Governor's Budget Summary
2018-19

Edmund G. Brown Jr. Governor
State of California

To the California Legislature
Regular Session 2017-18

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GOVERNOR

Edmund G. Brown Jr.

January 10, 2018

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

In 2011, we faced "a tough budget for tough times." We cut spending, the economy recovered, and voters approved tax increases. The $27 billion deficit became a solid surplus.

In recent years, I have warned of an inevitable recession lurking in our future, which thankfully has not yet arrived. Nevertheless, we must remain vigilant and not let rosy statistics lull us into believing that economic downturns are a relic of the past. Fiscal restraints are needed more than ever as California approaches the peak of the business cycle.

This budget reflects our collective priorities. As was true in 2011, our Job Number 1 is fixing our state budget and keeping spending in line with revenue. In a volatile and uncertain world, fixing the budget is a perpetual struggle and one we must approach with wisdom.

California has faced ten recessions since World War II and we must prepare for the eleventh. Yes, we have had some very good years and program spending has steadily increased. Let's not blow it now.

I urge you to debate this budget, reflect on the many uncertainties we face and fill the Rainy Day Fund. In this way, we will avoid the drastic cutbacks suffered in previous downturns and keep faith with the people and our state on an even keel.

With respect,

/s/ Edmund G. Brown Jr.

Edmund G. Brown Jr.

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Introduction

During the years leading up to 2011, California's fiscal troubles were monumental, with huge annual budget deficits and perennially late budgets. Many questioned whether California was governable at all, with the media calling the state "a fiscal basket case" and comparing it to insolvent nations like Greece. Seven years later, California passed seven consecutive on-time budgets, kept its spending in line with revenues, and built up a solid Rainy Day Fund.

As the state's economy has recovered from the Great Recession, the past five budgets have significantly increased spending—through historic growth in education funding, the creation and expansion of the state's first Earned Income Tax Credit, a minimum wage that will over time increase to $15 per hour, and the expansion of health care coverage to millions of Californians. The state has also paid down its budgetary borrowing and tackled such long-standing problems as restoring fiscal health to its retirement benefit plans and making major improvements to the state's transportation and water systems.

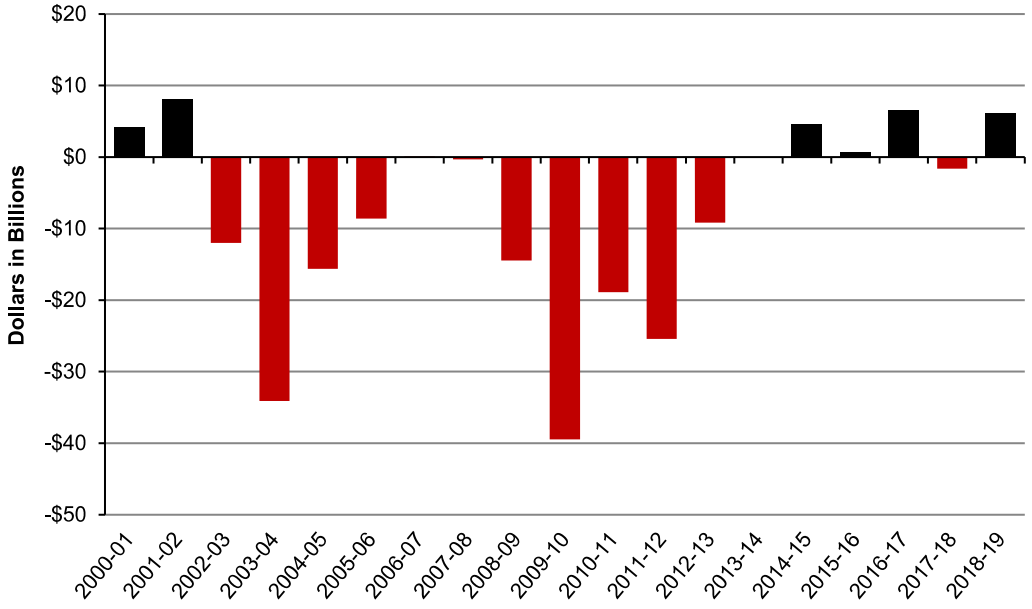
The 2018-19 Budget is projected to have a healthy one-time surplus. However, the state will continue to face uncertain times, including the ramifications of the recently enacted federal tax bill, which have not yet been factored into the Budget's economic or revenue forecasts.

The state must continue to plan and save for the next recession. By the end of 2018-19, the expansion will have matched the longest in post-war history. The best way to buffer against uncertainty and protect against future cuts is to continue building the state's Rainy Day Fund. Consequently, the Budget proposes to bring the Rainy Day Fund to 100 percent of its constitutional target.

Maintaining a Balanced Budget in Uncertain Times

California's fiscal stability—from a balanced budget and a recovering state economy—has been a welcome reprieve from prior budget deficits. As shown in Figure INT-01, the state's short periods of balanced budgets in the 2000s were followed by massive budget shortfalls. While each of these prior crises was preceded by a stock market crash, actions by the federal government could also easily overwhelm the fiscal capacity of the state. California's relationship with the federal government has never been more uncertain.

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.

The Budget, now more than ever, demands caution and prudence. Among the uncertainties are:

Federal Tax Changes—The Budget's economic and revenue forecasts were finalized prior to the enactment of the federal tax package at the end of December. The Budget forecasts assume no federal tax changes. While there are some aspects of the package that could temporarily benefit the national economy, millions of Californians will be hurt by the limitation of the ability to deduct state and local taxes from their federal filings. The May Revision will include a preliminary analysis of the projected impact of the changes on the state economy and revenues, although the effect from changed behavior of businesses and wealthy individuals will only be apparent after 2018 taxes are filed.

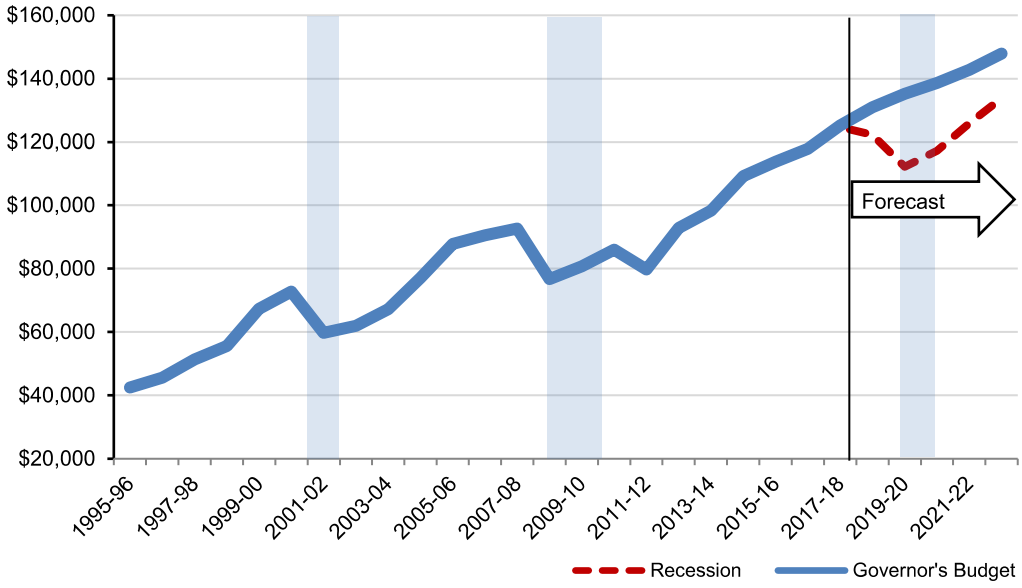
Children's Health Insurance Program (CHIP) Reauthorization—Congress acted in late 2017 to extend the federal cost sharing ratio for CHIP at an 88 percent federal match for several more months. The Budget was finalized before this action and instead assumes that the federal government will extend the CHIP cost sharing rate at a 65 percent level through 2018-19, consistent with the 2017 Budget Act. While the recent extension will lower budgeted state costs in the current year, failure by Congress to extend funding beyond March 2018 would increase state costs by hundreds of millions of dollars in 2018-19. The May Revision will include updated estimates based on federal action to date.

Federal Cost Shifting—In 2017, Congress attempted several times to repeal the Affordable Care Act and consequently drop health care coverage for millions of Californians. Such actions, if successful, would have cost the General Fund tens of billions of dollars annually—more than doubling the cost of Medi-Cal when fully implemented. While these recent efforts were defeated, Congress continues to indicate a willingness to shift health care and other entitlement program costs from the federal budget to states to address recent increases in the federal deficit.

Planning for the Next Recession

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 lasted about five years. By the end of the 2018-19 fiscal year, the expansion will have matched the longest in modern history. As shown in Figure INT-02, a moderate recession will drop state revenues by over $20 billion annually for several years.

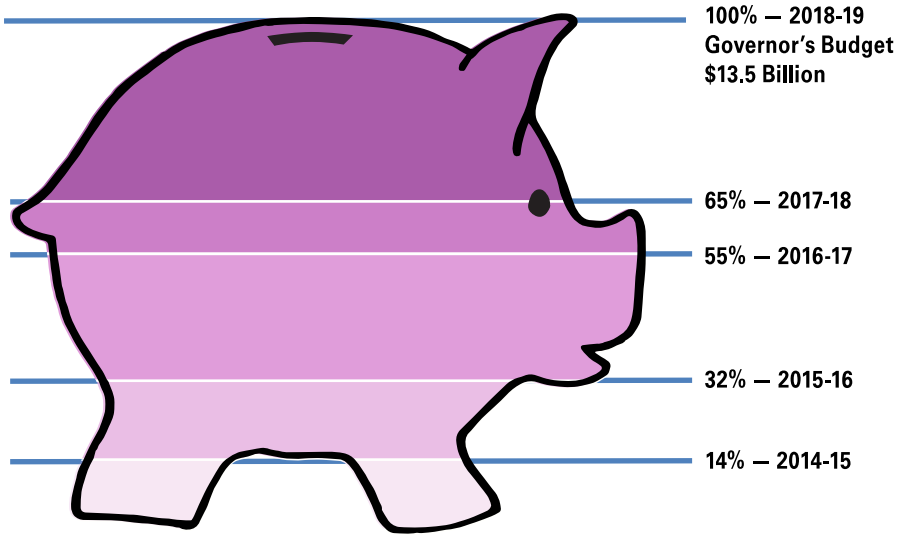
Figure INT-02
Annual Revenue Could Drop by over $20 Billion in a Recession
(Dollars in Millions)



Proposition 2, passed by the voters in 2014, establishes a constitutional goal of reserving 10 percent of tax revenues in a Rainy Day Fund. By the end of 2017-18, the state's Rainy Day Fund will have a total balance of $8.4 billion (65 percent of the constitutional target). The state's primary short-term fiscal goal should continue to be fully filling the Rainy Day Fund by the time the next recession begins. California's current fiscal position allows the state to achieve this goal, and the Budget proposes a $3.5 billion supplemental deposit to reach this milestone. See Figure INT-03 for a summary of the progress that the state has made in recent years.

While a full Rainy Day Fund might not eliminate the need for spending reductions in the case of a recession or major federal policy changes, saving now when budgets are good will allow the state to use its Rainy Day Fund later to soften the magnitude and length of any budget cuts. Not taking the opportunity to fully fill the Rainy Day Fund now will only heighten the risk that in the future the state will be unable to protect the vital public services it provides.

Figure INT-03
Filling Up the Rainy Day Fund Before the Next Recession



Moving Government Closer to the People

To both balance the budget and improve the state's ability to serve its residents, the state has taken major steps since 2011 to move government decision making closer to the people.

2011 Public Safety Realignment—The 2011 Public Safety Realignment shifted various public safety programs to local governments while providing an ongoing constitutionally protected funding source for these programs. The state began a major reduction in the size of the prison system due to federal court orders and the ability of counties to better serve lower-level offenders at a lesser cost. Since 2011, the state's prison population has been reduced by nearly 20 percent (from 162,000 in 2011 to 131,000 in 2017). As part of this realignment, roughly $8 billion in flexible funding will be distributed next year to local governments.

Local Control Funding Formula—In 2013, the state enacted the K-12 local control funding formula to enhance school district fiscal flexibility. By eliminating 43 discrete categorical programs and revamping state allocation formulas, school districts now have the freedom to innovate locally and focus improvement on English learners, students from low-income families, and youth in foster care. With a proposed $3 billion in new funding for the formula in 2018-19, the Budget will achieve full implementation of the formula two years earlier than originally scheduled.

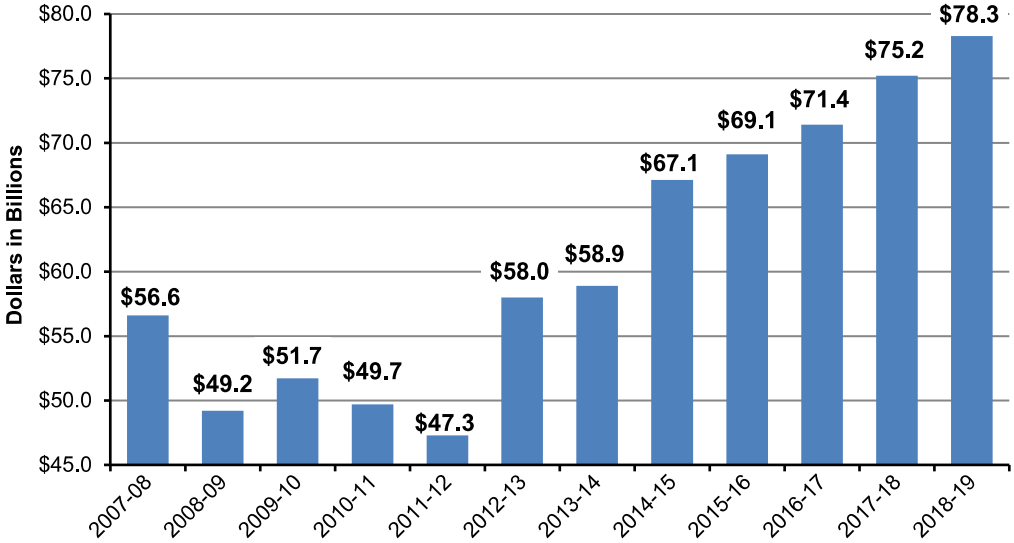
More Money for Schools

Proposition 30 in 2012 and Proposition 55 in 2016, as passed by the voters, increased funding for public education from their reduced levels during the Great Recession.

K-12 Education

As shown in Figure INT-04, the minimum guarantee of funding for K-14 schools in 2007-08 was $56.6 billion, dropping to $47.3 billion in 2011-12 at the peak of the state budget crisis. From this recent low, funding has grown substantially, and will continue to grow to $78.3 billion in 2018-19—an increase of $31 billion (66 percent) in seven years.

Figure INT-04
Proposition 98 Funding
2007-08 to 2018-19

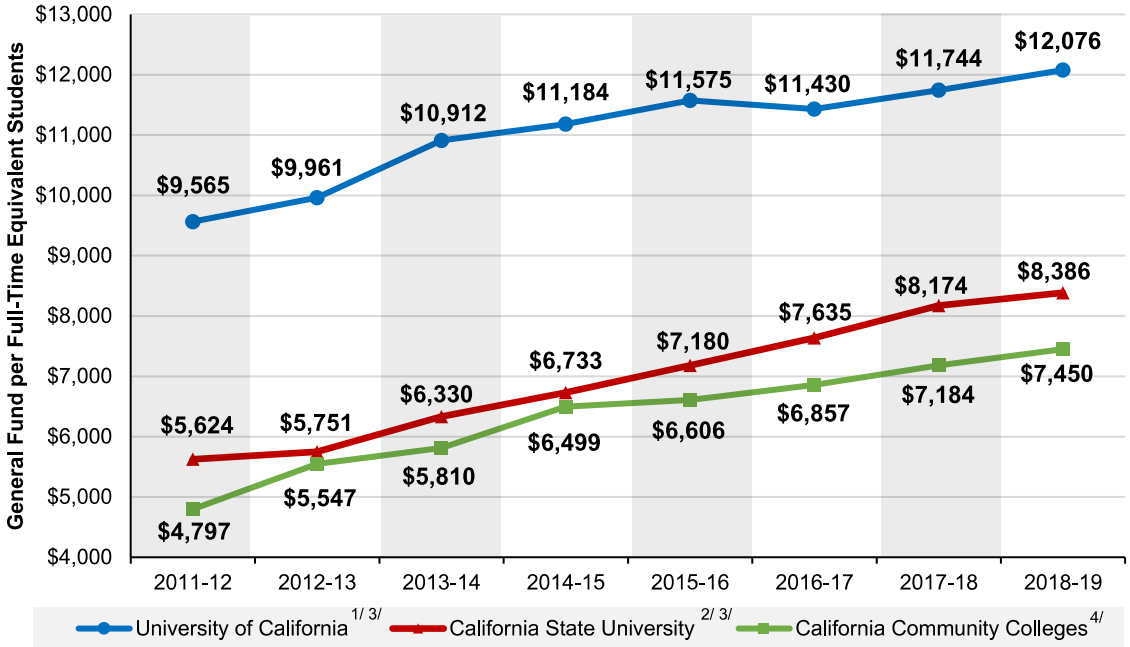


For K-12 schools, 2018-19 funding levels will increase by about $4,600 per student over 2011-12 levels. As noted above, available funding will allow the state to reach 100 percent implementation of the Local Control Funding Formula this year, correcting historical inequities in school district funding. While many districts have seized the opportunities offered under the formula to better serve their students, others have been slower to make changes. To improve student achievement and transparency, the Budget proposes requiring school districts to create a link between their local accountability plans and their budgets to show how increased funding is being spent to support English learners, students from low-income families, and youth in foster care.

Higher Education

The Administration has consistently sought to keep student fees low, promote new technology and innovation, and improve graduation rates, all to support students' success in their educational goals. The Budget continues to provide each university system with an annual 3-percent increase and the community colleges with a Proposition 98 increase of $570 million (4 percent). As shown in Figure INT-05, per-student General Fund levels have been increasing significantly since 2011-12. Since their recent lows, the University of California has received $1.2 billion in new funding, the California State University (CSU) has received $1.6 billion, and the community colleges $2.4 billion. Over the same time period, funding for state financial aid that primarily supports low-income students has increased by $623 million, to a total of $2.3 billion.

Figure INT-05
Per Student Funding for Public Higher Education Has Been Increasing Since 2011



1/ Appropriations to the UC are adjusted to exclude one-time funds of $5 million in 2011-12, $5 million in 2012-13, $4 million in 2014-15, $122 million in 2015-16, $261.6 million in 2016-17, and $175.6 million in 2017-18.

2/ Appropriations to the CSU are adjusted to exclude one-time funds of $4.6 million in 2015-16, $48.3 million in 2016-17, and $44.2 million in 2017-18.

3/ Appropriations to the UC beginning in 2013-14 and the CSU beginning in 2014-15 are adjusted to exclude funds used to pay state general obligation bond debt service to allow for comparisons to earlier years.

4/ Community college funding reflects total Proposition 98 funding (including both General Fund and property taxes), excluding funding for adult education.

Given these recent and proposed funding increases, coupled with the current level of resources available to postsecondary education institutions, the Budget reflects flat tuition and expects the universities and community colleges to continue to improve their students' success with

the proposed level of resources. With no tuition increases this year, university tuition, adjusted for inflation, will be below 2011-12 levels.

Since 2010, upon creation through legislation (AB 1440), the state has invested a great deal of effort and funding in the Associate Degree for Transfer—a process to simplify the transfer of community college students to the CSU system. Last year alone, 38,000 students earned an Associate Degree for Transfer from a community college and 18,000 of these students successfully transferred to the CSU for the 2017 fall term. To further expand transfer opportunities for students earning these transfer degrees, the Budget restores funding for Cal Grant scholarships used at private, nonprofit universities, contingent upon these institutions admitting at least 3,000 transfer students with these degrees in the coming years.

Among California's higher education institutions, community colleges serve by far the most students—2.1 million students, or three-quarters of all public higher education students. In the summer of 2017, the community college system released its *Vision for Success.* Much like the CSU Graduation Initiative released in 2016, the community college vision provides a strategic plan for the system to improve student outcomes. The plan calls on the colleges to significantly increase student completion and transfer rates, decrease excess units taken by students, increase the number of career technical education students who are employed in their field of study, and eliminate racial/ethnic and regional achievement gaps.

The state's decades-old community college apportionment formula—which favors counting the number of students at a desk at a particular point in time—is not the most effective way for community colleges to reach these ambitious goals. Instead, the Budget proposes a new funding formula that provides supplemental funding to those districts that serve low-income students and provides grants to districts for each student who completes a degree or certificate. As the formula is implemented, no district will receive less funding than currently provided.

Currently, public universities and community colleges are inadequately serving the 2.5 million Californians between the ages of 25 and 34 who are in the workforce but lack a postsecondary degree or credential. Consequently, these young adults lack the skills and education to succeed in the modern economy and, therefore, are particularly at risk of being laid off during a recession. Often, these individuals seek educational assistance outside of California or through for-profit institutions, paying tens of thousands of dollars to try to get ahead but too often just ending up buried in debt. To serve these workers—who lack the time and ability to enroll in traditional classes—the Budget proposes the creation of the California Online College. While this innovative new college will take time to get up and running, it will offer millions of state residents a new opportunity toward economic success by taking advantage of modern technology.

Counteracting the Effects of Poverty

The Census Bureau has reported that 14.3 percent of California residents are living in poverty—slightly above the national average of 14.0 percent. The Census Bureau's supplemental measure of poverty, which considers broader definitions of income and living costs, reflects an even higher poverty rate—primarily due to the state's high cost of housing. While California's economic condition has improved since the Great Recession, much of the gains have accrued to the state's wealthiest residents. The recently enacted federal tax package threatens to exacerbate this gap in wealth.

California has an extensive safety net for the state's neediest residents who live in poverty. Since 2012, the General Fund has newly committed approximately $20 billion annually in poverty-focused programs. In addition to full implementation of the K-12 local control funding formula—which heavily emphasizes services to the state's neediest students—the Budget continues to fund:

- The rising state minimum wage, which increased to $11 per hour in 2018 and is scheduled to eventually rise to $15 per hour.
- The expansion of health care coverage under the federal Affordable Care Act, which provides millions of Californians with insurance.
- The restoration of various health benefits to low-income Californians that were eliminated during the recession, including adult dental services.
- The state's first Earned Income Tax Credit and its recently expanded coverage.
- The increased CalWORKs grants and the repeal of the maximum family grant rule, which denied aid to children who were born while their parents were receiving aid.
- The increases in child care and early education provider rates and the number of children served totaling $1.2 billion.

Combating Climate Change

California has acted decisively and aggressively to reduce greenhouse gas emissions and address climate change, with a state goal to reduce emissions 40 percent below 1990 levels by 2030. The state's most cost-effective approach to meeting that target is the Cap and Trade Program, which allows the private sector to determine the most appropriate path for reducing emissions through the quarterly auction of pollution credits. In addition to the direct emission reductions required under the program, the state has appropriated $6 billion in auction proceeds

to further reduce emissions by funding transit and high-speed rail, affordable housing near jobs and services, forest and watershed improvements, healthy soil, recycling opportunities, and home energy upgrades. The state has prioritized the expenditure of these funds to disadvantaged communities.

The Legislature recommitted to the future of Cap and Trade last year with an extension of the program through 2030. Since then, auction proceeds have stabilized and revenues have increased, resulting in $1.25 billion in Cap and Trade dollars being available for appropriation in 2018-19. The plan for these funds will be announced later in January as part of the Governor's annual State of the State Address.

Enhancing Public Safety

The public safety goal of the Administration has been to give offenders the greatest opportunity for rehabilitation—thereby reducing recidivism and increasing overall public safety in a cost-effective manner. Over the past seven years, both in response to a federally imposed population cap and voter directives, the prison population has been reduced by 20 percent.

Over the prior two decades, corrections spending was one of the fastest growing components of the state budget—averaging 12.5 percent annual growth. The department's budget was notoriously difficult to control, with spending exceeding budgeted amounts—often by hundreds of millions of dollars.

In contrast, over the past seven years, annual corrections spending growth has been reduced to 2.8 percent while focusing more dollars on health care and rehabilitation. While corrections spending represented 11.4 percent of 2011-12 General Fund spending, it now represents only 8.9 percent under the 2018-19 Budget.

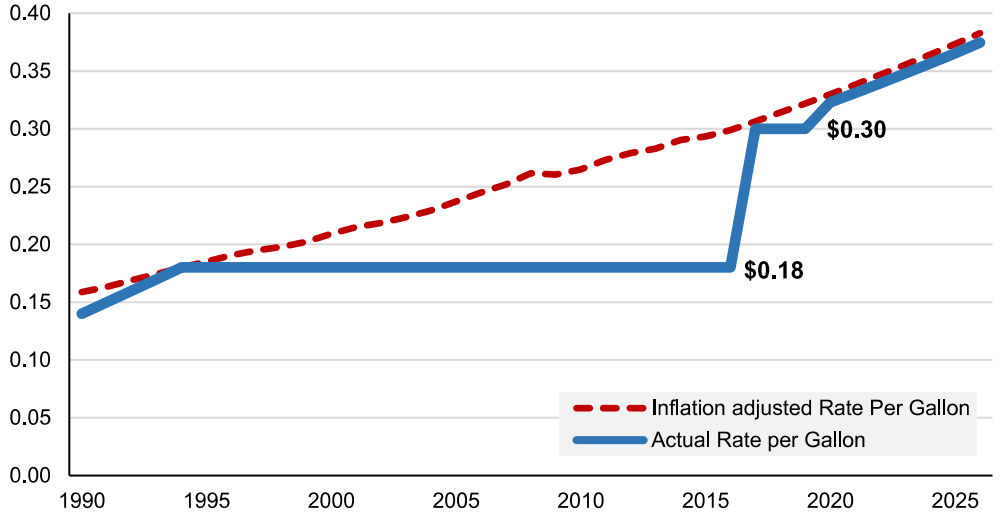
Strengthening Infrastructure

The construction and maintenance of key physical infrastructure is one of the core functions of state government. Infrastructure allows for the movement of goods across the state and the delivery of public services. The deferred maintenance on existing state infrastructure is staggering—estimated to total $67 billion. The 2015 and 2016 Budgets contained a combined $960 million to address the most critical deferred maintenance projects such as levees and high-priority state facilities. The 2016 Budget also began a major investment in renovating Sacramento's aged and inadequate state office infrastructure, including the state Capitol Annex.

The Budget reflects the first full year of funding under the Road Repair and Accountability Act of 2017 (SB 1), which provides stable, long-term funding for both state and local transportation

infrastructure priorities. California was facing the effects of inflation that had significantly eroded the purchasing power of the gas tax since the last time it was raised in 1994. The package reverses that trend (see Figure INT-06) and provides $55 billion in new funding over the next decade, split evenly between state and local projects.

Figure INT-06
SB 1 Restored Lost Purchasing Power for the Gas Tax



For 2018-19, the Budget includes $4.6 billion in new transportation funding, which includes:

- Focus on "fix-it-first" investments to repair neighborhood roads, state highways, and bridges ($2.8 billion).
- Make key investments in trade and commute corridors to support continued economic growth and implement a sustainable freight strategy ($556 million).
- Match locally generated funds for high-priority transportation projects ($200 million).
- Invest in passenger rail and public transit modernization and improvement ($721 million).

The Budget also reflects the first $1.3 billion in natural resources and housing infrastructure spending from the bonds passed by the Legislature last year, assuming passage by the voters in 2018. In addition, the Budget includes funding to restart the state's court construction program to complete ten courthouses.

Supporting Job Creation

Since January 2011, California has added 2.6 million jobs to the economy. While state government can only have a limited influence over the state's dynamic economy, the stability of

a balanced state budget has given businesses the certainty and the reassurance they need to invest in California. In addition, the Administration redirected billions of dollars that were once spent ineffectively through the enterprise zone and redevelopment programs to more proven tools, like a sales tax exemption for manufacturing equipment and the California Competes tax credit program. To continue these efforts, the Budget proposes to extend the California Competes program for another five years with $180 million in credits awarded annually. An additional $20 million annually will directly assist small businesses.

Although the economy is near full employment, many Californians struggle to find work due to their personal history. As such, the Budget includes $50 million to provide credits for businesses that hire individuals who have employment barriers in the workforce, such as parolees, CalWORKs recipients, and veterans.

Paying Down Debts and Liabilities

In May 2011, Governor Brown identified a $35 billion Wall of Debt— an unprecedented level of debts, deferrals, and budgetary obligations accumulated over the prior decade. That debt has been substantially reduced, now standing at less than $6 billion. In addition to strengthening the Rainy Day Fund, Proposition 2 requires the state pay down a certain amount of debt in each budget. Additional Proposition 2 debt payments over the next few years for eligible components will further shrink this debt.

While short-term debts and budgetary borrowing have been largely eliminated, long-term liabilities remain. As shown in Figure INT-07, the state has $275 billion in long-term costs, debts, and liabilities. The vast majority of these liabilities—$272 billion—are related to retirement costs of state and University of California employees.

Figure INT-07

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2

(Dollars in Millions)

	Outstanding Amount at Start of 2018-19 [2/]	Proposed Use of 2018-19 Pay Down
Budgetary Borrowing		
Loans from Special Funds	$1,248	$205
Underfunding of Proposition 98—Settle-Up	440	100
Weight Fees	1,117	325
Repayment of pre-Proposition 42 Transportation Loans	471	235
State Retirement Liabilities		
State Retiree Health	76,533	195
State Employee Pensions	59,578	475
Teachers' Pensions[1/]	101,586	0
Judges' Pensions	3,489	0
Deferred payments to CalPERS	682	0
University of California Retirement Liabilities		
University of California Employee Pensions	10,851	0
University of California Retiree Health	19,331	0
Total	**$275,326**	**$1,535**

[1/] The state portion of the unfunded liability for teachers' pensions is $29.3 billion.

[2/] For retiree health and pensions, the amounts reflect latest actuarial report available.

Over the past several years, the Governor and Legislature have taken significant steps to address the long-term costs of retirement programs.

In 2012, the California Public Employees' Pension Reform Act was enacted to save billions of taxpayer dollars by capping pension 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 by 2046. In 2015, the state and its employees began to share equally in the prefunding of retiree health benefits to eliminate a then $72 billion unfunded liability in the coming decades. In 2017, the state made a $6 billion supplemental payment to CalPERS that is estimated to save a net $4.8 billion in required pension contributions over the next two decades.

Despite these efforts, California's unfunded liabilities continue to rise. If not for the above-noted efforts, these liabilities would be billions of dollars higher. Accounting for all of these actions, and under current assumptions, the state now has plans in place to pay off these liabilities. The state's multiyear spending forecast accounts for the expected increases in these costs while keeping spending in line with revenues. In other words, the state can continue to manage

its retirement expenses while waiting for the long-term savings under 2012's pension reform law to phase in. The growing costs will be expensive, but paying more now will reduce the liabilities and help preserve the ability of the state to keep providing these benefits over the long term.

Maintaining Fiscal Balance: An Ongoing Challenge

The past six years have been the longest stretch of balanced budgets in recent history. With a volatile revenue structure and limited spending flexibility, the California budget demands constant attention to stay in balance. These six years of relative fiscal stability illustrate the benefits of a prudent approach to budgeting—building up a Rainy Day Fund, avoiding overcommitting one-time revenues, and making tough decisions when necessary. These years provide a sharp contrast to the decade of budget crises that preceded it—a decade that was defined by using one-time revenues from capital gains for ongoing expenditures while deferring tough decisions through borrowing and gimmicks. The state's next recession will be upon California soon enough, but a full Rainy Day Fund is the best tool available to guide the state through it.

Summary Charts

This section provides various statewide budget charts and tables.

