,330	6	27	2,309	5	249	2,065	5	220	1,850
0212-Marine Invasive Species Control Fund	4,504	4,319	4,593	4,230	4,206	5,009	3,427	4,206	6,054	1,579
0213-Native Species Conservation and Enhancement Account Fish and Game Preservat	489	75	--	564	64	270	358	71	270	159
0214-Restitution Fund	76,765	102,292	93,301	85,756	97,422	122,177	61,001	95,558	117,484	39,075
0215-Industrial Development Fund	29	98	3	124	40	125	39	36	40	35
0217-Insurance Fund	14,545	242,622	240,546	16,621	260,790	260,619	16,792	266,561	263,979	19,374
0219-Lifetime License Trust Account Fish and Game Preservation Fund	9,535	594	--	10,129	815	--	10,944	910	--	11,854
0223-Workers Compensation Administration Revolving Fund	283,037	254,325	187,631	349,731	133,417	317,520	165,628	371,989	317,374	220,243
0225-Environmental Protection Trust Fund	145	--	--	145	--	--	145	--	--	145
0226-California Tire Recycling Management Fund	84,301	57,047	34,954	106,394	58,578	47,248	117,725	31,863	46,265	103,323
0228-Secretary of States Business Fees Fund	1,776	52,436	53,211	1,001	56,721	56,722	1,000	50,550	50,565	985
0230-Cigarette and Tobacco Products Surtax Fund	193	8,956	9,161	-12	10,302	10,254	36	10,413	10,365	84
0231-Health Education Account Cigarette and Tobacco Products Surtax Fund	8,654	61,082	55,359	14,377	60,585	61,994	12,968	59,094	67,429	4,633
0232-Hospital Services Account Cigarette and Tobacco Products Surtax Fund	26,751	62,838	58,539	31,050	88,286	92,129	27,207	85,678	107,243	5,642
0233-Physician Services Account Cigarette and Tobacco Products Surtax Fund	1,088	2,291	105	3,274	20,217	19,446	4,045	24,472	27,055	1,462

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Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0234-Research Account Cigarette and Tobacco Products Surtax Fund	16,323	15,296	28,657	2,962	15,150	14,304	3,808	14,778	17,693	893
0235-Public Resources Account Cigarette and Tobacco Products Surtax Fund	2,761	9,887	10,330	2,318	9,541	9,687	2,172	7,836	9,483	525
0236-Unallocated Account Cigarette and Tobacco Products Surtax Fund	19,131	48,084	36,558	30,657	51,753	59,013	23,397	55,076	74,586	3,887
0238-Northern California Veterans Cemetery Perpetual Maintenance Fund	233	91	53	271	73	66	278	81	69	290
0239-Private Security Services Fund	7,483	10,729	11,156	7,056	18,816	14,382	11,490	11,114	15,930	6,674
0240-Local Agency Deposit Security Fund	236	358	391	203	386	449	140	532	537	135
0241-Local Public Prosecutors and Public Defenders Training Fund	1,096	853	852	1,097	853	884	1,066	853	883	1,036
0242-Court Collection Account	2,563	103,356	101,237	4,682	87,609	85,688	6,603	87,609	85,751	8,461
0243-Narcotic Treatment Program Licensing Trust Fund	1,692	1,705	1,469	1,928	1,791	1,537	2,182	1,880	1,565	2,497
0244-Environmental Water Fund	75	--	--	75	--	--	75	2,400	--	2,475
0245-Mobilehome Parks and Special Occupancy Parks Revolving Fund	3,590	6,527	6,967	3,150	8,366	8,445	3,071	8,366	9,197	2,240
0247-Drinking Water Operator Certification Special Account	3,520	1,705	1,449	3,776	1,709	2,062	3,423	3,309	1,755	4,977
0256-Sexual Predator Public Information Account	336	101	150	287	101	182	206	101	183	124
0257-Earthquake Emergency Investigations Account Disaster Assistance Fund	45	--	10	35	--	--	35	--	--	35
0260-Nursing Home Administrators State License Examining Fund	801	--	--	801	--	--	801	--	--	801
0261-Off Highway License Fee Fund	2	2,082	2,081	3	2,400	2,403	--	2,400	2,400	--
0262-Habitat Conservation Fund	33,064	9,227	27,722	14,569	9,382	19,849	4,102	10,529	9,279	5,352
0263-Off-Highway Vehicle Trust Fund	119,769	89,593	123,038	86,324	92,793	115,606	63,511	177,293	91,639	149,165
0264-Osteopathic Medical Board of California Contingent Fund	2,982	1,958	1,787	3,153	2,015	1,977	3,191	3,467	2,294	4,364
0266-Inland Wetlands Conservation Fund Wildlife Restoration Fund	1,130	3	--	1,133	3	--	1,136	3	--	1,139
0267-Exposition Park Improvement Fund	3,399	8,737	7,918	4,218	8,475	9,734	2,959	8,775	10,000	1,734
0268-Peace Officers Training Fund	20,520	43,463	52,042	11,941	51,077	55,621	7,397	36,852	43,399	850
0269-Glass Processing Fee Account California Beverage Container Recycling Fund	9,174	61,394	60,337	10,231	61,262	63,228	8,265	62,790	63,228	7,827
0270-Technical Assistance Fund	7,332	23,659	23,086	7,905	23,131	23,086	7,950	23,131	23,086	7,995
0271-Certification Fund	4,158	1,518	1,911	3,765	1,506	2,195	3,076	1,506	2,257	2,325
0272-Infant Botulism Treatment and Prevention Fund	11,863	6,781	8,967	9,677	5,241	9,270	5,648	5,241	6,602	4,287

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Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0275-Hazardous and Idle-Deserted Well Abatement Fund	207	353	150	410	350	100	660	350	217	793
0276-Penalty Account California Beverage Container Recycling Fund	5,848	493	609	5,732	230	1,767	4,195	230	805	3,620
0277-Bi-metal Processing Fee Account California Beverage Container Recycling Fun	16,454	1,533	500	17,487	1,176	283	18,380	1,176	283	19,273
0278-PET Processing Fee Account California Beverage Container Recycling Fund	24,921	9,636	32,346	2,211	27,270	24,231	5,250	32,174	24,231	13,193
0279-Child Health and Safety Fund	6,307	4,702	4,951	6,058	4,768	6,220	4,606	4,768	5,872	3,502
0280-Physician Assistant Fund	1,555	1,646	1,437	1,764	1,660	1,538	1,886	3,178	1,673	3,391
0281-Recycling Market Development Revolving Loan Subaccount Integrated Waste Man	12,084	2,943	-6	15,032	893	8,556	7,369	1,266	6,502	2,133
0286-Lake Tahoe Conservancy Account	5,535	1,070	2,506	4,099	1,070	1,856	3,314	1,070	1,342	3,042
0288-The Registry of International Student Exchange Visitor Placement Organizati	87	12	--	99	9	--	108	9	--	117
0289-State HICAP Fund	2,171	3,386	2,479	3,078	3,659	2,496	4,241	3,659	2,502	5,398
0290-Board of Pilot Commissioners Special Fund	4,967	1,268	1,804	4,431	1,238	2,499	3,170	1,433	2,265	2,338
0293-Motor Carriers Safety Improvement Fund	2,395	1,727	2,376	1,746	1,723	2,512	957	1,722	2,520	159
0294-Removal and Remedial Action Account	4,273	4,143	3,260	5,156	3,200	3,351	5,005	3,400	3,318	5,087
0295-Board of Podiatric Medicine Fund	946	909	861	994	954	1,381	567	953	1,512	8
0296-Coachella Valley Mountains Conservancy Fund	10	--	3	7	5	3	9	5	8	6
0298-Financial Institutions Fund	10,685	27,143	27,108	10,720	68,245	28,685	50,280	28,341	29,256	49,365
0299-Credit Union Fund	3,309	9,195	7,931	4,573	7,961	8,347	4,187	8,009	10,161	2,035
0300-Professional Forester Registration Fund	338	228	205	361	124	233	252	123	226	149
0305-Private Postsecondary Education Administration Fund	11,482	9,371	11,387	9,466	9,619	15,535	3,550	12,728	16,065	213
0306-Safe Drinking Water Account	6,971	14,426	14,594	6,803	15,937	16,816	5,924	21,900	21,050	6,774
0308-Earthquake Risk Reduction Fund of 1996	406	1,000	259	1,147	--	431	716	--	--	716
0309-Perinatal Insurance Fund	30,776	45,109	21,893	53,992	17,025	20,016	51,001	7,025	12,962	45,064
0310-Psychology Fund	5,649	4,034	4,472	5,211	3,872	4,941	4,142	10,212	4,967	9,387
0311-Traumatic Brain Injury Fund	95	1,276	945	426	738	1,002	162	1,060	1,200	22
0312-Emergency Medical Services Personnel Fund	2,222	2,231	2,012	2,440	2,462	2,412	2,490	2,561	2,261	2,790
0313-Major Risk Medical Insurance Fund	72,016	20,822	16,566	76,272	8,541	32,597	52,216	700	26,115	26,801
0314-Diesel Emission Reduction Fund	3,339	620	--	3,959	230	--	4,189	230	--	4,419

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(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0317-Real Estate Fund	38,256	50,034	47,358	40,932	52,213	52,384	40,761	55,703	54,009	42,455
0318-Collins-Dugan Calif Conservation Corps Reimbursement Acct	10,933	41,429	35,851	16,511	34,722	36,555	14,678	34,227	41,849	7,056
0319-Respiratory Care Fund	2,660	2,709	2,938	2,431	2,768	3,783	1,416	2,809	3,737	488
0320-Oil Spill Prevention and Administration Fund	17,019	48,683	42,692	23,010	49,929	53,791	19,148	49,227	52,028	16,347
0321-Oil Spill Response Trust Fund	9,650	328	1,867	8,111	619	1,969	6,762	40,614	87	47,289
0322-Environmental Enhancement Fund	1,929	153	739	1,343	206	669	880	146	672	354
0325-Electronic and Appliance Repair Fund	2,378	2,199	2,543	2,033	2,519	2,880	1,672	2,432	3,080	1,024
0326-Athletic Commission Fund	462	1,694	1,393	763	1,754	1,474	1,043	1,754	1,677	1,120
0327-Court Interpreters Fund	429	239	163	505	241	163	583	241	164	660
0328-Public School Planning Design and Construction Review Revolving Fund	9,943	54,967	45,086	19,824	36,814	52,787	3,851	50,464	52,570	1,745
0329-Vehicle License Collection Account Local Revenue Fund	--	14,000	14,000	--	14,000	14,000	--	14,000	14,000	--
0330-Local Revenue Fund	--	789	789	--	802	802	--	796	796	--
0331-Sales Tax Account Local Revenue Fund	--	--	--	--	--	--	--	--	--	--
0332-Vehicle License Fee Account Local Revenue Fund	--	1,591,620	1,591,620	--	--	--	--	--	--	--
0333-Sales Tax Growth Account Local Revenue Fund	--	--	--	--	--	--	--	--	--	--
0334-Vehicle License Fee Growth Account	--	110,107	110,107	--	--	--	--	--	--	--
0335-Registered Environmental Health Specialist Fund	495	306	349	452	322	395	379	323	403	300
0336-Mine Reclamation Account	2,166	3,694	4,251	1,609	3,693	3,989	1,313	3,693	3,757	1,249
0338-Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	4,910	10,757	7,829	7,837	12,020	11,429	8,428	11,000	11,717	7,712
0342-State School Fund	16,680	56,522	70,902	2,300	52,092	52,092	2,300	52,024	52,024	2,300
0347-School Land Bank Fund	725	2,333	644	2,414	8,005	1,172	9,247	59,005	1,147	67,105
0348-Senate Operating Fund	12	--	--	12	--	--	12	--	--	12
0349-Educational Telecommunication Fund	1,589	--	263	1,326	--	--	1,326	--	--	1,326
0351-Mental Health Subaccount Sales Tax Account	--	1,145,625	1,145,625	--	1,166,497	1,166,497	--	1,190,389	1,190,389	--
0352-Social Services Subaccount Sales Tax Account	--	1,490,478	1,490,478	--	1,856,413	1,856,413	--	1,928,773	1,928,773	--
0353-Health Subaccount Sales Tax Account	--	--	--	--	--	--	--	155,940	155,940	--
0354-Caseload Subaccount Sales Tax Growth Account	--	51,544	51,544	--	72,360	72,360	--	86,832	86,832	--
0359-County Medical Services Subaccount Sales Tax Growth Account	--	4,712	4,712	--	--	--	--	--	--	--