Figure SUM-01

2018-19 Governor's Budget
General Fund Budget Summary

(Dollars in Millions)

	2017-18	2018-19
Prior Year Balance	$4,611	$5,351
Revenues and Transfers	$127,252	$129,792
Total Resources Available	**$131,863**	**$135,143**
Non-Proposition 98 Expenditures	$73,771	$77,126
Proposition 98 Expenditures	$52,741	$54,564
Total Expenditures	**$126,512**	**$131,690**
Fund Balance	**$5,351**	**$3,453**
Reserve for Liquidation of Encumbrances	$1,165	$1,165
Special Fund for Economic Uncertainties	$4,186	$2,288
Budget Stabilization Account/Rainy Day Fund	**$8,411**	**$13,461**

Figure SUM-02

General Fund Expenditures by Agency

(Dollars in Millions)

	2017-18	2018-19	Change from 2017-18 Dollar Change	Change from 2017-18 Percent Change
Legislative, Judicial, Executive	$3,221	$3,651	$430	13.3%
Business, Consumer Services & Housing	404	432	28	6.9%
Transportation	239	213	-26	-10.9%
Natural Resources	3,564	3,029	-535	-15.0%
Environmental Protection	115	82	-33	-28.7%
Health and Human Services	35,394	37,383	1,989	5.6%
Corrections and Rehabilitation	11,678	11,815	137	1.2%
K-12 Education	53,489	55,167	1,678	3.1%
Higher Education	14,968	15,450	482	3.2%
Labor and Workforce Development	147	122	-25	-17.0%
Government Operations	1,128	1,181	53	4.7%
General Government:				
Non-Agency Departments	775	766	-9	-1.2%
Tax Relief/Local Government	428	457	29	6.8%
Statewide Expenditures	962	1,942	980	101.9%
Total	**$126,512**	**$131,690**	**$5,178**	**4.1%**

Note: Numbers may not add due to rounding.

Figure SUM-03

2018-19

General Fund Expenditures

(Dollars in Millions)

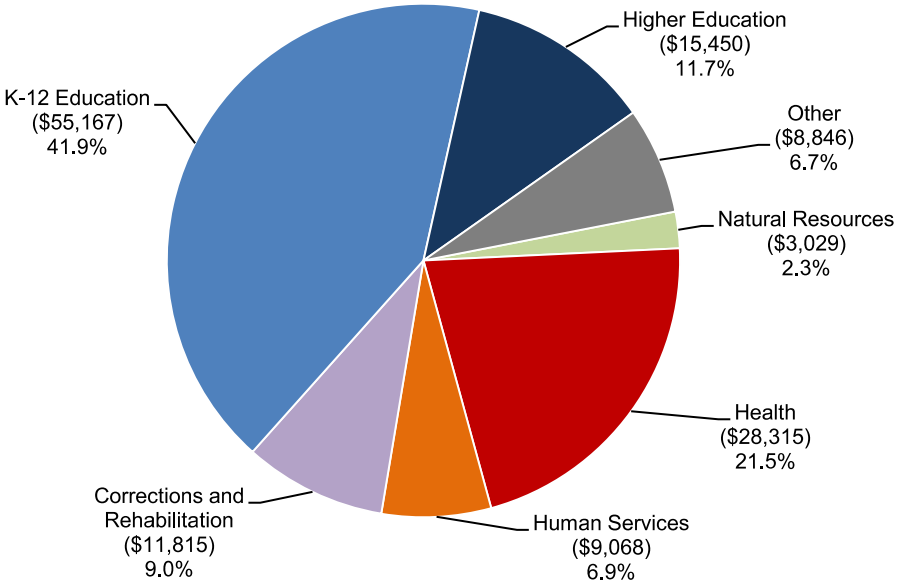


Figure SUM-04

General Fund Revenue Sources

(Dollars in Millions)

	2017-18	2018-19	Change from 2017-18 Dollar Change	Change from 2017-18 Percent Change
Personal Income Tax	$89,403	$93,593	$4,190	4.7%
Sales and Use Tax	25,165	26,151	986	3.9%
Corporation Tax	10,656	11,224	568	5.3%
Insurance Tax	2,438	2,508	70	2.9%
Alcoholic Beverage Taxes and Fees	376	382	6	1.6%
Cigarette Tax	65	63	-2	-3.1%
Motor Vehicle Fees	27	27	0	0.0%
Other	820	894	74	9.0%
Subtotal	**$128,950**	**$134,842**	**$5,892**	**4.6%**
Transfer to the Budget Stabilization Account/Rainy Day Fund	-1,698	-5,050	-3,352	197.4%
Total	**$127,252**	**$129,792**	**$2,540**	**2.0%**

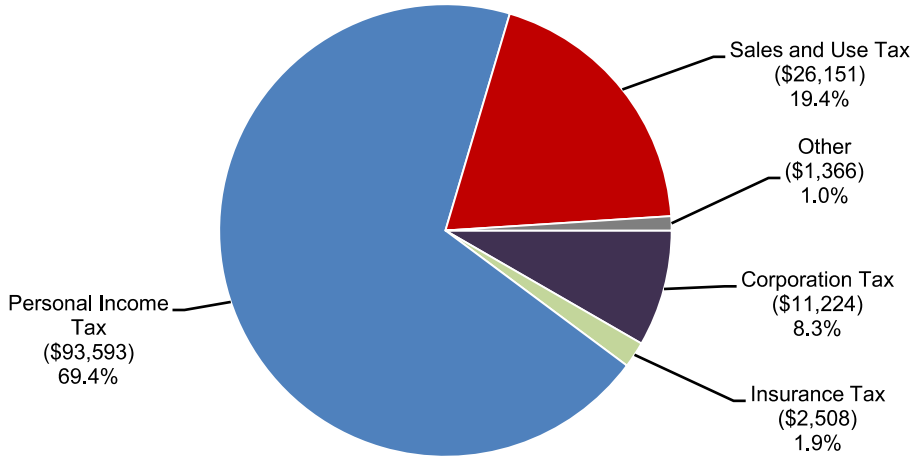
Note: Numbers may not add due to rounding.

Figure SUM-05

2018-19

General Fund Revenues and Transfers[1/]

(Dollars in Millions)



[1/] Excludes $5,050 million transfer to Rainy Day Fund.

Figure SUM-06

2018-19 Total State Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	$3,651	$3,608	$156	$7,415
Business, Consumer Services & Housing	432	1,149	352	1,933
Transportation	213	13,149	638	14,000
Natural Resources	3,029	1,352	319	4,700
Environmental Protection	82	2,803	13	2,898
Health and Human Services	37,383	23,740	-	61,123
Corrections and Rehabilitation	11,815	2,874	-	14,689
K-12 Education	55,167	104	656	55,927
Higher Education	15,450	169	330	15,949
Labor and Workforce Development	122	732	-	854
Government Operations	1,181	319	7	1,507
General Government				
Non-Agency Departments	766	1,762	2	2,530
Tax Relief/Local Government	457	2,821	-	3,278
Statewide Expenditures	1,942	1,572	2	3,516
Total	**$131,690**	**$56,154**	**$2,475**	**$190,319**

Note: Numbers may not add due to rounding.

Figure SUM-07

2018-19

Total State Expenditures

(Including Selected Bond Funds)

(Dollars in Millions)

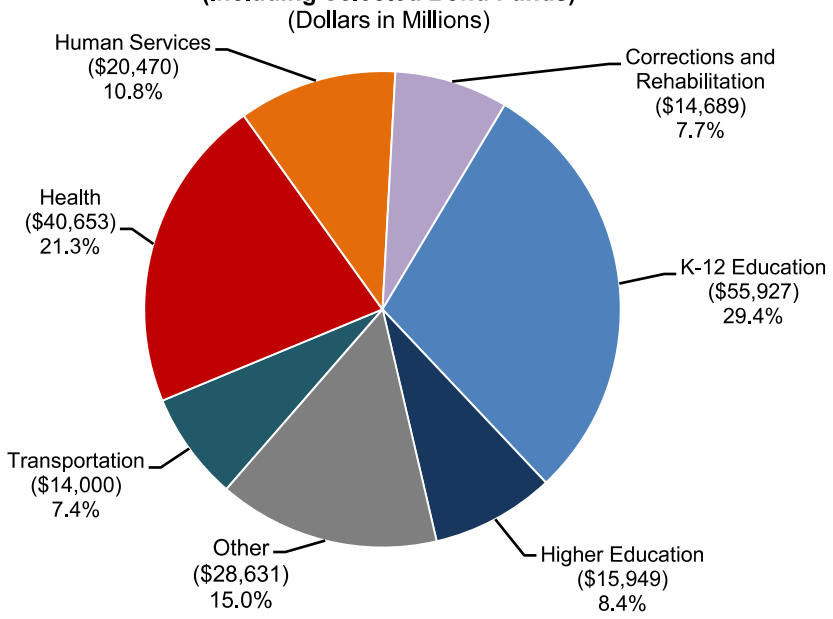


Figure SUM-08

2018-19 Revenue Sources

(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2017-18
Personal Income Tax	$93,593	$2,229	$95,822	$4,330
Sales and Use Tax	26,151	11,741	37,892	1,701
Corporation Tax	11,224	-	11,224	568
Highway Users Taxes	-	8,253	8,253	1,424
Insurance Tax	2,508	-	2,508	70
Alcoholic Beverage Taxes and Fees	382	-	382	6
Cigarette Tax	63	1,956	2,019	-52
Motor Vehicle Fees	27	9,355	9,382	1,028
Other	894	22,886	23,780	-977
Subtotal	**$134,842**	**$56,420**	**$191,262**	**$8,098**
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,050	5,050	0	0
Total	**$129,792**	**$61,470**	**$191,262**	**$8,098**

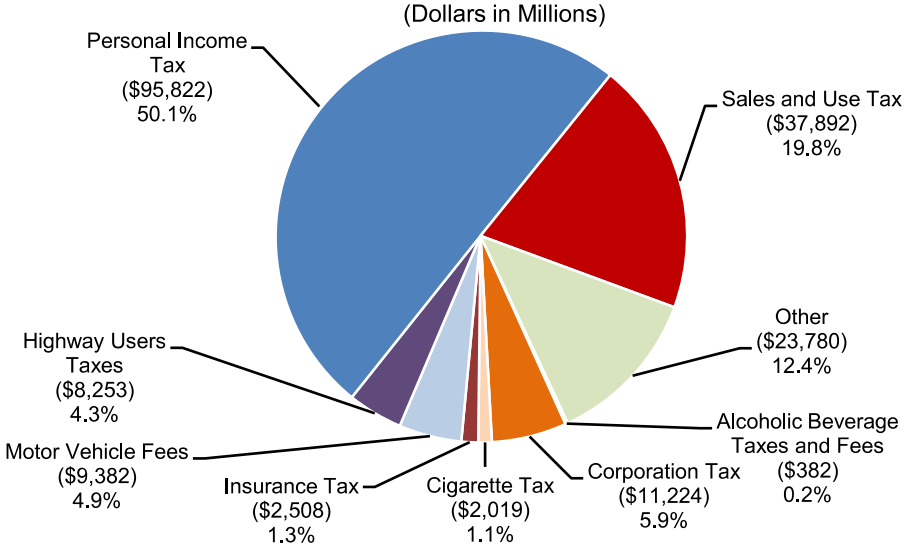
Note: Numbers may not add due to rounding.

Figure SUM-09

2018-19

Total Revenues and Transfers

(Dollars in Millions)



K-12 Education

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

Investing in Education

As a result of both increased General Fund revenues and local property taxes, the Proposition 98 Guarantee for 2018-19 is $78.3 billion, a new all-time high (Figure K12-01). When combined with more than $100 million in settle-up payments for prior years, the Budget proposes an increased investment of $4.6 billion in K-14 education.

Building upon significant funding increases provided over the past five years (see Figure K12-02), the Budget proposes advancing the core priorities of the Administration to fund the Local Control Funding Formula (LCFF), pay down debts owed to schools, and support local educational agencies in their efforts to improve outcomes for low-achieving students.
The Budget proposes a roughly $3 billion investment to fully implement the LCFF two years earlier than originally projected. It also proposes almost $1.8 billion in discretionary one-time Proposition 98 funding for school districts, charter schools, and county offices of education, along with more than $70 million in ongoing Proposition 98 funding to expand the state system of technical support for local educational agencies.

Figure K12-01
Changes to Proposition 98 Guarantee Levels

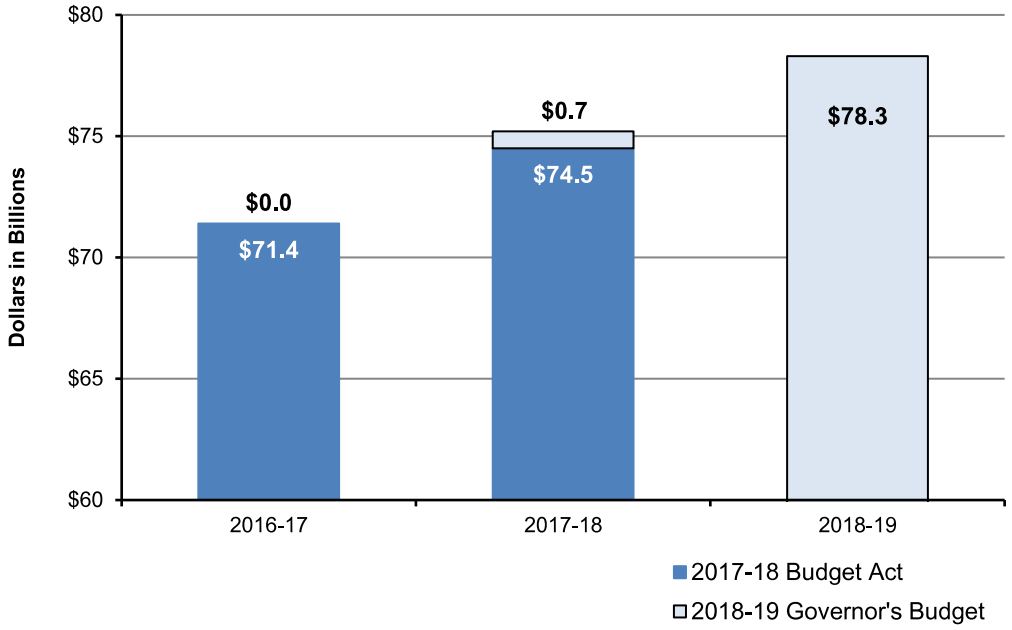
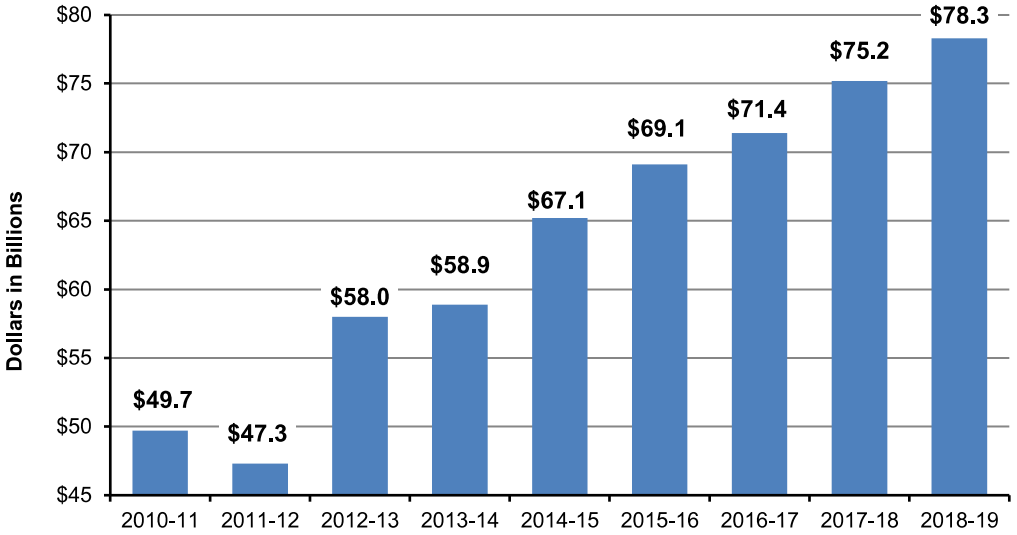


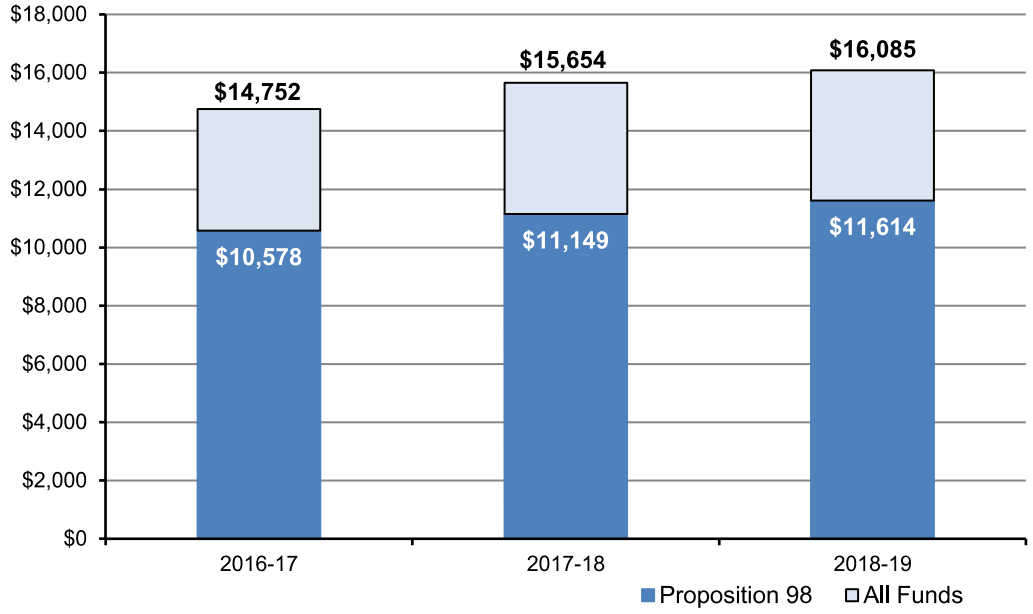
Figure K12-02
Proposition 98 Funding
2010-11 to 2018-19



K-12 Per-Pupil Spending

Reflecting the changes to Proposition 98 funding noted above, total per-pupil expenditures from all sources are projected to be $15,654 in 2017-18 and $16,085 in 2018-19, including funds provided for prior year settle-up obligations, as displayed below in Figure K12-03. Ongoing K-12 Proposition 98 per-pupil expenditures are $11,614 in 2018-19, an increase of $465 per-pupil over the level provided in 2017-18, and up 66 percent from the $7,008 per pupil provided in 2011-12.

Figure K12-03
K-12 Education Spending Per Pupil



Local Control Funding Formula

In 2013 the Administration and Legislature enacted the LCFF to replace the prior revenue limit school finance system, which was inequitable, overly complex and administratively costly. The formula responds to research and practical experience that indicates students from low-income families, English language learners, and foster youth often require supplemental services and support to be successful in school. The enacted school district and charter school formula includes the following major components:

- A base grant for each local educational agency per unit of average daily attendance, including an adjustment of 10.4 percent to the base grant to support lowering class sizes in grades K-3, and an adjustment of 2.6 percent to reflect the cost of operating career technical education programs in high schools.
- A 20-percent supplemental grant for English learners, students from low-income families, and youth in foster care to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5 percent of a local educational agency's base grant, based on the number of English learners, students from low-income families, and youth in foster care served by the local educational agency that comprise more than 55 percent of enrollment.
- The enacted county office of education formula includes: (1) a base grant for each county

office of education per unit of average daily attendance to support instruction of students who attend community schools and juvenile court schools, and (2) unrestricted funding, inclusive of the resources necessary for administrative and technical support of local educational agencies in developing and approving local accountability plans based on the average daily attendance of all students in the county. The county office of education formula was fully implemented in 2014-15.

Since the enactment of the school district and charter school formula, the state has allocated over $17 billion in additional ongoing resources through this formula. The Budget proposes an additional investment of nearly $3 billion to fully implement the formula in 2018-19.

Fiscal Transparency

Since 2013, the state has been implementing a new system of accountability and supports to accompany the new funding system. Concerns have been raised about the linkage between these funds and direct services being provided to the students generating those funds. To improve fiscal transparency and complement the new accountability system, the Budget proposes requiring local educational agencies to show how their budget expenditures align with the strategies detailed in their Local Control and Accountability Plans (LCAPs) for serving students generating supplemental grants. The Budget also proposes calculating and reporting on a single website the total amount of supplemental and concentration funding provided to each local educational agency under the LCFF.

California's New Accountability System

With the shift to the LCFF, California's education finance system has evolved from state driven and compliance oriented to locally controlled and adaptable to the needs of individual communities. Prior to 2013, K-12 accountability was heavily state and federally controlled, based mostly on standardized test scores, focused on compliance over innovation, and punitive for under performing schools.

In 2013, California adopted a new accountability system, creating a model built upon state, regional, and local partnerships and driven by a more comprehensive set of student performance measures. The foundation for the new system is the LCAP, a multi-year strategic plan created by local educational agencies in collaboration with their communities, to support improved student outcomes. The state began putting in place the new accountability system in the midst of implementing California State Standards for English language arts and mathematics. Adopted in 2010, these more rigorous standards make academic student outcome measures more meaningful, with a focus on developing the critical thinking, problem

solving, and analytical skills students will need for today's entry-level careers or freshman-level college courses.

In September 2016, the State Board of Education adopted new, multi-dimensional student performance measures to replace the Academic Performance Index. The California School Dashboard brings these measures together in one place—enabling communities to have discussions about targeting services to improve student educational experiences and outcomes, especially for those groups that have inequitable achievement.

Recent data suggest that the move to local control has contributed to improvement in certain student outcomes. For example, the graduation rate in California increased from 74.7 percent in 2010 to 83.8 percent in 2016, with the greatest increases taking place among English learners (11.1 percent), African American students (10.1 percent), and Latino students (9.1 percent). Suspensions declined 36.2 percent between 2011-12 and 2016-17. In addition, approximately 75,000 more California high school graduates were eligible to attend a CSU or UC in 2015 as compared to 2007, even though overall K-12 enrollment decreased during that time.

While these numbers are promising, the data on the California School Dashboard underscore that much work remains to meet the needs of all students—in particular, to address persistent low achievement for students with disabilities, foster and homeless youth, English language learners, and students of color.

To help local educational agencies and communities build capacity to address low achievement, the new accountability system includes a statewide system of support designed to provide progressive tiers of targeted assistance. County offices of education are responsible for facilitating analyses with school districts and connecting school districts with resources and best practices to address underlying causes of poor student performance. School districts may access the system of support voluntarily by requesting assistance from their county office of education or the California Collaborative for Educational Excellence (an agency created to help county offices of education and school districts improve student outcomes), or may be required to collaboratively engage with their county office of education if their district has one or more student groups with low performance across multiple state priorities. These school districts are identified by the state, via the California School Dashboard, as being in need of differentiated assistance. For those school districts that have consistently low performance in many student sub-groups, the State Superintendent of Public Instruction may intervene. School districts may also seek assistance from providers outside their county office of education.

The Budget provides a substantial investment of more than $70 million in ongoing Proposition 98 General Fund to further implement the state system of support, including:

- $55.2 million Proposition 98 General Fund to help county offices of education facilitate the improvement of school districts identified as being in need of differentiated assistance. To address the varying capacity of county offices of education to do this work, the Budget allocates $4 million Proposition 98 General Fund for a competitive grant process to identify eight lead county offices of education, which will provide training, resources, and support for other county offices of education.
- $11.3 million Proposition 98 General Fund ($6.5 million is added to $4.8 million in existing funds for 2018-19) for the California Collaborative for Educational Excellence, to work with county offices of education to provide assistance to school districts, and when necessary, provide direct assistance to school districts in specified extraordinary circumstances.

Special Education

Recent reports from the California Statewide Special Education Task Force and the Public Policy Institute of California evaluating special education have called for a more seamless integration of special and general education in California. In the spring of 2017, the Department of Finance held four special education stakeholder discussions. Central themes from these discussions included more local transparency and accountability, additional financial support for special education, shifting away from a compliance driven system toward a system improving outcomes for students with disabilities, and integrating special education and general education into one cohesive system.

Data from the California School Dashboard highlighted that approximately two-thirds of school districts were identified for differentiated assistance based on the performance of students with disabilities. Building upon last year's discussions with stakeholders and in response to these findings, the Budget proposes the following:

- Strengthening the linkage between special education and general education planning by requiring Special Education Local Plan Areas (SELPA) to complete a SELPA local plan template that aligns the services and resources noted in their local plans with the goals identified in their member district's LCAPs.
- Improving special education budgeting transparency and accountability by requiring the SELPA to summarize how a SELPA's planned expenditures and services align with the improved student outcome strategies noted in their SELPA plan.
- Providing $10 million ongoing Proposition 98 General Fund for SELPAs to work with county offices of education to provide technical assistance to local educational agencies to improve student outcomes as part of the statewide system of support.

- As discussed in the Teacher Workforce section, providing $100 million to increase and retain special education teachers.
- As discussed in the Child Care and Start Preschool section, providing $167 million to increase the availability of inclusive early education and care for children aged 0 to 5 years old, especially in low-income areas and in areas with relatively low access to care.

Career Technical Education and Workforce Development

The LCFF was designed to reflect the higher costs of operating career technical education (CTE) programs in high schools. The 2013 and 2014 Budget Acts both provided $250 million in one-time Proposition 98 funding to support the Career Pathways Trust Program, which provided one-time competitive grants to create innovative programs and partnerships linking rigorous academic standards to career pathways in high-need and high-growth sectors of the economy. This program was followed by the CTE Incentive Grant Program, which provided $900 million over a three-year period to encourage the creation and expansion of high-quality CTE programs during local educational agencies' implementation of the LCFF. To date, almost 400 local educational agencies have received funding from this program.

The 2016 Budget Act allocated $200 million Proposition 98 funding annually to create the Strong Workforce Program, which is designed to expand the availability of regionally aligned CTE and workforce development programs/courses. In 2017-18, this amount was increased to $248 million. The program requires local stakeholders to collaborate and align regional workforce training needs with community college CTE programs to increase the earning potential and employability of students and meet the skills needed by employers.

The Budget proposes building on this proven college program with the inclusion of K-12 students. Specifically, the Budget proposes an ongoing increase of $200 million Proposition 98 General Fund to establish a K-12 specific component of the Strong Workforce Program to encourage the establishment and support of K-12 CTE programs that are aligned with needed industry skills, and proposes an ongoing increase of $12 million Proposition 98 General Fund to fund local industry experts who will provide technical support to local educational agencies operating, or proposing to operate, CTE programs. This proposal creates a predictable, targeted, and sustained funding stream to support an industry and student-focused infrastructure for workforce development collaboration at the state, regional and local levels.

Teacher Workforce

In recognition of the need to recruit and retain qualified individuals into the teaching profession, the Administration and the Legislature have targeted teacher workforce investments. Over the last two years, these targeted investments have included the following:

- Educator Effectiveness Block Grant—$490 million one-time Proposition 98 General Fund to support educator professional development.
- Classified School Employee Credentialing Grant Program—$45 million one-time Proposition 98 General Fund to support at least 2,250 classified employees electing to participate in a teacher preparation program and become certificated classroom teachers in California public schools.
- Integrated Teacher Preparation Program—$10 million one-time non-Proposition 98 General Fund to create pathways that allow university students to graduate with a bachelor's degree and a preliminary teaching credential within four years.
- California Educator Development Grant Program—$9 million one-time federal Title II funds for competitive grants that assist local educational agencies in attracting and supporting the preparation and continued learning of teachers, principals, and other school leaders in high-need subjects and schools.
- California Center on Teaching Careers—$5 million one-time Proposition 98 General Fund to support statewide teacher recruitment and retention efforts.
- Bilingual Educator Professional Development Grant Program—$5 million one-time Proposition 98 General Fund for competitive grants to support professional development for teachers and paraprofessionals seeking to provide instruction in bilingual and multilingual settings.

Additionally, the California Commission on Teacher Credentialing, as the state's licensing board for public school teachers, has implemented a variety of initiatives to align educator preparation with new K-12 academic content standards and improve the availability of statewide teacher workforce data. Specific activities include:

- Extending the validity period for teacher licensing exams.
- Updating teacher and administrator standards to reflect adoption of the California State Standards and California's Next Generation Science Standards.
- Creating an online dashboard on teacher supply and demand and educator preparation.

- Establishing the Teaching Permit for Statutory Leave to authorize long-term substitutes for teachers on extended leave.
- Revising the accreditation system for teacher preparation programs to focus on program outcomes such as program completion factors, teacher placements, and employer satisfaction.

Although many of the recent investments in the teacher workforce have been targeted at STEM, bilingual, and special education fields, there has been for decades a particularly acute shortage in the number of fully credentialed special education teachers. Most concerning, the number of special education teachers providing instruction with a substandard credential continues to rise. In response to this shortage—and because two-thirds of school districts have been identified as having poor special education performance, the Budget proposes an additional $100 million investment to increase and retain special education teachers:

- Teacher Residency Grant Program—$50 million one-time Proposition 98 General Fund to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs aimed at preparing and retaining special education teachers.
- Local Solutions Grant Program—$50 million one-time Proposition 98 General Fund to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers.

Mandates

Under the traditional state mandate reimbursement claims process, local educational agencies were reimbursed for the costs incurred to perform specified mandated activities. Local educational agencies were required to follow specific claiming instructions and maintain documentation supporting the amounts claimed. The entire process was labor intensive and burdensome. Moreover, the traditional reimbursement process did not create an incentive for local educational agencies to perform mandated activities in a cost effective or efficient manner given that any administrative compliance costs incurred were reimbursed. Further, local educational agencies determined the cost of performing specified mandated activities, resulting in significant variance in claimed costs among local educational agencies.

To address the issues noted above, the Mandate Block Grant program was created as part of the 2012 Budget Act. In lieu of filing reimbursement claims for specific state-mandated programs, local educational agencies can participate in the K-12 Mandate Block Grant program and receive funding for mandated programs based on specified funding rates per unit of

average daily attendance. The mandate block grant significantly simplifies the mandate reimbursement process by eliminating the burdensome process of submitting reimbursement claims for individual mandated programs and maintaining applicable supporting documentation for many years. Moreover, the block grant allows local educational agencies to plan on a dedicated funding source to support mandated programs, while also allowing the state to more effectively plan and budget for mandated costs. As of 2017-18, nearly 98 percent of local educational agencies have elected to participate in the K-12 Mandate Block Grant program.

While the Mandate Block Grant program addressed the prospective funding of these requirements on schools, unpaid local educational agency reimbursement claims prior to 2012-13 totaled in the billions of dollars. As part of this Administration's emphasis on paying down debt, more than $5.7 billion in one-time funding has been provided to school districts, charter schools and county offices of education since 2014-15 to use at local discretion, while offsetting outstanding reimbursements claims for these entities. These funds have provided substantial resources to support critical investments in content standards implementation, technology, professional development, induction programs for beginning teachers, deferred maintenance, and employee benefits. The Budget proposes to build on the commitment to retire debt by providing an additional $1.8 billion for school districts, charter schools and county offices of education to further support local priorities. The proposed funding, coupled with previous discretionary funding, allows the state to retire more than $5 billion in outstanding K-12 mandate debt and reduce the amount owed to local educational agencies from a recent high of $6 billion to less than $1 billion.

Similar to K-12 local education agencies, community college districts received discretionary funding of $787 million since 2014-15. Districts can use the funding for local needs and priorities such as deferred maintenance, technology infrastructure, professional development, and developing open education resources and zero-textbook-cost degrees. In addition to providing districts with a discretionary resource to address critical local needs, the funding also offset any applicable outstanding mandate reimbursement claims for these entities. As a result, outstanding community college mandate debt has been reduced from nearly $600 million to approximately $100 million.

K-12 School Facilities

Since 1998, voters have approved approximately $44 billion in statewide general obligation bonds to construct or renovate public school classrooms used by the state's roughly six million K-12 students. Associated General Fund debt services costs are over $2 billion annually. In addition to general obligation bonds, school districts may use developer fees, local bonds, certificates of participation, and Mello Roos bonds to construct additional classrooms or

renovate existing classrooms.

The recently approved Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51) authorizes $7 billion in state general obligation bonds for K-12 schools to be allocated through the current School Facilities Program in place as of January 1, 2015. To ensure appropriate usage of all School Facilities Program bond funds and effective program accountability and oversight, the Administration worked with the State Allocation Board and the Office of Public School Construction to revise policies and regulations to implement front-end grant agreements that defined basic terms, conditions, and accountability measures for participants that request funding through the School Facilities Program. To complement this front-end accountability, legislation requiring facility bond expenditures to be included in the annual K-12 Audit Guide was approved.

The Budget proposes approximately $640 million in bond authority for 2018-19 to fund new construction, modernization, career technical education, and charter facility projects based upon the Office of Public School Construction's processing of project applications and the State Allocation Board's approval of these projects.

Charter School Facilities

Because charter schools cannot issue local bonds to fund their school facilities' needs, many charter schools lease facilities for instructional purposes. To assist charter schools in paying for rent and lease expenditures, the Charter School Facility Grant Program provides funding to charter schools either serving or located in attendance areas where a notable percentage of their students qualify for free or reduced-price meals. In recent years the state has made significant adjustments to the program including:

- Lowering the free or reduced-price meal eligibility requirement from 70 percent to 55 percent.
- Providing an additional $20 million funding to support program expansion.
- Increasing the program's grant amount from $750 per ADA to $1,117 per ADA and applying an annual cost of living adjustment to the grant.

The Budget proposes an ongoing increase of approximately $28.3 million Proposition 98 General Fund to align available funding with estimated programmatic participation.

Major K-12 Budget Adjustments

Significant Adjustments:

- School District Local Control Funding Formula—An increase of $3 billion in Proposition 98 General Fund for full implementation of the LCFF.
- One-Time Discretionary Funding—An increase of $1.8 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 $5.7 billion in combined one-time funding provided since 2014-15, to support critical investments such as academic content standards implementation, technology, professional development, induction programs for beginning teachers, deferred maintenance, and employee benefits. All of the funds provided will offset any applicable mandate reimbursement claims for these entities.
- K-12 Component of the Strong Workforce Program—An increase of $212 million Proposition 98 General Fund for K-12 CTE programs administered through the community college Strong Workforce Program in consultation with the Department of Education.
- Cost-of-Living Adjustments—An increase of $133.5 million Proposition 98 General Fund to support a 2.51-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, Foster Youth, American Indian Education Centers, and the American Indian Early Childhood Education Program. Cost-of-living adjustments for school districts and charter schools are provided within the increases for school district Local Control Funding Formula implementation noted above.
- Special Education:
  - An increase of $125 million Proposition 98 General Fund and $42.2 million federal Temporary Assistance for Needy Families (TANF) funds on a one-time basis for competitive grants to expand inclusive care and education settings for 0-5 year olds and improve school readiness and long-term academic outcomes for low-income children and children with exceptional needs.
  - An increase of $10 million Proposition 98 General Fund for special education local plan areas to support county offices of education in providing technical assistance to local educational agencies through the state system of support.
  - A decrease of $10.2 million Proposition 98 General Fund to reflect a projected decrease in special education average daily attendance.
- State System of Support—An increase of $59.2 million Proposition 98 General Fund for county offices of education and lead county offices of education to provide technical assistance to local educational agencies and improve student outcomes.
- California School Dashboard—An increase of $300,000 Proposition 98 General Fund to

improve the user interface of the California School Dashboard. The State Board of Education will facilitate a series of stakeholder meetings to solicit public feedback on the California School Dashboard.

- California Collaborative for Educational Excellence—An increase of $6.5 million Proposition 98 General Fund for the California Collaborative for Educational Excellence to help build capacity within county offices of education to provide technical assistance and improve student outcomes.
- County Offices of Education—An increase of $6.2 million Proposition 98 General Fund for county offices of education to reflect a 2.51-percent cost-of-living adjustment and average daily attendance changes applicable to the LCFF.
- Instructional Quality Commission—An increase of $938,000 General Fund on a one-time basis for the Instructional Quality Commission to continue its work on the development of state content standards and frameworks, as well as model curriculum.
- Local Property Tax Adjustments— A decrease of $514 million Proposition 98 General Fund for school districts and county offices of education in 2017-18 as a result of higher offsetting property tax revenues, and a decrease of $1.1 billion Proposition 98 General Fund for school districts and county offices of education in 2018-19 as a result of increased offsetting property taxes.
- School District Average Daily Attendance—A decrease of $183.1 million in 2017-18 for school districts as a result of a decrease in projected average daily attendance from the 2017 Budget Act, and a decrease of $135.5 million in 2018-19 for school districts as a result of further projected decline in average daily attendance for 2018-19.

K-12 School Spending and Attendance

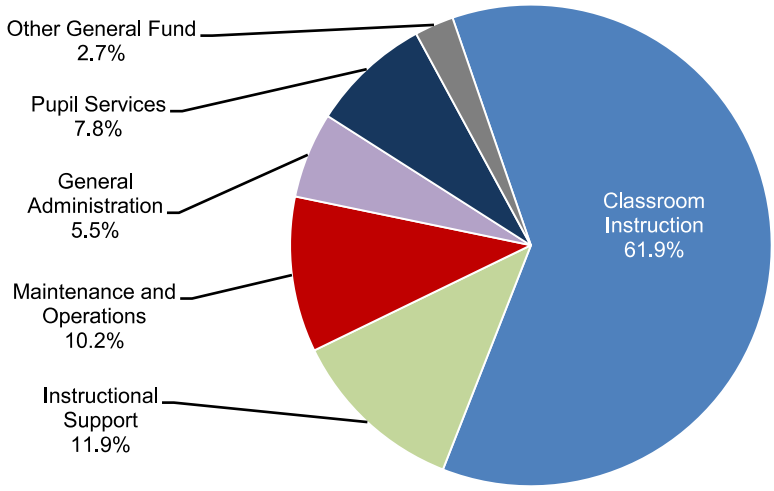
How School Districts Spend Their Money

Figure K12-04 displays 2015-16 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.

Attendance

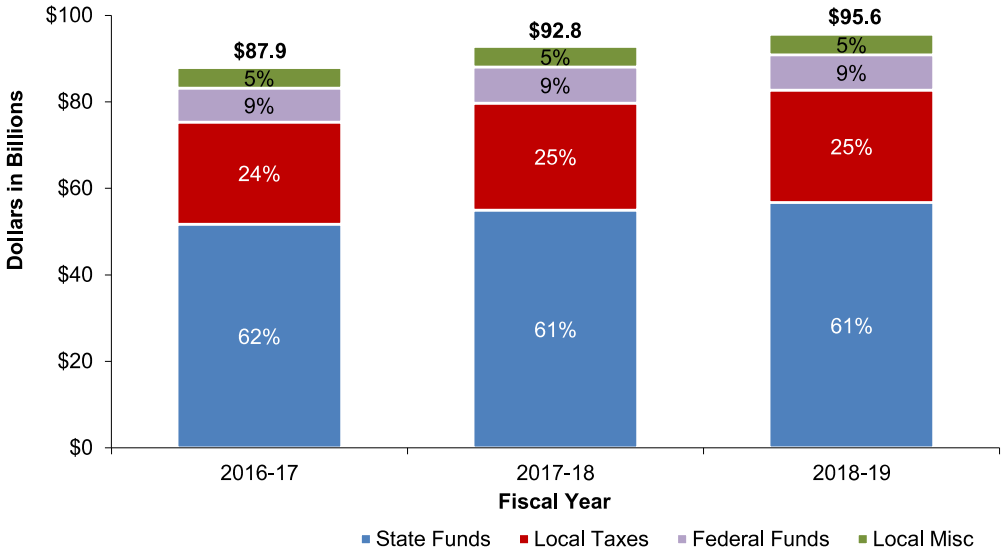
Public school attendance declined in 2014-15, 2015-16, and 2016-17. Attendance is projected to grow slightly in 2017-18 but decline again in 2018-19. For 2016-17, average daily attendance is reported to be 5,960,037, a decrease of 11,753 from 2015-16. K-12 average daily attendance in 2017-18 is estimated to be 5,961,253, an increase of 1,216 from 2016-17. For 2018-19, the

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 2015-16 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.

Figure K12-05
Sources of Revenue for California's K-12 Schools
(As a Percent of Total)



Budget estimates that K-12 average daily attendance will drop by 17,163 from the 2017-18 level, to 5,944,090.

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 (Test 3) in low revenue years. The test that is used depends on how the economy and General Fund revenues grow from year to year.

Test 3 is projected to be operative for fiscal years 2016-17 and 2018-19, and Test 2 is projected to be operative for fiscal year 2017-18.

Child Care and State Preschool

The state funds nine child care and early education programs as well as dozens of other programs that support child care quality and access, including family resource and referral agencies and local child care planning councils. These programs are administered by the Department of Education and the Department of Social Services. Families can access child care and early education subsidies through providers that contract directly with the Department of Education, local educational agencies, or through vouchers from county welfare departments or alternative payment program agencies.

During the Great Recession, state child care and early education programs experienced significant cuts, with reductions of almost $1 billion in funding. However, since 2013, the state has increased funding by $600.8 million non-Proposition 98 General Fund and $600 million Proposition 98 General Fund. These investments have improved services by:

- Increasing Provider Reimbursement Rates—The state updated child care provider reimbursement rates to ensure that child care providers that accept vouchers receive rates that reflect the current cost of care. Prior to these rate increases (which began in 2014), providers received reimbursement rates that were based on the cost of care in 2005. The state also increased the rates of providers that contract directly with the Department of Education by more than 22 percent.
- Expanding Access for Families—From 2013 to 2017, the state added more than 41,000 subsidized child care and early education slots. The state also increased income eligibility ceilings for families receiving child care subsidies, both for initial and continuing eligibility

determinations. For families with inconsistent incomes or work schedules, the state reduced the frequency of eligibility redeterminations from several times a year to annually. Finally, the state increased State Preschool income eligibility ceilings for children with disabilities to improve inclusivity in that program.

- Reducing Costs for Families—In 2014, the state eliminated fees for families participating in part-day State Preschool. In addition, by increasing income eligibility ceilings for families (described above), the state also increased the number of families exempt from paying fees in all state child care programs.
- Improving the Quality of Care—To increase the quality of subsidized child care, the state provided: (1) $50 million ongoing Proposition 98 General Fund for local block grants for State Preschool quality improvement; (2) $24.2 million one-time non-Proposition 98 General Fund for local block grants for quality improvement in infant and toddler care; (3) $10 million one-time Proposition 98 General Fund to provide loans for State Preschool facility expansion; and (4) $25 million one-time Proposition 98 General Fund for State Preschool and transitional kindergarten teacher training. The state also invested $75 million one-time federal Race to the Top – Early Learning Challenge funds into the creation of a state/local quality rating and improvement system for child care providers. Finally, to verify that transitional kindergarten teachers are appropriately trained to provide instruction for four-year-olds, the state increased the educational requirements for transitional kindergarten teachers to include 24 units of early childhood education.
- Streamlining Program Requirements—To improve the experience of participating providers and families, the state: (1) authorized the use of electronic applications for child care subsidies, making it less burdensome for eligible families to access care and more efficient for providers to process applications; (2) eliminated duplicative licensing requirements for State Preschool providers utilizing facilities that meet transitional kindergarten facility standards; and (3) simplified eligibility determinations for providers accepting both state and federal subsidies and serving homeless children by aligning the eligibility requirements for these subsidies.

The Budget builds upon these investments by increasing provider reimbursement rates and expanding access for families. Specifically, the Budget increases the reimbursement rate for providers that contract directly with the Department of Education by approximately 2.8 percent, and makes permanent a temporary hold harmless to the 2016 Regional Market Reimbursement Rate Survey for providers accepting vouchers. These rate increases are the final year in a multi-year funding agreement adopted as part of the 2016 Budget Act. The Budget also provides the final of three scheduled 2,959 full-day slot increases to the State Preschool program, totaling 8,877 slots over three years. Finally, the Budget creates the Inclusive Early

Education Expansion Program, providing $125 million one-time Proposition 98 General Fund and $42.2 million one-time federal TANF through a competitive grant program to increase the availability of inclusive early education and care for children aged 0 to 5 years old, especially in low-income areas and in areas with relatively low access to care. Grant recipients will commit that all children benefiting from grant funds, especially those with disabilities, have access to appropriate settings that support their educational and developmental growth.

The state has approved pilot programs for 13 counties that allow providers in these counties flexibility in child care programmatic requirements to allow them to earn more of their contract funding. The Administration supports providing counties with flexibility to serve more families in subsidized child care programs and has begun working with stakeholders to streamline and alleviate burdensome requirements in the pilot counties.

Significant Adjustments:

- Provider Reimbursement Rate Increases—Increases of $31.6 million Proposition 98 General Fund and $16.1 million non-Proposition 98 General Fund to increase the Standard Reimbursement Rate by approximately 2.8 percent. In addition, the Budget reflects an ongoing increase of $34.2 million beginning in 2019-20 to make permanent the existing limited-term Regional Market Reimbursement Rate hold harmless provision.
- Full Year Implementation of 2017 Budget Act Investments—Increases of $32.3 million non-Proposition 98 General Fund and $28.4 million Proposition 98 General Fund to reflect full-year costs of new policies implemented part-way through the 2017-18 fiscal year. These costs are associated with an update of the Regional Market Reimbursement Rate to the 75th percentile of the 2016 regional market rate survey (beginning January 1, 2018), and an increase of 2,959 slots for full-day State Preschool (beginning April 1, 2018).
- CalWORKs Stage 2 and Stage 3 Child Care—A net increase of $5.2 million non-Proposition 98 General Fund in 2018-19 to reflect slight increases in the number of CalWORKs child care cases and slight decreases in the estimated cost of care. Total cost for Stages 2 and 3 are $517.6 and $335.4 million, respectively.
- Federal Child Care and Development and TANF Funds—A decrease of federal TANF from $120.1 million in 2017-18 to $70.6 million in 2018-19. Total TANF and federal Child Care and Development Fund is $707 million.

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Higher Education

California's approach to budgeting for higher education has long been guided by principles articulated in the 1960 Master Plan for Higher Education. The Master Plan differentiated functions across segments; set standards for access to postsecondary education, relying on the transfer function from the community colleges to the four-year segments to promote broad access; and created an expectation of low costs of attendance. Those principles remain relevant today. In 1960, the state faced the challenge of a rapidly growing traditional college-aged population. Today, the state is confronting different, but equally pressing, challenges. The state budget faces significant constraints and uncertainty. Educational attainment across income levels and racial and ethnic groups varies, limiting economic and social mobility for many Californians. As the nature of labor markets change, adults need access to education and training for new occupations.

The Budget maintains the current approach to budgeting for higher education and continues the growth in funding for higher education that started with the passage of Proposition 30 in 2012. The Administration expects the segments will continue to make progress in implementing practices that recognize both the principles of the Master Plan and strong fiscal stewardship.

Overview

The Budget proposes total funding of $33.7 billion ($18.5 billion General Fund and local property tax and $15.2 billion other funds) for higher education. The total reflects growth of $892.8 million ($621.8 million General Fund and local property taxes and $271 million other

funds) compared to revised 2017-18 expenditures. Figure HED-01 displays additional detail about funding for higher education.

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

	2016-17	2017-18	2018-19	Change from 2017-18 Dollars	Change from 2017-18 Percent
University of California					
Total Funds [1]	$8,393.8	$8,761.7	$8,946.4	$184.7	2.1%
Ongoing General Fund	3,234.2	3,367.4	3,469.5	$102.1	3.0%
One-Time General Fund	261.6 [4]	175.6	0.0	-	-
California State University					
Total Funds [1]	$6,701.4	$6,986.5	$7,056.2	$69.7	1.0%
Ongoing General Fund	3,454.3	3,719.9	3,833.1	$113.2	3.0%
One-Time General Fund	109.6	43.5	0.0	-	-
California Community Colleges					
Total Funds	$14,389.8	$14,780.1	$15,350.0	$569.8	3.9%
General Fund & Property Taxes	9,002.5	9,389.3	9,998.3	$609.0	6.5%
California Student Aid Commission					
Total Funds	$2,057.4	$2,223.4	$2,290.9	$67.5	3.0%
General Fund [2]	1,114.6	1,162.9	1,178.6	$15.8	1.4%
Other Higher Education [3]					
Total Funds	$87.1	$65.0	$66.0	$1.0	1.5%
General Fund	40.3	13.7	$14.6	$0.9	6.6%
Total Funds	**$31,629.5**	**$32,816.7**	**$33,709.4**	**$892.8**	**2.7%**
General Fund	**$17,217.1**	**$17,872.3**	**$18,494.2**	**$621.8**	**3.5%**

1/ These totals include tuition and fee revenues and other funds the universities report as discretionary.
2/ General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately $1 billion in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.
3/ This category includes expenditures for the Hastings College of the Law and the Awards for Innovation in Higher Education.
4/ This amount includes $39.5 million appropriated in 2016-17 that is projected for expenditure in 2018-19.

Supporting Long-Term Access through Financial Sustainability

Since the passage of Proposition 30 in 2012, the state has funded a long-term plan for both the University of California (UC) and the California State University (CSU), increased resources available to California Community Colleges (CCC) consistent with growth in the Proposition 98 minimum guarantee, and expanded the Cal Grant program.

Including the increases proposed by the Administration in 2018-19, funding since 2012-13 for the UC will have grown by $1.2 billion, for the CSU by $1.6 billion, and for the CCCs (excluding funding for the Adult Education Block Grant) by $2.4 billion.

These annual increases have allowed the universities to plan their programs over a multi-year period. The CCC growth has increased the number of course offerings, which were significantly reduced during budget cuts of the Great Recession. The community colleges also adopted a formula that prioritizes growth funding to districts with the greatest unmet need.

Additionally, community colleges have received $525.3 million Proposition 98 General Fund in increased base funding in recognition of increased operating expenses, primarily in the areas of facilities, employee benefits, professional development, and full-time faculty.

Finally, since 2012-13 total funding for the Cal Grant Program will have grown by $623 million, a roughly 41-percent increase.

Financial Aid

While the state pays a portion of the instructional costs for each student attending a California public college or university, the state's Cal Grant program provides additional financial aid for tuition, fees, or other costs of attendance for students with demonstrated need. The program is an entitlement for students who meet eligibility criteria, with students who are ineligible for the entitlement program still able to compete for additional grants. Under current practice, for students attending the UC and the CSU, the amount of funds a student receives for tuition is linked to the amounts charged by those segments. The tuition awards for students attending other types of institutions are set in statute.

Both the UC and the CSU are considering tuition increases for 2018-19. The UC Office of the President has suggested that it will present another 2.5-percent ($288) tuition increase to the Board of Regents later in January. The CSU Chancellor's Office has indicated that another 4-percent tuition increase ($228) is under consideration for presentation to the Board of Trustees. These tuition increases would grow Cal Grant costs for UC and CSU students in 2018-19 beyond the costs reflected in the Budget. The Administration remains concerned about the impact of tuition increases on lower income students and families and believes more must be done to reduce the universities' cost structures. Further reforms should be implemented before the segments consider charging students more.

The Administration has worked to reduce the overall cost structure of higher education through various initiatives. After remaining flat since 2011-12, the UC Board of Regents and the CSU Board of Trustees raised tuition in 2017-18 to $11,442 annually at UC (an increase of $282, or 2.5 percent) and $5,742 annually at the CSU (an increase of $270, or 5 percent). With enrollment fees of $46 per unit, the CCC system is the lowest-priced higher education system in the nation. Further, approximately 65 percent of all CCC enrollment fees are waived, providing a tuition-free education to about 50 percent of students. Recent legislation, Chapter 735, Statutes of 2017 (AB 19), enables CCCs to waive some or all of the $46 per unit fee for all first-time resident students enrolled in 12 units or more per semester during their first year. Where fees are not waived, a CCC student can complete the 60 units necessary to obtain an associate degree or transfer to a four-year institution for less than $3,000 in tuition, although the total cost of attendance is more significant, including books, transportation and living expenses.

Currently, students attending private nonprofit institutions and for-profits accredited by the Western Association of Schools and Colleges (WASC) receive up to $9,084 annually for tuition, and students attending other for-profits receive $4,000. Pursuant to existing law, the award for the nonprofit institutions and WASC-accredited, for-profit institutions is scheduled to decrease to $8,056 beginning in 2018-19. For nonprofit institutions, the Budget proposes to maintain the award at $9,084, with a new requirement that, beginning in 2019-20, the sector admits at least 2,500 students who have earned Associate Degrees for Transfer from the community colleges and are guaranteed junior standing. This amount will ramp up to 3,000 students in the following year.

California Community Colleges

The CCCs are the largest system of higher education in the nation, serving roughly one-quarter of the nation's community college students, or approximately 2.1 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 72 districts, 114 campuses, and 78 educational centers. In 2016-17, the community colleges awarded over 81,000 certificates and 139,000 degrees and transferred over 106,000 students to four-year institutions.

Student Success

The state has made significant investments to improve and expand student success programs and shorten a student's time to complete a degree or certificate. This includes $285 million for the Student Success and Support Program, which provides education planning services for matriculated students, and $155 million to mitigate disproportionate impacts on access and achievement in underrepresented groups.

The 2017 Budget Act also included $150 million in one-time funding for CCCs to develop guided pathway programs. A guided pathway is an integrated, institution-wide approach focused on student success, including clear pathways for students to complete their degrees. The first release of the funding for guided pathways is planned for April 2018. All 114 community colleges participated in guided pathways workshops organized by the Chancellor's Office Institutional Effectiveness Partnership Initiative (IEPI). With ongoing resources of $20 million, IEPI provides training to community college staff to promote strategies to remove barriers to student achievement.

The Administration has supported initiatives to improve basic skills courses and reform placement policies as a way to improve student success. The 2015 Budget Act provided $60 million Proposition 98 General Fund to assist community colleges in improving delivery of basic skills instruction by adopting or expanding the use of evidence-based models of placement,

remediation, and student support. Further, Chapter 745, Statutes of 2017 (AB 705), requires all colleges to use multiple measures of assessment, including a student's high school grades or grade point average, when placing students in English and math courses.

The Administration supports better alignment across the segments to make students' transitions more efficient across institutions. Notably, the Administration has encouraged the use of transfer pathways. Through the Associate Degree for Transfer, students have a clearer pathway through the community colleges and are guaranteed to enter the CSU with junior standing. Moreover, a key part of the Governor's 2015 agreement with the UC was improving transfer to the UC by articulating similar transfer pathways. The Budget proposes requiring, beginning in 2019-20, private nonprofit institutions to admit at least 2,500 students who have earned transfer degrees from the community colleges and guarantee junior standing. The state also expanded dual enrollment opportunities to allow high school students to take college-level courses at their high school or at a community college campus, in anticipation of improving completion rates and time-to-degree. In 2015-16, approximately 24,000 students participated in dual enrollment courses.

Meeting Student Needs

Student-Focused Funding Formula

In July of 2017, the CCC Board of Governors adopted an ambitious strategic plan, the *Vision for Success*, to improve community college student success. The plan calls for the system to significantly increase completion and transfer rates, decrease excess units taken by students, increase the number of students in career technical education programs who are employed in their field of study, and eliminate achievement gaps. The Administration applauds the system for adopting racial, ethnic and regional goals and reinforcing a student-focused agenda. The Budget's proposed investments in the CCCs focus on advancing the system's new strategic plan goals and building upon the student-success investments of prior budgets.

The existing enrollment-based CCC apportionment funding model does not appropriately reflect the Board of Governor's *Vision for Success* or the state's priorities to better serve students and eliminate equity gaps. By funding colleges based primarily on enrollment, the current funding formula encourages districts to strictly prioritize student access without regard for student success—such as timely completion and better serving underrepresented students.

The Budget proposes a new funding formula for general purpose apportionments that encourages access for underrepresented students, provides additional funding in recognition of the need to provide additional support for low-income students, and rewards colleges' progress on improving student success metrics. Under the formula, no district would receive less

funding than is currently allocated. The proposed formula incorporates the following core components:

- Base Grant—Each district would receive a base grant based on enrollment. Similar to the existing funding formula, a per-Full-Time Equivalent Student (FTES) funding rate would be applied across all districts.
- Supplemental Grant—Each district would receive a supplemental grant based on the number of low-income students that the district enrolls. Specifically, the supplemental grant would reflect two factors: (1) enrollment of students who receive a College Promise Grant fee waiver (formerly known as the Board of Governors Waiver) and (2) enrollment of students who receive a Pell grant.
- Student Success Incentive Grant—Each district would receive additional funding for the number of students who meet the following metrics: (1) the number of degrees and certificates granted and (2) the number of students who complete a degree or certificate in 3 years or less. The grant would also include additional funds for each Associate Degree for Transfer granted by the college.
- Hold Harmless Provision—During the first year of implementation, each district would be held harmless to the level of funding that the district received in 2017-18. Thereafter, the hold harmless provision would be calculated each year using the 2017-18 per-FTES rate multiplied by the district's new FTES.

The proposal assumes that approximately 50 percent of funding would be distributed initially as the base grant, 25 percent distributed as part of the supplemental grant, and 25 percent distributed as part of the student success incentive grant. Corresponding to the adoption of a new funding formula, the Budget proposes requiring community colleges to incorporate the goals of the *Vision for Success* within each college's educational master plan and aligning each college's budget with their educational master plan. Further, the Administration expects the Chancellor's Office to consult with stakeholders and develop a proposal for consideration within the May Revision that would consolidate categorical programs. The goal is to improve the incentives for districts to focus on improving student success while providing districts with local flexibility to do so.

Expanding Access—Online College

Despite the vast number of courses offered by community colleges, there are currently 2.5 million Californians in the prime working ages between 25 and 34 who have only a high school diploma or some college but no degree. Of these Californians, approximately 48 percent are Hispanic and nearly half are women. Also, considering 35 to 65 year old adults, 8.7 million

Californians have only a high school diploma or some college but no degree. These adults are at great risk during economic downturns and from the impact of automation in the California workforce. Further, many Californians access online credentials, certificates, and associate degrees at non-public, non-accredited, or out-of-state institutions, which are typically much costlier than California community colleges and often have poor student outcomes. Some students have accessed higher education, but did not finish their degree and are burdened by student loans and other types of debt, limiting their ability to access the courses needed to advance in their employment or stay relevant in their careers. According to the Georgetown University Center on Education, California is in the middle of the pack when it comes to the share of good jobs held by workers without bachelor's degrees. Unless provided with flexible learning options that meet working students where they are, this population is likely to remain stranded in their current economic situation because they are limited by work schedules, transportation barriers, or child care needs.

To provide underserved working students with scheduling flexibility and more accessible learning options, the Budget proposes the creation of a fully online California community college. This community college will create and coordinate accessible, flexible, and high-quality online courses and programs. A critical part of the college's efforts will be ensuring working students have the support they need to succeed in their programs. Technology-enabled student supports will be shared and scaled at campuses across the system to boost capacity and improve student outcomes. The online college's initial focus will be collating and developing quality content and programs that provide vocational training, career advancement opportunities, and credentialing for careers in child development, the service sector, advanced manufacturing, healthcare, and in-home supportive services, among other areas. The online college will provide working students with a flexible opportunity to acquire and build skills that align with the needs of employers and industry, and enable them to complete their programs more quickly, reducing transportation costs, and reducing the costs of textbooks. The online college will also inform professional development opportunities for faculty and staff of the 114 colleges, including learning science, competency-based education, and other teaching and learning technologies.

The online college will work with community-based organizations to identify and market this online college to the 2.5 million adults that are not currently accessing higher education. Consistent with the Student-Focused Funding Formula section, apportionment funding for the fully online college would take into account student enrollment, the number of underrepresented students enrolled in the college, and encourage the online college to focus on student success. The college will not impact traditional community colleges' enrollment because its enrollment base will be working adults that are not currently accessing higher education.

Aligning Financial Aid and Student Success

The Budget proposes new investments and changes to financial aid programs at the community colleges. The Budget proposes funding to support the implementation of the California College Promise, pursuant to Chapter 735, Statutes of 2017 (AB 19). Consistent with the statute, colleges could use this funding to waive some or all of the $46 per unit fee for all first-time resident students enrolled in 12 units or more per semester during their first year, or use the funding for other innovative purposes to advance specific student success goals.

While the California College Promise currently defines full-time as 12 credit units per semester, a student must complete at least 30 program-applicable units per calendar year to graduate in two years. The Community College Research Center found in a review of financial aid programs that students that take 15 credit units per semester persist and complete on time. Consistent with those findings, the Administration expects community colleges to encourage students to take 15 units per semester, or 30 units per year, including summer, to qualify for a California College Promise grant once guided pathways have been implemented to further encourage timely completion of their program.

While the Full-Time Student Success Grant and the Completion Grant each target the same socioeconomic student cohort and encourage the timely completion of a degree or certificate, the programs require students to take different unit loads and have significantly different award amounts. Rather than fund two separate programs with differing requirements, the Budget proposes to consolidate the grant programs and base the grant amounts on the number of units a qualifying student takes each semester or each year. The proposed unit range would be between 12 and 15 units per semester or 24 and 30 units per year. The grant levels will increase based upon the number of credit units taken per semester. This approach encourages students to take a full course load while recognizing that is not feasible for all students.
The Budget also provides additional funding to augment the grant amounts, with the greatest augmentation to grants for students who take 15 units per semester or 30 units per year.

Workforce Education Investments

The state has made significant progress in recent years linking the efforts of many entities interested in the workforce system—including K-12 schools, adult schools, community colleges, universities, local workforce investment boards, libraries, social services agencies, public safety agencies, and employers—to better provide education and training opportunities. The state invests more than $6 billion annually in workforce initiatives, on top of the general budget support provided to many of these entities. These investments should improve educational outcomes (such as basic literacy and graduation and certification rates), increase earnings, and make workers more resilient in the face of changing labor market demands.

In 2016-17, community college vocational education programs served 318,087 FTES, or about 27 percent of all community college students. The Strong Workforce Program, created in 2016-17 and currently funded with $248 million Proposition 98 General Fund, builds upon the federal Workforce Innovation and Opportunity Act of 2014. Additional information regarding K-12 vocational education programs can be found in the K-12 Education Chapter.

The Adult Education Block Grant Program, which was fully implemented in 2015-16 with $500 million in ongoing Proposition 98 General Fund, coordinates services provided by local educational agencies, community colleges, and partners around programs leading to high school diplomas, English as a Second Language courses, and pathways courses that lead to additional career opportunities. Apprenticeship programs integrate classroom instruction and on-the-job training leading to gainful employment. State support for apprenticeship programs sponsored by local educational agencies and community colleges increased to almost $55 million in 2017-18. These apprenticeships support training for approximately 50,000 individuals.

Aligning and Supporting Workforce Programs

The Budget includes several new investments that build on the workforce reforms in K-12 and higher education in recent years:

- $212 million for K-12 local educational agencies to improve and expand their career technical education programs aligned with the goals of the Strong Workforce Program. Information on this K-12 student-focused career education investment can be found in the K-12 Education Chapter.
- $20.5 million for a cost-of-living adjustment for the Adult Education Block Grant program, with $5 million for investments in a data collection and accountability system to ensure comprehensive and shared data reporting by Adult Education Block Grant regional consortia members.
- $17.8 million ongoing for increased reimbursements to K-12 and community college-sponsored apprenticeship programs for instructional hours provided in 2018-19, with an additional one-time increase of $30.6 million to backfill shortfalls in reimbursements provided from 2013-14 to 2017-18.

Significant Adjustments for the Community Colleges

- CCC Apportionments—An increase of $322.5 million Proposition 98 General Fund, which includes the following:

- An increase of $175 million to support community college districts' transition to a student-focused funding formula.
- An increase of $161.2 million for a 2.51-percent cost-of-living adjustment.
- An increase of $60 million available for enrollment growth.
- A decrease of $73.7 million to reflect unused growth provided in 2016-17.

- Deferred Maintenance and Instructional Equipment—A one-time increase of $264.3 million Proposition 98 General Fund and $10.9 million Proposition 98 settle-up for deferred maintenance, instructional equipment, and specified water conservation projects.
- California Online College—An increase of $120 million Proposition 98 General Fund ($20 million ongoing) to establish a fully online community college.
- California College Promise—An increase of $46 million Proposition 98 General Fund to support the implementation of the California College Promise, pursuant to Chapter 735, Statutes of 2017 (AB 19).
- Student Success Completion Grant—An increase of $32.9 million Proposition 98 General Fund to support a streamlined and student-focused community college financial aid program that consolidates the Full-Time Student Success Grant and the Completion Grant programs, shifts to a per-unit per-semester/per-year grant and augments the underlying grant amounts.
- Innovation Awards—Since 2014-15, $100 million has been allocated in support of higher education innovation awards. The Budget proposes $20 million one-time Proposition 98 General Fund to provide grants to support innovation in higher education, focused on enhancing equity.
- Chancellor's Office State Operations—An increase of $2 million General Fund to fill 15 vacant positions to support initiatives and investments made in the community colleges. Providing new resources to the Chancellor's Office will help achieve the goals and priorities outlined by the Chancellor and Board of Governors in the *Vision for Success* described above and will enable the office to provide greater leadership and technical assistance to community colleges and improve student outcomes.
- Student Enrollment Fee Adjustment—An increase of $5.4 million Proposition 98 General Fund as a result of decreased offsetting student enrollment fee revenues.
- Local Property Tax Adjustment—A decrease of $230.2 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- Community College Facilities—The Budget proposes $44.9 million in general obligation

bond funding for 5 new and 15 continuing projects. This allocation represents the second installment of the $2 billion available for CCCs under Proposition 51, and will address critical fire and life safety issues at campuses statewide. Prior to obtaining a construction appropriation for their projects, the San Francisco and Pasadena Community College districts are expected to produce local matching funds.