SCHEDULE 10
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(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0361-General Growth Subaccount Sales Tax Growth Account	--	33,552	33,552	--	34,643	34,643	--	44,747	44,747	--
0365-Historic Property Maintenance Fund	1,065	727	642	1,150	712	1,137	725	668	1,137	256
0367-Indian Gaming Special Distribution Fund	14,615	31,947	29,029	17,533	24,777	32,097	10,213	24,777	32,200	2,790
0368-Asbestos Consultant Certification Account Asbestos Training and Consultant	1,323	472	414	1,381	463	426	1,418	-1,418	--	--
0369-Asbestos Training Approval Account Asbestos Training and Consultant Certifi	691	185	145	731	183	149	765	-765	--	--
0371-California Beach and Coastal Enhancement Account California Environmental L	1,344	1,545	1,607	1,282	1,484	2,412	354	1,442	1,617	179
0372-Disaster Relief Fund	--	--	--	--	--	--	--	--	--	--
0376-Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	1,177	2,241	1,892	1,526	2,233	2,125	1,634	1,790	2,006	1,418
0378-False Claims Act Fund	3,014	10,053	12,165	902	13,100	13,035	967	15,000	15,070	897
0381-Public Interest Research Development and Demonstration Fund	31,457	-7,849	3,053	20,555	-9,900	1,663	8,992	-8,900	1	91
0382-Renewable Resource Trust Fund	123,846	447	40,355	83,938	400	34,810	49,528	1,203	34,311	16,420
0384-The Salmon and Steelhead Trout Restoration Account	147	--	--	147	--	--	147	--	--	147
0386-Solid Waste Disposal Site Cleanup Trust Fund	4,437	5,035	6,352	3,120	5,047	5,652	2,515	5,047	5,752	1,810
0387-Integrated Waste Management Account Integrated Waste Management Fund	25,529	38,402	39,268	24,664	41,329	47,355	18,638	42,134	47,161	13,611
0392-State Parks and Recreation Fund	66,481	150,025	162,296	54,211	141,604	188,763	7,051	178,963	180,099	5,915
0396-Self-Insurance Plans Fund	3,636	3,728	3,190	4,174	3,010	4,018	3,166	3,010	4,000	2,176
0399-Structural Pest Control Education and Enforcement Fund	619	407	377	650	397	416	631	397	396	632
0400-Real Estate Appraisers Regulation Fund	9,998	3,098	5,470	7,626	6,005	5,780	7,851	5,886	5,995	7,742
0407-Teacher Credentials Fund	1,248	16,865	16,180	1,933	21,847	21,014	2,766	22,347	22,309	2,804
0408-Test Development and Administration Account Teacher Credentials Fund	2,509	4,722	4,310	2,922	4,721	4,988	2,655	4,721	4,465	2,911
0410-Transcript Reimbursement Fund	423	1	215	209	1	101	109	1	100	10
0412-Transportation Rate Fund	640	2,347	2,967	20	2,347	2,139	228	2,347	2,441	134
0421-Vehicle Inspection and Repair Fund	53,699	104,358	122,685	35,372	161,798	126,702	70,468	133,573	130,700	73,341
0425-Victim - Witness Assistance Fund	61	24,518	18,301	6,278	13,793	18,770	1,301	13,303	14,562	42
0429-Local Jurisdiction Energy Assistance Account	1,313	1	--	1,314	1	--	1,315	1	--	1,316

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Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
0434-Air Toxics Inventory and Assessment Account	1,287	528	995	820	600	982	438	600	977	61
0436-Underground Storage Tank Tester Account	94	20	63	51	23	64	10	21	28	3
0437-State Assistance For Fire Equipment Account	958	334	9	1,283	100	100	1,283	100	100	1,283
0439-Underground Storage Tank Cleanup Fund	329,098	268,795	200,754	397,139	166,493	305,541	258,090	271,430	299,011	230,509
0442-California Olympic Training Account	-3	3	--	--	--	--	--	--	--	--
0447-Wildlife Restoration Fund	-1,212	3,035	-10,259	12,082	3,448	4,686	10,844	4,621	5,649	9,816
0448-Occupancy Compliance Monitoring AccountTax Credit Allocation Fee Account	20,940	5,601	3,762	22,779	5,754	4,706	23,827	5,754	5,104	24,477
0449-Winter Recreation Fund	705	145	316	534	172	347	359	172	399	132
0452-Elevator Safety Account	33,289	35,961	22,876	46,374	10,445	28,291	28,528	7,569	24,757	11,340
0453-Pressure Vessel Account	607	4,440	4,899	148	4,781	4,609	320	5,281	5,433	168
0456-Expedited Site Remediation Trust Fund	2,769	1	2	2,768	657	3,425	--	--	--	--
0457-Tax Credit Allocation Fee Account	11,799	5,158	2,092	14,865	4,876	2,903	16,838	19,770	3,181	33,427
0458-Site Operation and Maintenance Account Hazardous Substances Account	227	156	169	214	201	408	7	399	404	2
0459-Telephone Medical Advice Services Fund	886	258	169	974	219	178	1,015	325	196	1,144
0460-Dealers Record of Sale Special Account	5,654	25,574	28,662	2,566	27,493	29,579	480	21,220	20,959	741
0461-Public Utilities Commission Transportation Reimbursement Account	10,424	15,622	13,925	12,121	15,840	14,792	13,169	15,840	16,226	12,783
0462-Public Utilities Commission Utilities Reimbursement Account	79,125	78,532	97,136	60,521	77,503	96,551	41,473	72,117	112,184	1,406
0464-California High-Cost Fund-A Administrative Committee Fund	22,588	34,134	35,235	21,486	43,200	43,458	21,228	41,039	43,055	19,212
0465-Energy Resources Programs Account	50,548	73,488	83,367	40,669	74,364	92,341	22,692	75,108	94,624	3,176
0467-State Notes Expense Account	250	--	--	250	--	--	250	--	--	250
0470-California High-Cost Fund-B Administrative Committee Fund	134,065	-9,727	16,087	108,250	-9,727	22,540	75,983	273	22,285	53,971
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	76,130	227,527	296,014	7,643	611,582	345,741	273,483	644,445	625,533	292,395
0473-Vietnam Veterans Memorial Account	1	--	--	1	--	--	1	--	--	1
0475-Underground Storage Tank Fund	108	--	--	108	--	--	108	--	--	108
0478-Vectorborne Disease Account	297	108	139	267	120	148	239	120	178	181
0479-Energy Technologies Research Development and Demonstration Account	2,909	1	--	2,910	1	--	2,911	1	--	2,912

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0481-Garment Manufacturers Special Account	947	359	499	807	360	500	667	360	500	527
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	27,462	41,834	42,696	26,600	61,719	65,320	22,999	58,634	68,552	13,081
0485-Armory Discretionary Improvement Account	481	82	26	537	82	173	446	82	171	357
0487-Financial Responsibility Penalty Account	834	37	--	871	--	--	871	--	--	871
0491-Payphone Service Providers Committee Fund	206	-206	--	--	--	--	--	--	--	--
0492-State Athletic Commission Neurological Examination Account	679	15	73	621	3	64	560	17	61	516
0493-California Teleconnect Fund Administrative Committee Fund	15,411	108,542	102,158	21,794	133,285	148,959	6,120	143,022	147,518	1,624
0494-Other - Unallocated Special Funds	28,712	--	-29,841	58,553	--	1,056	57,497	--	340,079	-282,583
0496-Developmental Disabilities Services Account	149	--	--	149	150	150	149	150	150	149
0497-Local Government Geothermal Resources Revolving Subaccount Geothermal Resou	9,807	1,202	6,111	4,898	1,204	5,608	494	1,204	1,511	187
0557-Toxic Substances Control Account	40,071	50,715	47,968	42,818	52,553	72,025	23,346	55,369	58,704	20,011
0558-Farm and Ranch Solid Waste Cleanup and Abatement Account	1,992	--	382	1,610	1,000	1,208	1,402	1,000	1,193	1,209
0566-Department of Justice Child Abuse Fund	1,808	303	367	1,744	303	411	1,636	303	414	1,525
0567-Gambling Control Fund	30,052	21,436	12,447	39,040	21,436	15,477	44,999	21,436	15,354	51,081
0569-Gambling Control Fines and Penalties Account	2,604	2,016	42	4,578	--	47	4,531	--	247	4,284
0577-Abandoned Watercraft Abatement Fund	493	1,351	1,350	494	1,256	1,750	--	1,750	1,750	--
0582-High Polluter Repair or Removal Account	23,631	37,856	32,449	29,037	38,091	40,391	26,737	38,299	40,628	24,408
0585-Counties Children and Families Account California Children and Families Tru	27,814	344,151	371,965	--	332,075	332,075	--	323,275	323,275	--
0587-Family Law Trust Fund	3,152	2,163	1,207	4,108	2,138	1,813	4,433	2,092	1,736	4,789
0593-Coastal Access Account State Coastal Conservancy Fund	2,657	548	1,128	2,077	548	985	1,640	548	500	1,688
0623-California Children and Families First Trust Fund	4	16,215	16,214	5	20,077	18,138	1,944	18,454	18,335	2,063
0631-Mass Media Communications Account California Children and Families Trust Fu	20,899	26,469	23,564	23,804	25,565	27,564	21,805	24,905	27,614	19,096
0634-Education Account California Children and Families Trust Fund	42,443	21,798	15,979	48,262	21,044	26,806	42,500	20,494	21,352	41,642

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0636-Child Care Account California Children and Families Trust Fund	29,759	12,991	10,693	32,057	12,538	16,561	28,034	12,208	11,002	29,240
0637-Research and Development Account California Children and Families Trust Fun	25,897	12,981	5,370	33,508	12,528	8,954	37,082	12,198	16,239	33,041
0638-Administration Account California Children and Families Trust Fund	21,382	4,593	6,335	19,640	4,442	6,482	17,600	4,332	6,499	15,433
0639-Unallocated Account California Children and Families Trust Fund	14,359	8,649	9,283	13,725	8,346	6,100	15,971	8,126	6,252	17,845
0642-Domestic Violence Training and Education Fund	106	523	458	171	615	584	202	615	608	209
0643-Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	7	--	2	5	--	3	2	--	2	--
0648-Mobilehome-Manufactured Home Revolving Fund	9,417	18,818	17,864	10,371	20,867	21,437	9,801	20,867	23,194	7,474
0704-Accountancy Fund Professions and Vocations Fund	14,396	5,323	12,901	6,818	15,599	14,492	7,925	31,595	14,555	24,965
0706-California Architects Board Fund	5,276	2,956	3,363	4,869	4,048	3,770	5,147	2,863	3,781	4,229
0717-Cemetery and Funeral Fund	2,703	2,421	2,161	2,962	2,364	2,512	2,814	4,649	4,523	2,940
0735-Contractors License Fund	26,941	57,120	60,261	23,800	56,192	65,077	14,915	57,592	65,054	7,453
0741-State Dentistry Fund	6,058	10,303	10,727	5,635	10,774	13,039	3,370	10,700	13,366	704
0750-State Funeral Directors and Embalmers Fund	1,677	1,262	1,418	1,521	1,247	1,857	911	-911	3	-3
0752-Home Furnishings and Thermal Insulation Fund	3,287	4,103	4,859	2,530	4,147	5,022	1,655	4,728	5,098	1,285
0755-Licensed Midwifery Fund	254	46	0	300	41	13	328	41	14	355
0757-California Board of Architectural Examiners - Landscape Architects Fund	2,524	787	773	2,538	476	1,021	1,993	474	1,018	1,449
0758-Contingent Fund of the Medical Board of California	28,666	54,563	55,138	28,090	53,282	62,171	19,201	59,315	63,293	15,223
0759-Physical Therapy Fund	898	3,340	3,934	303	5,299	4,234	1,368	5,181	5,229	1,320
0761-Board of Registered Nursing Fund Professions and Vocations Fund	9,491	35,889	38,299	7,081	43,582	42,490	8,173	39,361	42,566	4,968
0763-State Optometry Fund Professions and Vocations Fund	1,429	1,844	1,755	1,518	1,809	1,838	1,489	2,829	1,910	2,408
0767-Pharmacy Board Contingent Fund Professions and Vocations Fund	12,878	18,227	19,363	11,742	16,292	20,099	7,935	16,280	20,678	3,537
0769-Private Investigator Fund	697	621	707	611	850	839	622	2,374	1,118	1,878
0770-Professional Engineers Land Surveyors and Geologists Fund	5,787	8,548	7,344	6,991	8,821	10,134	5,678	13,186	11,927	6,937
0771-Court Reporters Fund	1,136	951	953	1,134	935	1,119	950	928	1,187	691
0773-Behavioral Science Examiners Fund Professions and Vocations Fund	3,428	9,201	8,671	3,958	11,746	10,318	5,386	15,499	11,336	9,549