- Strong Workforce Program—An increase of $212 million in grants to K-12 local educational agencies to expand and align their career technical education programs with the workforce training programs offered by higher education institutions, and with regional labor market demand. Information on this additional support for local educational agencies vocational education programs at can be found in the K-12 Education Chapter.
- Online Education Initiative (OEI)—The Budget proposes to accelerate the expansion of courses available through the Online Course Exchange, which will expand student access to enroll in fully online Associate Degree for Transfer pathways. The Chancellor's Office oversees this effort. By June 2019, the Online Course Exchange is expected to deploy and scale a platform that expands equitable student access to diverse online program offerings, establish a minimum number of fully online transfer degree programs, and identify further expansion benchmarks for future years.

University of California

The UC offers formal undergraduate and graduate education. The UC is the public segment authorized to independently award doctoral degrees and is designated as the state's primary academic agency for research. Its 10 campuses enroll approximately 270,000 students. In 2016-17, the UC awarded 72,000 degrees. An additional 400,000 students participate in continuing education programs through the University extensions.

Significant Adjustment:

- Base Growth—An additional $92.1 million for the UC, which represents an increase in base resources of 3 percent. Consistent with provisions of the 2017 Budget Act, the Administration will continue to monitor the University's efforts to reduce its cost structure, pursuant to the agreement the Governor and the UC President made in 2015. The Administration will also continue to monitor UC's progress in meeting the recommendations the State Auditor made last year related to the Office of the President. Pursuant to the 2017 Budget Act, the Regents will provide evidence by May 1, 2018, that the UC has met expectations related to these efforts in order to receive $50 million in funding.

California State University

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll approximately 405,000 students. In 2016-17, the CSU awarded 119,500 degrees. An additional 300,000 students are served by continuing education programs.

The 2016 Budget Act called on the CSU to increase four-year graduation rates and two-year transfer graduation rates, with specific emphasis on closing achievement gaps for low-income students, first-generation students, and students from underrepresented groups. The CSU Graduation Initiative 2025 adopted by the Board of Trustees in 2016 commits the University to ambitious goals—increasing the four-year graduation rate to at least 40 percent, increasing the two-year transfer graduation rate to at least 45 percent, and closing gaps in outcomes between different groups of students. To jump start this effort, the 2016 Budget Act included $35 million in one-time funding, and the CSU has committed to allocating funds specifically for these efforts. Reducing time-to-degree saves families on average more than $7,000 per year in tuition and fees alone.

Significant Adjustment:

- Base Growth—To match the funding increase provided to UC, an additional $92.1 million for the CSU, with the expectation that these funds will be used to make progress on the Graduation Initiative.

Hastings College of the Law

Hastings College of the Law is affiliated with the University of California system, but is governed by its own Board of Governors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also has a Master of Laws program and a Master of Studies in Law program. In 2016-17, UC Hastings enrolled 951 full-time equivalent students. Of these, 919 were JD students.

Significant Adjustment:

- Base Growth—An increase of $1.1 million General Fund, representing a 2-percent increase, consistent with the Administration's multi-year plan.

California Student Aid Commission

The California Student Aid Commission administers financial aid programs, including the Cal

Grant program.

Significant Adjustments:

- Temporary Assistance for Needy Families (TANF) Reimbursements—A total of $1.1 billion in federal TANF reimbursements in 2018-19, which reduces the amount of General Fund used for program costs. This total represents an increase in TANF reimbursements of $51.7 million compared to the reimbursements in 2017-18.
- Tuition Award for Students at Private Nonprofit Institutions—An increase of $7.9 million General Fund to maintain the maximum Cal Grant tuition award for new students attending private nonprofit institutions at $9,084, with a new requirement that, beginning in 2019-20, the sector admits each year a specified number of students who have earned transfer degrees from the community colleges and are guaranteed junior standing.
- Grant Delivery System—An increase of $7.4 million General Fund to fund the first year of project costs for the Grant Delivery System Modernization project.

Office of Planning and Research

The Office of Planning and Research assists the Governor and the Administration in planning, research, policy development, and legislative analysis.

Significant Adjustment:

- California Education Learning Lab—The Budget includes $10 million General Fund ongoing for a grant lab focused on integrating learning science into instruction and improving the quality of online higher education at public colleges and universities.

California State Library

The California State Library collects, preserves, generates, and disseminates information. The Library administers programs funded by state and federal funds to support local public libraries and statewide library programs.

Significant Adjustments:

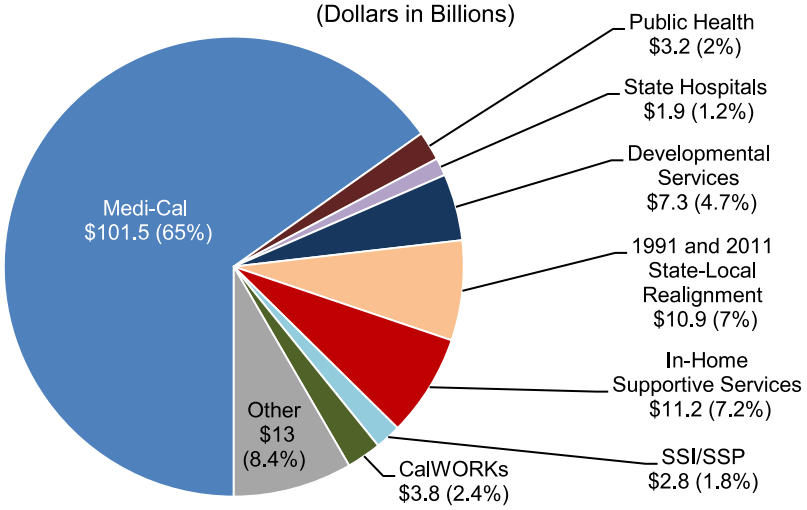
- Augmentation for Literacy Program—An increase of $2.5 million General Fund ongoing to expand the existing California Library Literacy Services program.

- One-Time Funding for Broadband Grants—$5 million General Fund one-time for broadband equipment grants, with the expectation that $2 million would support connection for public libraries who lack access to the broadband network and $3 million would expand capacity for libraries already connected.
- One-Time Funding for Online Service System—$1.5 million General Fund one-time for online systems for use by public libraries to support efficient access to resources.

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 $155.7 billion ($37.4 billion General Fund and $118.3 billion other funds) for all health and human services 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 2018-19 Funding[1/]
All Funds
(Dollars in Billions)



[1/] Totals $155.7 billion for support, local assistance, and capital outlay. This figure includes reimbursements of $13.1 billion and excludes $2.5 million in Proposition 98 funding in the Department of Developmental Services budget and county funds that do not flow through the state budget.
Note: Numbers may not add due to rounding.

Figure HHS-02
Major Health and Human Services Program Caseloads

	2017-18 Revised	2018-19 Estimate	Change
Medi-Cal	13,469,400	13,475,700	6,300
California Children's Services (CCS)[1/]	15,621	15,621	0
CalWORKs	425,855	400,777	-25,078
CalFresh	1,699,980	1,637,152	-62,828
SSI/SSP (support for aged, blind, and disabled)	1,264,919	1,264,275	-644
Child Welfare Services[2/]	118,580	119,053	473
Foster Care	41,530	41,530	0
Adoption Assistance	85,972	86,329	357
In-Home Supportive Services	518,511	545,180	26,669
Regional Centers	317,837	333,024	15,187
State Hospitals[3/]	6,482	6,828	346
Developmental Centers[4/]	537	361	-176
Vocational Rehabilitation	27,962	27,962	0

[1/] Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS clients.
[2/] Represents Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement service areas on a monthly basis. Due to transfers between each service area, cases may be reflected in more than one service area.
[3/] Represents the year-end population.
[4/] Represents average in-center population as of January 31 each year.

Federal Uncertainty

The federal administration and leaders in Congress continue to consider and propose numerous changes to health and human services programs. Many of the proposals could have far-reaching impacts on health care in California with significant impacts to Medicaid (Medi-Cal in California). Medi-Cal is a federal program that provides comprehensive health care to nearly 13.5 million Californians. Recent Medicaid proposals have included reductions to federal funding for the Affordable Care Act's (ACA) expansion population, a block grant structure for Medicaid programs, capped per-beneficiary allotments to states, tax credits to enroll Medicaid beneficiaries in private insurance, and creation of high-deductible plans for the Medicaid program combined with health savings accounts. It is not clear whether changes will ultimately be approved or when they would take effect. As such, the Budget continues to reflect existing state and federal law. A complete repeal of the ACA, without a companion replacement program, would not only affect millions of Californians' health benefits and the state and local health care delivery system, but would also disrupt the private insurance market.

The ACA also required individuals to buy health insurance or pay a tax penalty as an incentive for younger and healthier people to sign up for health care and make it more affordable. Covered California, the state's health insurance marketplace, has provided individual health insurance through private plans supported by federally funded tax subsidies and products for individuals and small businesses since 2014. It is a self-sustaining entity funded through fees

assessed on the participating health plans. The federal tax reform bill, passed in December 2017, eliminated penalties for the individual mandate starting in 2019. Repeal of the individual mandate may result in disruptions to the health care market in California.

Effective October 1, 2015 through September 30, 2019, the ACA increased the federal share of cost for the Children's Health Insurance Program (CHIP) from the historical rate of 65 percent to 88 percent. However, the federal funding was only appropriated through September 2017. The ACA requires California to continue coverage for most of the children currently under CHIP through September 2019, but absent congressional reauthorization, the state would receive only a 50-percent federal share for this population. Congress passed legislation in late December 2017 to temporarily fund CHIP at 88 percent through early 2018. Due to this late action, the Budget reflects an 88-percent federal share only through December 31, 2017, and 65 percent as of January 1, 2018. This is consistent with the 2017 Budget Act's assumption. The May Revision will, at a minimum, include savings of approximately $150 million General Fund to reflect temporary federal funding authorized after the Budget was finalized. Coverage for approximately 32,000 pregnant women and children is at risk if CHIP funding is not provided beyond March 2018 because they do not qualify for federally funded, full-scope Medi-Cal.

In addition, other recent federal proposals have included reductions in funding for other health and human services programs including the Social Services Block Grant, Promoting Safe and Stable Families, and Preventive Health and Health Services Block Grant Fund. The effect of the changes being considered by the federal administration are unknown but could have a significant fiscal impact on the state budget.

Health and Human Services Major Changes

Since 2011, there have been many changes in the programs that provide a safety net for California's vulnerable children, adults, and seniors. The provision of health care was expanded significantly, increasing the number of individuals receiving coverage through Medi-Cal and CHIP from 8.5 million to nearly 13.5 million. This increase includes the expansion of full medical coverage to undocumented children. In addition, 1.3 million people receive medical coverage through Covered California.

Many of the program reductions from the Great Recession have been restored, including most optional benefits in the Medi-Cal program, such as dental benefits for adults and enteral nutrition, as well as funding for the Department of Social Services to increase the frequency of licensed community care facility inspections. Targeted increases have also been made to provide cost-of-living increases for CalWORKs and the Supplemental Security Income/State Supplementary Payment (SSI/SSP). In addition, the CalWORKs maximum family grant rule was repealed.

The focus for many of these programs has also shifted to improve the lives of those that receive services. For example, the CalWORKs program emphasizes employment and now provides greater flexibility for participants to meet program requirements during the first 24 months of welfare-to-work participation by: (1) providing funding for family stabilization to remove barriers to employment, (2) expanding the number of child care slots, and (3) increasing child care provider rates. These programmatic changes have allowed the state to meet federal work participation requirements—avoiding over $1.1 billion in potential penalties. In foster care, the state began the Continuum of Care Reform to improve assessments of children and families for placement considerations, with an emphasis on home-based, family care placements with supportive services rather than group home care placements. Similarly, the state announced the planned closure of three remaining developmental centers: Sonoma, Fairview and the general treatment area of Porterville, and instead will focus on providing services to these individuals in community-based residential settings.

Another focus has been the integration of physical and behavioral health. With the elimination of the Department of Mental Health and the Department of Alcohol and Drug Programs, oversight of county-operated community behavioral health programs shifted to the Department of Health Care Services. This transition encouraged programs to work together to address a person's whole health—physical health, behavioral health, and substance use disorders. In addition, substance use services have been expanded in Drug Medi-Cal and at the county level as part of the Organized Delivery System Waiver.

Finally, the tax structure enacted in 2016 for managed care plans provides net statewide revenues totaling nearly $1.4 billion in 2018-19. This allows additional funding to be used to provide developmental services provider rate increases and other program investments, which will total $297.6 million in 2018-19. These funds also allowed for restoration of a 7-percent reduction ($302 million) in hours in the In-Home Supportive Services program (IHSS), and provided the nonfederal share of Medi-Cal managed care rates for health care services provided to children, adults, seniors, persons with disabilities, and persons eligible for both Medi-Cal and Medicare. This tax structure is authorized through June 30, 2019.

Tobacco Tax Increase (Proposition 56)

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) raises the tax on cigarettes from $0.87 to $2.87 per pack and expands this tax to electronic cigarettes. Proposition 56 requires specified backfills for Proposition 99, Proposition 10, the Breast Cancer Fund, and to state and local governments to offset tax revenue decreases

resulting from the additional tax. After backfills, remaining funds are allocated pursuant to a specified formula, including 82 percent of the funds for transfer to the Healthcare Treatment Fund for Medi-Cal provider payments and growth in the Medi-Cal program compared to the 2016 Budget Act.

Updated revenues from this tax increase for 2017-18, which include one quarter of 2016-17 revenues and backfill amounts, are nearly $1.9 billion. Estimated revenues for 2018-19 are $1.3 billion. After backfills of $125.8 million and other allocations outlined in Figure HHS-03, the Budget includes health care treatment expenditures totaling $850.9 million. Specifically, the Budget allocates $649.9 million in 2018-19, an increase of $232.8 million, for supplemental payments and rate increases based on those approved in the 2017 budget package. Of the increased amount, approximately $163 million is for physician payments and $70 million is for dental payments. In the current year, supplemental payments for physicians and dental providers are applied statewide to specified procedures frequently performed by these providers, with the objective of increasing provider participation and quality of care. To the extent these supplemental payments are not demonstrating the intent of the initiative—increasing the number of Medi-Cal providers or the proportion of Medi-Cal clients served—the Administration will work with the Legislature to modify the supplemental payments to better promote the goals of the initiative. The Budget also includes $169.4 million in 2018-19 to support new growth in Medi-Cal compared to the 2016 Budget Act. Finally, the Budget includes $64.5 million ($31.6 million Proposition 56 funds) for a 50-percent rate increase and associated increases in utilization for home health providers that provide medically necessary, in-home services to children and adults in the fee-for-service system or through the home and community-based services waivers. The rate increase is proposed to be effective July 1, 2018.

Figure HHS-03

Proposition 56 Expenditures

(Dollars in Millions)

Investment Category	Department	Program	2018-19 Governor's Budget
Enforcement	Department of Justice	Local Law Enforcement Grants[1/]	$30.0
	Department of Justice	Distribution and Retail Sale Enforcement[1/]	$6.0
	Board of Equalization	Distribution and Retail Sales Tax Enforcement[1/]	$6.0
	Department of Public Health	Law Enforcement[1/]	$6.0
Education, Prevention, and Research	University of California	Cigarette and Tobacco Products Surtax Medical Research Program	$57.0
	University of California	Graduate Medical Education[1/]	$40.0
	Department of Public Health	State Dental Program[1/]	$30.0
	Department of Public Health	Tobacco Prevention and Control	$125.9
	Department of Education	School Programs	$22.2
Health Care	Department of Health Care Services	Health Care Treatment	$850.9
Administration and Oversight	State Auditor	Financial Audits	$0.4
	Board of Equalization	Sales and Use Tax	$1.3
Revenue Backfills	Proposition 99, Breast Cancer Research Fund, Proposition 10, and General Fund		$125.8
Total			**$1,301.5**

[1/] Annual amount specified in statute.

Department of Health Care Services

The Medi-Cal program is administered by the Department of Health Care Services. 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, dental, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

Since 2012-13, Medical General Fund costs have grown at an average rate of approximately 6 percent annually to $20.1 billion in 2017-18 due to a combination of health care cost inflation, program expansions, and caseload growth. With the passage of Proposition 56, growth in the Medi-Cal program in 2017-18 and 2018-19 is partially funded from this tax. After accounting for Proposition 56 funds, Medi-Cal General Fund spending is projected to increase 11 percent from $19.5 billion at the 2017 Budget Act to $21.6 billion in 2018-19.

The Budget assumes that caseload will decrease approximately 0.5 percent from 2016-17 to 2017-18 and increase 0.05 percent from 2017-18 to 2018-19. Medi-Cal is projected to cover nearly 13.5 million Californians in 2018-19.

Significant Adjustments:

- Current Year Costs—The Budget reflects increased expenditures in the Medi-Cal program of approximately $543.7 million General Fund compared to the 2017 Budget Act. The current year increase is attributable primarily to retroactive payments of drug rebates to the federal government and a higher estimate of Medi-Cal managed care costs.
- ACA Optional Expansion—As of January 1, 2018, the state's cost-sharing ratio for the ACA optional Medi-Cal expansion population will increase to 6 percent, and by 2020 the state's share will be 10 percent based upon current federal law. The Budget assumes costs of $17.7 billion ($1.4 billion General Fund) in 2017-18 and $22.9 billion ($1.6 billion General Fund) in 2018-19 for the 3.9 million Californians in the optional Medi-Cal expansion.

- Medi-Cal County Administration—Chapter 244, Statutes of 2013 (SB 28), required the Department to develop and implement a new budgeting methodology for Medi-Cal county administration base costs. However, the Department was unable to procure a qualified vendor due to limited responses to the request for proposal. As an interim methodology, the Budget proposes an increase of $54.8 million ($18.5 million General Fund) in 2018-19 based on an adjustment to the existing funding level using the increase in the California Consumer Price Index. A similar increase will be applied for two years as the county eligibility systems move to a single Statewide Automated Welfare System. The Department will work with the County Welfare Directors Association to improve processing of eligibility determinations and annual redeterminations, correct beneficiary aid codes, and produce timely data and reports.
- Restrict 340B Drug Reimbursement within the Medi-Cal Program—The Budget proposes to restrict the use of federal 340B Drug Pricing Program reimbursements within the Medi-Cal program, effective July 1, 2019. The proposal allows the state to comply with existing federal requirements, helps protect program integrity, prevents unnecessary overpayments, collects additional drug rebates, and mitigates the amount of time and resources expended to resolve drug rebate disputes related to 340B claims.

2011 Realignment Funding

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

Figure HHS-04 identifies the programs and funding for 2011 Realignment, which are funded through two sources: a state special fund sales tax rate of 1.0625 percent totaling $7.3 billion, and $699.6 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-04
2011 Realignment Estimate at 2018-19 Governor's Budget
(Dollars in Millions)

	2016-17	2016-17 Growth	2017-18	2017-18 Growth	2018-19	2018-19 Growth
Law Enforcement Services	**$2,361.2**		**$2,467.3**		**$2,579.6**	
Trial Court Security Subaccount	539.7	$10.6	550.3	$11.2	561.6	$10.9
Enhancing Law Enforcement Activities Subaccount[1/]	489.9	155.9	489.9	201.4	489.9	209.7
Community Corrections Subaccount	1,161.6	79.4	1,241.1	84.3	1,325.3	81.5
District Attorney and Public Defender Subaccount	27.9	5.3	33.3	5.6	38.9	5.4
Juvenile Justice Subaccount	142.1	10.6	152.7	11.2	163.9	10.9
Youthful Offender Block Grant Special Account	*(134.3)*	*(10.0)*	*(144.3)*	*(10.6)*	*(154.9)*	*(10.3)*
Juvenile Reentry Grant Special Account	*(7.8)*	*(0.6)*	*(8.4)*	*(0.6)*	*(9.0)*	*(0.6)*
Growth, Law Enforcement Services		**261.8**		**313.7**		**318.4**
Mental Health[2/]	**1,120.6**	9.8	**1,120.6**	10.4	**1,120.6**	10.1
Support Services	**3,404.9**		**3,591.7**		**3,789.9**	
Protective Services Subaccount	2,169.5	88.5	2,258.0	93.9	2,351.9	90.9
Behavioral Health Subaccount	1,235.4	98.4	1,333.7	104.3	1,438.0	101.0
Women and Children's Residential Treatment Services	*(5.1)*	-	*(5.1)*	-	*(5.1)*	-
Growth, Support Services		**196.7**		**208.6**		**202.0**
Account Total and Growth	**$7,345.2**		**$7,701.9**		**$8,010.5**	
Revenue						
1.0625% Sales Tax	6,699.5		7,010.6		7,310.9	
Motor Vehicle License Fee	645.8		691.3		699.6	
Revenue Total	**$7,345.3**		**$7,701.9**		**$8,010.5**	

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.

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, IHSS, Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, and Disability Determination. The Budget includes $24.2 billion ($8.6 billion General Fund) for DSS in 2018-19.

Significant Adjustments:

- Continuum of Care Reform—The Budget includes $238.2 million ($179.7 million General Fund) to continue implementation of Continuum of Care reforms. This funding reflects ongoing support for child and family teams, approval of resource families, and family retention, recruitment, and support. While significant progress has been made with the transition of foster youth from group homes to Short-Term Residential Therapeutic Programs beginning January 1, 2017, assumptions on caseload movement were revised to more accurately reflect the pace of implementation. In 2018-19, county child welfare and probation departments will be working to increase the availability of home-based family care and determining the local need for Short-Term Residential Therapeutic Programs as group home licenses expire and residential congregate care placements decline.
- Minimum Wage Increase—The Budget includes an increase in IHSS expenditures of $260.3 million ($119.4 million General Fund) and a decrease in CalWORKs expenditures of $1.2 million General Fund to reflect the impact of the increase in the state minimum hourly wage from $11.00 to $12.00, effective January 1, 2019.

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 $7.4 billion (State, Local, and Federal Funds) in 2018-19. The amount budgeted includes $5.1 billion for the CalWORKs program expenditures and $2.3 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 401,000 families in 2018-19, an 11-percent decrease from the 2017 Budget Act projection. Due to an improving economy, caseload has decreased every year from a recent peak of 587,000 in 2010-11.

Significant Adjustments:

- Home Visiting Initiative—The Budget includes $26.7 million for a voluntary Home Visiting pilot program, which will continue through 2021 for young, first-time parents in the CalWORKs program. The goal of the home visiting pilot is to help young families reach self-sufficiency by improving family engagement practices; supporting healthy development of young children living in poverty; and preparing parents for employment. The pilot will leverage existing, evidence-based program models currently being implemented across the state. Home visitors will help parents navigate and connect to resources in the CalWORKs program and other available services, and report case progress and outcomes to the county. The Department will work with counties to establish the outcome measures of the pilot so the initiative can be evaluated for effectiveness. A total of $158.5 million in one-time TANF funds is being reserved for the pilot's total costs through calendar year 2021.
- Single Allocation Methodology—The Budget includes a one-time augmentation of $187 million for the county single allocation until a revised budgeting methodology is adopted to address the cyclical nature of the caseload changes and impacts to county services. The Administration will continue to work with representatives of counties and the County Welfare Directors Association to develop recommendations for revising the single allocation budgeting methodology by the May Revision.
- County Indigent Health Savings—County savings related to federal health care reform are estimated to be $657.1 million in 2017-18 and $530.5 million in 2018-19. The Budget also includes a one-time General Fund decrease of $231.2 million in the CalWORKs program resulting from additional 2015-16 county savings. These savings are partially offset by $23.2 million in costs reflected in the Department of Health Care Services budget. Actual statewide indigent health savings were higher than previously estimated based on the preliminary reconciliation of 2015-16, and the Budget assumes reimbursement of this amount from the counties in 2018-19. The estimated savings will be updated in the May Revision using audited data from the counties. Pursuant to current law, these additional county savings are redirected to the CalWORKs program to offset General Fund costs.

In-Home Supportive Services

The IHSS program provides domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization.

The Budget includes $11.2 billion ($3.6 billion General Fund) for the IHSS program in 2018-19, a 7.7-percent increase in General Fund costs over the revised 2017-18 level. Average monthly caseload in this program is estimated to be 545,000 recipients in 2018-19, a 5.4-percent increase from the 2017 Budget Act projection. General Fund costs in this program have more than doubled since 2010-11, while caseload has increased 26 percent.

Significant Adjustments:

- IHSS Administration—The Budget includes an increase of $27.8 million General Fund in 2018-19 for county IHSS administrative costs to reflect revised workload and budget assumptions. The new budgeting methodology estimates the average number of cases a social worker can manage for statutorily-required activities, including the federal Fair Labor Standards Act overtime regulations. The workload and budget assumptions will be reexamined as part of the 2020-21 budget.
- IHSS Provider Paid Sick Leave—The Budget includes $29.9 million General Fund to reflect implementation of eight paid sick leave hours for IHSS providers beginning on July 1, 2018.

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 administers the SSI/SSP program, making eligibility determinations, computing grants, and issuing combined monthly checks to recipients. The state-only Cash Assistance Program for Immigrants (CAPI) provides monthly cash benefits to aged, blind, and disabled legal noncitizens who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes $2.8 billion General Fund for the SSI/SSP program. This represents a 1.2-percent decrease ($34.9 million) from the revised 2017-18 budget. The average monthly caseload in this program is estimated to be 1.3 million recipients in 2018-19, a slight decrease from the 2017-18 projection. The SSI/SSP caseload consists of 70 percent disabled persons, 28.6 percent aged, and 1.4 percent blind.

Effective January 2018, maximum SSI/SSP grant levels are $910 per month for individuals and $1,532 per month for couples. The federal cost of living adjustments based on the current Consumer Price Index growth factors are 2 percent for 2018 and a projected 2.6 percent for 2019. As a result, the maximum SSI/SSP monthly grant levels will increase by approximately

$20 and $29 for individuals and couples, respectively, effective January 2019. 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 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 $1.9 billion ($1.8 billion General Fund) for support of the Department. The patient population is expected to reach 6,828 in 2018-19.

Incompetent to Stand Trial Admissions

The Department continues to experience a significant increase in the number of Incompetent to Stand Trial (IST) admission referrals from local courts, with annual referrals growing by approximately 33 percent since 2013-14. The Department has responded to this over the past three years by activating 418 inpatient beds and maximizing the use of available bed capacity in the state hospital system. Additionally, State Hospitals contracts with several counties to operate 200 jail-based competency restoration beds, with an additional 107 beds expected to be available in early 2018. Despite these efforts, referrals continue to outpace capacity, with the IST pending placement list of approximately 840 individuals as of early December 2017 compared to 600 in December 2016.

To help address this need, the Budget proposes $117.3 million ($114.8 million General Fund) to further develop the state-county partnership to address the growing number of IST commitments referred to the Department. Nearly $100 million General Fund will be available over three years for community alternatives to increase diversion of mentally ill offenders and decrease county IST referrals to state hospitals. The goal is to strengthen existing local mental health treatment efforts, develop or enhance robust diversion programs, and reduce IST referrals by up to 30 percent.

The program will focus on diverting individuals with mental illness who have committed felony crimes, to prevent entry or reentry into the criminal justice system. The program will prioritize contracts with the 15 counties that have the majority of IST referrals to develop and expand diversion programs to support up to 640 placements. These funds will also be used for up to 60 additional community placements in other counties.

As part of this effort, the Budget also includes $14.8 million General Fund to support a partnership with Los Angeles County for up to 150 IST patients, supporting three levels of treatment options in community settings. These community placements, in addition to the diversion efforts, will help the Department address the largest IST county referral population.

The Budget includes $2.5 million a year from Mental Health Services Act funds for the Mental Health Services and Accountability Commission to provide two years of consulting services to assist counties in developing Innovation Plans that incorporate ways to leverage and coordinate diversion programs to address IST populations.

In addition to the efforts noted above, the Department of State Hospitals continues to work with counties to identify other opportunities for collaboration, efficiencies, and approaches in treating IST patients. The Department is also open to exploring opportunities for joint-use facilities that would provide services to both State Hospital patients and appropriate jail populations.

Significant Adjustments:

- Metropolitan State Hospital Bed Expansion—The Budget includes $53.1 million General Fund and 346.1 positions to activate an additional 236 secured, forensic beds at Metropolitan State Hospital.
- Jail-Based Competency Treatment Beds—The Budget includes $16.1 million General Fund to allow the Department to contract for up to 159 jail-based competency treatment program beds through existing and new county jail treatment programs.
- Coalinga State Hospital Mentally Disordered Offender Bed Activation—The Budget includes $11.5 million General Fund and 81.2 positions for the activation of 80 Mentally Disordered Offender beds at Coalinga State Hospital to offset bed reductions associated with the conversion of units for the Enhanced Treatment Program. The proposed beds will be filled with existing Mentally Disordered Offender patients from other state hospitals, which will free up beds to accommodate IST referrals.

Department of Developmental Services

The Department of Developmental Services 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 state-operated developmental centers, except for the secure treatment area at the Porterville Developmental Center and the Canyon

Springs community facility. By the end of 2018-19, the Department estimates it will be providing community services to approximately 333,000 individuals with developmental disabilities. In the developmental centers, the estimated population, as of July 1, 2018, is 547 residents. The population is expected to decrease to 361 residents by June 30, 2019, as additional residents transition to receiving services through the regional centers. The Budget includes $7.3 billion ($4.4 billion General Fund) for support of developmental services.

Developmental Center Closures

In 2015, the Administration announced the planned closure of the three remaining developmental centers: Sonoma, Fairview and the general treatment area of Porterville. Sonoma is scheduled to close in December 2018 and no longer receives federal funding for its intermediate care facility units. On July 1, 2016, the Department entered into settlement agreements with the federal Centers for Medicare and Medicaid Services to continue federal funding for individuals residing at Fairview and the general treatment area at Porterville through 2020-21. The Department's ongoing compliance with the provisions of the settlement agreements will allow the continued receipt of federal funding for intermediate care facility units at both centers. The Budget assumes federal funding will continue for both Fairview and Porterville.

Regional Center Services

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 regional center budget reflects costs of $3.8 billion General Fund in 2017-18 and $4.1 billion General Fund in 2018-19, a year-over-year increase of $319.6 million General Fund. A significant portion of the increase, $97.6 million General Fund, is attributable to the increasing state minimum wage.

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 $3.2 billion ($137.9 million General Fund) in 2018-19 for the Department.

The Department regulates many types of health care facilities and entities in the state. Currently, the Department contracts with the Los Angeles County Department of Public Health to regulate certain health care entities located in Los Angeles County. The Department and Los Angeles County are developing a comprehensive contract for the County to conduct 100 percent of the regulatory work within Los Angeles, beginning in 2019-20.

This contract would include pay-for-performance metrics, such as quantity, quality, and service, and is anticipated to cost more than the current contract, which only covers a portion of the workload in Los Angeles County. To reflect the higher cost of doing business in Los Angeles County, the Department will assess and apply a supplemental fee to its regulated health care entities located in Los Angeles County beginning in 2018-19. The Budget proposes statutory language to assess this supplemental fee, which will be based on the additional cost necessary to administer and enforce licensing and certification services to these health care entities located in Los Angeles County.

Other Health and Human Services

The Budget also includes the following significant adjustment:

- Chapter 52, Statutes of 2017 (SB 97), increased the minimum number of direct care services hours in skilled nursing facilities from 3.2 to 3.5 hours per patient day, effective July 1, 2018. It also specifies that a minimum of 2.4 hours per patient day must be provided by certified nurse assistants. The Budget includes $4.5 million in 2018-19 to support the expansion of training slots for the certified nursing assistant workforce to support facilities in meeting this requirement. This includes one-time funding of $2 million (Proposition 98 General Fund) from the Strong Workforce Program and $2.5 million from existing training programs within the Employment Development Department.

Public Safety

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

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 $12 billion ($11.7 billion General Fund and $313 million other funds) for the Department in 2018-19.

The 2017 Budget Act projected an overall adult inmate average daily population of 127,693 in 2017-18. The average daily adult inmate population is now projected to be 130,317, an increase of 2.1 percent in 2017-18. Compared to the 2017 Budget Act, the 2018-19 population is projected to decline by 0.2 percent to 127,412, primarily as a result of the implementation of Proposition 57, the Public Safety and Rehabilitation Act of 2016.

The 2017 Budget Act projected an overall parolee average daily population of 47,274 in 2017-18. The average daily parolee population is now projected to be 46,971, a decrease of 0.6 percent in 2017-18, and an increase of 5.1 percent to 49,794 in 2018-19, compared to 2017 Budget Act projections.

In comparison to 2017 Budget Act projections, the Division of Juvenile Justice's average daily youth population is projected to decrease by 121 in 2017-18 and by 91 in 2018-19, for a total population of 615 in 2017-18 and 645 in 2018-19. The decrease in the 2017-18 and 2018-19 youth population is attributable to Proposition 57 population increase not materializing as projected.

Achieving Durable Population Reductions and Improving Public Safety

In 2011, the U.S. Supreme Court upheld the federal three-judge panel's order requiring the Department to reduce the prison population to 137.5 percent of the prisons' design capacity by June 2013, which was subsequently extended to February 28, 2016. In January 2011, the adult inmate population totaled 162,000 and the state prison population was approximately 178 percent of design capacity. As this Administration's first major prison reform, the state passed Chapter 15, Statutes of 2011 (AB 109), to meet the court-ordered population cap. This landmark legislation helped ease prison crowding and reduced state spending on prisons by shifting responsibility for lower-level offenders to counties.

AB 109 reduced prison population in a manner that avoids early release and gives offenders the best chance at successful reintegration into their communities. Keeping offenders closer to their communities and linking them to post-release services is pivotal to reducing the offender population and maintaining a durable solution to the prison population cap set by the three-judge panel. In the first six months following passage of AB 109, the California Department of Corrections and Rehabilitation's inmate population dropped by more than 21,000 inmates.

Upon implementation, the Department carefully examined its inmate classification and custody designation system, and modified its processes to reclassify offenders into lower housing levels. This change allowed more inmates the opportunity to access programs and enabled the Department to house inmates in less restrictive environments, resulting in safer and more efficient prisons. Gymnasiums are no longer used to double or triple-bunk offenders and have been returned to activity centers that now serve as recreational and rehabilitative programming space for inmates. The alleviation of prison crowding has allowed rehabilitative programs to become a key focus of the prison system, and the construction of three infill housing projects allows level II inmates to be housed in dorm-style facilities that are more conducive to the Department's rehabilitation efforts. The ongoing construction of new space associated with the Healthcare Facility Improvement Project also allows for significant improvements in the delivery of health care in a custodial setting.

In addition to AB 109, other efforts were undertaken to reduce the prison population, including population reduction measures ordered by the federal three-judge panel on February 10, 2014, voter-approved initiatives aimed at reducing the prison population such as Proposition 36 in November 2012 and Proposition 47 in November 2014, and the Governor signing into law a youthful offender parole hearing process for offenders who committed their crime before the age of 26. The court's February 10, 2014 order reaffirmed that the Department would remain under the jurisdiction of the court for as long as necessary to continue compliance with the final benchmark of 137.5 percent of design capacity and establish a durable solution. The prison population has been below the court-ordered cap since February 2015.

Despite all the changes above, the fall 2016 adult inmate population projections estimated that the population would continue to increase by approximately 1,000 inmates per year, making it difficult for the state to maintain compliance with the court-ordered cap.

The Governor sponsored Proposition 57, the Public Safety and Rehabilitation Act of 2016, to maintain compliance with the court-ordered population cap—establishing a durable solution to end federal court oversight, and create more incentives for inmates to participate in rehabilitative programs. Proposition 57 reforms the juvenile and adult criminal justice system in California by creating a parole consideration process for non-violent offenders who have served the full term for their primary criminal offense in state prison, authorizing the Department to award credits earned for good conduct and approved rehabilitative or educational achievements, and requiring judges to determine whether juveniles charged with certain crimes should be tried in juvenile or adult court.

The Department implemented emergency regulations in April 2017 to exercise its authority to award credits provided by the proposition. Proposition 57 is now estimated to reduce the average daily adult inmate population by approximately 6,300 in 2018-19, growing to an inmate reduction of approximately 11,500 in 2020-21. These figures remain subject to considerable uncertainty.

The implementation of Proposition 57 and other population reduction measures mentioned above will allow the Department to eliminate the use of out-of-state contract beds. Current estimates include the removal of all inmates from one of two remaining out-of-state facilities by the end of 2017-18. As the impact of Proposition 57 grows, the Department anticipates returning inmates from the remaining out-of-state facility by fall 2019.

Public Safety through Inmate Rehabilitation and Reentry

The goal of this Administration's prison reforms has been to not only reduce the overall population, but also to give offenders greater opportunity for rehabilitation, thereby improving

offender outcomes and increasing public safety. After years of recession-era cuts to offender rehabilitation programs, building population reductions around increased programming takes increased investments—especially given that much of Proposition 57 is premised around offenders earning their way out of prison through achievement credits. Over the last several years, programs have been reestablished to prior levels.

- Substance abuse treatment programs have been expanded to all state prisons.
- Other cognitive behavioral treatment programs, including criminal thinking, family relationships, and anger management, have been expanded to all state prisons.
- Academic education classes are offered at all state prisons.
- Career technical education is not only available in all state prisons, but recent budgets have included resources to expand programming slots to serve more offenders and to provide internet access in career technical education classrooms to maintain industry standards and certifications.
- There have been increased investments in Arts-in-Corrections with programs rolling out to all state prisons.
- Transitional preparation courses focused on job-readiness and financial literacy have been expanded to all state prisons.
- Local community colleges now offer in-person college courses at all state prisons, with the exception of the California Health Care Facility.
- The Department is implementing an innovative, television-based education program to reach offenders not traditionally eligible or capable of attending in-person programs.
- Innovative programming grants have been used to encourage non-profit providers to expand their programs and services to traditionally hard-to-reach and under-served institutions.
- Programs have been expanded that are specifically tailored to long-term offenders, including substance use disorder mentor certification training and cognitive behavioral treatment specifically for offenders subject to review and release by the Board of Parole Hearings.

While these programs and others are largely focused on the rehabilitative aspects of preparing for release, additional investments have been made to provide offenders with basic necessities prior to release and linking them with community services upon release.

- The Cal-ID program has expanded to all state prisons. Cal-ID establishes a process for inmates who are being released to obtain a California State Identification Card, which is

critical for inmates transitioning into the community. For example, a state-issued identification card is needed to enroll in Medi-Cal and obtain services.

- The state is also pre-enrolling state inmates into Medi-Cal prior to release, which makes them immediately eligible for these services upon release. The Department is estimated to have approximately 45,000 offenders on active parole in 2018-19 and approximately 85 percent of them will be Medi-Cal eligible.
- A voluntary community reentry program was established to allow eligible participants to serve the last year of their sentence in community-based reentry centers while being directly linked to a range of rehabilitative services, including substance use disorder treatment, mental health care, medical care, employment, education, housing, family reunification, and social support in their community of release in lieu of confinement in state prisons.
- A new transitional housing program was established for long-term offenders to provide housing, meals, support services, resources and peer-driven programming during the first 6 to 12 months after release.

The Budget includes $454.4 million General Fund specifically for the Division of Rehabilitative Programs, compared to approximately $300 million in 2012-13. As a per offender investment, this exceeds pre-recession era levels that were the peak of rehabilitation funding. The Division prepares offenders for release by offering various programs and services that promote positive in-prison behavior and support their rehabilitative efforts to provide a better opportunity for them to reintegrate into society. While offenders are prioritized if they 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 expansion of rehabilitative programs and reentry services to all prisons has allowed more inmates to participate in programs to help them prepare for community reintegration. The changes made under the authority provided by Proposition 57 encourage additional participation in programs and services, making for a safer prison environment and better success for inmates upon release.

To further build upon prior investments by this Administration, the Budget includes the following additional expansions:

- Career Technical Education—$6.7 million General Fund to expand Career Technical Education programming to 13 additional sites and offer 338 additional programming slots and $1.5 million General Fund for related equipment replacement. Career Technical Education programming provides participants with education aligned with state boards or national organization certifications. The Career Technical Education program can currently

serve approximately 9,100 offenders annually with a moderate-to-high employment need and focuses on offenders who are within four years of their expected release. Additional resources are provided for equipment replacement to maintain alignment with industry standards and equalize equipment across all institutions.

- Self-Help Groups—$2.5 million General Fund to provide support for inmate activity groups now eligible for Rehabilitative Achievement Credits under Proposition 57. Participation and waitlists have grown significantly since the implementation of Proposition 57. This request supports the expansion of Inmate Activity Group programs from 1,100 programs in 2016-17 to over 3,000 programs by 2018-19. These programs are designed to enhance public safety by engaging offenders in self-improvement programs and personal preparation for reentry. Providing incentives to inmates to participate in rehabilitative programming also reduces inmate misconduct and violence in the prisons, yielding safer conditions for inmates and staff.
- Rehabilitative Programming Grants—$4 million Inmate Welfare Fund to provide rehabilitative programming grants to non-profits that provide programs that have demonstrated success and focus on offender responsibility and restorative justice principles. The grant resources will improve access to rehabilitative programming, treatment, and services and increase the percentage of offenders served.

Statewide Prison to Employment Initiative

The Budget includes $16 million General Fund for the Statewide Prison to Employment Initiative, a partnership of the California Workforce Development Board, California Department of Corrections and Rehabilitation, and California Prison Industry Authority that will provide services for regional and local planning and implementation to integrate reentry and workforce services and direct services to the formerly incarcerated. This initiative is designed to accelerate the alignment of correctional education, training, and increased workforce system collaboration.

Firefighter Training and Certification Program

The Budget includes $26.6 million General Fund to establish a Firefighter Training and Certification Program for ex-offenders to provide the necessary education and training to become a firefighter. The program creates a training center at the Ventura Conservation Camp for 80 ex-offenders with job skills to succeed post-incarceration. The California Conservation Corps will be the employer of record and provide the base wages and benefits consistent with other Corps members. The California Department of Forestry and Fire Protection (CAL FIRE) will be responsible for the administration of the facility, fire training, and certification.

The California Department of Corrections and Rehabilitation and CAL FIRE will jointly select participants for the program, and CAL FIRE will recommend individuals that are housed at fire camps while incarcerated. The 18-month program will consist of three phases: phase one is a three-month orientation training that includes completion of life skills training, any required treatment programs, and basic forestry and firefighting courses; phase two will include three months of firefighter training to complete advanced, comprehensive industry firefighter courses and certification; and phase three is a Type I Fire Crew assignment for 12 months, during which participants will gain the necessary hands-on work experience component of the program. Upon completion of the program, participants will be qualified through experience and certifications to apply for entry-level firefighting jobs with local, state, and federal firefighting agencies. In addition, the program will allow up to 20 California Conservation Corps members to participate in training courses at the facility.

Support for Aging Infrastructure

A prison system that is safe for inmates and staff requires investments in infrastructure to provide the necessary space and tools to operate effectively. While the state has made significant investments in rehabilitation and health care, some of the Department's core infrastructure has deteriorated and improvements must be made. Accordingly, the Budget includes $131.1 million for infrastructure investments.

Roofs and Mold Remediation

California experienced record levels of rainfall in the past year, and severe storms caused significant damage to prison roofs. Failing prison roofs have resulted in damage to electrical systems and housing units; interruptions in rehabilitation programs, education programs and mental health treatment; and the development of mold. In continuation of the roof replacement funding provided in the 2017 Budget Act, the Budget includes $60.7 million General Fund to replace roofs at the California Substance Abuse Treatment Facility, Salinas Valley State Prison, and Ventura Youth Correctional Facility and $20 million General Fund for mold remediation efforts at various facilities in 2018-19. This continues a multi-year strategy to address failing roofs, with Calipatria State Prison and California State Prison, Corcoran being the next priorities.

Public Safety Communication System

The public safety communication radio system has been in operation for over 28 years and is no longer supported by the manufacturer. These systems have experienced failures, resulting in the inability to effectively communicate within the Department and externally with partner organizations. Over the past several years, the Department has prioritized the replacement of

handheld radio devices to the extent possible. The Budget includes $32.9 million to replace the public safety radio communication system at the remaining nine adult institutions that have not been upgraded, two juvenile facilities, and various fire camps, and provide interoperability to the statewide transportation unit.

Health Care Vehicles

The Department's fleet consists of approximately 7,700 vehicles, including vans, buses and medical transport vehicles, many of which have exceeded mileage standards set by the Department of General Services. In 2012, the Receiver delegated health care access responsibilities to the Department, which includes providing timely transportation of inmates to health care appointments outside the prisons. Many of the vehicles used to provide transportation are in need of replacement, and the Department lacks a permanent and dedicated vehicle replacement budget. Since 2013-14, the Department has been able to redirect resources to replace some health care vehicles, but more needs to be done. The Budget includes $17.5 million to replace and purchase additional high-priority health care vehicles. While this will allow for the purchase and replacement of some health care vehicles, it is a small fraction of the Department's overall fleet needs. The Department will work with the Department of General Services on a more comprehensive and long-term fleet acquisition plan for consideration next fall.

Juvenile Justice Reform

Age of Jurisdiction

The *Farrell v. Brown* lawsuit began in the early 2000s, and resulted in complete reform of the state juvenile system, including several legislative changes that were implemented to dramatically reduce the Division of Juvenile Justice population from around 3,000 in 2005 to approximately 1,100 in 2011. To continue population reductions and generate savings, the 2012 Budget Act changed the age of jurisdiction from 25 to 23 for youths sent to the Division of Juvenile Justice.

New research on brain development and juvenile case law around diminished culpability of juvenile offenders has prompted the Administration to reevaluate this decision. Currently, juvenile court commitments are eligible to be housed at a juvenile facility until the age of 23, and superior court commitments are transferred to an adult prison at the age of 18 if they are not able to finish their sentence by the age of 21. To allow offenders to benefit from rehabilitative programming designed for young offenders and be more successful upon release, the Administration proposes to raise the age of jurisdiction to 25. While the exact population effects are unknown, prior to reducing the age of jurisdiction in 2012-13 from 25 to 23, the

Division of Juvenile Justice housed approximately 40 wards that were ages 23 or older.

Young Adult Offender Pilot Program

As noted above, the landscape of juvenile sentencing and rehabilitation policy is progressively changing. In addition to juvenile brain development research, there is other research that indicates that emerging adult offenders released from adult prison recidivate at a higher rate than similarly aged offenders released from a juvenile facility. There appears to be widespread interest in treating the emerging adult offender group similar to today's juvenile offender population. In recognition of the changing philosophy related to the emerging adult population, the Legislature enacted Chapter 865, Statutes of 2016 (SB 1004), which authorized a five county pilot program to house youth aged 18 to 21 in juvenile halls rather than county jails.

All these recent changes, including changes made to juvenile sentencing under Proposition 57, have led the Administration to propose a similar pilot program at the state level. The Budget includes $3.8 million General Fund to establish two housing units to support a Young Adult Offender Pilot Program that would divert a limited number of young adult offenders who have committed specified crimes from adult prison to a juvenile facility. This would allow these offenders to benefit from specialized rehabilitative programming designed for young offenders with the goal of reducing recidivism. The Department will develop criteria for placement in this program, initially targeting offenders committed to adult prisons between the ages of 18 and 21.

Both of the proposed changes divert young offenders from adult prison to the Division of Juvenile Justice to avoid the adult prison environment, especially gang activity.

Inmate Medical Care and Mental Health Services

The Budget continues the state's significant financial commitment to improve the Department's delivery of health care services to inmates. The Budget dedicates $3.1 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.

Federal Receivership Overseeing Prison Medical Care

In 2005, a federal court established a receivership to oversee prison medical care. To date, the Receiver has transitioned oversight of 15 institutions back to the state. The Budget includes $2.1 billion General Fund for prison medical care. The Budget augments the inmate medical care program by $12.8 million, including $8.3 million to complete the integration of an Electronic Health Records System throughout the state's prison system and $4.5 million to lease automated drug cabinets for controlled substances and establish a Correctional Clinic Model

allowing non-patient-specific medications to be maintained at the clinics where they are distributed to patients. As noted above, the Budget includes $17.5 million for new and replacement health care access vehicles to maintain timely access to health care provided outside the institution. These resources are intended to support a full transition of medical care back to the state.

Increases in Inpatient Mental Health Treatment Bed Capacity

The Budget includes $20.1 million General Fund to address mental health treatment bed capacity issues as well as resources needed to monitor health care data reporting and patient referrals. The Budget addresses mental health treatment bed capacity issues by adding capacity for females and leveraging and relocating existing male bed capacity to maximize flexibility. Specifically, the Budget proposes:

- $8.7 million to convert two existing housing units that only provide one level of care to housing units that can transition between different levels of care to accommodate unexpected spikes in the inpatient mental health treatment populations.
- $6.8 million to add 15 Mental Health Crisis Beds and 5 Psychiatric Inpatient beds at the California Institute for Women to address the need for increased capacity.
- $2.4 million to improve patient movement in and out of inpatient treatment beds, and resources for the Department to assume responsibility for the mental health population projections from a court-required consultant.
- $1.2 million to perform utilization management reviews to maximize the use of the Department's inpatient mental health treatment bed capacity.
- $1 million to transfer 20 Mental Health Crisis Beds from northern California to Southern California to help address the greater need for mental health treatment beds in Southern California.

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. The Budget includes $106.4 million to continue this successful program.

Post-Release Community Supervision

The Budget includes $29 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post-Release Community Supervision (PRCS) as a result of the implementation of Proposition 57.

Proposition 47 Savings

Voters passed Proposition 47 in November 2014, 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. The Department of Finance currently estimates net savings of $64.4 million for Proposition 47 when comparing 2017-18 to 2013-14, an increase of $18.8 million over the estimated savings in 2016-17. Ongoing savings are currently estimated to be approximately $69 million. These funds will be allocated according to the formula outlined in the initiative.

Transition from State Custody to Local Systems

As a result of various criminal justice reforms over the years, it has become increasingly important to improve the transition of inmates from state custody to local supervision. The Administration has found the existing handoff between the California Department of Corrections and Rehabilitation and probation departments is in need of improvement. The Administration plans to strengthen local partnerships to enhance the process for release. By improving information transfer and sharing of resources to assist with a more seamless transition of offenders to the local system, the state can increase success of transition and reduce the likelihood of offenders returning to custody. To this end, the Department has undertaken several initiatives in cooperation with counties, such as:

- Pre-release video conferencing, which allows a probation officer to schedule a video teleconference appointment with an offender prior to release to PRCS. This will increase communication between offenders and their probation officers, allowing for more effective pre-release planning and dialogue related to housing and treatment program placement.
- In December 2017, the Department led web-based training for approximately 600 county probation staff to promote a better understanding of the Department's release process and the Department's protocols for determining PRCS eligibility.
- The Department, in collaboration with the Receiver's Office and the Chief Probation Officers of California, has developed a protocol for the release of offenders who are medically compromised and in need of specialized community care upon release. The protocols include communication requirements and expedited timeframes between internal and

external stakeholders who are impacted by the release of medically compromised inmates. The Department is also working on a protocol for the release of inmates with serious mental illness.

- In October 2017, the Department finished automation of the pre-release information to expedite the process and provide associated data to appropriate staff in real-time. The pre-release information includes offender data such as in-prison behavior and programming, residence and employment plans, reporting requirements, caseworker evaluations, and medical and psychiatric needs.

Since these efforts are in the early stages of implementation, the Administration will continue working with the Chief Probation Officers of California to discuss and evaluate their impacts on the handoff process.

Success for offenders comes from continuing partnerships with stakeholders at the local level on diversion, mental health, job readiness and workforce development, substance use disorder treatment, and health care programs that focus more on rehabilitation and reintegration into society. Initiatives undertaken by the Administration, such as implementation of the Affordable Care Act and workforce investments, give the state an opportunity to provide offenders with services necessary to end the cycle of crime and become self-sufficient and productive members of society.

Department of Justice

The Administration will continue working with the Attorney General's Office on a funding proposal expected in the spring to implement Chapter 541, Statutes of 2017 (SB 384), which will replace the existing lifetime sex offender registration system with a tiered registration system beginning January 1, 2021. Among other things, the Department of Justice will need to prepare information technology planning documents, update the California Sexual Assault Registry, and add staff to support new tiering, exclusion and termination requests associated with SB 384, which are expected to cost millions of dollars annually.

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 $4.2 billion ($1.9 billion General Fund and $2.3 billion other funds) in 2018-19 for the Judicial Branch, of which $2.2 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

Two important historical events led to the current trial court system. First, 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 for unification. Second, the Trial Court Funding Act of 1997 consolidated the costs of operating California's trial courts at the state level and capped county contributions. 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 improved access for the public.

Investing in the Trial Courts

The Budget includes $150 million General Fund to support efforts by the Judicial Council to improve and modernize trial court operations, and increase access. Specifically, the Budget includes the following significant adjustments:

- Trial Court Operations—The Budget includes $47.8 million to be allocated to trial courts that are below 76.9 percent of their overall need according to the Workload-Based Allocation and Funding Methodology. This augmentation is intended to equalize funding among courts by bringing all trial courts up to the statewide average funding level according to updated case weights.
- Discretionary Funding for Trial Courts—The Budget includes $75 million for allocation to trial courts statewide based on priorities set by the Judicial Council. While this funding is discretionary, the Administration anticipates the Judicial Council will rely on recommendations made by the Commission on the Future of California's Court System and report on any anticipated outcomes resulting from this investment.
- Self-Help Services—The Budget includes $19.1 million to expand self-help services in trial courts to better prepare the increasing number of self-represented litigants, thereby reducing trial court workload by decreasing the amount of clerk time and continuances in these cases. This brings the total budget for self-help services to $30.1 million.
- Language Access—The Budget includes $4 million to expand the availability of interpreter services for civil matters in all courts.
- Civil Traffic Pilot—The Budget includes $3.4 million for the Judicial Council to implement a five-court pilot to begin moving toward a civil model for adjudication of minor traffic violations. This proposal would authorize an online adjudication system for certain traffic violations in the pilot courts. This pilot is consistent with the Futures Report and should eventually free up judicial resources for other program areas.
- Court-Appointed Special Advocate Program—This Program provides grants to trained volunteers assigned by a juvenile court judge to youth in foster care. The Budget includes $500,000 for this Program, and will leverage outside investments to directly serve approximately 2,200 additional foster youth.
- California Courts Protective Order Registry—The Registry serves as a central repository of restraining and protective orders which safeguards victims of violence and law enforcement officers in the field. The Budget includes $200,000 to expand the Registry to the remaining seven trial courts who do not currently utilize the registry.

The Budget also continues funding commitments made by the Administration to backfill the Trial Court Trust Fund as a result of declining fine and penalty revenues, and trial court employee health and retirement benefit costs. Specifically, the Budget includes $34.1 million General Fund to backfill a continued decline of fines and penalty revenues expected in 2018-19, and $25.9 million General Fund for trial court employee retirement and health benefit costs.

The Commission on the Future of California's Court System

As described above, while the Budget focuses resources on the trial courts and begins to address some of the recommendations made by the Commission, the Administration will continue working with the Judicial Council on other recommendations that may improve and modernize services provided by the Judicial Council and operations of the appellate and Supreme courts, such as the creation of a Center for Self-Help Resources to assist trial courts in their role as self-help providers, and case and document management systems to support digital technology in all courts.

Trial Court Construction

The Trial Court Facilities Act of 2002 (SB 1732), transferred responsibility and ownership of court facilities from counties to the state in addition to providing a mechanism and fee increases for funding the construction, maintenance, and repairs of these facilities. In addition, Chapter 311, Statutes of 2008 (SB 1407) was enacted to increase various fees, penalties, and assessments to support the construction, renovation, and operation of court facilities. However, the revenues that were anticipated as a result of SB 1732 and SB 1407, have not materialized in the amounts needed to renew and restore the state's court facilities. Consequently, in 2012, the Judicial Council was forced to halt 17 court construction projects.

Consistent with the transfer of responsibility for court facilities to the state, the Budget includes $32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects in Riverside/Mid-County, Sonoma and Stanislaus. The Budget also commits to completing construction for the next ten courthouse projects ready to proceed to construction from lease revenue bonds in the next two years, namely, projects in Imperial, Riverside/Indio, Shasta, Siskiyou, and Tuolumne in 2018-19 and projects in Glenn, Riverside/Mid-County, Sacramento, Sonoma, and Stanislaus in 2019-20.

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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 (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 (Agency) and the New Motor Vehicle Board operates within the Department of Motor Vehicles.

The Budget includes total funding of $18.7 billion for all programs administered within the Agency. In addition, the Shared Revenues budget in the General Government area allocates over $2.7 billion in fuel excise tax to cities and counties for local streets and roads (including $1.2 billion from SB 1, the Road Repair and Accountability Act of 2017).

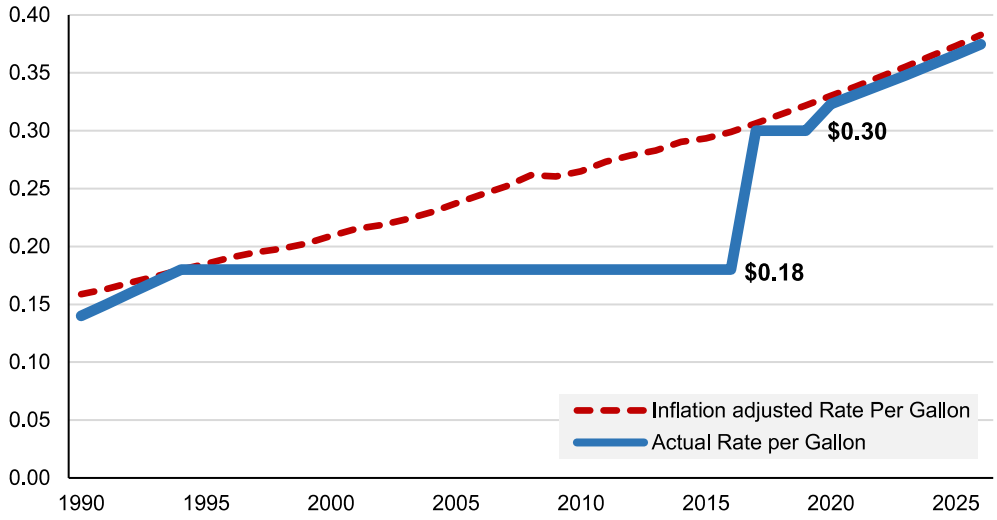
The Road Repair and Accountability Act of 2017

The repair, maintenance, and efficient operation of the state's transportation system are vital to California's economic growth. In recent decades, state and local transportation funding fell dramatically below the levels needed to maintain the system. Studies found that Californians were spending on average $762 annually for vehicle repair costs due to our poorly maintained roads. California continues to be among the top five states with the longest commute duration.

The fuel tax, a highway user fee dedicated to transportation, is how federal, state, and local governments have traditionally funded California's highways and roads. The federal government has not raised the federal gas tax rate in nearly 25 years, leaving the federal Highway Trust Fund nearly insolvent and roads, bridges, and transit systems across the nation in aged and poor condition. In response, the Legislature passed the Road Repair and Accountability Act of 2017, enacted by Chapter 5, Statutes of 2017 (SB 1), which provides stable, long-term funding for both state and local transportation infrastructure priorities. In doing this, California joined 25 other states that have all passed fuel taxes, vehicle fees, or other transportation-related fees since 2013 to fix roads and bridges in their states.

Like these other states, California was facing the reality that inflation had significantly eroded its purchasing power since the gas tax was last raised in 1994 (see Figure TRN-01). In addition to increased construction and repair costs, gas tax revenues have stagnated as vehicles have become more fuel efficient. These factors taken together left states with a significant shortfall in the resources needed to maintain and improve state and local transportation systems.

Figure TRN-01
SB 1 Restored Lost Purchasing Power for the Gas Tax



SB 1 invests more than $5 billion per year in highway, bridge, road, and transit improvements.

With voter approval of ACA 5 on the June ballot, all SB 1 revenues will be constitutionally dedicated to transportation. SB 1 includes strong oversight and efficiency requirements so that funds provide the intended results, including a new independent transportation Inspector General.

Over the next decade, the $55 billion transportation package will provide $15 billion for state highway repairs and maintenance, $4 billion in state bridge repairs, $3.3 billion for state trade corridors, and $2.5 billion for the state's most congested commute corridors. Local roads will receive more than $15 billion in new funding for maintenance and repairs and $2 billion in matching funds for local partnership projects. Transit and intercity rail will receive $7.6 billion in additional funding, and local governments will have access to $1 billion for active transportation projects. This sustained investment over the course of the next decade and beyond will support hundreds of thousands of jobs in California.

By the end of October 2017 (a month before the new tax rates went into effect), Caltrans and the California Transportation Commission had already advanced more than $5 billion in "fix-it-first" projects for earlier completion because of SB 1 funding. Caltrans is also accelerating the delivery of 60 bridge projects along trade corridors in Northern, Central, and Southern California. By Spring 2018, the Commission and the California State Transportation Agency will announce grants for competitive programs to improve the state's most heavily used trade corridors and the most congested regional commute corridors, as well as funding new, transformative, public transit projects. A list of these projects and their progress toward completion is available for public review on the Rebuilding California-SB 1 website.

The new SB 1 revenues are allocated by statutory formula to the state for highways, to cities and counties for local roads, and to transit agencies for operations and capital expenditures, and will begin flowing in February 2018. The 2017 Budget provided $2.9 billion in new funding from SB 1, and improvements funded from these new revenues are being implemented immediately. To jump start delivery of SB 1 goals, Caltrans' pavement maintenance funding has been increased by approximately $575 million per year. Caltrans has accelerated and programmed 210 highway repair, and bicycle and pedestrian access projects to date. Caltrans is also working with the Commission to program larger repair and rehabilitation projects. Similarly, cities and counties have submitted over 4,000 proposed projects for which the $451 million in SB 1 funds available in 2017-18, as well as SB 1 funds available in future years, can be used. Pursuant to this list, the Commission approved an initial allocation of these funds to cities and counties at its December 2017 meeting.

Over the next 5 years, SB 1 will increase the resources available for new state highway repair projects from $9 billion to $17 billion. The State Highway Operations and Protection Program (SHOPP), the state's long term highway repair plan has been increased by $1.6 billion in project

funding capacity through 2018-19, with another $7 billion in projects planned from 2019-20 through 2022-23.

The 2017-18 Budget provided $2.8 billion in new funding from SB 1 for transportation projects, and the 2018-19 Budget includes $4.6 billion in new SB 1 funding. These revenues will be distributed evenly between state and local transportation priorities (see Figure TRN-02).

Figure TRN-02
Road Maintenance and Accountability Act Funding
(Dollars in Millions)

	Program	2017-18 Appropriation	2018-19 Appropriation
Local Allocations	Local Streets and Roads	$451	$1,193
	Transit and Intercity Rail Capital Program	$330	$330
	State Transit Assistance	$280	$355
	Local Partnership Program	$200	$200
	Active Transportation Program	$100	$100
	Commuter Rail and Intercity Rail	$25	$36
	Local Planning Grants	$25	$25
	Total:	**$1,411**	**$2,239**
State Allocations	SHOPP/Maintenance	$451	$1,210
	Bridges and Culverts	$400	$400
	Commuter Corridors	$250	$250
	Trade Corridor Enhancement	$153	$306
	Department of Parks and Recreation*	$53	$79
	Air Resources Board Clean Freight	$50	$0
	Freeway Service Patrol	$25	$25
	Department of Food and Agriculture*	$17	$26
	Transportation-related CSU and UC Research	$7	$7
	Transportation Workforce Development Board	$5	$5
	Total:	**$1,411**	**$2,308**
Administration	Department of Motor Vehicles	$4	$8
	Total:	**$4**	**$8**
Revenue	Transportation Improvement Fee	$737	$1,510
	Gasoline Excise Tax	$1,250	$1,852
	Diesel Excise Tax	$405	$672
	Diesel Sales Tax	$200	$286
	General Fund Loan Repayment	$235	$235
	Total:	**$2,827**	**$4,555**

*Revenue derived from fuel purchased for off-road vehicles.