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0775-Structural Pest Control Fund	1,831	4,367	3,998	2,201	4,398	5,079	1,520	4,398	4,869	1,049
0777-Veterinary Medical Board Contingent Fund	3,887	3,637	3,962	3,562	4,262	4,749	3,075	4,257	4,969	2,363
0779-Vocational Nurse and Psychiatric Technician Examiners Fund Professions and	10,408	10,438	9,528	11,318	9,962	9,931	11,349	12,299	13,528	10,120
0780-Psychiatric Technicians Account Vocational Nursing and Psychiatric Technici	1,472	1,686	1,939	1,219	1,674	2,234	659	-659	3	-3
0932-Trial Court Trust Fund	26,843	1,380,801	1,400,487	7,157	1,319,031	1,290,259	35,929	1,297,268	1,332,486	711
0933-Managed Care Fund	25,693	43,051	52,358	16,386	60,786	70,966	6,206	72,570	75,126	3,650
1003-Cleanup Loans and Environmental Assistance to Neighborhoods Account	3,496	448	259	3,685	-40	1,000	2,645	-40	1,000	1,605
1006-Rural CUPA Reimbursement Account	1,631	--	-55	1,686	--	--	1,686	--	--	1,686
1008-Firearms Safety and Enforcement Special Fund	11,266	7,750	3,149	15,867	8,907	4,307	20,467	13,867	9,171	25,163
1011-Budget Stabilization Account	--	--	-1,606,422	1,606,422	2,849,000	--	4,455,422	3,556,000	--	8,011,422
1017-Umbilical Cord Blood Collection Program Fund	5,688	2,942	82	8,548	2,500	2,500	8,548	2,500	2,500	8,548
1018-Lake Tahoe Science and Lake Improvement Account General Fund	453	951	450	954	904	750	1,108	904	1,100	912
2500-Pedestrian Safety Account State Transportation Fund	11	1,950	--	1,961	-1,961	--	--	--	--	--
2501-Local Transportation Loan Account State Highway Account State Transportatio	4,011	10	--	4,021	10	--	4,031	10	--	4,041
3001-Public Beach Restoration Fund	381	2,950	850	2,481	2,368	4,849	--	6,190	6,190	--
3002-Electrician Certification Fund	6,708	2,233	1,952	6,989	2,020	2,810	6,199	2,020	2,727	5,492
3004-Garment Industry Regulations Fund	4,266	2,930	3,088	4,108	2,910	3,206	3,812	2,910	3,244	3,478
3007-Traffic Congestion Relief Fund	76,820	189,416	111,683	154,553	84,039	96,463	142,129	148,000	77,460	212,669
3008-Transportation Investment Fund	172,560	--	14,718	157,842	-157,842	--	--	--	--	--
3010-Pierces Disease Management Account	14,872	2,574	4,247	13,199	2,773	3,305	12,667	2,773	3,298	12,142
3013-California Central Coast State Veterans Cemetery at Fort Ord Operations Fun	--	1,420	1,420	--	222	222	--	22	22	--
3015-Gas Consumption Surcharge Fund	123,699	409,735	532,800	634	605,991	601,133	5,492	678,368	562,950	120,910
3016-Missing Persons DNA Data Base Fund	2,446	2,866	3,023	2,289	5,806	3,535	4,560	2,706	3,556	3,710
3017-Occupational Therapy Fund	922	3,259	1,198	2,983	1,323	1,417	2,889	1,383	2,329	1,943
3018-Drug and Device Safety Fund	5,298	4,107	5,834	3,571	4,211	6,013	1,769	5,611	6,781	598
3019-Substance Abuse Treatment Trust Fund	278	--	--	278	--	--	278	--	--	278
3020-Tobacco Settlement Fund	2,266	--	--	2,266	--	--	2,266	--	--	2,266

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3022-Apprenticeship Training Contribution Fund	17,898	10,722	10,788	17,832	10,354	11,563	16,623	10,354	11,605	15,372
3024-Rigid Container Account	195	--	63	132	162	162	132	162	163	131
3025-Abandoned Mine Reclamation and Minerals Fund Subaccount Mine Reclamation Ac	3,056	736	493	3,299	703	2,698	1,304	1,182	788	1,698
3027-Trauma Care Fund	46	--	--	46	--	--	46	--	--	46
3030-Workers Occupational Safety and Health Education Fund	795	963	766	992	901	1,177	716	901	1,158	459
3033-California Memorial Scholarship Fund	18	--	--	18	--	--	18	--	--	18
3034-Antiterrorism Fund	1,704	1,222	1,428	1,498	2,150	3,350	298	3,070	1,752	1,616
3035-Environmental Quality Assessment Fund	178	--	--	178	--	--	178	--	--	178
3036-Alcohol Beverages Control Fund	34,874	56,199	56,241	34,832	56,732	61,677	29,887	57,298	61,815	25,370
3037-State Court Facilities Construction Fund	132,644	233,914	121,606	244,952	315,949	141,237	419,664	101,672	142,829	378,507
3039-Dentally Underserved Account State Dentistry Fund	1,796	4	112	1,688	--	132	1,556	--	132	1,424
3042-Victims of Corporate Fraud Compensation Fund	2,067	12,040	1,813	12,294	1,510	1,530	12,274	1,734	1,572	12,436
3046-Oil Gas and Geothermal Administrative Fund	1,605	61,607	55,687	7,525	70,409	70,533	7,401	70,888	76,060	2,229
3053-Public Rights Law Enforcement Special Fund	2,462	3,807	4,543	1,726	5,607	6,208	1,125	5,607	6,281	451
3054-Health Care Benefits Fund	902	2,000	2,000	902	2,000	2,000	902	2,000	2,000	902
3056-Safe Drinking Water and Toxic Enforcement Fund	6,829	3,388	3,962	6,255	2,020	2,632	5,643	2,020	3,743	3,920
3057-Dam Safety Fund	1,639	12,863	12,568	1,935	13,137	13,247	1,825	13,137	13,345	1,617
3058-Water Rights Fund	4,387	16,740	16,715	4,412	18,060	20,418	2,054	20,015	19,664	2,405
3059-Fiscal Recovery Fund	644,577	1,586,164	1,232,614	998,127	999,800	1,840,986	156,941	--	--	156,941
3060-Appellate Court Trust Fund	4,588	5,801	2,660	7,729	5,428	6,774	6,383	5,194	6,684	4,893
3062-Energy Facility License and Compliance Fund	10,968	2,835	3,450	10,353	3,434	3,510	10,277	3,434	3,522	10,189
3063-State Responsibility Area Fire Prevention Fund	70,788	81,292	85,551	66,529	81,287	96,555	51,261	81,287	89,043	43,505
3064-Mental Health Practitioner Education Fund	344	358	550	151	394	393	152	416	400	168
3065-Electronic Waste Recovery and Recycling Account Integrated Waste Management	78,785	59,553	98,883	39,455	167,922	109,440	97,937	58,823	109,676	47,084
3066-Court Facilities Trust Fund	10,976	106,953	105,637	12,292	105,964	109,711	8,545	105,473	104,030	9,988
3067-Cigarette and Tobacco Products Compliance Fund	9,028	1,808	1,913	8,923	1,758	2,245	8,436	1,758	2,319	7,875
3068-Vocational Nurse Education Fund	681	225	231	675	252	230	697	247	233	711
3069-Naturopathic Doctors Fund	577	298	286	589	290	379	500	307	334	473

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3070-Nontoxic Dry Cleaning Incentive Trust Fund	1,124	89	413	800	180	404	576	180	415	341
3071-Car Wash Worker Restitution Fund	2,327	655	918	2,064	433	421	2,076	433	421	2,088
3072-Car Wash Worker Fund	3,511	831	213	4,129	563	213	4,479	563	731	4,311
3074-Medical Marijuana Program Fund	148	92	137	103	363	117	349	363	201	512
3075-Unlawful Sales Reduction Fund	87	--	--	87	1	--	88	1	--	89
3078-Labor and Workforce Development Fund	10,325	8,365	4,451	14,239	6,000	6,157	14,082	6,000	7,748	12,334
3079-Childrens Medical Services Rebate Fund	24,956	14,006	10,267	28,695	20,062	23,500	25,257	20,062	13,500	31,819
3080-AIDS Drug Assistance Program Rebate Fund	27,263	309,985	212,106	125,142	278,473	179,706	223,909	267,086	237,888	253,107
3081-Cannery Inspection Fund	2,210	2,312	2,495	2,026	2,305	2,573	1,758	2,305	2,628	1,435
3082-School Facilities Emergency Repair Account	5,410	--	3,834	1,576	--	-4,123	5,699	--	5,699	--
3083-Welcome Center Fund	66	100	113	54	100	110	44	100	110	34
3084-State Certified Unified Program Agency Account	1,689	683	1,364	1,008	1,734	2,727	15	2,774	2,724	65
3085-Mental Health Services Fund	677,662	1,851,844	1,831,898	697,609	2,028,844	1,508,671	1,217,782	2,051,844	1,463,442	1,806,183
3086-DNA Identification Fund	25,304	68,406	73,671	20,039	64,990	72,402	12,627	61,744	74,036	335
3087-Unfair Competition Law Fund	10,124	6,050	11,022	5,152	12,513	11,401	6,264	6,613	11,449	1,428
3088-Registry of Charitable Trusts Fund	4,356	3,940	2,967	5,329	4,868	5,680	4,517	8,374	5,653	7,238
3089-Public Utilities Commission Ratepayer Advocate Account	6,023	26,326	26,300	6,049	27,020	27,789	5,280	29,952	29,934	5,298
3090-Deficit Recovery Bond Retirement Sinking Fund Subaccount Budget Stabilizati	57,666	1,607,743	1,664,149	1,260	--	1,260	--	--	--	--
3091-Certified Access Specialist Fund	1,262	426	282	1,406	468	295	1,579	456	296	1,739
3093-Transportation Deferred Investment Fund	35,024	-69,916	-83,337	48,445	-81,539	-80,409	47,315	--	16,297	31,018
3095-Film Promotion and Marketing Fund	17	14	7	24	10	10	24	10	10	24
3096-Nondesignated Public Hospital Supplemental Fund	452	4	--	456	4	456	4	3	--	7
3097-Private Hospital Supplemental Fund	635	9,172	-258	10,065	12,172	21,952	285	10,694	10,701	278
3098-State Department of Public Health Licensing and Certification Program Fund	76,716	78,161	87,684	67,193	91,032	133,632	24,593	122,716	144,083	3,226
3099-Mental Health Facility Licensing Fund	-17	393	68	308	398	374	332	398	407	323
3101-Analytical Laboratory Account Department of Food and Agriculture Fund	2,112	932	488	2,556	351	535	2,372	351	516	2,207
3102-Acute Orphan Well Account Oil Gas and Geothermal Administrative Fund	357	2	1	358	3	--	361	3	54	310
3103-Hatchery and Inland Fisheries Fund	10,213	20,282	20,624	9,871	20,989	25,205	5,655	21,262	23,471	3,446