Progress in the implementation the Road Repair and Accountability Act:

- Efficiencies—SB 1 requires Caltrans to achieve $100 million in annual efficiencies that can be redirected back to capital projects and maintenance. Caltrans is currently implementing a range of efficiencies that are estimated to generate considerably more than $100 million in cost avoidance and monetary savings. Some of these include reducing overhead costs, accelerating work, innovative contracting tools, value engineering, streamlining of environmental reviews, and implementing of new technologies. Caltrans will provide an interim report at the Commission's January 2018 board meeting later this month detailing the status of these efficiency improvements.
- Office of the Inspector General—SB 1 established an Office of the Inspector General to provide verification and assurance that funds are being used optimally and as the Act intends. The Office will also oversee the Department's compliance with the new contracting diversity goals in SB 1. The Governor has appointed the new Inspector General, and the 2017 Budget Act provided audit staff and funding to support the office's efforts.
- Local Streets and Roads—The 2017 Budget provided $451 million to cities and counties for projects that begin addressing their highest repair needs on local streets and roads. Cities and counties are expected to begin receiving the new revenues together with their base road maintenance funding by early February 2018. The Budget provides $1.2 billion in new revenues to cities and counties to continue addressing the backlog of local road repairs.
- Transit and Intercity Rail Capital Program—The upcoming five-year program from new SB 1 revenues and existing Cap and Trade auction proceeds will provide $2.4 billion in new transit project funding. The program was created to fund transformative projects such as the BART Silicon Valley extension and expanded Los Angeles Union Station capacity, growing ridership and reducing greenhouse gas emissions. The Agency adopted guidelines for the program in October 2017, with project applications due January 12, 2018, and awards expected by April 30, 2018. The Budget provides $330 million in SB 1 funds for these projects.
- State Transit Assistance—For 2017-18, in addition to the transit capital project funding, SB 1 also provided an additional $280 million for operations for local transit agencies in addition to the $500 million in other base annual funding. Funds are expected to flow to local transit agencies beginning in early February 2018, and will permit local agencies to improve service for transit riders. The Budget provides an additional $355 million for local transit operations, bringing the 2018-19 total to $855 million.
- Local Partnerships—SB 1 provides $200 million per year as matching funds for local projects in jurisdictions that generate local transportation revenues. The Commission completed guidelines for this revised program on October 18, 2017, with local agencies proposing projects by January 30, 2018, and with project selection completed by May 16, 2018. This

program will function similarly to the State-Local Partnership program, which received $1 billion from Proposition 1B in 2006 and funded projects such as the Interstate-5 French Camp Road Interchange Improvement in San Joaquin County, the La Paz Bridge and Road Widening in Orange County, the 10th Avenue Widening and Reconstruction in Kings County, the White Rock Road Widening and Signalization in El Dorado County, the Yosemite Avenue Reconstruction in Merced County, and the Shaw Avenue Improvements in Fresno County.

- Active Transportation Program—SB 1 provides $100 million per year for bicycle and pedestrian facility projects such as the Santa Ana City First Street Pedestrian Improvement in Orange County, the Palm Drive Bicycle and Pedestrian Improvement in Riverside County, and the Boron to Desert Lake Pedestrian Path in Kern County. These projects provide viable transportation alternatives to the traveling public, improve links to transit, and support other policy objectives such as reducing greenhouse gas emissions. As a result of additional SB 1 funding, the Commission was able to advance 22 existing projects and fund 71 additional projects in both the current and budget years. Selection of state-sponsored projects has already been completed, and final selection of locally-sponsored projects is expected to be complete by the end of January 2018.

- Repair and Maintenance of the State Highway System—With the $451 million provided in the 2017 Budget, Caltrans was able to accelerate 117 projects with a value totaling $993 million. Maintenance efforts are projected to fix 67,000 potholes, 5,400 lane miles of cracking and 7,000 spalls along with 765,000 feet of guardrail and 32,000 miles of striping. Current year funds are being allocated toward high priority highway repair projects such as 42 lane miles of rubberized pavement in Santa Barbara County, and 36 lane miles of pavement in Kings County. More highway repair projects will be added and accelerated as part of the proposed 2018 State Highway Operation Protection Program due to be adopted in March 2018. The Budget provides $1.2 billion to continue addressing the state's highest repair and maintenance needs.

- Bridge and Culvert Repairs—SB 1 provides $400 million per year to fund repairs and maintenance on the state's bridge and culvert infrastructure, including such projects as the seismic retrofit of two bridges at the Santa Ana River in San Bernardino County, the Seismic Retrofit of the Salinas River Bridge in Monterey County, the Tower Bridge pier protection replacement in Yolo County, and the replacement of the Cache Creek Bridge in Kern County. It also allowed Caltrans to move forward quickly with projects like the culvert repair around Soda Springs and the sinkhole repair on Interstate 15 in San Diego. More bridge projects will be added and accelerated as part of the proposed 2018 State Highway Operation Protection Program due to be adopted in March 2018.

- Commuter Corridors—SB 1 provides $250 million per year for projects to improve capacity

in the state's most congested commuter corridors. The Commission completed guidelines for this revised program on December 6, 2017, and projects are due by February 2018, with project selection expected by May 16, 2018. Typical projects include highway widening, high occupancy vehicle lanes, and improved on-ramp and off-ramp construction. This program will be similar to the Corridor Mobility Improvement Account program, which received $4.5 billion from Proposition 1B in 2006 and funded projects such as the Sonoma Narrows Highway 101 widening and high occupancy vehicle lane project in Marin County, the Lincoln Bypass project in Placer County, the Sonora Bypass project in Tuolumne County, and the Highway 57 northbound widening project in Orange County.

- Trade Corridor Enhancements—The 2017 Budget provided $203 million for projects that address bottlenecks and improve throughput on the state's most economically important trade corridors. Of this amount, $50 million was appropriated to the Air Resources Board for its competitive Zero/Near-Zero Emission Warehouse Program, which will fund projects that reduce emissions from freight-related sources. For the remainder of these funds, the Commission completed guidelines for this revised program on October 18, 2017, and proposed projects are due by January 30, 2018, with project selection expected by May 16, 2018. This Budget provides $306 million to fund new projects to meet the state's current and future freight needs. Typical projects include port improvements, highway railroad grade separations, highway widening, and double tracking for freight rail. This program will be similar to the Trade Corridors program, which received $2 billion from Proposition 1B in 2006 and funded projects such as the Interstate-880 Reconstruction at 23rd & 29th Avenues in Alameda County, the Tehachapi Trade Corridor Rail Improvement Project in Kern County, the San Gabriel Valley Grade Separation Program in Los Angeles County, the Schuyler Heim Bridge Replacement in Los Angeles County, the Gerald Desmond Bridge Replacement in Los Angeles County, the Magnolia Avenue Grade Separation in Riverside County, the Interstate-15 Widening and Devore Interchange Reconstruction in San Bernardino County, and the Port of San Diego Freeway Access Improvements in San Diego County.
- Freeway Service Patrols—SB 1 provides $25 million per year on top of the existing $25 million in base funding for local transportation agencies to fund freeway service patrols that help clear incidents that cause temporary congestion, such as flat tires or vehicles that have run out of fuel. Studies have shown that disabled vehicles cause up to a third of the state's traffic delays.

California Transportation Agency

Significant Adjustment:

- New SB 1 Resources for Intercity and Commuter Rail Program—$36 million Public Transportation Account from increased diesel sales tax revenues to be allocated by the Agency for operations and capital improvements of intercity and commuter rail services. Allocation requests were received on December 15, 2017, for the three-year period ending 2019-20. Rail operators indicate this funding will expand rail service, be used to purchase or rehabilitate train sets, and improve track and signal infrastructure.

State Transit Assistance Program

The State Transit Assistance program provides a share of revenues from diesel sales taxes and the new Transportation Improvement Fee, as well as a statutory share of proceeds from Proposition 1B bonds and the sale of Cap and Trade credits, to fund operating subsidies for local transit agencies. The State Controller distributes these revenues based on a statutory allocation formula.

Significant Adjustment:

- New SB 1 State Transit Assistance Grants—$355 million Public Transportation Account to local transit agencies for operations and capital costs.

Department of Transportation

The Department of Transportation (Caltrans) has almost 20,000 employees and a budget of $13.6 billion. Caltrans designs and oversees the construction of state highways, operates and maintains the highway system, funds three intercity passenger rail routes, and provides funding for local transportation projects. The Department maintains 50,000 lane miles of state highway and more than 12,000 state-owned bridges, and inspects 408 public-use and special-use airports and heliports. The largest sources of funding for transportation projects are excise taxes paid on fuel consumption, federal funds also derived from fuel taxes, and weight fees on trucks.

Significant Adjustments:

- New SB 1 Transportation Project Funding—$2.8 billion in additional funding for a range of programs, including $1.2 billion for highway maintenance and repairs, with $53.3 million for 400 new maintenance positions, $400 million for repairing state-owned bridges and culverts, $330 million for local transit projects, $306 million for improvements to the state's trade corridors, $250 million for projects to relieve commuter corridors, $200 million in

matching funds for the Local Partnership Program, $100 million for active transportation projects, $25 million for freeway service patrols, and $25 million for local planning grants.

- Personal Services Funding Correction—$58 million to properly allocate personal service funding. This technical adjustment will fully fund all Caltrans positions from the appropriate funding categories.
- Cyber Security—$10.4 million State Highway Account and 4 positions for Caltrans to develop an enterprise privacy office to address its ongoing cyber security needs. While $9.2 million will be for hardware and software, $700,000 will be for consulting and licenses and $500,000 will be for 4 ongoing positions to work with vendors, develop training, policies, and procedures, and manage the program.
- Federally Mandated Workload—$4.7 million federal funds and State Highway Account to address several new federal requirements. This includes $3 million for consultants to develop a Strategic Highway Safety Plan, $850,000 for 4 positions to meet new tunnel inspection requirements, and $835,000 to address federal risk mitigation requirements.

Shared Revenues

Funding provided through the Shared Revenues program is apportioned to local jurisdictions based on statutory formulas.

Significant Adjustment:

- New SB 1 Local Road Maintenance Funding—$1.2 billion in additional funding for cities and counties to be distributed by the State Controller.

California Highway Patrol

The California Highway Patrol (CHP) promotes the safe, convenient, and efficient transportation of people and goods across the state highway system and provides the highest level of safety and security to the facilities and employees of the State of California. The Budget proposes $2.4 billion, all from non-General Fund sources, and almost 11,000 positions for support of the CHP.

Significant Adjustments:

- Vehicle Replacements—$4.5 million Motor Vehicle Account for the CHP to address a replacement backlog of vehicles that have surpassed the mileage limits established by

independent consultants as industry best practices. Provisional language was also added that will permit the CHP to fully utilize its annual budget to address its fleet replacement needs.

- Radio Console Replacements—$3.9 million Motor Vehicle Account for the first-year cost of a $13.3 million effort to replace 187 dispatch radio consoles at 23 CHP communications centers. Included in this amount is four-year limited-term funding of $509,000 for 4 IT positions to install, service, and repair the new equipment.
- Vehicle-Mounted Radar Units—$600,000 Motor Vehicle Account annually for two-years to replace radar units that are past their useful life or are no longer functioning.

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. Most recently, the DMV has successfully addressed the initial workload associated with expanded eligibility for driver licenses, and the Department is prepared to address workload related to the requirements of the federal Real ID Act. The Budget proposes $1.2 billion, mostly from non-General Fund sources, and more than 8,300 positions, to support DMV operations.

Significant Adjustments:

- IT Software Replacement—$15 million Motor Vehicle Account for the first-year costs of the Front End Sustainability Project, the DMV's five-year $89 million effort to replace its software for vehicle registration and managing service fees and payments. Over the five-year project, the estimated costs include $38 million for the software system contract, $43 million for Department of Technology staff, data center usage, and associated equipment and facilities upgrades, and $8 million for 10 additional DMV staff.
- IT Hardware Refresh—$3.1 million Motor Vehicle Account to replace high-priority equipment and hardware that has reached the end of its useful life. This equipment includes servers, as well as network and storage equipment that support the ability of the DMV to provide reliable services to its customers.
- Clean Vehicle Decal Program—$2.7 million Motor Vehicle Account, including funding for 3 ongoing positions and 18 temporary help positions, for a new clean air vehicle decal program pursuant to Chapter 630, Statutes of 2017 (AB 544).

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 includes total funding of $9.8 billion ($3 billion General Fund) for all programs included in this Agency.

Climate Resiliency and Adaptation

Climate change intensifies extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves. As Californians are painfully aware, these events can be devastating. In 2017, the most severe drought in California's recorded history was halted by one of the wettest seasons on record, causing significant flood-related damage. Between October and December, the combination of increased fuel-loading vegetation from the winter storms, millions of dead trees and extreme winds triggered the most destructive wildfires in the state's history.

California has historically been susceptible to wildfires and hydrologic variability. However, as greenhouse gas emissions continue to accumulate and climate disruption grows, such destructive events will become more frequent. The extreme natural events of 2017 and the cascading impacts to people, our utility infrastructure and our natural environment underscore the necessity to prepare for and mitigate the effects of climate change. These issues are challenging and require state and local governments and private industry to come together to address land use and infrastructure. The Administration will convene targeted discussions with stakeholders in early 2018.

In 2018, several groundbreaking climate resiliency documents will be released to help better plan for and understand climate change. Together, they reflect the Administration's comprehensive cross-agency response to make California's communities, natural systems, and built environment resilient to climate change:

- California's Climate Adaptation Strategy—The 2018 Update to Safeguarding California will catalog thousands of actions 38 state agencies are taking to prepare for climate change and strategies that will increase resiliency for people, infrastructure and natural resources.
- Sea Level Rise—The Ocean Protection Council's State of California Sea-Level Rise Guidance: 2018 Update will provide a bold methodology for state and local governments to analyze, assess, and plan for risks associated with sea level rise, underpinned by the latest sea-level rise projections.
- Protecting the State's Forests—The California Forest Carbon Plan will serve as a scientific foundation and policy vision for increasing the health and resiliency of California's forests against the worsening threats of fire and disease driven by climate change.
- Basing Actions in Science—The State's 4th Climate Change Assessment will consolidate the best available scientific understanding of how climate change is impacting the state. This body of science will serve as the foundation for how state agencies, local governments, and the public respond to forecasted climate change impacts.

The Budget provides significant additional funding to support implementation of these plans and scientific findings through a wide range of climate adaptation and resilience projects to enable local communities, state infrastructure and natural ecosystems to better withstand the impacts of climate change. The Administration will propose the 2018-19 Cap and Trade expenditure plan in the Governor's State of the State address.

California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All—SB 5

If approved by voters in June 2018, SB 5 would authorize $4 billion in general obligation bonds for California's parks, water and flood control infrastructure, ocean and coastal protection, safe drinking water, groundwater management and climate preparedness and resiliency.

The Budget proposes $1.02 billion for the first year of implementation should the voters approve the bond measure. (See Figure RES-01.) Of this amount, $123 million will be dedicated to climate resiliency and adaptation programs, including coastal protection. Projects funded by the bond measure in 2018-19 will be prioritized to support existing programs, "shovel-ready" projects, and a phased-in approach for newly established programs.

Figure RES-01
California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access For All (SB 5)
(Dollars in Millions)

Investment Category	Department	Program	Amount
State and Local Park Improvements	Department of Parks and Recreation & Natural Resources Agency	Local and Regional Grant Programs for Neighborhood Parks and Greenway Trails	$464
	Department of Parks and Recreation	State Park System Enhancements	$4
	Department of Food and Agriculture	Deferred Maintenance for Fairs	$4
Ecosystem Restoration & Climate Resilency	Multiple Departments & Conservancies	River Recreation, Creek, and Waterway Improvements	$58
	Natural Resources Agency	Salton Sea Restoration	$30
	Multiple Departments & Conservancies	Climate Adaptation & Resiliency	$110
	State Coastal Conservancy & Ocean Protection Council	Coastal Protection	$13
	California Conservation Corps	CCC Restoration and Rehabilitation Projects & Grants to Local Community Conservation Corps	$10
Water Action Plan	State Water Board	Safe Drinking Water Projects	$63
	Department of Water Resources & Natural Resources Agency	Flood Management	$99
	Department of Water Resources & State Water Board	Sustainable Groundwater Management Act	$146
	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	$18
	Total		**$1,019**

For additional information on SB 5 proposals for water and parks-related programs, see the California Water Action Plan and Department of Parks and Recreation sections of this chapter.

California Water Action Plan

Released in January 2014, the Water Action Plan provides a blueprint for California to build more reliable and resilient water systems and restore important ecosystems. The Budget builds upon investments from previous years and continues prioritizing the ten actions of the Water Action Plan, including improving groundwater management, enhancing flood protection, restoring important ecosystems, and providing safe drinking water.

Groundwater Sustainability

Climate change will affect the state's water supply reliability through more frequent droughts

and reduced Sierra snowpack. Consequently, effective management of groundwater resources is an essential component of the state's future water management strategy.

In 2014, the Governor signed a package of groundwater management bills that directed cities, counties, and water districts to work together to prevent long-term over-pumping of groundwater basins. The underlying principle of the Sustainable Groundwater Management Act of 2014 (SGMA) is that groundwater is best managed locally. SGMA places significant responsibilities upon local agencies to organize, plan, and ultimately manage their groundwater resources to a sustainable level within a 20-year time horizon, along with fee authority to help cover costs. However, the state will intervene temporarily to protect groundwater basins when local agencies are unwilling or unable to adequately do so.

Local agencies have formed groundwater sustainability agencies covering over 99 percent of the state's high and medium priority groundwater basins. However, the major challenge for local agencies and the Department of Water Resources (DWR) remains the development and implementation of groundwater sustainability plans that serve as the foundation to achieving statewide goals and requirements under SGMA.

Significant Adjustments:

- SGMA Implementation—$61.8 million from SB 5 for DWR to support groundwater sustainability agencies through three key efforts: (1) providing technical assistance to aid in the development and evaluation of their plans, (2) supplementing existing planning grants to support a groundwater sustainability agency's responsibility to define a path to achieve sustainable groundwater management, and (3) providing grants directly supporting implementation of groundwater projects.
- Groundwater Treatment—$84 million from SB 5 for the State Water Board to support regional groundwater treatment and remediation activities that prevent or reduce contamination of groundwater that serves as a source of drinking water, including $10 million for technical assistance for drought and groundwater investments.

Flood Management

Since 2008, the state has invested approximately $3.3 billion in flood control projects. DWR's flood management planning efforts focus on reducing flood risk, increasing system resiliency to address the impacts of climate change, improving operations and maintenance of the flood management system, and enhancing ecosystems associated with the system.

DWR actively prepares for future flood emergencies and is implementing flood emergency

response enhancements included in the updated Central Valley Flood Protection Plan. Over the last several years, DWR has enhanced stockpiling of flood fight materials both in the Delta and statewide, provided nearly $30 million in emergency response grants to local agencies, provided flood-fight training and flood-preparedness outreach, and improved flood forecasting through a better understanding of atmospheric river science.

Significant Adjustment:

- Multi-Benefit Flood Control Projects—$98.5 million from SB 5 for flood control projects that achieve public safety and fish and wildlife improvements, as well as funding for a new Floodplain Management, Protection and Risk Awareness Program to protect California's alluvial fan, coastal, and riverine floodplains. This funding, along with previously appropriated Proposition 1 and 1E funds, supports an integrated systemwide approach to flood management and implementation of the Central Valley Flood Protection Plan.

Restoring Important Ecosystems—Salton Sea

Covering 350 square miles in the state's southern desert, the Salton Sea supports an abundance of fish and is a key food source for millions of migratory birds on the Pacific Flyway. Managing the Salton Sea's declining natural, agricultural, and municipal water inflows to maximize bird and fish habitat and minimize fine-particle air pollution will allow California to protect regional health, ecological wealth, and a stable water supply.

Led by the Natural Resources Agency, the Salton Sea Management Program guides immediate and long-term investment in habitat and air quality projects to manage increasing lakebed exposure resulting from declining water inflows. To respond to the first ten years of reduced agricultural water inflows resulting from the Quantification Settlement Agreement water transfer, the Phase I plan identifies project areas and acreage milestones the state will construct to meet a combined goal of 29,800 acres of habitat and air quality projects by 2028. In October 2017, the State Water Board finalized a water rights order that adopted the policy goals and project milestones of the Phase I ten-year plan and will provide continued oversight of the program's achievement of those goals.

Significant Adjustment:

- Salton Sea Restoration—$30 million from SB 5 for the Natural Resources Agency to construct water management infrastructure and habitat conservation and dust mitigation projects, consistent with the Phase I ten-year plan. This funding builds on existing appropriations from Propositions 1, 84, and 50 that will be used to meet the goals of the

plan.

Safe and Affordable Drinking Water

The Administration has worked with the Legislature to implement a number of reforms to improve access to safe drinking water, including (1) transferring the Drinking Water Program from the California Department of Public Health to the State Water Board to better align the state's drinking water and water quality programs, (2) establishing the Office of Sustainable Water Solutions within the State Water Board to provide technical and financial assistance for small, disadvantaged communities to promote permanent and sustainable solutions, (3) providing funding through Proposition 1 and the Drinking Water State Revolving Fund to assist public water systems with providing safe drinking water, (4) requiring testing and remediation of lead found in drinking water at public schools, and (5) authorizing the State Water Board to require the consolidation of local water systems or the use of a third-party administrator for public water systems that consistently fail to deliver safe drinking water.

Despite these efforts, many local water systems in the state, particularly those serving small disadvantaged communities, consistently fail to provide safe drinking water to their customers. The most significant remaining challenge is the lack of a stable funding source for long-term operation and maintenance for drinking water systems. This limits the ability to address the additional capital costs for hundreds of small systems and domestic wells that cannot be consolidated, cannot afford to maintain their own system, and are currently serving drinking water that does not meet public health standards.

Significant Adjustments:

- Safe and Affordable Drinking Water Fund—Establishes a new special fund for the State Water Board to assist communities, particularly disadvantaged communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water. The Administration is proposing statutory language, consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session, to establish a program that provides grants, loans, and administrator contracts or services to assist eligible communities and households in securing access to safe and affordable drinking water. The Budget proposes $4.7 million in 2018-19 for the State Water Board and the Department of Food and Agriculture to take initial steps toward implementation of this new program, including (1) developing and implementing fee collection systems, (2) conducting an assessment to estimate the level of funding needed to assist water systems in the state to ensure the delivery of safe and affordable drinking water, and (3) developing and making available a map of high-risk aquifers used as drinking water sources.

- Safe Drinking Water Projects—$63 million from SB 5 for the State Water Board to provide grants to public water systems in disadvantaged communities for infrastructure improvements to meet safe and affordable drinking water standards, including both drinking water and wastewater treatment projects. Of this amount, $27 million is available to improve regional water supply within the San Joaquin River watershed.

Department of Forestry and Fire Protection

CAL FIRE provides resource management and wildland fire protection services covering over 31 million acres. It operates 234 fire stations, and also staffs local fire departments when funded by local governments. CAL FIRE contracts with county agencies in six counties to provide wildland fire protection services. The Budget includes $2.3 billion ($1.4 billion General Fund) and 7,014.5 positions for CAL FIRE.

Five consecutive years of severe drought, a dramatic rise in bark beetle infestations and 129 million dead trees have combined to create unprecedented fire conditions resulting in severe, year-round wildfires. Eleven of California's most destructive wildfires have occurred in the last ten years. Historically, CAL FIRE responds to over 5,600 wildfires annually. In recent years, wildfires have increased, reaching approximately 2,000 more than average in 2017. To address these conditions, drought funding was authorized from 2014 to 2017 to augment fire protection resources. These additional resources also helped CAL FIRE reduce fire risk over that same timeframe through increases in hazardous fuel treatment projects, defensible space inspections, and public education hours.

Climate change is ushering in extreme weather and a fire season that has become essentially year-round, with larger and more intense fires. In 2017, CAL FIRE battled multiple large and deadly wildfires in several counties in Northern California in October, and then again in Southern California virtually the entire month of December and extending into 2018. These fires were intensified by critically dry conditions that are likely to worsen in coming years.

In recognition of these conditions, the 2017 Budget Act included: (1) additional ongoing permanent funding of $42.4 million to expand the state's firefighting capabilities and extend the fire season, and (2) $200 million of Cap and Trade funds to support healthy and fire resilient forests.

The Budget proposes to continue additional investments to enhance CAL FIRE's capabilities in protecting California residents and safeguarding the property and resources of California.

Significant Adjustments:

- Helicopter Procurement—$97.6 million General Fund to purchase four state-of-the-art helicopters to continue the replacement of CAL FIRE's existing fleet of Vietnam War-era helicopters. The purchase of these helicopters is based on a competitive procurement. CAL FIRE is working with the vendor to plan future acquisitions and cost schedules so the helicopters can be built and delivered as quickly as possible to help meet operational needs and tactical objectives in response to future fire activity.
- McClellan Reload Base—$4 million General Fund for 6 permanent positions and 6.1 seasonal positions, to staff and operate the McClellan Reload Base for the rapid deployment of Large Air Tankers, Very Large Air Tankers, and the California National Guard Modular Airborne Fire Fighting Systems.
- Ventura Training Center—$26.6 million General Fund for CAL FIRE, the California Department of Corrections and Rehabilitation, and the California Conservation Corps to operate the Firefighter Training and Certification Program for ex-offenders at the Ventura Conservation Camp in Ventura County. The 18-month program will enable 80 ex-offenders to gain the training and experience needed to qualify for entry-level firefighting positions with local, state, and federal firefighting agencies. For additional information, see the Public Safety chapter.

Department of Fish and Wildlife

The Department of Fish and Wildlife manages California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend for their ecological value and for their use and enjoyment by the public. While other state agencies' missions cover conservation, the Department is the state's trustee agency specifically charged with protecting and conserving fish and wildlife habitat. The Budget includes $609.7 million ($93.9 million General Fund) and 2,171.8 positions for the Department.

Since the completion of the California Fish and Wildlife Strategic Vision report to the Legislature in 2012, the Department has worked with stakeholders to review policies to improve and enhance the Department's capacity and effectiveness in fulfilling its core mission. Since that time, the Department has also pursued numerous efforts to align its fees and costs, including the establishment of regional conservation investment strategies, mitigation banking, California Endangered Species Act permitting fees, revenues for timber harvest plan review, a scientific collecting permit fee, a lands pass program, indexing fees to account for inflation, and increasing commercial fishing fees.

Subsequently, the 2017 Budget Act required the Department to reconvene its stakeholder group to provide the Legislature with an update on progress toward meeting the 2012 report's

recommended actions. The Department released this update in October 2017 showing numerous accomplishments in meeting the original goals identified in the 2012 report. This past fall, the Department also produced a new plan in collaboration with the stakeholder group that outlines a future vision for the Department that is only achievable with long-term sustainable funding.

Significant Adjustment:

- Sustainable Funding for Fish and Wildlife—$50.6 million of ongoing funding ($6.6 million General Fund, $18 million Motor Vehicle Account and $26 million Tire Recycling Management Fund) to address the structural imbalance in the Fish and Game Preservation Fund and to support the future vision detailed by the Department and stakeholder group. This integrated and sustainable funding proposal supports the four elements identified this fall with the Department's stakeholders: (1) expanding conservation efforts, (2) improving hunting and fishing and increased participation, (3) connecting more Californians to the outdoors, and, (4) increasing stability and services for the public and private partners of the Department. Specifically, the proposal consists of two components described below.

Continuing critical programs ($19.6 million)

The first funding component provides $19.6 million to allow the Department to continue critical programs supported by the Fish and Game Preservation Fund that are threatened by the long-running structural imbalance. While revenues in this Fund have remained relatively stable over the last decade, the expansion of statutory requirements have resulted in additional costs. This component avoids funding reductions to the current level of service or loss of entire program elements. These activities span all Department functions, and include:

- Recruitment, retention and reactivation of hunters and anglers.
- Communication with hunters and anglers to provide timely information on hunting and fishing opportunities throughout the state.
- Preserve fisheries management in support of fish stocking in California waterways.
- Address human-wildlife interaction.
- Maintain law enforcement capacity to prevent the illegal take of fish and wildlife, thereby maximizing fishing and hunting opportunities for law abiding license holders.
- Continue native and game fisheries monitoring.

- Manage lands for the improvement of wildlife related outdoor recreation.
- Upgrade and modernize marine fisheries data management systems.
- Address emerging management needs relating to commercial fisheries, including permitting, licensing, and environmental review.

Expanded program activities ($31 million)

The second component is a $31 million augmentation to implement specific priorities identified through the stakeholder process and detailed in the future vision for the Department, including:

- Expanding conservation efforts on land, in rivers and streams, and in the ocean to benefit iconic species like salmon.
- Increasing efforts to recover key declining and endangered species.
- Increasing hatchery production through scientific and production support for inland fisheries.
- Supporting voluntary conservation programs for local governments, private landowners, and conservation organizations across California.
- Increasing efforts to combat wildlife trafficking and expansion of marine enforcement. In addition, the Department will be working collaboratively with CalHR to explore options for improving recruitment and retention of wardens.
- Exploring new approaches to ensure sustainable marine fisheries in the face of a changing climate, including responding to challenges like whale entanglements.
- Updating the joint Caltrans and Department assessment "Essential Connectivity" that describes the most important wildlife and fisheries connectivity areas throughout California and will assist with the wildlife and fishery sensitive approach to the Road Repair and Accountability Act of 2017 investments.

Department of Parks and Recreation

The Department of Parks and Recreation protects and preserves the state's valued natural, cultural, and historical resources while providing recreational opportunities including hiking, camping, mountain biking, horseback riding, boating and off-highway vehicle activities. The Department achieves its mission through grant programs and a network of 280 parks, which include beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and

historic sites. The Budget includes $1.2 billion ($147 million General Fund) and 2,304.2 positions for the Department.

Focused Improvements to Modernize the Parks System and Improve Access

In recent years, there has been a concerted effort to improve Department management, responsiveness, and accountability. In February 2015, the Parks Forward Commission, a multidisciplinary advisory council created to independently assess the state parks system and make recommendations for potential improvements, provided recommendations to address financial, cultural, and operational challenges. By that time, the Administration had established the Transformation Team to develop specific initiatives. In May 2017, the Transformation Team completed its two-year term and released a final progress report. Although the work of the Transformation Team has ended, the Department has implemented these important reforms, as well as those suggested by the Legislature, and developed further innovations. Highlights include:

- New Organizational Structure—The Department's organizational review included internal and external stakeholder discussions and meetings around the state. It was finalized and outlined in the Operational Transition Plan, released in October 2017. The reorganization eliminates redundancy while preserving programs with strong ties to local stakeholder groups such as off-highway vehicles and boating. Over the next year, the Department will focus on implementing the new organizational structure.
- New Path to Park Leadership—Previously, the only path to top leadership jobs in the Department's districts was through state parks law enforcement. The Department has worked with the State Personnel Board and the Department of Human Resources to create a new organizational structure that allows for promotional paths to top leadership positions from the multitude of professional groups serving in the Parks system.
- New Support Entity—The Department has been working with partners in implementing the recommendations of the Parks Forward Commission and the Legislature to establish an outside support organization as specified by Chapter 540, Statutes of 2016 (SB 1111). This new non-profit entity will support the state park system and the various programs benefiting the public, but particularly those programs aimed at improving and expanding access.
- New Fiscal Management Tools—The Department utilized philanthropic funds to develop a new innovative budget tool, Service Based Budgeting, which was implemented in spring 2017. This new tool communicates the relationship between fiscal resources and service levels in a clear and simple manner, informing both internal and external departmental

budget discussions.

- Modernized Fee Collection and Technology—The Department modernized how it takes reservations, collects data and revenue, and manages its camping reservation inventory. The new data allow for better-informed business decisions across the Department, while improving the customer experience.
- Emphasis on Partners—The Department established a new Office of Partnerships to better support partnership arrangements that enhance programs and access. The Department also hosted a training session with over 100 partners, including volunteer organizations, non-profit foundations and concessionaires, throughout the state to communicate improvements and to exchange ideas.