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3107-Transportation Debt Service Fund	--	927,988	927,988	--	1,124,208	1,124,208	--	1,236,916	1,236,916	--
3108-Professional Fiduciary Fund	396	522	603	315	548	637	226	596	549	273
3109-Natural Gas Subaccount Public Interest Research Development and Demonstrati	34,649	24,211	25,599	33,261	24,230	43,482	14,009	24,230	27,631	10,608
3110-Gambling Addiction Program Fund	661	303	151	813	271	155	929	271	157	1,043
3111-Retail Food Safety and Defense Fund	31	17	--	48	--	--	48	--	--	48
3112-Equality in Prevention and Services for Domestic Abuse Fund	126	25	98	53	23	76	--	--	--	--
3113-Residential and Outpatient Program Licensing Fund	2,094	4,450	2,307	4,237	4,771	5,437	3,571	5,314	6,118	2,767
3114-Birth Defects Monitoring Program Fund	4,645	3,357	4,355	3,646	3,396	4,693	2,349	3,396	4,624	1,122
3117-Alternative and Renewable Fuel and Vehicle Technology Fund	138,873	106,038	149,051	95,860	102,700	153,192	45,368	101,700	109,771	37,297
3119-Air Quality Improvement Fund	26,406	32,235	56,165	2,476	30,000	24,343	8,133	30,000	31,809	6,324
3120-State Fire Marshal Fireworks Enforcement and Disposal Fund	207	2	206	3	--	1	2	--	--	2
3121-Occupational Safety and Health Fund	43,031	65,277	60,363	47,945	56,345	71,055	33,235	81,338	76,333	38,240
3122-Enhanced Fleet Modernization Subaccount High Polluter Repair or Removal Acc	12,260	41,794	40,445	13,609	51,859	40,735	24,733	42,177	40,616	26,294
3123-Coastal Act Services Fund	3,923	1,847	2,757	3,013	1,252	2,749	1,516	1,252	947	1,821
3131-California Bingo Fund	661	19	0	679	19	55	643	19	55	607
3132-Charity Bingo Mitigation Fund	2	6	8	1	6	6	1	--	--	1
3133-Managed Care Administrative Fines and Penalties Fund	1,292	7,708	--	9,000	-8,539	--	461	2	--	463
3134-School District Account Underground Storage Tank Cleanup Fund	4,195	26	989	3,232	26	3,061	197	32	--	228
3136-Foreclosure Consultant Regulation Fund	12	--	--	12	--	--	12	--	--	12
3137-Emergency Medical Technician Certification Fund	512	1,448	1,314	646	1,511	1,594	563	1,511	1,575	499
3138-Immediate and Critical Needs Account State Court Facilities Construction Fu	87,587	260,945	195,910	152,622	247,958	214,358	186,222	245,708	280,088	151,842
3139-Specialized License Plate Fund	278	575	284	569	810	823	556	755	642	669
3140-State Dental Hygiene Fund	843	1,757	1,321	1,279	1,521	1,874	926	1,593	2,039	480
3141-California Advanced Services Fund	105,068	60,520	26,526	139,062	57,632	98,514	98,180	32,017	97,639	32,558
3142-State Dental Assistant Fund	2,859	1,662	1,681	2,840	1,666	2,567	1,939	1,644	2,666	917
3144-Building Standards Administration Special Revolving Fund	2,838	2,418	1,377	3,879	2,600	2,183	4,295	2,800	2,255	4,840

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3145-Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund	20,328	59	1,298	19,089	58	17,352	1,795	71	--	1,866
3147-State Water Pollution Control Revolving Fund Small Community Grant Fund	6,099	13,609	6,985	12,723	9,036	12,060	9,699	7,920	8,000	9,619
3149-Local Safety and Protection Account Transportation Tax Fund	67	--	--	67	--	--	67	--	--	67
3150-State Public Works Enforcement Fund	7,293	8,069	9,829	5,533	8,064	11,860	1,737	11,270	13,007	--
3151-Internal Health Information Integrity Quality Improvement Account	3	--	--	3	--	3	--	--	--	--
3152-Labor Enforcement and Compliance Fund	32,632	47,801	43,946	36,487	34,219	46,111	24,595	56,836	54,724	26,707
3153-Horse Racing Fund	1,646	11,915	11,768	1,793	13,318	13,507	1,604	13,318	13,540	1,382
3155-Lead-Related Construction Fund	992	504	395	1,101	500	584	1,017	500	641	877
3156-Childrens Health and Human Services Special Fund	343,795	1,465,144	1,325,933	483,006	1,745,773	1,548,342	680,437	1,584,912	528,508	1,736,841
3157-Recreational Health Fund	521	1	--	522	--	--	522	--	--	522
3158-Hospital Quality Assurance Revenue Fund	194,202	3,833,482	3,617,949	409,735	4,516,058	4,558,829	366,964	3,525,686	3,608,874	283,776
3160-Wastewater Operator Certification Fund	2,073	1,274	856	2,491	1,305	1,447	2,349	1,305	1,463	2,191
3163-California Health Information Technology and Exchange Fund	--	--	--	--	--	--	--	--	--	--
3164-Renewable Energy Resources Development Fee Trust Fund	281	--	1	280	--	--	280	--	--	280
3165-Enterprise Zone Fund	5,532	1,990	1,202	6,320	11	418	5,913	11	278	5,646
3167-Skilled Nursing Facility Quality and Accountability Fund	23,829	546	24,400	-25	634	601	8	634	601	41
3168-Emergency Medical Air Transportation Act Fund	20,643	7,487	16,858	11,272	10,064	12,600	8,736	10,064	8,500	10,300
3170-Heritage Enrichment Resource Fund	110	87	23	174	87	46	215	87	46	256
3171-Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3172-Public Hospital Investment Improvement and Incentive Fund	--	659,724	659,724	--	798,142	798,142	--	800,000	800,000	--
3179-Mental Health Account Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3195-Carpet Stewardship Account Integrated Waste Management Fund	394	275	291	378	275	298	355	275	355	275
3200-CalWORKs Maintenance of Effort Subaccount Sales Tax Account	--	752,888	752,888	--	752,888	752,888	--	752,888	752,888	--
3201-Low Income Health Program MCE Out-of- Network Emergency Care Services Fund	12,179	31	--	12,210	93,692	93,664	12,238	35,254	35,246	12,246

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3202-Architectural Paint Stewardship Account Integrated Waste Management Fund	481	275	290	466	277	298	445	277	355	367
3204-Entertainment Work Permit Fund	314	-156	34	124	70	--	194	-194	--	--
3207-Education Protection Account	269	--	186	83	--	--	83	--	--	83
3209-Office of Patient Advocate Trust Fund	1,136	2,097	1,981	1,252	2,112	2,109	1,255	2,080	2,080	1,255
3210-Davis-Dolwig Account California Water Resources Development Bond Fund	4,449	10,000	14,449	--	10,000	10,023	-23	10,000	9,977	--
3211-Electric Program Investment Charge Fund	19,450	177,614	183,472	13,592	288,618	290,479	11,731	139,094	144,806	6,019
3212-Timber Regulation and Forest Restoration Fund	16,497	37,203	27,732	25,968	37,000	47,427	15,541	37,000	44,862	7,679
3213-Long-Term Care Quality Assurance Fund	3,329	470,363	418,762	54,930	578,805	457,767	175,968	598,677	449,673	324,972
3214-Support Services Account Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3215-Law Enforcement Services Account Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3216-Protective Services Subaccount Support Services Account	--	1,970,717	1,970,717	--	2,109,233	2,109,233	--	2,217,049	2,217,049	--
3217-Behavioral Health Subaccount Support Services Account	--	1,046,271	1,046,271	--	1,163,291	1,163,291	--	1,283,086	1,283,086	--
3218-Support Services Growth Subaccount Sales and Use Tax Growth Account	--	--	--	--	--	--	--	--	--	--
3220-Law Enforcement Services Growth Subaccount Sales and Use Tax Growth Account	--	--	--	--	--	--	--	--	--	--
3221-Trial Court Security Subaccount Law Enforcement Services Account	--	518,052	518,052	--	532,536	532,536	--	545,437	545,437	--
3222-Enhancing Law Enforcement Activities Subaccount Law Enforcement Services Ac	--	489,900	489,900	--	489,900	489,900	--	489,900	489,900	--
3223-Community Corrections Subaccount Law Enforcement Services Account	--	934,100	934,100	--	1,107,529	1,107,529	--	1,204,287	1,204,287	--
3224-District Attorney and Public Defender Subaccount Law Enforcement Services A	--	15,800	15,800	--	24,342	24,342	--	30,792	30,792	--
3225-Juvenile Justice Subaccount Law Enforcement Services Account	--	--	--	--	--	--	--	--	--	--
3226-Juvenile Reentry Grant Special Account Juvenile Justice Subaccount	--	6,646	6,646	--	7,446	7,446	--	8,158	8,158	--

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3227-Youthful Offender Block Grant Special Account Juvenile Justice Subaccount	--	113,781	113,781	--	127,465	127,465	--	139,654	139,654	--
3228-Greenhouse Gas Reduction Fund	203,465	1,587,040	661,882	1,128,623	2,395,723	1,903,217	1,621,129	2,100,723	3,214,534	507,318
3229-Sales and Use Tax Growth Account Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3230-Juvenile Justice Growth Special Account Law Enforcement Services Growth Sub	--	14,484	14,484	--	12,901	12,901	--	13,786	13,786	--
3231-Enhancing Law Enforcement Activities Growth Special Account Enhancing Law E	--	57,814	57,814	--	80,524	80,524	--	99,305	99,305	--
3232-District Attorney and Public Defender Growth Special Account Law Enforcemen	--	8,542	8,542	--	6,451	6,451	--	6,893	6,893	--
3233-Community Corrections Growth Special Account Law Enforcement Services Growt	--	173,429	173,429	--	96,758	96,758	--	103,396	103,396	--
3234-Trial Court Security Growth Special Account Law Enforcement Services Growth	--	14,484	14,484	--	12,901	12,901	--	13,786	13,786	--
3235-Behavioral Health Services Growth Special Account Support Services Growth S	--	117,020	117,020	--	119,795	119,795	--	128,014	128,014	--
3236-Protective Services Growth Special Account Support Services Growth Subaccou	--	138,517	138,517	--	107,816	107,816	--	115,213	115,213	--
3237-Cost of Implementation Account Air Pollution Control Fund	2,669	42,989	42,741	2,917	51,536	49,397	5,056	62,024	61,982	5,098
3238-State Parks Revenue Incentive Subaccount State Parks and Recreation Fund	12,473	4,340	6,909	9,904	7,022	12,903	4,023	4,340	4,340	4,023
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	2,315	789	323	2,781	789	628	2,942	789	569	3,162
3242-Child Performer Services Permit Fund	169	19	104	84	20	100	4	-4	--	--
3244-Political Disclosure Accountability Transparency and Access Fund	885	595	77	1,403	446	89	1,760	499	88	2,171
3245-Disability Access and Education Revolving Fund	318	646	571	393	677	666	404	710	691	423
3246-Fair Employment and Housing Enforcement and Litigation Fund	976	272	--	1,248	100	--	1,348	100	--	1,448