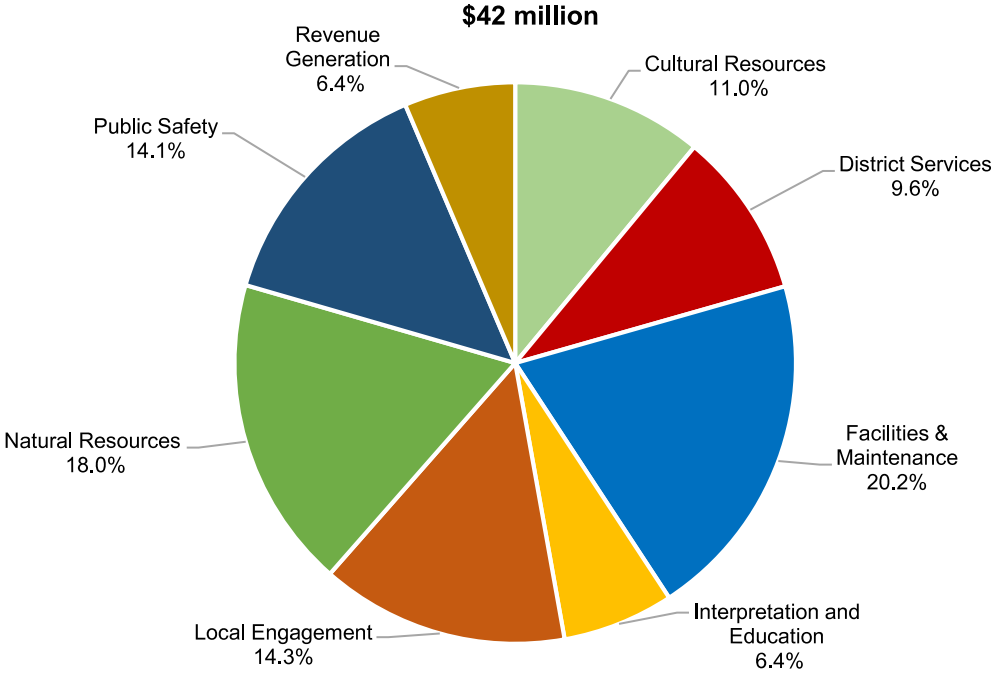
Fixing State Parks and Improving Access for Californians

Fix State Parks

The Department will receive additional revenues from SB 1 based upon historical transportation allocations to support state parks, including off-highway vehicle and boating programs. The 2017 Budget Act includes an initial investment of $54 million. Building upon recent successes, the Budget includes an ongoing investment of $80 million State Parks and Recreation Fund in the following areas:

- Fixing State Parks and Improving Access for All Californians—$42 million and 364 positions to increase services across a variety of programs, emphasizing those that directly benefit park visitors by improving access, and fixing and maintaining the aging infrastructure of the state parks system. (See Figure RES-02.) The largest area of investment is facilities and maintenance, which will contribute to maintaining clean water supplies, clean restrooms, dynamic trail systems, stable historic structures, and safe roads. These additional resources will also help address more than $1 billion in deferred maintenance projects throughout the state parks system. The natural and cultural management funding will allow the Department to better understand, protect, and preserve California's biologically and culturally diverse places under its care. The interpretation and education augmentations will build upon the Department's recent focus on developing stronger relationships with the public. The public safety positions will focus on providing a safe visitor experience in complex park environments and protecting cultural and natural resources.

Figure RES-02
Fix State Parks
$42 million



- Solving the Structural Imbalance and Establishing a Reserve—$26.6 million in permanent funding to address the structural imbalance of the State Parks and Recreation Fund. In addition, the Budget includes $8.5 million to establish a prudent reserve balance in the Fund. Since 2012, the Department has relied on one-time appropriations to maintain services across the park system. SB 1 provides a sustainable ongoing funding source for the state parks system.
- Making Recruitment and Training Program Permanent— $1 million in permanent funding for the newly established recruitment and training program for hard-to-fill classifications, including an emphasis on diversity. The 2017 Budget Act included funding to initially establish the program.
- Supporting Off-Highway Vehicle Recreation—$1 million for increased law enforcement, environmental monitoring, and maintenance grants supporting federal off-highway vehicle recreation. While the Department manages nine State Vehicular Recreation Areas for off-highway vehicle recreation, nearly 80 percent of the state's off-highway vehicle recreation occurs on federal lands, supported through the grants program.
- Reducing Boating Hazards—$1 million for the Abandoned Watercraft Abatement grant program to remove abandoned watercraft from California's waterways. Submerged water vessels pose a hazard to boating recreation throughout the state.

In addition, SB 5 provides $200 million to improve and rehabilitate the state park system.

- State Parks System Enhancements—$4 million of SB 5 funds to begin project identification and planning activities necessary to strategically allocate SB 5 funds dedicated to the state park system. Of this amount, $1.9 million will support implementation of the Redwoods Rising project to enhance old growth coastal redwoods, in collaboration with the National Park Service and the Save the Redwoods League.

Improving and Increasing Access to Local Neighborhood Parks

SB 5 includes over $1 billion for multiple programs that improve and rehabilitate local park facilities, as well as expand access to neighborhood parks. The Budget proposes $464 million to begin implementation of these local park programs, provided that voters approve the bond measure in June 2018, including:

- Safe Neighborhood Parks—$277 million to provide grants for the creation of new parks and recreation facilities, as well as the rehabilitation of existing local parks, in critically underserved communities throughout California, consistent with the Statewide Park Development and Community Revitalization Program.
- Per Capita Grants—$186 million to provide for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas.

California Conservation Corps

Established in 1976 during Governor Brown's first term, the California Conservation Corps is modeled after the original Civilian Conservation Corps of the 1930s. More than 120,000 young adults have served in the Corps over its 40-year history.

The Corps provides young women and men the opportunity to gain critical work experience and contribute to the ecological well-being of the state by responding to fires, floods and other disasters; restoring threatened environments; and installing clean energy and energy conservation measures at public facilities. The Budget includes $120.5 million ($66.4 million General Fund) and 299.5 positions for the Corps.

Since 2011, the Corps has expanded by 15 percent, from 1,377 to 1,591 corpsmembers. When the future residential centers are completed, there will be 1,981 corpsmembers. The Budget provides additional resources to expand the Corps and provide more opportunities for corpsmembers.

Significant Adjustments:

- Expansion of Residential Facilities—$14.1 million General Fund to initiate four new residential center projects in Auberry, Los Pinos, Greenwood, and Yountville, and to rehabilitate two existing centers in Ukiah and Fortuna. Together, the four new residential centers are expected to add capacity for approximately 390 additional corpsmembers. Residential centers have higher rates of attendance and academic achievement, which are critical to corpsmembers' completion of the program and improved outcomes.
- Ventura Training Center—$3.6 million General Fund to facilitate corpsmember participation in the Firefighter Training and Certification Program for ex-offenders at the Ventura Conservation Camp in Ventura County. For additional information on this proposal, see the Public Safety Chapter.
- CAL FIRE/Corps Fire Crews—$2.3 million General Fund to support five CAL FIRE/Corps fire crews for wildland fire suppression, emergency incident mitigation, and fire prevention and resource management work. These activities have become increasingly critical with 129 million dead trees statewide and unprecedented fire conditions.
- Corpsmember Counseling, Case Management, and Transition to College, Career, or Training— $1.1 million ($600,000 General Fund) to strengthen the career pathway of corpsmembers to college, career, or advanced training by providing case management services.

Department of Water Resources

The DWR operates the State Water Project and is responsible for supplying water for communities, farms, industry, recreation, power generation, and fish and wildlife. DWR is also responsible for flood management and the safety of dams. The Budget includes $3.4 billion ($119.4 million General Fund) and 3,214 positions for the Department.

Completing the Lake Oroville Spillways Emergency Recovery Project

Following the February 2017 Oroville spillways emergency, repairing and reconstructing the main flood control spillway in time for the flood control season was DWR's top priority. The first phase of the Lake Oroville Spillways Emergency Recovery Project, which rebuilt and strengthened the 3,000-foot long main spillway so it can safely handle flows of 100,000 cubic-feet per second this winter, was completed by the November 1, 2017 target date.

Construction in 2018 will focus on reconstructing the top 730 feet of the main spillway and

adding structural concrete to the middle portion of the spillway.

Work on the emergency spillway will include constructing a roller-compacted concrete buttress and splash pad and completion of an underground cut-off wall downhill to provide protection from erosion.

In addition, DWR and partner agencies will conduct a comprehensive needs assessment of the Oroville Dam complex that will determine whether additional improvements or facilities are needed. That assessment is targeted for completion by the end of 2019.

Enhancing the Safety of California Dams

The February 2017 spillway emergency at Oroville Dam amid extreme weather focused national attention on dam safety, flood protection, and the importance of emergency preparedness. Consistent with the Administration's plan to strengthen dam safety and flood protection, DWR, in coordination with the Office of Emergency Services, is carrying out a number of initiatives, including comprehensive evaluations of dam structures and spillways throughout the state, updates to emergency action plans and inundation maps and investments in flood management and preparedness.

DWR's Division of Safety of Dams annually inspects 1,249 dams under its jurisdiction and has reviewed and approved more than 200 dam safety projects totaling approximately $2 billion. The Administration's plan to bolster dam safety, approved as part of the 2017 Budget Act, added $3.5 million for DWR to review and approve required inundation maps and coordinate the review of emergency action plans, as well as $3 million ongoing for focused re-evaluations of spillways and critical appurtenant structures.

In June 2017, DWR directed the dam owners of 93 spillways similar to Oroville's and considered to pose the highest risk to conduct a comprehensive assessment of their spillways. Approximately two-thirds of the 93 dam owners completed needed maintenance repair work prior to the current winter season in conjunction with their ongoing condition assessments.

In July 2017, DWR notified owners of all state-regulated dams of the new requirements for dam inundation maps and emergency action plans and began developing emergency regulations which were approved in October 2017. By January 1, 2021, about 1,000 dams are required to have an approved emergency action plan and inundation maps.

DWR publicly released the updated hazard potential, condition assessment, and restriction status of all jurisdictional dams in September 2017. More spillways will be evaluated as the program progresses, and additional dam safety components and systems that pose the highest risk to the public will continue to be evaluated.

Statewide Issues and Various Departments

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

Supplemental Transfer to the Rainy Day Fund

The Budget proposes a $3.5 billion supplemental 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, the $5 billion transfer brings the Rainy Day Fund to $13.5 billion in 2018-19, achieving the maximum balance allowed by the Constitution for the fiscal year. In the event the amounts required to be transferred for 2017-18 through 2019-20 exceed the estimates reflected in the 2018-19 Budget (as part of the Proposition 2 "true up" process), the supplemental transfer will first be applied towards meeting those additional requirements.

Wildfire Response and Recovery

Beginning in October 2017, California faced the most lethal and destructive fires in the history of the state.

On October 8, 2017, a series of wildfires erupted in Northern California and engulfed 100 square miles. Sparked by the same hot, windy conditions, other major wildfires soon broke out across the state, devastating more than 245,000 acres of land and destroying over 8,900 structures.

Containment took nearly two weeks, and tragically 44 lives were lost.

On December 4, 2017, another series of wildfires erupted in Southern California, resulting in significant destruction in Ventura, Los Angeles, San Diego and Santa Barbara counties. These fires spread quickly due to strong winds and dry brush. The fires destroyed hundreds of homes and other structures, burned almost 300,000 acres, and caused widespread power outages that forced the closure of major highways and local roads.

The Governor declared emergencies in all of these disasters. The Governor also secured a Presidential Major Disaster Declaration for the Northern California wildfires, providing direct federal aid for residents of those counties who have suffered related losses. Workers in these counties who have lost jobs or had work hours substantially reduced as a result of the fires are also now eligible for federal Disaster Unemployment Assistance benefits. The Governor is seeking a similar Presidential Declaration for the Southern California wildfires.

Executive orders were issued to waive the one-week waiting period for unemployment insurance benefits for impacted individuals; suspend the fees associated with the replacement of specified documents and records; suspend specified procurement rules to allow state agencies to enter into contracts for goods, materials, and services necessary to quickly assist with response and recovery efforts; and strengthen coordination between state agencies on environmental restoration in fire-impacted areas. For Northern California, the executive orders also suspended planning and zoning requirements and state fees for manufactured homes and mobile home parks to help displaced residents with housing needs, and streamlined regulations to allow wildfire-impacted facilities regulated by the California Department of Social Services and the California Department of Public Health to remain open.

Estimates for the total costs across the state will be in the billions of dollars, and the full economic impacts will not be realized for years due to the widespread losses across multiple industries and communities. Currently, CAL FIRE response costs require a 2017-18 augmentation of $469.3 million (provided through E-Fund). Due to the dynamic nature of these events, the total General Fund impact will be further refined as part of the May Revision.

As of December 20, 2017, the Director of Finance accessed $43.4 million in resources available in the State Fund for Economic Uncertainties for various departments related to unexpected equipment, personnel, and other disaster assistance costs incurred in response to the Governor's State of Emergency Proclamations related to the wildfires. The majority of these costs are associated with the removal of hazardous waste and debris that threaten public health and the environment if not immediately addressed. Resources were also made available to the Department of Social Services for the purchase and distribution of food to individuals affected by the fires, as well as rental/mortgage vouchers and utility assistance for those who would

otherwise be ineligible to receive federal assistance.

In addition to investments being made by California, Congress is currently considering a supplemental disaster-related appropriations bill totaling $4.4 billion to support the state's recovery efforts associated with the Northern California wildfires.

Property Tax Backfill

The Budget includes $23.7 million General Fund to backfill the property tax revenue losses that cities, counties, and special districts will incur in 2017-18 and 2018-19 due to the October 2017 wildfires in Northern California. This funding estimate will be adjusted as part of the May Revision as more information becomes available from county assessors. This adjustment will also include backfills for the property tax revenue losses incurred by cities, counties, and special districts in 2017-18 and 2018-19 due to the Southern California wildfires that started in December 2017. Reliable estimates of the property tax impact of those fires were not available when the Budget was finalized.

The wildfire-related property tax revenue losses incurred by K-14 schools are generally automatically backfilled under the Proposition 98 school funding mechanism. The Budget estimates K-14 schools will incur $24.5 million in cumulative property tax revenue losses in 2017-18 and 2018-19 due to the Northern California wildfires.

Public Safety Communications

The historic wildfires in Northern California this past fall showed the fragility and importance of California's emergency telecommunications system in the face of a disaster. Over the course of several days, major telecommunications infrastructure was lost, hampering firefighting efforts, communications with impacted residents and 9-1-1 capabilities. The Budget proposes $11.5 million State Emergency Telephone Number Account (SETNA) to modernize the state's current antiquated 9-1-1 system with a Next Generation 9-1-1 system, and improve public safety during emergency events.

To complete the implementation of Next Generation 9-1-1, and temporarily continue the operation of the current 9-1-1 system, the Budget proposes to revise the SETNA fee structure. The SETNA has funded the state's 9-1-1 system since it was built in the 1980s. Due to changes in technology, particularly the increased use of data compared to voice communication, the current SETNA fee model is no longer sufficient to support the legacy 9-1-1 system, or the Next Generation 9-1-1 buildout. Currently, the SETNA fee is charged on intrastate voice plans as a percentage fee on total intrastate calls. The Budget proposes to revise the fee structure to a per-subscription flat-rate on all voice and data plans similar to other states.

As part of additional efforts to improve emergency response telecommunications, the Administration is opting into the federal FirstNet program that will provide dedicated telecommunication spectrum to law enforcement and first responders. The Administration continues to explore opportunities to further strengthen all aspects of emergency telecommunications.

Paying Down the State's Long-Term Liabilities

The state's costs for state worker pension and health benefits have continued to increase over the past decade. State health care benefits in particular remain one of the fastest growing areas of state government and have increased five-fold since the early 2000s. This far outpaces population and inflation growth during the same period. In addition, poor investment returns and the adoption of more realistic assumptions related to future investment earnings and demographics have grown the state's retiree long-term costs, debts and liabilities to $272 billion. Prior to 2012, the state's long-term retirement liabilities went unaddressed without a comprehensive plan or strategy for how these benefits would be funded. Recognizing the need to address these long-term liabilities, the Administration has taken bold steps to preserve the ability of the state to keep providing these benefits over the long term.

Over the past several years, there have been significant strides in curbing the growing costs of state retirement programs, including the following:

- Pursuant to Chapter 296, Statutes of 2012 (AB 340), the California Public Employees' Pension Reform Act (PEPRA) was enacted to save billions of taxpayer dollars by capping benefits, increasing the retirement age, and requiring employees to pay at least half of their normal costs (or the amount of money that must be set aside today to pay for the future pension benefits that accrued that year), among other things. According to the California Public Employees' Retirement System (CalPERS), the implementation of PEPRA is projected to save government employers, including the state, an estimated $29 billion to $38 billion over the next thirty years.
- The Governor signed Chapter 47, Statutes of 2014 (AB 1469), putting into law a funding strategy to address the unfunded liability of the California State Teachers' Retirement System (CalSTRS). The funding strategy, which includes predictable increased payments from school districts, teachers, and the state over a seven-year period, positions CalSTRS on a sustainable path forward. The intent is to fully fund the system by 2046. According to CalSTRS, the funding plan is on track to meet this goal.
- The Administration initiated a comprehensive strategy in which the state and its employees began to share equally in the prefunding of retiree health benefits to eliminate a $72 billion

unfunded liability over three decades. The funding plan to eliminate the unfunded liability assumes that the state continues to pay for retiree health benefits on a pay-as-you-go basis (more information on prefunding is below).

- The state continued its commitment to eliminate pension liabilities through a one-time $6 billion supplemental pension payment to CalPERS, funded by a loan from the Surplus Monetary Investment Fund (SMIF). The additional payment will reduce the state's unfunded liability and help lower and stabilize the required annual contributions through 2037-38.

Significant Adjustment:

- The Budget proposes $475 million within the Proposition 2 debt payment requirement to pay down the General Fund's portion of the supplemental pension loan from the SMIF described above.

While retirement liabilities have grown by $48.9 billion since 2012, these collective efforts have put the state on a path to fund these long-term liabilities.

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.

State Employees' Retirement Contributions

The Budget includes $6.2 billion ($3.6 billion General Fund) for state contributions to CalPERS for state pension costs. Included in these costs are $685.7 million General Fund for California State University retirement costs.

Teachers' Retirement Contributions

The Budget includes approximately $3.1 billion in General Fund for state contributions to CalSTRS. This roughly $300 million year-over-year increase is due in part to an anticipated increase in payroll growth and the lower assumed investment rate of return adopted by the CalSTRS Board in 2016. The budgeted amount also assumes the Board will exercise its authority to increase state contributions by 0.5 percent of teacher payroll, consistent with the funding strategy signed into law in 2014.

Sustaining State Health Care Benefits

In total, the state is projected to spend approximately $5.6 billion on health care benefits in

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	Employer OPEB Prefunding[4/]
2008-09	$3,063		$1,133	$189	$40		$2,146	$1,183		
2009-10	2,861		1,191	184	32		2,120	1,182		$3
2010-11	3,230		1,200	166	54		2,277	1,387		2
2011-12	3,174		1,259	195	58		2,439	1,505		0
2012-13	2,948 [5/]	$449 [5/]	1,303	160	51		2,567	1,365 [5/]	$222 [5/]	0
2013-14	3,269	474	1,360	188	52	$1	2,697	1,383	225	22
2014-15	4,042	543	1,486	179	63	1	2,797	1,462	256	38
2015-16	4,338	585	1,935	190	67	1	2,968	1,556	263	63
2016-17	4,754	621	2,473	202	68	1	3,104	1,623	272	342 [7/]
2017-18	5,188	661	2,790	197	76	1	3,252	1,771	291	189
2018-19[6/]	5,522	686	3,077	195	80	1	3,435	1,891	311	373

[1/] The chart does not include contributions for University of California pension or retiree health care costs, and does not reflect the $6 billion supplemental pension payment in 2017-18 authorized by Chapter 50, Statutes of 2017 (SB 84).

[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 California State University (CSU).

[4/] Amount reflects the employer contribution to pay down the Other Post-Employment Benefits (OPEB) unfunded liability.

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

[6/] Estimated as of the 2018-19 Governor's Budget. 2018-19 General Fund costs are estimated to be $2,901 million for CalPERS, $686 million for CSU CalPERS, $2,198 million for Retiree Health & Dental, $1,613 million for Active Health and Dental, and $194 million for OPEB Prefunding. The remaining totals are all General Fund.

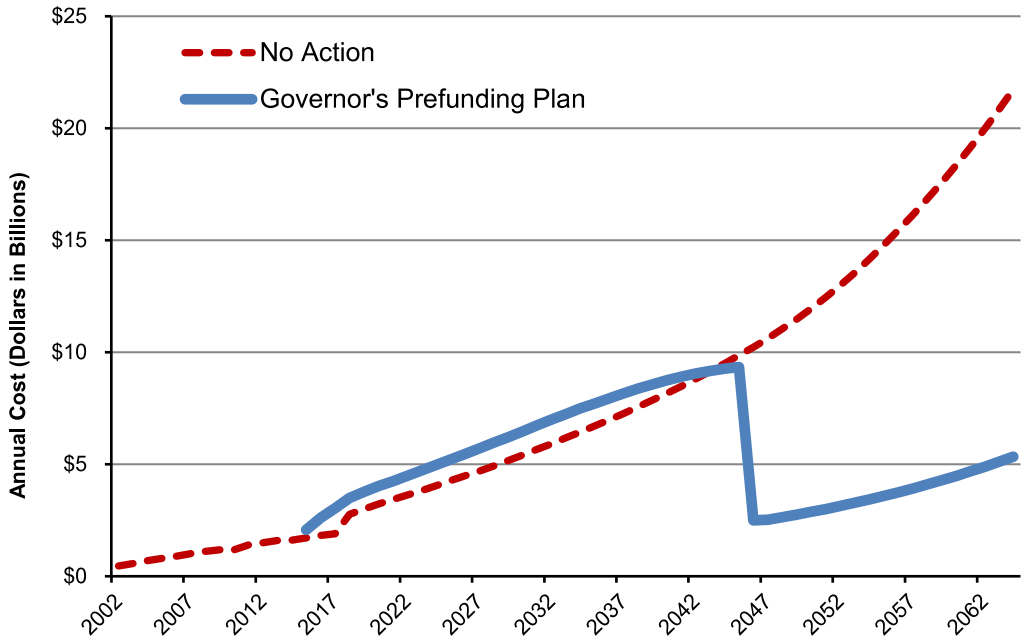
[7/] Amount includes a one-time prefunding contribution of $240 million pursuant to Chapter 2, Statutes of 2016 (AB 133).

2018-19 for more than 850,000 state employees, retirees, and their family members. The Budget includes nearly $2.2 billion for retiree health care benefits for 2018-19. These payments are five-fold what the state paid in 2001 ($458 million) and now represent approximately 1.7 percent of the General Fund. Fifteen years ago, retiree health care benefits made up less than one half of one percent of the General Fund.

As a result of these significant cost increases, the Administration negotiated a prefunding plan with state employee unions to address the $72 billion unfunded liability that existed for retiree health care benefits in 2015. Assets are accumulated in a trust fund until they are sufficient to fully fund employee benefits (see Figure SWE-02). The strategy also called for collective bargaining to reduce the state retiree contribution so it equals the contribution level of most active employees and lengthening the number of years employees must work, or "vest," to receive retiree health benefits.

The Administration has successfully negotiated contract agreements with each of the state's employee bargaining units, which included prefunding for retiree health benefits. As a result, more than $570 million is currently set aside in a prefunding trust fund to pay for future retiree health benefits. By the end of 2017-18, the trust fund balance will approach $1 billion in assets.

Figure SWE-02
Eliminating Unfunded Liability for Retiree Health Care



Employee Compensation and Collective Bargaining

The Budget includes $1.2 billion ($589.5 million General Fund) for increased employee compensation, health care costs for active state employees, and retiree health care prefunding for active employees. Included in these costs are collectively bargained salaries and benefit increases as a result of contract negotiations and pay increases related to minimum wage changes in Chapter 4, Statutes of 2016 (SB 3). Funding is also included for 2019 calendar year increases in health care premiums and enrollment.

In addition, in the upcoming calendar year, the Administration will begin collective bargaining negotiations with 4 of the state's 21 bargaining units, whose contracts with the state will expire in late June or early July 2018.

Continuing Progress on Civil Service Reform

Over the years, efforts have been made to improve the state civil service system to help state departments quickly recruit, hire, train, and develop employees through a merit-based process. In 2015, the Governor initiated Civil Service Improvement (CSI), a comprehensive strategy to systemically improve the civil service system. CSI efforts focus on improving hiring, recruiting, succession planning, retention, training, and other civil service functions to allow California to compete for and retain the best and brightest employees. To date, the state has made important improvements in the state's civil service system, including:

- Improved job searches online and automated the application process.
- Additional online examinations for job seekers.
- Improved benefits oversight and management.
- Increased recruitment of underrepresented communities, veterans, and persons with disabilities.
- Developed more non-traditional apprenticeships to create a pool of talent for hard-to-recruit jobs.
- Overhauled and bolstered leadership training programs and training requirements for state managers, supervisors, and executives.

CSI efforts also continue to focus on consolidating the state's multitude of job classifications to streamline the civil service system. There are currently 17 classification types under review, including consolidating a wide variety of analyst classifications into a single General Analyst class and consolidating 36 information technology classifications into 9 general classes. Although CSI efforts have accomplished a great deal, more progress is needed. The Budget proposes additional statutory changes to make the civil service system more efficient and transparent.

Redevelopment Agencies

Redevelopment agencies were created after the Second World War to allow cities and counties to leverage property tax revenue to rehabilitate blighted urban areas for California's growing postwar population. Redevelopment agencies received the incremental growth in property tax revenue within their project areas after they were established, which would otherwise have gone to cities, counties, special districts, and K-14 schools. Many redevelopment agencies used this revenue to finance bonds whose proceeds paid for the

redevelopment activities.

The tax increment financing model that redevelopment agencies used for decades became increasingly unsustainable as each K-14 school district's minimum funding level consists of a mix of property tax revenue and state General Fund revenue, with any shortfall in property tax revenue backfilled by the General Fund. By 2010, the redirection of property tax revenue from schools to redevelopment agencies cost the state $1.6 billion per year.

When the Administration assumed office in 2011, the state faced a budget deficit of over $26 billion. Closing the deficit required a host of sweeping decisions, including eliminating California's approximately 400 redevelopment agencies. Pursuant to Chapter 5, Statutes of 2011 (ABx1 26) and a California Supreme Court decision, the redevelopment agencies were dissolved in February 2012, and each was replaced with a locally organized successor agency that is tasked with retiring the former redevelopment agency's outstanding debts and other legal obligations.

The winding down of the state's former redevelopment agencies continues to be a priority for the Administration. The elimination of redevelopment agencies has allowed local governments to protect core public services by returning property tax money to cities, counties, special districts, and K-14 schools.

From 2011-12 through 2016-17, approximately $2.1 billion was returned to cities, $2.6 billion to counties, and $781 million to special districts. The Budget anticipates that cities will receive an additional $926 million in general purpose revenues in 2017-18 and 2018-19 combined, with counties receiving $990 million and special districts $282 million. The Budget anticipates that average annual property tax revenues of more than $1.2 billion will be distributed to cities, counties, and special districts through 2021-22. This is a significant amount of unrestricted funding that can be used by local governments to fund police, fire, housing, and other public services.

From 2011-12 through 2016-17, approximately $7.3 billion was returned to K-14 schools. The Budget anticipates Proposition 98 General Fund savings resulting from the dissolution of RDAs will be $1.4 billion in 2017-18 and $1.6 billion in 2018-19. Average annual out-year savings are estimated at $1.9 billion through 2021-22.

The Administration sponsored Chapter 785, Statutes of 2014 (SB 628), which restored the ability of cities and counties to use tax increment financing for local development initiatives. The bill allows cities and counties to create Enhanced Infrastructure Financing Districts. Unlike the redevelopment agencies, Districts can only leverage property tax revenues from cities, counties, and special districts that agree to participate and cannot leverage property tax

revenues from K-14 schools.

Support for County Assessors' Operations

The Budget includes $5 million annually for the next three years for a new initiative to assist in the maintenance and equalization of the county property tax rolls. Proposed statutory language describes the framework for the new program.

Housing

For decades, California has faced a shortage of housing due to historical underproduction of adequate supply when compared to demand. While the state has identified 180,000 units of housing needed annually to address the growing population, only 100,000 units on average have been produced annually over the last eight years.

California local governments have primary control over land use and housing-related decisions. Housing entitlements and permits are determined locality by locality, each with its own community needs and challenges. Throughout the development process, each local government may face pressures that discourage housing development, including community opposition, incentive to approve sales tax-generating development over residential development, and market conditions, such as high land and construction costs. These factors often result in policies that increase development costs, including permitting and impact fees, delays in permit approvals, and parking requirements.

In recognition of California's pronounced housing shortage, in 2016, the Administration proposed a "by-right" proposal in conjunction with state funding to streamline local housing approval and drive down per unit housing costs. This proposal was not adopted by the Legislature.

In January 2017, the Administration put forward comprehensive policy principles to reduce local barriers, limit construction delays, lower per-unit costs, provide production incentives, strengthen compliance with existing laws, and establish a permanent source of ongoing funding for affordable housing and related investments.

Within this framework, the Administration and Legislature developed a package that included statutory changes to reduce per unit costs and increase production, a housing bond and a real estate transaction fee. The 15 bills signed into law collectively shorten the housing development approval process, provide incentives to streamline development, and promote local accountability to adequately plan for needed housing. A real estate transaction fee was established that will generate $258 million annually to invest in affordable housing production.

Of these funds, 10 percent is dedicated to affordable homeownership and rental housing for agricultural workers and their families. The housing packing also places a $4 billion bond on the November 2018 ballot for voter approval which includes $3 billion in general obligation bonds for various housing programs and $1 billion for veterans housing.

The state has continued to make a significant investment in affordable housing construction through various grant and loan programs, including the Affordable Housing and Sustainable Communities Program, No Place Like Home Program, and Veterans Housing and Homelessness Prevention Program. Beyond these legislative changes and new funding programs, the state has worked collaboratively across its housing agencies to improve outcomes for its existing programs. The Tax Credit Allocation Committee, which administers the Low Income Housing Tax Credit program, has made a number of regulatory changes in collaboration with the Administration to increase the utilization of this program. These efforts resulted in a historic high of 20,847 units financed with federal tax credits in 2016.
The California Housing Financing Agency has increased its multifamily lending activity each year since the Great Recession, providing $369 million in financing in 2016-17 to support 2,100 affordable housing units. The agency also issued $682 million in private activity bonds for affordable housing since 2015 and provided $4 billion to moderate-income families that do not qualify for the low-income programs through the state's First-Time Homebuyers Downpayment Assistance Program.

The Budget continues the Administration's commitment to improving existing programs and maximizing its investment in housing (see Figure SWE-03). To implement the significant changes included in the 2017 statewide housing legislative package, the Budget allocates $3 million General Fund to the Department of Housing and Community Development, in addition to resources from an estimated $258 million in real estate transaction fee revenue for housing programs and proceeds from the housing bond that will be available upon voter approval in the November 2018 election.

Voting System Replacement for Counties

The vast majority of voting technology used in California is from the late 1990s or early 2000s. Much of the equipment has reached the end of its useful life. The age and lack of replacement parts decreases the reliability and security of the equipment.

The Budget includes a one-time augmentation of $134.3 million General Fund to support the purchase of all necessary hardware, software, and initial licensing for the replacement of voting systems and technology in all 58 counties. This funding represents a 50-percent state share of total voting system replacement costs; counties will be responsible for the other 50 percent.

Figure SWE-03
2018-19 Affordable Housing and Homelessness Funding
(Dollars in Millions)

Department	*Program*	*Amount*
Department of Housing and Community Development	Veterans and Affordable Housing Bond Act Programs (SB 3)	$277
	No Place Like Home Program	$262
	Building Homes and Jobs Fund Programs (SB 2)	$245
	Federal Funds	$122
	Housing for Veterans Funds	$75
	Office of Migrant Services	$6
	Various	$54
California Housing Finance Agency[1/]	Single Family 1st Mortgage Lending	$1,500
	Multifamily Conduit Lending	$300
	Multifamily Lending	$200
	Single Family Down Payment Assistance	$108
	Special Needs Housing Program	$30 [2/]
Strategic Growth Council[3/]	Affordable Housing and Sustainable Communities	$455
Tax Credit Allocation Committee	Low Income Housing Tax Credits (Federal)	$259 [4/]
	Low Income Housing Tax Credits (State)	$97
	Farmworker Housing Assistance Tax Credits	$3
Department of Veterans Affairs	CalVet Farm and Home Loan Program	$264
Department of Social Services	CalWORKS Housing Support Program	$47
	CalWORKS Homeless Assistance Program	$35
	CalWORKS Family Stabilization, Housing Component	$3 [5/]
Office of Emergency Services	Transitional Housing Program, Victim of Crimes Act	$12
	Homeless Youth and Exploitation Program	$1
	Domestic Violence Housing First Program	$6
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	$3
	Housing Plus Program	$2
California Department of Corrections and Rehabilitation	Integrated Services for Mentally-Ill Parolees	$3
	Specialized Treatment of Optimized Programming, Parole Service Center, Day Reporting Center, Female Offender Treatment and Employment Program	N/A [6/]
Department of Health Care Services	Whole-Person Care Pilot Program, Health Homes Program, Mental Health Services Act Community Services and Supports, California Community Transitions Program	N/A [6/]
Total		**$4,369**

[1/] Amounts are based on the lending activities from 2017-18 trends.