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3248-Family Support Subaccount Sales Tax Account	--	742,378	742,378	--	443,909	443,909	--	305,211	305,211	--
3249-Child Poverty and Family Supplemental Support Subaccount Sales Tax Account	61,033	88,224	79,777	69,480	116,299	185,779	--	152,563	152,563	--
3251-Prepaid Mobile Telephony Services Surcharge Fund	--	--	--	--	13,000	2,371	10,629	51,000	1,061	60,568
3252-CURES Fund	306	1,559	--	1,865	1,801	1,112	2,554	1,820	1,113	3,261
3254-Business Programs Modernization Fund	891	1,814	500	2,205	1,510	1,500	2,215	1,510	40	3,685
3255-Home Care Fund	-5	1,472	1,286	181	9,965	5,466	4,680	14,513	5,584	13,609
3256-Specialized First Aid Training Program Approval Fund	--	135	134	1	--	--	1	--	--	1
3257-Used Mattress Recycling Fund	--	1,600	--	1,600	--	612	988	--	666	322
3259-Recidivism Reduction Fund	103,198	--	26,929	76,269	--	75,756	513	--	300	213
3260-Regional Railroad Accident Preparedness and Immediate Response Fund	--	10,000	9,041	959	10,000	10,000	959	10,000	10,000	959
3261-Vessel Operator Certification Account Harbors and Watercraft Revolving Fund	--	--	--	--	503	503	--	700	503	197
3262-Expedited Claim Account Underground Storage Tank Cleanup Fund	--	--	--	--	100,000	100,000	--	--	--	--
3263-College Access Tax Credit Fund	--	2,454	--	2,454	81,900	2,166	82,188	100,000	2,156	180,032
3264-Site Cleanup Subaccount	--	--	--	--	24,688	24,686	2	19,750	19,749	3
3268-Senior Citizens and Disabled Citizens Property Tax Postponement Fund	--	5,582	-11,032	16,614	--	-4,918	21,532	--	-4,910	26,441
3270-Local Charges for Prepaid Mobile Telephony Service Fund	--	--	--	--	18,000	3,283	14,717	72,000	1,469	85,248
3274-Social Services Subaccount Vehicle License Fee Account	--	--	--	--	58,142	58,142	--	58,142	58,142	--
3275-County Medical Services Program Subaccount Vehicle License Fee Account	--	--	--	--	32,553	32,553	--	28,347	28,347	--
3276-CalWORKs Maintenance of Effort Subaccount Vehicle License Fee Account	--	--	--	--	367,663	367,663	--	367,663	367,663	--
3277-County Medical Services Program Growth Subaccount Vehicle License Fee Growt	--	--	--	--	4,209	4,209	--	4,777	4,777	--
3278-Mental Health Subaccount Vehicle License Fee Account	--	--	--	--	48,754	48,754	--	65,883	65,883	--
3279-Health Subaccount Vehicle License Fee Account	--	--	--	--	792,224	792,224	--	999,667	999,667	--

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2014-15	Revenues 2014-15	Expenditures 2014-15	Beginning Reserve 2015-16	Revenues 2015-16	Expenditures 2015-16	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Ending Reserve 2016-17
3280-General Growth Subaccount Vehicle License Fee Growth Account	--	--	--	--	46,571	46,571	--	54,952	54,952	--
3281-Family Support Subaccount Vehicle License Fee Account	--	--	--	--	298,007	298,007	--	107,573	107,573	--
3282-Child Poverty and Family Supplemental Support Subaccount Vehicle License Fe	--	--	--	--	104,385	104,385	--	125,232	125,232	--
3283-County Medical Services Program Subaccount Sales Tax Account	--	--	--	--	--	--	--	--	--	--
3284-County Medical Services Program Growth Subaccount Sales Tax Growth Account	--	--	--	--	5,668	5,668	--	7,043	7,043	--
3285-Electronic Recording Authorization Fund	191	--	--	191	251	300	142	251	300	93
3286-Safe Neighborhoods and Schools Fund	--	--	--	--	--	--	--	-19,040	-19,040	--
3287-Second Chance Fund	--	--	--	--	--	--	--	19,040	19,040	--
3288-Medical Marijuana Regulation and Safety Act Fund	--	--	--	--	10,000	10,000	--	11,000	10,574	426
8059-State Community Corrections Performance Incentive Fund	226	--	-69	295	--	275	20	--	--	20
8080-Clean Energy Job Creation Fund	168,544	-28,000	-257,295	397,839	--	396,079	1,760	--	-10	1,770
0096-Cal-OSHA Targeted Inspection and Consultation Fund	--	--	--	--	--	--	--	--	--	--
0216-Industrial Relations Construction Industry Enforcement Fund	--	--	--	--	--	--	--	--	--	--
3290-Road Maintenance and Rehabilitation Account State Transportation Fund	--	--	--	--	--	--	--	343,027	343,027	--
3291-Trade Corridor Enhancement Account State Transportation Fund	--	--	--	--	--	--	--	211,000	211,000	--
3292-State Office Infrastructure Fund	--	--	--	--	--	--	--	--	-1,488,900	1,488,900
Totals, Special Funds	**$10,442,165**	**$46,105,455**	**$41,701,706**	**$14,845,914**	**$50,049,529**	**$47,635,583**	**$17,259,860**	**$49,860,215**	**$45,032,061**	**$22,088,014**
GRAND TOTALS	**$15,797,761**	**$157,423,263**	**$154,675,977**	**$18,545,047**	**$167,586,782**	**$163,700,060**	**$22,431,769**	**$170,493,183**	**$167,640,878**	**$25,284,074**

Note : Numbers may not add due to rounding

SCHEDULE 11
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)

			General Obligation Bonds						Commercial Paper	
			As of December 31, 2015				Proposed Sales		As of December 31, 2015	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed	Jan-Jun 2016	Jul-Dec 2016	Finance Cmte. Authorization	Total Outstanding
	LEGISLATIVE, JUDICIAL, EXECUTIVE									
6032	Voting Modernization (2002)	2018	$200,000	$64,495	$28,765	$106,740	$0	$598	$64,495	$0
	Total, Legislative, Judicial, Executive		$200,000	$64,495	$28,765	$106,740	$0	$598	$64,495	$0
	BUSINESS, CONSUMER SERVIICES & HOUSING									
0714	Housing & Homeless (1990)	2022	$150,000	$0	$1,330	$148,670	$0	$0	$0	$0
6037	Housing and Emergency Shelter (2002)	2040	2,100,000	79,495	805,895	1,214,610	7,950	2,674	72,495	8,050
6066	Housing and Emergency Shelter (2006)	2044	2,850,000	959,135	1,245,450	645,415	255,870	148,976	869,935	155,000
6082	Veterans Housing and Homeless Prevention (2014)		600,000	598,250	830	920	22,288	3,110	10,985	775
	Total, Business, Consumer Services & Housing		$5,700,000	$1,636,880	$2,053,505	$2,009,615	$286,108	$154,760	$953,415	$163,825
	TRANSPORTATION									
0703	Clean Air & Transp Improv (1990)	2040	$1,990,000	$4,985	$736,075	$1,248,940	$4,444	$2,744	$4,985	$0
6053	Highway Safe, Traffic Red, Air Qual, Port Sec (2006)	2045	19,925,000	2,889,005	15,520,930	1,515,065	645,489	$272,616	1,227,550	639,325
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	-	34,360	965,640	-	-	-	-
6043	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2045	9,950,000	8,923,225	706,140	320,635	514,372	759,289	8,923,225	-
0653	Seismic Retrofit (1996)	2039	2,000,000	-	1,126,875	873,125	-	-	-	-
	Total, Transportation		$34,865,000	$11,817,215	$18,124,380	$4,923,405	$1,164,305	$1,034,649	$10,155,760	$639,325
	NATURAL RESOURCES									
0722	Ca Park & Recreational Facil (1984)[1]	2027	$368,900	$0	$11,525	$357,375	$0	$0	$0	$0
0721	Ca Parklands (1980)	2024	285,000	-	2,340	282,660	-	-	-	-
0707	Ca Safe Drinking Water (1976)[1]	2027	172,500	-	2,825	169,675	-	-	-	-
0707	Ca Safe Drinking Water (1984)	2027	75,000	-	1,730	73,270	-	-	-	-
0707	Ca Safe Drinking Water (1986)	2030	100,000	-	21,275	78,725	-	-	-	-
0793	Ca Safe Drinking Water (1988)	2040	75,000	-	26,525	48,475	-	-	-	-
6001	Ca Safe Drinking Water (2000)[2]	2040	1,884,000	43,346	1,354,195	486,459	-	-	43,346	-
6051	Ca Safe Drinking Water (2006)[2]	2040	5,283,000	2,484,715	2,493,490	304,795	298,681	186,588	547,005	207,085
0786	Ca Wildlife, Coast, & Park Land Cons (1988)[1]	2032	768,670	-	109,180	659,490	-	-	-	-
0740	Clean Water (1984)	2024	325,000	-	9,870	315,130	-	-	-	-
6029	Clean Water, Clean Air, and Parks (2002)	2040	2,600,000	227,005	2,078,520	294,475	26,971	14,136	207,898	22,170
0716	Community Parklands (1986)	2022	100,000	-	2,455	97,545	-	-	-	-
6052	Disaster Prep and Flood Prevent (2006)[2]	2041	3,990,000	1,718,652	2,228,850	42,498	-	170,326	655,227	-
0748	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	-	4,830	80,170	-	-	-	-
0720	Lake Tahoe Acquisitions (1982)	2017	85,000	-	100	84,900	-	-	-	-
0402	Safe, Clean, Reliable Water Supply (1996)[2]	2040	969,500	62,915	517,430	389,155	-	-	62,915	-
0005	Safe Neighborhood Parks (2000)	2040	2,100,000	73,820	1,429,985	596,195	4,392	6,717	30,065	-
0742	State, Urban & Coastal Park (1976)	2029	280,000	-	3,680	276,320	-	-	-	-
0744	Water Conserv & Water Quality (1986)[2]	2031	136,500	230	25,720	110,550	-		230	-
0790	Water Conserv (1988)	2036	60,000	5,235	21,515	33,250	-	-	5,235	-
6031	Water Security, Coastal & Beach Protection (2002)[2]	2043	3,345,000	309,574	2,669,095	366,331	62,599	23,055	103,664	1,810
6083	Water Quality, Supply, and Infrastructure Improvement (2014)	2021	7,545,000	7,519,910	325	24,765	37,892	171,635	594,910	24,710
	Total, Natural Resources		$30,633,070	$12,445,402	$13,015,460	$5,172,208	$430,535	$572,457	$2,250,495	$255,775
	ENVIRONMENTAL PROTECTION									
0737	Clean Water & Water Conserv (1978)	2028	$375,000	$0	$4,155	$370,845	$0	$0	$0	$0
0764	Clean Water & Water Reclam (1988)	2029	65,000	-	18,860	46,140	-	-	-	-
	Total, Environmental Protection		$440,000	$0	$23,015	$416,985	$0	$0	$0	$0

SCHEDULE 11
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)

			General Obligation Bonds						Commercial Paper	
			As of December 31, 2015				Proposed Sales		As of December 31, 2015	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed	Jan-Jun 2016	Jul-Dec 2016	Finance Cmte. Authorization	Total Outstanding
	HEALTH AND HUMAN SERVICES									
6046	Children's Hospital Projects (2004)	2040	$750,000	$47,145	$644,585	$58,270	$0	$99	$47,145	$180
6079	Children's Hospital Projects (2008)	2045	980,000	304,455	658,765	16,780	18,016	4,227	190,400	450
	Total, Health and Human Services		$1,730,000	$351,600	$1,303,350	$75,050	$18,016	$4,326	$237,545	$630
	YOUTH AND ADULT CORRECTIONAL									
0711	Co Corr Facil Cap Expend (1986)	2022	$495,000	$0	$13,595	$481,405	$0	$0	$0	$0
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2029	500,000	-	65,555	434,445	-	-	-	-
0746	New Prison Construction (1986)	2034	500,000	-	1,665	498,335	-	-	-	-
0747	New Prison Construction (1988)	2030	817,000	2,165	11,090	803,745	-	-	2,165	-
0751	New Prison Construction (1990)	2029	450,000	605	14,435	434,960	-	-	307	-
	Total, Youth and Adult Correctional		$2,762,000	$2,770	$106,340	$2,652,890	$0	$0	$2,472	$0
	K THRU 12 EDUCATION									
0794	Ca Library Constr & Renov (1988)[1]	2030	$72,405	$0	$11,945	$60,460	$0	$0	$0	$0
6000	Ca Library Constr & Renov (2000)	2040	350,000	5,040	247,915	97,045	-	-	5,040	-
0119	Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	2033	6,700,000	11,400	3,876,785	2,811,815	-	-	11,400	-
0657	Public Education Facil (1996) K-12[1]	2035	2,012,035	-	863,135	1,148,900	-	-	-	-
6036	Public Education Facil (2002) K-12	2042	11,400,000	57,810	9,071,580	2,270,610	3,821	10,495	57,810	-
6044	Public Education Facil (2004) K-12	2043	10,000,000	96,600	8,553,185	1,350,215	-	19,863	96,190	8,830
6057	Public Education Facil (2006) K-12	2045	7,329,000	441,595	6,625,355	262,050	97,215	123,043	421,105	34,255
0739	School Bldg & Earthquake (1974)	2026	40,000	-	14,635	25,365	-	-	-	-
0708	School Facilities (1990)	2033	800,000	-	129,110	670,890	-	-	-	-
0745	School Facilities (1992)	2036	1,900,000	10,280	482,775	1,406,945	-	-	10,280	-
0776	1988 School Facil Bond Act (Nov)[1]	2032	797,745	-	39,555	758,190	-	-	-	-
0774	1990 School Facil Bond Act (Jun)[1]	2032	797,875	-	82,785	715,090	-	-	-	-
0765	1992 School Facil Bond Act (Nov)[1]	2035	898,211	-	230,620	667,591	-	-	-	-
	Total, K Thru 12 Education		$43,097,271	$622,725	$30,229,380	$12,245,166	$101,036	$153,401	$601,825	$43,085
	HIGHER EDUCATION									
0574	Class Size Reduction K-U Pub. Ed. Facil (1998) Hi-Ed	2039	$2,500,000	$0	$1,673,220	$826,780	$0	$0	$0	$0
0785	Higher Education Facil (1988)	2032	600,000	-	22,580	577,420	-	-	-	-
0791	Higher Education Facil (Jun 1990)	2040	450,000	540	44,985	404,475	-	-	540	-
0705	Higher Education Facil (Jun 1992)	2040	900,000		285,945	614,055	-	-	-	-
0658	Public Education Facil (1996) Hi-Ed	2032	975,000	4,650	470,145	500,205	-	-	4,650	2,355
6028	Public Education Facil (2002) Hi-Ed	2039	1,650,000	-	1,352,940	297,060	-	-	-	-
6041	Public Education Facil (2004) Hi-Ed	2040	2,300,000	58,019	1,997,695	244,286	-	-	58,019	3,585
6048	Public Education Facil (2006) Hi-Ed	2043	3,087,000	38,775	2,986,265	61,960	-	-	38,775	3,545
6047	Stem Cell Research and Cures (2004)	2039	3,000,000	1,123,650	1,433,820	442,530	-	79,809	319,175	108,560
	Total, Higher Education		$15,462,000	$1,225,634	$10,267,595	$3,968,771	$0	$79,809	$421,159	$118,045
	GENERAL GOVERNMENT									
0768	Earthquake Safety & Public Bldg. Rehab (1990)	2029	$300,000	$7,490	$66,930	$225,580	$0	$0	$7,490	$970
0701	Veterans' Homes (2000)	2039	50,000	975	34,495	14,530	-	-	975	-
	Total, General Government		$350,000	$8,465	$101,425	$240,110	$0	$0	$8,465	$970
	Total, All Agencies		$135,239,341	$28,175,186	$75,253,215	$31,810,940	$2,000,000	$2,000,000	$14,695,631	$1,221,655

SCHEDULE 11
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)

			General Obligation Bonds						Commercial Paper	
			As of December 31, 2015				Proposed Sales		As of December 31, 2015	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed	Jan-Jun 2016	Jul-Dec 2016	Finance Cmte. Authorization	Total Outstanding
	SELF-LIQUIDATING BONDS[4]									
	Ca Water Resources Dev (1959)	2024	$1,750,000	$167,600	$154,775	$1,427,625	$0	$0	$0	$0
	Veterans Bonds[3]	2042	2,960,000	300,000	573,900	2,086,100	-	-	300,000	-
	Total, Self-Liquidating Bonds		$4,710,000	$467,600	$728,675	$3,513,725	$0	$0	$300,000	$0
	Total		**$139,949,341**	**$28,642,786**	**$75,981,890**	**$35,324,665**	**$2,000,000**	**$2,000,000**	**$14,995,631**	**$1,221,655**

[1] Chapter 39, Statutes of 2012 (SB 1018), reduced the voter authorized amount

[2] Chapter 188, Statutes of 2014 (AB 1471), reallocated the voter authorized amount

[3] Chapter 727, Statutes of 2013 (AB 639), reallocated the voter authorized amount

[4] The California Water Resource Development Bond Act and the Veterans Bond Acts are public service enterprises that have dedicated revenues to finance the respective debt service expenditures.

Source: State Treasurer's Office

SCHEDULE 12A
STATE APPROPRIATIONS LIMIT SUMMARY
(Dollars in Millions)

	2014-15			2015-16			2016-17		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Schedule 8									
Revenues and Transfers	$111,318	$46,105	$157,423	$117,537	$50,050	$167,587	$120,633	$49,860	$170,493
Less/Add: Transfers	1,980	-1,953	27	3,929	-3,580	349	4,445	-4,006	439
Schedule 12B									
Less: Revenues to Excluded Funds	-	-16,955	-16,955	-	-19,528	-19,528	-	-18,467	-18,467
Schedule 12C									
Less: Non-Tax Revenues to Included Funds	-1,555	-675	-2,230	-1,547	-674	-2,221	-1,211	-1,665	-2,876
Schedule 12D									
Add: Transfers from Other Funds to Included Funds	232	-209	23	286	-182	104	287	-177	110
TOTAL, SAL REVENUES AND TRANSFERS	**$111,975**	**$26,313**	**$138,288**	**$120,205**	**$26,086**	**$146,291**	**$124,154**	**$25,545**	**$149,699**
Schedule 12E									
Less: Exclusions	-50,831	-6,906	-57,737	-51,911	-6,971	-58,882	-52,382	-6,239	-58,621
TOTAL, SAL APPROPRIATIONS			**$80,551**			**$87,409**			**$91,078**
CALCULATION OF LIMIT ROOM									
Appropriations Limit (Sec. 12.00)			$89,902			$94,042			$98,837
Less: Total SAL Appropriations			80,551			87,409			91,078
Appropriation Limit Room/(Surplus)			**$9,351**			**$6,633**			**$7,759**

SCHEDULE 12B
REVENUES TO EXCLUDED FUNDS
(Dollars in Thousands)

	Actual 2014-15	Estimated 2015-16	Estimated 2016-17
MAJOR REVENUES:			
4110400-Cigarette Tax	$728,837	$713,459	$693,496
4113000-Identification Card Fees	352	363	363
4114000-Mobilehome In-Lieu Tax	1,888	1,888	1,888
4115600-Motor Vehicles - Other Fees	129,556	126,479	126,797
TOTAL, MAJOR TAXES AND LICENSES	**$860,633**	**$842,189**	**$822,544**
MINOR REVENUES:			
REGULATORY TAXES AND LICENSES:			
4120000-Beverage Container Redemption Fees	$1,260,778	$1,262,114	$1,263,643
4120400-Building Construction Filing Fees (Physically Handicapped)	9,743	10,313	11,232
4120800-Corporation Fees - Domestic Corporations	9,687	8,500	8,500
4121000-Corporation Fees - Foreign Corporations	1,232	1,070	1,070
4121200-Delinquent Fees	7,655	7,132	7,361
4121600-Elevator and Boiler Inspection Fees	35,577	11,126	10,754
4121800-Employment Agency Filing Fees	-	-	120
4122000-Employment Agency License Fees	4,534	4,524	5,252
4122200-Energy Resources Surcharge	507,174	704,253	777,374
4122600-Explosive Permit Fees	33	33	33
4122800-Filing Financing Statements	2,274	2,200	2,200
4123000-Fish and Game - Licenses Tags and Permits	102,048	104,459	105,547
4123200-Fish and Game - Taxes	600	1,398	1,399
4123400-Genetic Disease Testing Fees	124,347	121,291	127,495
4123720-Horse Racing Licenses	13,080	13,612	13,612
4124000-Insurance Company - Examination Fees	23,377	23,718	24,326
4124200-Insurance Company - License Fees and Penalties	50,780	54,499	56,044
4124400-Insurance Company - General Fees	26,839	29,297	31,389
4124600-Insurance Company - Proposition 103 Fees	29,208	31,140	31,679
4124800-Insurance Fraud Assessment - Automobile	49,145	50,786	52,309
4125000-Insurance Fraud Assessment - General	11,469	13,584	13,838
4125200-Insurance Fraud Assessment - Workers Compensation	52,502	59,262	58,444
4125400-Liquor License Fees	56,083	56,644	57,210
4125600-New Motor Vehicle Dealer License Fee	1,709	1,690	1,690
4125800-Notary Public License Fees	991	925	925
4126000-Off Highway Vehicle Fees	17,242	17,000	34,500
4126400-Processing Fee	344	375	368
4126600-Public Utilities Commission - Quarterly Fees	119,855	120,073	117,619
4126800-Public Utilities Commission - Penalties on Quarterly Fees	1	1	1
4127000-Real Estate - Examination Fees	3,776	4,019	4,341
4127200-Real Estate - License Fees	39,790	42,144	45,185
4127300-Refinery Fees	356	4,456	3,955
4127400-Renewal Fees	258,267	266,898	278,938
4128000-Subdivision Filing Fees	7,270	7,279	7,279
4128400-Teacher Credential Fees	15,943	20,930	21,430
4128600-Teacher Examination Fees	4,715	4,715	4,715
4129000-Other Fees and Licenses	1,808	1,808	1,558
4129200-Other Regulatory Fees	6,459,361	7,644,946	7,088,233
4129400-Other Regulatory Licenses and Permits	488,527	529,234	588,956
4129600-Other Regulatory Taxes	124,683	144,955	130,670
TOTAL, REGULATORY TAXES AND LICENSES	**$9,922,803**	**$11,382,403**	**$10,991,194**
REVENUE FROM LOCAL AGENCIES:			

SCHEDULE 12B
REVENUES TO EXCLUDED FUNDS
(Dollars in Thousands)

	Actual 2014-15	Estimated 2015-16	Estimated 2016-17
4130000-Architecture Public Building Fees	$31,446	$36,764	$50,463
4131000-Crimes of Public Offense Fines	10,579	10,000	10,000
4131500-Felony Conviction Penalties	55,266	50,001	50,001
4132000-Fingerprint Identification Card Fees	76,854	77,623	77,623
4132500-Fish and Game Fines	458	591	700
4133000-Fish and Game Fines - Additional Assessments	83	4	4
4134500-Local Agencies - Cost Recoveries	102	100	100
4135000-Local Agencies - Miscellaneous Revenue	1,282,113	1,456,562	1,445,174
4136500-Traffic Violation Penalties	67,978	77,090	61,785
TOTAL, REVENUE FROM LOCAL AGENCIES	**$1,524,879**	**$1,708,735**	**$1,695,850**
SERVICES TO THE PUBLIC:			
4140000-Document Sales	$854	$892	$843
4140500-Emergency Telephone Users Surcharge	97,664	91,471	85,670
4142500-License Plate Fees - Personalized Plates	52,306	53,939	54,769
4143500-Miscellaneous Services to the Public	101,830	106,156	106,697
4144000-Parental Fees	5,490	4,837	4,837
4144500-Parking Lot Revenues	10,017	10,488	10,588
4145500-Secretary of State - Fees	33,740	29,355	29,445
4146000-State Beach and Park Service Fees	105,068	102,523	104,830
TOTAL, SERVICES TO THE PUBLIC	**$406,969**	**$399,661**	**$397,679**
USE OF PROPERTY AND MONEY:			
4150000-Geothermal Resources Well Fees	$4,450	$4,200	$3,950
4150500-Interest Income - Interfund Loans	18,198	4,061	941
4151000-Interest Income - Other Loans	10,293	3,810	4,176
4151500-Miscellaneous Revenue - Use of Property and Money	20,566	18,716	20,086
4152500-Rental of State Property	13,590	13,639	13,013
4154000-Royalties - Federal Land	58,519	56,213	56,319
4154500-Royalties - School Land	30	30	50
4161000-Investment Income - Other	1	-	-
4162000-Investment Income - Pooled Money Investments	163	265	266
4163000-Investment Income - Surplus Money Investments	14,473	14,105	14,002
TOTAL, USE OF PROPERTY AND MONEY	**$140,283**	**$115,039**	**$112,803**
MISCELLANEOUS:			
4170400-Capital Asset Sales Proceeds	$1,594	$1,106	$1,622
4170600-Carbon Allowances Auction Proceeds	1,490,777	2,400,000	2,000,000
4170700-Civil and Criminal Violation Assessment	215,755	158,937	157,248
4170800-Confiscated Property Sales	74	27	27
4171000-Cost Recoveries - Delinquent Receivables	262	176	194
4171100-Cost Recoveries - Other	128,644	108,645	108,749
4171200-Court Filing Fees and Surcharges	549,593	525,143	502,820
4171300-Donations	7,276	183,580	201,426
4171400-Escheat - Unclaimed Checks Warrants Bonds and Coupons	6,568	5,965	5,936
4171500-Escheat - Unclaimed Property	41	-	-
4172000-Fines and Forfeitures	200,470	197,012	194,529
4172500-Miscellaneous Revenue	511,728	524,999	550,066
4172600-Miscellaneous Tax Revenue	2	-	-
4172800-Parking Violations	1,606	1,630	1,630
4172900-Penalty Assessments - Criminal Fines	235,232	223,279	214,364
4173000-Penalty Assessments - Other	282,072	294,079	243,223
4173100-Personal Income Tax - Penalties and Interest	12,464	22,289	23,598

SCHEDULE 12B
REVENUES TO EXCLUDED FUNDS
(Dollars in Thousands)

	Actual 2014-15	Estimated 2015-16	Estimated 2016-17
4173400-Settlements and Judgments - Anti-Trust Actions -Attorney General	2,513	2,300	2,300
4173500-Settlements and Judgments - Other	18,527	13,950	14,009
4173600-State Public Land Sales	2,327	8,000	-
4173800-Traffic Violations	26,988	24,707	23,287
4173900-Tribal Gaming Revenues	49,649	49,760	49,760
4174000-Unclaimed Contributions	2	-	-
4174100-Unemployment and Disability Insurance Contributions - Penalties and Interest	142,595	146,518	152,027
4180050-Cash Adjustment for Transportation Funds (SAL E)	119,500	27,500	-
4180100-Prior Year Revenue Adjustments	93,140	160,718	-
4524000-Other Receipts	13	-	-
TOTAL, MISCELLANEOUS	**$4,099,412**	**$5,080,320**	**$4,446,815**
TOTAL, MINOR REVENUES	**$16,094,346**	**$18,686,158**	**$17,644,341**
TOTAL, Revenue to Excluded Funds (MAJOR and MINOR)	**$16,954,979**	**$19,528,347**	**$18,466,885**

SCHEDULE 12C
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(Dollars in Thousands)

	Actual 2014-15		Estimated 2015-16		Estimated 2016-17	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
MAJOR REVENUES:						
4113000-Identification Card Fees	$-	$32,418	$-	$33,067	$-	$33,728
4113800-Lien Sale Application Fees	-	1,198	-	1,210	-	1,222
4115000-Motor Vehicles - Drivers License Fees	-	308,834	-	302,579	-	233,944
4115600-Motor Vehicles - Other Fees	-	56,874	-	57,443	-	58,018
4115450-Motor Vehicles Road Improvement Charge	-	-	-	-	-	1,056,055
Total, MAJOR TAXES AND LICENSES	**$-**	**$399,324**	**$-**	**$394,299**	**$-**	**$1,382,967**
MINOR REVENUES:						
REGULATORY TAXES AND LICENSES:						
4120600-Candidate Filing Fee	$209	$-	$902	$-	$902	$-
4121200-Delinquent Fees	3	-	2	-	2	-
4121800-Employment Agency Filing Fees	155	-	120	-	-	-
4122000-Employment Agency License Fees	744	-	720	-	-	-
4123000-Fish and Game - Licenses Tags and Permits	-	851	-	851	-	851
4123600-Highway Carriers Uniform Business License Tax	218	-	218	-	218	-
4123720-Horse Racing Licenses	929	-	987	750	987	750
4123740-Horse Racing Miscellaneous	1	-	5	-	5	-
4123800-Industrial Homework Fees	1	-	-	-	-	-
4125400-Liquor License Fees	-	429	-	433	-	438
4126000-Off Highway Vehicle Fees	-	6,029	-	6,029	-	6,029
4129200-Other Regulatory Fees	1,112	44,190	1,079	44,056	1,068	44,127
4129400-Other Regulatory Licenses and Permits	5,566	37,671	5,697	38,040	4,951	38,276
Total, REGULATORY TAXES AND LICENSES	**$8,938**	**$89,170**	**$9,730**	**$90,159**	**$8,133**	**$90,471**
REVENUE FROM LOCAL AGENCIES:						
4131000-Crimes of Public Offense Fines	$63	$-	$57	$-	$57	$-
4134500-Local Agencies - Cost Recoveries	22,433	10,026	22,166	10,127	22,166	10,228
4135000-Local Agencies - Miscellaneous Revenue	175,957	26	164,517	26	169,749	27
4135500-Narcotic Fines	1,292	-	1,000	-	1,000	-
Total, REVENUE FROM LOCAL AGENCIES	**$199,745**	**$10,052**	**$187,740**	**$10,153**	**$192,972**	**$10,255**
SERVICES TO THE PUBLIC:						
4140000-Document Sales	$96	$3,404	$97	$3,476	$97	$3,510
4142500-License Plate Fees - Personalized Plates	-	3	-	3	-	$3

SCHEDULE 12C
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(Dollars in Thousands)

	Actual 2014-15		Estimated 2015-16		Estimated 2016-17	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
4143000-Medicare Receipts - Federal Government	13,659	-	10,655	-	11,321	-
4143500-Miscellaneous Services to the Public	2,464	73,926	1,710	74,665	1,700	75,412
4144500-Parking Lot Revenues	-	466	-	471	-	476
4145000-Pay Patients Board Charges	10,045	-	9,379	-	8,161	-
4145500-Secretary of State - Fees	168	-	96	-	187	-
Total, SERVICES TO THE PUBLIC	**$26,432**	**$77,799**	**$21,937**	**$78,615**	**$21,466**	**$79,401**
USE OF PROPERTY AND MONEY:						
4151500-Miscellaneous Revenue - Use of Property and Money	$3,304	$389	$106	$99	$106	$99
4152000-Oil and Gas Leases - 1 Percent Revenue Cities and Counties	493	-	248	-	317	-
4152500-Rental of State Property	19,768	46,876	19,389	47,493	18,944	47,494
4153500-Fees for Use of State Property	-	2	-	15	-	15
4155000-Royalties - State Lands	244,451	-	36,499	-	101,459	-
Total, USE OF PROPERTY AND MONEY	**$268,016**	**$47,267**	**$56,242**	**$47,607**	**$120,826**	**$47,608**
MISCELLANEOUS:						
4170100-Abandoned Property Revenue	$431,756	$-	$419,481	$-	$431,334	$-
4170700-Civil and Criminal Violation Assessment	368	3,944	300	3,944	250	3,944
4170800-Confiscated Property Sales	6,186	-	6,515	-	6,515	-
4171000-Cost Recoveries - Delinquent Receivables	11,768	118	11,762	33	11,768	33
4171100-Cost Recoveries - Other	36,799	7,782	42,501	8,301	49,178	8,301
4171200-Court Filing Fees and Surcharges	-	361	-	361	-	361
4171300-Donations	1	-	-	-	-	-
4171400-Escheat - Unclaimed Checks Warrants Bonds and Coupons	36,815	2,238	32,431	3,518	32,434	3,535
4172000-Fines and Forfeitures	3,323	-	3,252	-	3,228	-
4172200-Fine and Penalties - Horse Racing	206	-	151	-	229	-
4172500-Miscellaneous Revenue	140,838	4,277	137,421	8,929	103,619	10,121
4172800-Parking Violations	15,711	-	14,348	-	14,348	-
4173000-Penalty Assessments - Other	93,109	2,635	340,636	2,454	28,136	2,240
4173200-Proceeds from Estates of Deceased Persons	38	-	38	-	38	-
4173400-Settlements and Judgments - Anti-Trust Actions -Attorney General	1,603	166	-	-	-	-

SCHEDULE 12C
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(Dollars in Thousands)

	Actual 2014-15		Estimated 2015-16		Estimated 2016-17	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
4173500-Settlements and Judgments - Other	31,486	-	13,870	-	2,012	-
4173600-State Public Land Sales	-	20,485	-	15,908	-	15,908
4173800-Traffic Violations	-	9,491	-	9,586	-	9,682
4173900-Tribal Gaming Revenues	241,049	-	247,439	-	183,089	-
4174200-Uninsured Motorist Fees	1,104	274	1,041	276	1,041	279
TOTAL, MISCELLANEOUS	**$1,052,160**	**$51,771**	**$1,271,186**	**$53,310**	**$867,219**	**$54,404**
TOTAL, MINOR REVENUES	**$1,555,291**	**$276,059**	**$1,546,835**	**$279,844**	**$1,210,616**	**$282,139**
TOTALS, Non-Tax Revenues (MAJOR AND MINOR)	**$1,555,291**	**$675,383**	**$1,546,835**	**$674,143**	**$1,210,616**	**$1,665,106**

SCHEDULE 12D
STATE APPROPRIATION LIMIT
TRANSFER FROM OTHER FUNDS TO INCLUDED FUNDS
(Dollars in Thousands)

	Actual 2014-15		Estimated 2015-16		Estimated 2016-17	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenue Transfer from the California Olympic Training Account (0442) to the General Fund (0001) per Government Code Section 7592	$65	$-	$74	$-	$74	$-
Revenue Transfer from the Business Fees Fund (0228) to the General Fund (0001)Per Government Code Section 12176.	18,680	-	3,326	-	9,528	-
Revenue Transfer from College Access Tax Credit Fund (3263) to the General Fund (0001) per Revenue and Taxation Code Section 17053.86 (Ch. 367/2014)	3,751	-	100,100	-	100,000	-
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.5(b)	38,881	-38,881	38,883	-38,883	38,883	-38,883
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)	65,584	-65,584	44,160	-44,160	36,424	-36,424
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.4(b)	24,028	-24,028	16,179	-16,179	13,345	-13,345
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 Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Item 2740-011-0044, Budget Acts	70,894	-70,894	72,862	-72,862	78,592	-78,592
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Government Code Section 16475	3	-3	3	-3	3	-3
Revenue Transfer from Payphone Service Providers Committee Fund (0491) to the General Fund (0001) per Government Code Section 16346	206	-	-	-	-	-
TOTAL TRANSFERS:	**$232,088**	**$-209,386**	**$285,583**	**$-182,083**	**$286,845**	**$-177,243**

Note: Numbers may not add due to rounding.

SCHEDULE 12E
STATE APPROPRIATIONS LIMIT
EXCLUDED APPROPRIATIONS
(Dollars in Millions)

	Fund	Actual 2014-15	Estimated 2015-16	Estimated 2016-17
DEBT SERVICE:				
9600 Bond Interest and Redemption				
(9600-510-0001)	General	$5,101	$5,242	$5,284
(9600-511-3107)	Special	928	1,124	1,237
(9600-511-8071)	Special	-	-	-
9658 Early Retirement of Economic Recovery Bonds	General	1,606	-	-
9618 Economic Recovery Bond Debt Service	Special	1,290	997	-
TOTAL -- DEBT SERVICE		$8,925	$7,363	$6,521
QUALIFIED CAPITAL OUTLAY:				
Various (Ch. 3 Except DOT)	General	$112	$176	$1,648
Various (Ch. 3 Except DOT)	Special	33	109	88
Various Qualified Capital Outlay	General	169	177	671
Various Qualified Capital Outlay	Special	171	150	236
Lease-Revenue Bonds (Capital Outlay)	General	566	694	741
Lease-Revenue Bonds (Capital Outlay)	Special	16	19	8
TOTAL -- CAPITAL OUTLAY		$1,067	$1,325	$3,392
SUBVENTIONS:				
6110 K-12 / LCFF (6110-601/643/670/672-0001)	General	$26,505	$29,309	$30,296
6110 K-12 Apportionments (6110-610-0001/3207) EPA	General	7,754	8,085	8,123
6110 County Offices (6110-608/671/673-0001)	General	453	381	341
6110 K-12 Mandate Payments	General	401	3,205	1,281
State Subventions Not Counted in Schools' Limit	General	-2,940	-7,915	-7,915
6870 Community Colleges Mandate Payments	General	50	632	76
6870 Community Colleges (6870-101/103/615/680-0001)	General	2,314	2,418	2,205
6870 Community Colleges (6870-610-0001/3207) EPA	General	958	999	1,004
SUBVENTIONS -- EDUCATION		$35,495	$37,114	$35,411
5195 1991 State-Local Realignment				
Vehicle License Collection Account	Special	$14	$14	$14
Vehicle License Fees	Special	1,687	1,750	1,810
5196 2011 State-Local Realignment				
Vehicle License Fees	Special	585	591	611
9100 Tax Relief (9100-101-0001)	General	427	432	432
SUBVENTIONS -- OTHER		$2,713	$2,787	$2,867
COURT AND FEDERAL MANDATES:				
Various Court and Federal Mandates (HHS)	General	$4,143	$4,706	$4,735
Various Court and Federal Mandates	General	3,212	3,370	3,460
Various Court and Federal Mandates	Special	233	235	236
TOTAL -- MANDATES		$7,588	$8,311	$8,431
PROPOSITION 111:				
Motor Vehicle Fuel Tax: Gasoline	Special	$1,336	$1,356	$1,363
Motor Vehicle Fuel Tax: Diesel	Special	277	283	286
Weight Fee Revenue	Special	336	343	350
TOTAL -- PROPOSITION 111		$1,949	$1,982	$1,999
TOTAL EXCLUSIONS:		**$57,737**	**$58,882**	**$58,621**
General Fund		*$50,831*	*$51,911*	*$52,382*
Special Funds		*$6,906*	*$6,971*	*$6,239*

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, 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 successor fund, or if no successor fund is specified, then to the General Fund. *(GC 13306, 16346.)*

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 statements. 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 cost 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 and are necessary for workload or administrative reasons. 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. *(SAM 6406, 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 Budget Act items).

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, A-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. It is 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 back 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. Prior to Proposition 28, Assembly members could serve two-year terms and a maximum of three terms. *(Article IV, § 2 (a).)*

Audit
Typically a review of financial statements 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 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 implement the increase (via a Budget Administration Adjustment in FI$Cal).

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 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; SAM 6406.)*

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 regards 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, less 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 Adjustment
Also referred as Workload Budget Adjustment. (See "Workload Budget Adjustment.")

Baseline Budget
Also referred 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 since 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 nongovernmental 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 proposal for spending authorization 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 by June 15 each year to the Governor for signature. 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 delete 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 a 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 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, necessary expenditure reductions 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, as required by the California Constitution, for signature after any line-item vetoes.
- Signing of the budget by the Governor. *(Art. IV. § 10, GC 13308, SAM 6150.)*

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) for state operations for each department. *(GC 13336; SAM 6210, 6220.)*

Budget Position Transparency and Expenditure by Category Redistribution
Pursuant to the Budget Act of 2015, Control Section 4.11 was amended to increase overall budget accuracy, transparency, and accountability. 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 year. 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 the 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 Revision (BR)
A document, usually approved by the Department of Finance, that cites a legal authority to authorize a change in an appropriation. 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 (formerly "organization code") 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 primary accounting system. Most departments currently use CALSTARS. *(GC 13300.)*

Capital Outlay (CO)
A character of expenditure 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 a three-year appropriation is not fully encumbered in the first year, the remaining amount is carried over to the next 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
A grouping of related types of expenditures, such as personal services, operating expenses and equipment, reimbursements, special items of expense, unclassified, local costs, capital costs, and internal cost recovery. *(UCM.)*

Changes in Authorized Positions ("Schedule 2")
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 due to various reasons. Some examples are: transfers, positions established, and selected reclassifications, as well as proposed new positions included in BCPs, for the current or budget year. *(SAM 6406.)*

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 1997,* would refer to the first bill enacted in 1997.

Character of Expenditure
A classification identifying the major purpose of an expenditure, such as state operations, local assistance, capital outlay, or unclassified. *(UCM.)*

Claim Schedule
A 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.

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, 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 which 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 which 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.

Decision Package
A term used in the FI$Cal (Hyperion) System. Any change to the currently enacted budget or proposed budget. This may be a Budget Change Proposal, workload issue, revenue estimate change, or legislative action. A decision package is a way for each department to submit incremental requests for, or to make adjustments to, funding.

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 (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 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 by January 10 of each year.
- Analyze legislation which has a fiscal impact.
- Develop and maintain the California State Accounting and Reporting System (CALSTARS).
- 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 the departments.

(GC 13000 et seq.)

Detailed Budget Adjustments
Department Detailed Budget Adjustments are included in department budget displays to provide the reader a snapshot of proposed expenditure and position adjustments in the department, why those changes are being proposed, and their dollar and position impact.

The Detailed Budget Adjustments include two adjustment categories: workload and policy. Within the workload section, issues are further differentiated between budget change proposals and other workload budget adjustments. Below are the standard categories or headings including definitions. Additional categories or headings may be used as needed in any particular year.

- **Workload Budget Adjustments**—See "Workload Budget Adjustment."
- **Policy Adjustments**—See "Policy Adjustments."
- **Salary Adjustments**—See "Employee Compensation/Retirement."
- **Benefit Adjustments**—See "Employee Compensation/Retirement."
- **Retirement Rate Adjustments**—See "Employee Compensation/Retirement."
- **Budget Position Transparency**—See "Budget Position Transparency and Expenditure by Category Redistribution"
- **Expenditure by Category Redistribution**—See "Budget Position Transparency and Expenditure by Category Redistribution."
- **Carryover/Reappropriation**—See "Carryover" and "Reappropriation."
- **Legislation with an Appropriation**—New legislation with funding to carry out its purpose.
- **Lease Revenue Debt Service Adjustment**—Expenditures related to changes in lease revenue costs.
- **Pro Rata**—See "Pro Rata"
- **SWCAP**—See "Statewide Cost Allocation Plan"
- **Statutory COLAs**—See "Cost-of-Living Adjustments (COLA)"
- **Miscellaneous Baseline Adjustments**—This category includes all workload budget adjustments not included in one of the aforementioned categories.
- **Other**—Identifies large dollar amounts that would otherwise be categorized as Miscellaneous Baseline Adjustments or combined within another workload budget adjustment type. These will be individually shown in the Detailed Budget Adjustments table in the Governor's Budget.

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.

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 which decrease the fund balance of these funds.

Enrolled Bill Report (EBR)
An analysis prepared 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, since these are not acted upon by the Governor. *(SAM 6965.)*

Enrollment, Caseload, and Population Adjustments
These adjustments are generally formula or population driven.

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 requesting the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by Budget Act provision language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a state-wide 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 statements 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.

Feasibility Study Report (FSR)
A document proposing an information technology project that contains analyses of options, cost estimates, and other information. *(SAM 4920-4930.)*

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 2015 means the period beginning October 1, 2014 and ending September 30, 2015.

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 on or before January 10 of each year to the Legislature. 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 Conversion Code (FCC) Listing
A listing distributed by the State Controller's Office to departments each spring, which based upon departmental coding updates, will dictate how the salaries and wages detail will be displayed in the Salaries and Wages publication. *(SAM 6430.)*

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 caseload, population, enrollment, updated revenues, and Proposition 98 by May 14. *(GC 13308.)*

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, Senate Appropriations Committee, 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 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 2015-16, this is the time period beginning July 1, 2015 and ending June 30, 2016. *(GC 13290.)*

Floor
The Assembly or Senate chambers or 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 in non-institutional) 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 which 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 service 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 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 website. *(Article IV, § 12; SAM 6120, et seq.)*

Governor's Budget Summary (or A-Pages)
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 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 the program.

Indirect Costs
Costs which by their nature cannot be readily associated with a specific organization unit or program. Like general administrative expenses, indirect costs are distributed to the organizational unit(s) or program(s) which benefit from their incurrence.

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
Another word for appropriation (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 and this document 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 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 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 fifty 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 Chapter 3.5 [commencing with section 11340], Part 1, Division 3, Title 2; SAM 6601-6616; 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; any net additional costs incurred by a department usually must be absorbed from within existing resources. *(GC 19832.)*

Minor Capital Outlay
Construction projects, or equipment acquired to complete a construction project, estimated to cost less than $634,000 plus any escalation per Public Contract Code section 10108.

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.

Nongovernmental 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 such as State Employees' Retirement and Workers' Compensation. *(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 which includes objects of expenditure 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 which 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, 6506.)*

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 to 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 8715.)*

Policy Adjustments
Changes to existing law or Administration policies. These adjustments require action by the Governor and/or Legislature and modify the workload budget.

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, 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 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 11270-11277, 13332.03; 22828.5; 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 its program resources. *(SAM 7261.)*

Programs
Activities of a business unit grouped on the basis of common objectives. Programs can be further divided into subprograms.

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 which 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.)*

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.

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.

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.

Reimbursements
An amount received as a payment for the cost of services 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.)*

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.

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 an appropriation. Agencies 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 warrant. 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 website. (See "Schedule 7A.")

Schedule
The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the categories, 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 2
See "Changes in Authorized Positions."

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 website. (See "Salaries and Wages Supplement") *(SAM 6415-6419.)*

Schedule 8
A detailed listing generated from the State Controller's Office payroll records for a department of its 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 11
Outdated term for "Supplementary Schedule of Operating Expenses and Equipment."

Schedule of Federal Funds and Reimbursements, Supplementary
A supplemental schedule submitted by departments during budget preparation which displays the federal receipts and reimbursements by source. *(SAM 6460.)*

Schedule of Operating Expenses and Equipment, Supplementary
A supplemental schedule submitted by departments during budget preparation which 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 in order 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 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.

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 funds 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. (Prior to 1996-97, this authority was contained in Section 6.50 of the Budget Act.) *(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 specifies certain administrative procedures. For example, the section subjects the Budget Act appropriations to various sections of the Government Code, limits the new positions a department may establish to those authorized in the Budget, requires Finance approval and legislative notification of certain position transactions, requires all administratively established positions to terminate on June 30 and allows for such positions to continue if they were established after the Governor's Budget was submitted to the Legislature, and prohibits increases in salary ranges and other employee compensation which require funding not authorized by the budget unless the Legislature is informed.

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. Prior to Proposition 28, Senate members could serve a maximum of two four-year terms. Twenty members are elected every two years. *(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 category that covers nonrecurring 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 a means for circumventing 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 nonindustrial 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, General Fund costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, 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 which 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, 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. Triggers can be active (such as pressing the update key to validate input to a database) or passive (such as a tickler file to remind of an activity). For example, 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.)

Unappropriated Surplus
An outdated term for that portion of the fund balance not reserved for specific purposes. (See “Fund Balance” and “Reserve.”)

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 which 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.

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.)*

Victim Compensation and Government Claims Board, California
An administrative body in state government exercising quasi-judicial powers (power to make rules and regulations) to establish an orderly procedure by which the Legislature will be advised of claims against the state when no provision has been made for payment. This board was known as the Board of Control prior to January 2001. The rules and regulations adopted by the former Board of Control are in the California Code of Regulations, Title 2, Division 2, Chapter 1.

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. 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
The measurement of increases and decreases of inputs or demands for work, and a common basis for projecting related budget needs for both established and new programs. This approach to BCPs is often viewed as an alternative to outcome or performance based budgeting where resources are allocated based on pledges of measurable performance.

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 to reflect inflation. The compacts with Higher Education and the Courts are commitments by this Administration and therefore are included in the workload budget and considered workload adjustments. A workload budget is also referred to as a baseline budget. *(GC 13308.05.)*

Workload Budget Adjustment
Any adjustment to the currently authorized budget necessary to maintain the level of service required to fund a Workload Budget, as defined in Government Code section 13308.05. A workload budget adjustment is also referred to as a baseline adjustment.

Year of Appropriation (YOA)
Refers to the first fiscal year of enactment or availability, whichever is later. (This may not apply to Proposition 98 funding.)

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), YOB is the same as year of appropriation (YOA) and year of completion (YOC). However, when the availability period is more than one year, YOB may be any fiscal year during the availability period, including YOA or YOC, as appropriate. For example, an appropriation created in 2010-11 and is available for three years, the YOA is 2010 and the YOC is 2012. If an obligation is created in 2011-12, the YOB for this obligation is 2011. In CALSTARS, YOB is referred to as funding fiscal year. 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:*

Article	*Article of California Constitution*
BA	*Budget Act*
CS	*Control Section of Budget Act*
GC	*Government Code*
SAM	*State Administrative Manual*
UCM	*Uniform Codes Manual*