[2/] This amount represents a voluntary allocation of Proposition 63 funds from 16 participating counties.

[3/] The Affordable Housing and Sustainable Communities program amount reflects local assistance funds available from 20 percent of projected Cap and Trade revenues.

[4/] This amount represents the 9 percent tax credits allocated in 2018-19 and an estimated figure for 4 percent credit awards based on 2015-2017 averages. This figure does not include the approximately $4 billion of tax-exempt bond debt allocation that is available for award from the California Debt Limit Allocation Committee.

[5/] This amount represents an estimate of the portion of the program associated with housing and homelessness activities.

[6/] The state provides a number of wrap-around supportive services through these programs, including housing support and application assistance, which cannot be separated from the Department of Health Care Services' and Department of Corrections and Rehabilitation's general budgets.

Chapter 832, Statutes of 2016 (SB 450), provided counties with the option to conduct less-costly elections where all voters are sent a vote-by-mail ballot and regional centers are established throughout the county to allow voters to vote at a convenient time and place in the days leading up to an election.

It is expected that most counties will transition to the vote center model authorized by SB 450, which will reduce equipment costs. The costs assume all jurisdictions with more than 50 precincts will go to a vote center model, and counties with less than 50 precincts will continue with the precinct model.

Tax Administration Reform

The Department of Finance's Office of State Audits and Evaluations (OSAE) released a legislatively mandated review of the Board of Equalization in March 2017 that found "certain board member practices have intervened in administrative activities and created inconsistencies in operations, breakdowns in centralized processes, and in certain instances result in activities contrary to state law and budgetary and legislative directives." OSAE's review also identified errors in the allocation of sales tax revenue and other revenues totaling in the hundreds of millions of dollars.

The Administration worked with the Legislature to enact Chapter 16, Statutes of 2017 (AB 102), which initiated various reforms, including the creation of two new departments. Effective July 1, 2017, the majority of the Board was recast as the California Department of Tax and Fee Administration (CDTFA), which performs all statutory duties formerly performed by the Board. AB 102 also created the Office of Tax Appeals (OTA) effective July 1, 2017. Beginning January 1, 2018, OTA adjudicates the tax appeals formerly assigned to the Board, except for those related to the constitutional duties performed by the realigned Board. The OTA adjudicates tax appeals using panels with three administrative law judges selected through the civil service process.

The Board's authority is limited primarily to those duties specified in the State Constitution: the equalization of county property tax rates, assessing specified inter-county and business property, assessing taxes on insurers, and assessing and collecting alcohol excise taxes.

The Budget includes the following resources for the Board, CDTFA, and OTA:

- Board of Equalization—$30.4 million ($30 million General Fund) and 204 positions.
- California Department of Tax and Fee Administration—$664 million ($354 million General Fund) and 4,270 positions.
- Office of Tax Appeals—$20 million General Fund and 80 positions.

With the sweeping reforms and creation of CDTFA, the Administration is undertaking an expedited mission-based review to assess operations and determine the most efficient and effective collection of sales and use tax, which aligns with the core mission and values of the new department.

Medicinal and Adult-Use Cannabis

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

The Budget continues funding as approved in the 2017 Budget Act for cannabis regulatory activities, including the processing of licenses and permits, enforcement, laboratory services, information technology, quality assurance, and environmental protection. California's three state cannabis licensing authorities have emergency regulations in place for commercial medicinal and adult-use cannabis, which includes state-licensed cannabis activity that became effective on January 1, 2018.

As approved in Proposition 64, new excise taxes will be levied on the cultivation and retail sale of both recreational and medical cannabis with tax revenues being deposited in the Cannabis Tax Fund. The amount and timing of revenues generated from the new taxes are uncertain and will depend on various factors including local regulations, and cannabis price and consumption changes in a legal environment.

Proposition 64 specifically delineated the allocation of resources in the Cannabis Tax Fund, which are not subject to appropriation by the Legislature. Pursuant to Proposition 64, expenditures are prioritized as follows:

- Regulatory and administrative costs necessary to implement, administer, and enforce the Cannabis Act. The Administration will use the initial revenues into the tax fund to repay the $135 million General Fund loan used to support these activities while cannabis tax proceeds were unavailable.
- Research and activities related to the legalization of cannabis, and the past effects of its criminalization.
- Programs to support substance use disorder treatment, environmental impacts of cannabis cultivation, and public safety. Because the tax proceeds dedicated to these programs are

based on prior year actual tax collection, the Budget assumes that funding for these programs will be available in 2019-20, consistent with Proposition 64.

Given the timing of the legalized market's opening and the release of the Governor's Budget, the Administration is deferring all cannabis-related budget proposals until the May Revision. While only a limited amount of data will be available at the May Revision, the Administration will use the updated information to make more informed decisions about future resource needs.

Military Department

The Military Department is responsible for the command, leadership and management of the California National Guard, Youth and Community Programs, State Military Reserve and the Naval Militia. The Military Department Youth and Community Program serves California communities and families by delivering national level, high-quality educational support programs, in partnership with the educational community, within a military, academic structured environment.

The Budget expands existing Youth and Community Programs. Specifically, the Budget includes $6.5 million General Fund to update the statewide curriculum for the California Cadet Corps, as well as expand the program to serve a total of 8,125 youths in 2018-19, growing to nearly 22,000 youths in 2022-23. Currently, 51 schools serve 5,800 cadets. This augmentation will enable the Military Department to expand the California Cadet Corps programs to a total of 175 schools by 2022-23.

The Budget also includes $2.4 million General Fund to implement a Porterville Military Institute College Preparatory Academy in Tulare County to serve 500 students beginning in the fall of 2018, and $1.2 million General Fund to provide military personnel at the California Military Institute in Riverside County. The Porterville Military Institute is modeled after the Oakland Military Institute College Preparatory Academy that develops leaders of character by providing a rigorous seven-year college preparatory program to promote excellence in the four pillars of academics, leadership, citizenship, and athletics. The California Military Institute is a public charter school that currently has no military presence on the campus. To improve outcomes for youth at the California Military Institute, the Budget includes resources for the Military Department to dedicate military personnel to provide cadets the leadership and development training that is similarly offered to youth participating in the Oakland Military Institute. Using a military framework, the goal of these Institutes is to graduate cadets who are capable of meeting the admissions requirements of any college in the nation.

Precision Medicine

In 2015, the Governor created the nation's first state-level initiative on precision medicine. Precision medicine aims to improve health and healthcare through better use of advanced computing, technology and data science. Building on the $23 million state investment in precision medicine to date, the Budget proposes to establish the California Institute to Advance Precision Health and Medicine with an additional $30 million one-time General Fund appropriation to continue developing demonstration projects, incorporate successful demonstration projects into the health delivery system, and further advance how data science can be utilized in healthcare. The institute would be administered through a collaboration between public and private nonprofit institutions, overseen by the Governor's Office of Planning and Research.

2020 Census

The Budget includes $40.3 million for statewide outreach and other activities related to the 2020 Census count. Statewide coordination of the multi-year, multi-lingual effort is critical to obtain a complete and accurate count of California residents. The data collected by the decennial census determines the number of seats California has in the U.S. House of Representatives and is also used to determine federal funding levels for local communities.

Infrastructure

The California Infrastructure Planning Act (Chapter 606, Statutes of 1999) requires the Governor to submit a five-year infrastructure plan to the Legislature for consideration with the annual budget bill. The 2018 Five-Year Infrastructure Plan (Plan) focuses limited available resources on core state responsibilities. This Chapter, along with other information on the Department of Finance website, meets the requirements of the Act.

History

When Governor Brown took office in 2011, the Plan had been published irregularly since the passage of the California Infrastructure Planning Act. Recognizing the importance of protecting state assets and planning for future infrastructure needs, the Governor renewed publication of the Plan beginning in 2014, providing vital information on the status of current infrastructure statewide, and a roadmap for future investments. The results of this continued commitment to infrastructure planning are noteworthy—for example, $942 million was provided in 2015 and 2016 for thousands of deferred maintenance projects statewide, including roof replacements, building system repairs and upgrades, and levee repairs. In addition, a significant long-term commitment was made to the renovation and replacement of state office buildings in the Sacramento region, including the State Capitol Annex, with the goal of improving and replacing aging infrastructure and minimizing the state's need for more expensive leased space.

Significant investment of resources to address transportation deficiencies statewide are underway. The Road Repair and Accountability Act of 2017 (SB 1) was recently signed into law, reversing decades of decline in transportation funding by providing nearly $55 billion in

additional funding over ten years for repairs and maintenance of the state's highway system, and to improve critical transportation routes and corridors. The Administration has made significant progress on the planning and development of the High-Speed Rail Project, which will eventually transport Californians from the Bay Area to Southern California at speeds capable of exceeding 200 miles per hour.

Additional resources have been provided to maintain and enhance the state's natural resource infrastructure, including funding flood control projects that reduce flood risk and enhance system resiliency to address the impacts of climate change, as well as improving operations and maintenance of the flood management system. The Administration has also made an ongoing investment in state parks to improve access, and maintain clean water supplies, clean restrooms, trail systems, historic structures, and safe roads. If approved by voters in June 2018, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (SB 5) will authorize $4 billion in general obligation bonds for California's parks, water and flood control infrastructure, ocean and coastal protection, safe drinking water, groundwater management and climate preparedness and resiliency.

Successful strategies to more efficiently fund infrastructure projects for the University of California (UC) and the California State University (CSU) systems have been implemented. Legislation was enacted in 2014 and 2015 that provided both UC and CSU with the authority to fund capital projects and debt service from their annual support budgets. This provides the universities with the flexibility to prioritize funding sources for their entire operations, including infrastructure development.

Corresponding with the passage of the Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), the Administration has pursued measures to verify that taxpayers' dollars are appropriately used to support projects funded under the School Facilities Program. To accomplish this, the State Allocation Board implemented the use of front-end grant agreements that define basic terms, conditions, and accountability measures for participants that request funding through the program. Also, the 2017 Budget included statutory changes requiring the inclusion of audit instructions for the expenditure of facility bonds in the annual K-12 Audit Guide.

Although the 2018 Plan highlights state-owned infrastructure planning efforts, the Administration has made significant infrastructure investments at the local level as well. Recognizing that groundwater is best managed locally, the Governor signed the Sustainable Groundwater Management Act of 2014—a package of groundwater management bills that directed cities, counties, and water districts to work together to prevent long-term over-pumping of groundwater basins. In addition, the Administration committed $30 million to construct water management infrastructure and habitat conservation and dust mitigation

projects at the Salton Sea. Additional information is included in the Natural Resources Chapter.

Overview of the Plan

The construction and maintenance of key physical infrastructure is a core function of state government. Infrastructure and capital assets allow for the delivery of public services and the movement of goods across the state, both of which are essential components in fostering continued economic growth in California. While there continue to be critical deficiencies in the state's infrastructure, including a significant backlog of maintenance on existing facilities after years of underfunding, this Administration has demonstrated a renewed commitment to infrastructure investment and to the long-term needs of the state.

The 2018 Plan evaluates the state's infrastructure needs in the overall context of available funding sources. The vast majority of the funding proposed in the Plan is dedicated to the state's transportation system—more than 93 percent. This reflects the sheer size of the system, the state's commitment to building the first high-speed rail system in the United States, and a funding plan to enhance the maintenance of the state's roads and highways as a result of new revenues that were authorized in SB 1. The Plan continues implementation of the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) to help address many goals of the Water Action Plan. In addition to transportation, the Plan specifically addresses the infrastructure challenges for the K-12 and higher education systems. There is increased investment in the state parks, and in facilities that support the state's courts, the California Conservation Corps, and the California Department of Veterans Affairs, among others.

Budget challenges in the early 2000s resulted in a greater reliance on debt financing, rather than pay-as-you-go spending. From 1974 to 1999, California voters authorized $38.4 billion of general obligation bonds. From 2000 to 2010, voters expanded the types of programs funded by bonds and authorized approximately $111.9 billion of general obligation bonds.
The Administration has greatly tempered the use of debt, supporting $24.1 billion of new general obligation bonds from 2011 to 2018—including $8 billion on the ballot for Natural Resources and Housing in 2018—and strengthening oversight of bond spending for educational facility bonds enacted through initiative. Of all previously approved infrastructure bonds, debt obligations of $73.4 billion in general obligation bonds and $9.3 billion in lease revenue bonds remain outstanding. Additionally, there are $36 billion of general obligation and lease revenue bonds ($31.3 billion and $4.7 billion, respectively) that are authorized but not yet issued, which represents a significant decrease from the 2011 reported total of $48 billion. The bonds will be issued when projects are approved and ready for construction. Additional information related to general obligation and lease revenue bond issues can be found on the Finance website.

When the state borrows to pay for infrastructure, roughly one out of every two dollars spent on

infrastructure investments pays interest costs, rather than construction costs. The amount of funds required to service the debt had increased steadily over past years, but that growth has slowed during this Administration. Annual expenditures on debt service grew from $2.9 billion in 2000-01 to $6.4 billion in 2010-11—an average annual growth of 9.2 percent. Since that time, debt service grew more slowly to $7.3 billion in 2017-18—an average annual growth rate of only 1.7 percent.

This Plan reflects the Governor's proposal for investing $61 billion in state infrastructure over the next five years, including $8.6 billion proposed in the Budget. This includes $1 billion General Fund, $12 billion from various special funds, $4 billion from non-governmental cost funds (including lease revenue bond funds), $848 million from general obligation bond funds, $24.4 billion from federal funds, $3.6 billion from reimbursements and other governmental cost funds, and $15.5 billion from high-speed rail funds. The Plan does not reflect additional funds that will be available for infrastructure spending as required under Proposition 2 once the state Rainy Day Fund reaches its constitutional limit. Expenditures of those funds will be addressed in the future.

See Figure IFP-01 for a summary of the proposed funding by program area and Figure IFP-02 for a summary by year, department, and fund source. A detailed listing of the specific projects proposed to be funded can be found on the Finance website, which also identifies the anticipated cost of the projects and the phase of the project to be funded.

Figure IFP-01
Proposed Spending Under Infrastructure Plan
(Dollars in Millions)

Program Area	2018-19 Capital Funding
Judicial Branch	$1,347
Transportation / High Speed Rail Authority	$55,478
Natural Resources	$995
Health and Human Services	$150
Corrections and Rehabilitation	$520
Education	$576
General Government	$2,270
Total	**$61,336**

Integrating Climate Change and Resiliency into Planning and Investment

In April 2015, Governor Brown signed Executive Order B-30-15, which directed state agencies to consider climate change in all planning and investment decisions. The order addresses several pillars of the Governor's climate change strategy, including establishing a statewide

Figure IFP-02

Statewide Funding by Department and Fund Source

(Dollars in Thousands)

Program Area	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Judicial Branch						
Judicial Branch	$375,129	$971,862	$0	$0	$0	$1,346,991
Subtotal	**$375,129**	**$971,862**	**$0**	**$0**	**$0**	**$1,346,991**
Transportation						
Department of Transportation	$6,653,780	$8,194,780	$8,318,780	$8,156,780	$8,227,780	$39,551,900
High Speed Rail Authority	896,948	14,568,000	0	0	0	15,464,948
California Highway Patrol	174,097	49,679	7,713	15,805	93,231	340,525
Department of Motor Vehicles	7,856	54,145	18,131	18,028	22,511	120,671
Subtotal	**$7,732,681**	**$22,866,604**	**$8,344,624**	**$8,190,613**	**$8,343,522**	**$55,478,044**
Natural Resources						
California Conservation Corps	$14,069	$13,806	$135,643	$64,473	$41,474	$269,465
Department of Forestry and Fire Protection	31,211	42,036	31,661	39,278	267,994	412,180
Department of Parks and Recreation	11,559	64,540	19,990	65,314	17,816	179,219
Department of Water Resources	117,910	0	0	0	0	117,910
State Conservancies and the Wildlife Conservation Board	10,420	1,350	1,350	1,350	1,350	15,820
Subtotal	**$185,169**	**$121,732**	**$188,644**	**$170,415**	**$328,634**	**$994,594**
Health and Human Services						
Department of Public Health	$4,866	$0	$0	$0	$0	$4,866
Department of Developmental Services	0	0	3,951	6,319	68,716	78,986
Department of State Hospitals	10,937	20,133	2,028	33,487	0	66,585
Subtotal	**$15,803**	**$20,133**	**$5,979**	**$39,806**	**$68,716**	**$150,437**
Corrections and Rehabilitation						
Department of Corrections and Rehabilitation	$68,858	$155,066	$68,562	$157,245	$70,756	$520,487
Subtotal	**$68,858**	**$155,066**	**$68,562**	**$157,245**	**$70,756**	**$520,487**
Education						
California Community Colleges	$59,187	$394,997	$121,555	$0	$0	$575,739
Subtotal	**$59,187**	**$394,997**	**$121,555**	**$0**	**$0**	**$575,739**
General Government						
Office of Emergency Services	$0	$14,199	$0	$0	$0	$14,199
Department of General Services	30,416	1,038,211	240,796	380,194	14,767	1,704,384
Department of Food & Agriculture	9,348	5,012	5,699	91,117	0	111,176
Military Department	50,017	15,300	15,300	15,900	15,900	112,417
Department of Veterans Affairs	16,293	12,984	288,425	0	0	317,702
Infrastructure Planning	2,000	2,000	2,000	2,000	2,000	10,000
Subtotal	**$108,074**	**$1,087,706**	**$552,220**	**$489,211**	**$32,667**	**$2,269,878**
Statewide Total	**$8,544,901**	**$25,618,100**	**$9,281,584**	**$9,047,290**	**$8,844,295**	**$61,336,170**
Proposed, By Fund						
General Fund	$221,866	$199,837	$145,812	$200,639	$233,643	$1,001,797
Special Fund	1,958,232	2,518,925	2,499,176	2,469,679	2,560,292	12,006,304
Non-Governmental Cost Funds	617,523	2,139,313	440,723	594,459	243,880	4,035,898
General Obligation Bond Funds	142,598	451,715	170,549	36,207	47,000	848,069
Federal Funds	3,983,724	5,035,380	5,324,005	5,011,370	5,059,480	24,413,959
Reimbursements/Other Governmental Cost Funds	724,010	704,930	701,319	734,936	700,000	3,565,195
High Speed Rail Funds	896,948	14,568,000				15,464,948
Total	**$8,544,901**	**$25,618,100**	**$9,281,584**	**$9,047,290**	**$8,844,295**	**$61,336,170**

greenhouse gas emissions reduction target of 40 percent below 1990 levels by 2030, which was adopted into law through Chapter 249, Statutes of 2016 (SB 32).

The order requires agencies to incorporate climate change impacts into infrastructure planning, and sets forth a series of actions to increase the state's resilience to climate change.
The Governor's Office of Planning and Research (OPR) led a Technical Advisory Group to develop guidance for how state agencies should integrate climate change into planning and investment. The OPR published *Planning and Investing for a Resilient California: A Guidebook for State Agencies* in November 2017. The guidance document provides a process for state

agencies to integrate climate change into planning and investment decisions.

Implementation of the guidance document is being coordinated with the Strategic Growth Council, the Government Operations Agency, and OPR's Integrated Climate Adaptation and Resiliency Program. The program established a permanent Technical Advisory Council to coordinate resiliency efforts across state, local, and regional agencies, provide input on certain state grant programs, develop a framework for financing resiliency, and establish metrics for tracking progress.

Maintenance of Existing Infrastructure

Historically, due to budget reductions and other fiscal challenges, the state has not consistently funded either the cost of maintaining its new capital investments or the deferred maintenance on existing infrastructure. For example, although billions of dollars have been spent over the past decade to build state facilities, less attention has been paid to the availability of permanent funds to maintain these facilities.

Deferred maintenance is maintenance that has not been completed to keep state-owned facilities in an acceptable and operable condition, and that is intended to maintain or extend their useful life. Actions like replacing old equipment, repainting, reroofing, repairing wiring and plumbing, dredging river or stream beds to restore original flow capacity, and repairing roads are all examples of maintenance. In contrast, capital outlay is the creation of new buildings, additions to and modifications of existing buildings, and includes projects that generally expand the capacity or change the function of state-owned properties.

The 2015 and 2016 Budget Acts together allocated approximately $960 million ($942 million General Fund and $18 million Motor Vehicle Account) for deferred maintenance projects at levees and various state facilities to address the most critical statewide deferred maintenance projects. These funds made a modest down payment to address the backlog of deferred maintenance. At present, the reported statewide deferred maintenance need totals $67 billion, as shown in Figure IFP-03.

Maintaining Transportation Infrastructure

Transportation has long represented the highest deferred maintenance need. Much of the state highway system was built between the 1950s and early 1970s to serve a growing economy and population. The state's population continued to grow significantly in recent decades, resulting in a corresponding increase in vehicle miles traveled and placing additional pressure on an aging state highway system. Similarly, increased international trade, coupled with the country's dependence on the state's port system, led to a substantial increase in trucking which imposed

Figure IFP-03
Identified Statewide Deferred Maintenance
(Dollars in Millions)

Department of Transportation	$47,300
Department of Water Resources	12,000
University of California	3,170
Judicial Branch	1,594
Department of Parks and Recreation	1,137
Department of Corrections and Rehabilitation	680
Department of Developmental Services	290
California Community Colleges	288
California Military Department	168
Department of General Services	148
Department of State Hospitals	100
California State University	83
Department of Veterans Affairs	72
Department of Fish and Wildlife	51
Network of California Fairs	43
California Highway Patrol	39
State Special Schools	21
Department of Motor Vehicles	11
Office of Emergency Services	10
California Science Center	7
Department of Food and Agriculture	6
Employment Development Department	6
Department of Forestry and Fire	6
California Conservation Corps	2
Hastings College of the Law	1
Total	**$67,232**

an even greater burden on the state transportation system. As cars became more fuel efficient, revenues from taxes did not keep pace with the state's increasing need for highway maintenance and repairs.

In an effort to address deteriorating road conditions, SB 1 was signed into law in April 2017. This Act provides increased funding to repair the roadways, both on and off the State Highway System to address congestion, improve trade corridors and promote active transportation.

SB 1 provides nearly $20 billion over ten years (about $2 billion per year) for the maintenance and repair of the State Highway System. This funding will be targeted toward pavement, bridge, and culvert repair while allowing the state to maintain current funding levels for safety, emergency and other transportation elements.

In addition to the maintenance and repair resources, SB 1 provides nearly $6 billion over ten years (about $600 million per year) to improve critical trade corridors, congested corridors and

create active transportation routes throughout the state. By focusing funding in these areas California can promote a long-term, sustainable transportation system with decreased travel times for both business and the traveling public.

Affordability—Debt Management

The state has long used debt financing as a tool for infrastructure investment, similar to the private sector. Since 2000, the state significantly increased its reliance on debt financing—as opposed to pay-as-you-go financing. In recent years, debt service was one of the fastest growing segments of the budget. The Administration has taken actions to reduce this growth—such as better management of projects' cash needs and increased use of pay-as-you-go financing. As shown in Figure IFP-04, debt service on infrastructure bonds is expected to increase to $8.5 billion in 2021-22, assuming the Natural Resources and Housing general obligation bonds are approved by the voters in 2018 and only limited new lease revenue bonds are authorized. For more information on the state's debt history, see the Finance website.

The debt service ratio is a measure of relative indebtedness. It expresses the state's debt service level as a percentage of its General Fund revenues. The debt service ratio is projected to decline slightly through 2021-22—mainly because of higher projected revenues—to 4.02 percent, assuming no significant additional General Fund-supported general obligation or lease revenue bond debt.

Both the bond market and bond rating agencies consider a number of factors when evaluating a state's debt position. Two measures commonly used to determine a state's debt position are debt as a percent of state personal income and debt per capita.

Figure IFP-04
Debt Service on General Obligation and Lease Revenue Bonds
(Dollars in Millions)

		All Funds		General Fund	
Fiscal Year	General Fund Revenues	Debt Service	Debt Service Ratio[1/]	Debt Service	Debt Service Ratio [1/]
2016-17	$118,685	$7,669	6.46%	$5,303	4.47%
2017-18[e/]	$127,823	$7,332	5.74%	$5,369	4.20%
2018-19[e/]	$131,708	$8,145	6.18%	$5,494	4.17%
2019-20[e/]	$136,112	$7,998	5.88%	$5,310	3.90%
2020-21[e/]	$140,470	$8,040	5.72%	$5,191	3.70%
2021-22[e/]	$144,740	$8,529	5.89%	$6,094	4.21%

[1/] The debt service ratio expresses the state's debt service costs as a percentage of its General Fund revenues.
[e/] Estimated

The ratio of a state's debt to personal income is a reflection of the state's debt compared to the state's wealth. According to the 2017 State Debt Medians Report by Moody's Investors Service, California's total outstanding debt as a percentage of personal income is 4.2 percent. While this is well above the national average of 3.0 percent (only two of the ten most populous states—New York and Illinois—have more debt as a percentage of personal income), it is a significant decrease from the total of 6.0 percent reported in 2011 (see Figure IFP-05).

Figure IFP-05
Comparison of State's Debt Ratio to Other States

State	Percent of Personal Income						
	2011	2012	2013	2014	2015	2016	2017
National Average	3.5	3.4	3.4	3.2	3.1	3.0	3.0
California	6.0	6.0	5.8	5.4	5.1	4.7	4.2
(50 state rank)	(9th)	(8th)	(9th)	(10th)	(10th)	(11th)	(13th)
Texas	1.6	1.5	1.5	1.5	1.0	0.9	0.8
Michigan	2.2	2.2	2.2	2.1	1.9	1.8	1.6
Pennsylvania	2.7	2.8	2.8	2.6	2.4	2.5	2.7
Georgia	3.3	3.1	3.0	2.9	2.8	2.7	2.5
Ohio	2.8	2.8	2.8	2.7	2.7	2.6	2.5
Illinois	5.7	6.0	5.7	5.6	5.7	5.2	5.1
Florida	3.0	3.0	2.8	2.5	2.4	2.5	2.2
North Carolina	2.3	2.3	2.4	2.1	1.9	1.8	1.6
New York	6.8	6.6	6.3	6.0	5.7	5.4	5.3

Source: Moody's Investors Service 2014-2017 State Debt Medians Reports.

Debt per capita measures each state resident's share of the total debt outstanding. Last year, California's per capita debt was estimated to be $2,217, well above the national average of $1,473 as reported by Moody's. California was ninth among the states in 2016 in terms of overall debt per capita, and only two of the ten most populous states—New York and Illinois—had higher debt per capita. Similar to the debt as a percent of state personal income, the debt per capita has decreased from the total of $2,542 reported in 2011, while the national average rose over the same period (see Figure IFP-06).

Significant Infrastructure Proposals

Description of the infrastructure for entities included in the Plan are located on the Finance website.

Judicial Branch

The Trial Court Facilities Act of 2002 (SB 1732), transferred responsibility and ownership of court facilities from counties to the state in addition to providing a mechanism and fee increases for funding the construction, maintenance, and repairs of these facilities. In addition, Chapter 311, Statutes of 2008 (SB 1407), was enacted to increase various fees, penalties, and assessments

Figure IFP-06
Comparison of State's Debt Per Capita to Other States

State	Debt Per Capita						
	2011	2012	2013	2014	2015	2016	2017
National Average	$1,404	$1,408	$1,416	$1,436	$1,419	$1,431	$1,473
California	$2,542	$2,559	$2,565	$2,465	$2,407	$2,323	$2,217
(50 state rank)	(8th)	(9th)	(7th)	(9th)	(9th)	(9th)	(9th)
Texas	$612	$588	$580	$614	$406	$383	$383
Michigan	$762	$785	$800	$785	$758	$719	$689
Pennsylvania	$1,075	$1,134	$1,208	$1,172	$1,117	$1,172	$1,337
Georgia	$1,103	$1,099	$1,061	$1,064	$1,043	$1,029	$992
Ohio	$1,007	$1,012	$1,047	$1,087	$1,109	$1,091	$1,087
Illinois	$2,383	$2,564	$2,526	$2,580	$2,681	$2,522	$2,511
Florida	$1,150	$1,167	$1,087	$1,008	$973	$1,038	$961
North Carolina	$782	$815	$853	$806	$739	$721	$659
New York	$3,149	$3,208	$3,174	$3,204	$3,092	$3,021	$3,070

Source: Moody's Investor Service 2014-2017 State Debt Medians Reports.

to support the construction, renovation, and operation of court facilities. However, the revenues that were anticipated as a result of SB 1732 and SB 1407, have not materialized in the amounts needed to renew and restore the state's court facilities. Consequently, in 2012, the Judicial Council was forced to halt 17 court construction projects.

Consistent with the transfer of responsibility for court facilities to the state, the Budget includes $32.2 million from the Immediate and Critical Needs Account to complete the design of three courthouse projects in Riverside/Mid-County, Sonoma and Stanislaus. The Budget also commits to completing construction for the next ten courthouse projects ready to proceed to construction from lease revenue bonds in the next two years, namely, projects in Imperial, Riverside/Indio, Shasta, Siskiyou, and Tuolumne in 2018-19 and projects in Glenn, Riverside/Mid-County, Sacramento, Sonoma, and Stanislaus in 2019-20.

Housing

The Veterans and Affordable Housing Bond Act of 2018 proposes a $4 billion bond on the November 2018 ballot. The first $3 billion of the bond will support various existing housing programs, including affordable multifamily housing, farmworker, transit-oriented development, infill infrastructure, and homeownership programs, as well as matching grants for Local Housing Trust Funds. These funds are anticipated to be awarded over five years. The remaining $1 billion will be available to support home ownership for veterans, with downpayment assistance, reduced fees and closing costs, and competitive interest rates.

The Budget includes $277 million local assistance for the Multifamily Housing Program, assuming passage of the Veterans and Affordable Housing Bond Act of 2018. The Multifamily Housing Program assists with new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households.

Natural Resources

If approved by voters in June 2018, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (SB 5) would authorize $4 billion in general obligation bonds for California's parks, water and flood control infrastructure, ocean and coastal protection, safe drinking water, groundwater management and climate preparedness and resiliency. The Budget proposes $1.02 billion to begin the first year of implementation should the voters approve the bond measure. Funding in 2018-19 will be prioritized to support existing programs, shovel-ready projects, and a phased-in approach for newly established programs. For additional information, please see the Natural Resources Chapter.

California Conservation Corps

The California Conservation Corps (CCC) operates 8 residential and 18 non-residential facilities in both urban and rural areas. These facilities provide employment, training, and educational opportunities to young men and women, and assist federal, state, and local agencies, and nonprofit entities with the conservation of California's natural resources.

The Budget includes $14.1 million General Fund to initiate four new residential center projects in Auberry, Los Pinos, Greenwood, and Yountville, and to rehabilitate two existing centers in Ukiah and Fortuna. Together, the four new residential centers are expected to add capacity for approximately 390 additional corpsmembers.

Department of Corrections and Rehabilitation

The Department of Corrections and Rehabilitation (CDCR) operates 37 youth and adult correctional facilities and 44 youth and adult camps. CDCR's aging infrastructure and changing population drive significant infrastructure needs.

California experienced record levels of rainfall in the past year, and severe storms caused significant damage to prison roofs. Failing prison roofs have resulted in damage to electrical systems and housing units; interruptions in rehabilitation programs, education programs and mental health treatment; and the development of mold. In continuation of the roof funding provided in the 2017 Budget Act, the Budget includes $60.7 million General Fund to replace roofs at the California Substance Abuse Treatment Facility, Salinas Valley State Prison, and Ventura Youth Correctional Facility and $20 million General Fund for mold remediation efforts at various facilities in 2018-19. This continues a multi-year strategy to address failing roofs, with Calipatria State Prison and California State Prison, Corcoran being the next priorities.

The Budget also includes $35.9 million General Fund for projects that address a variety of

infrastructure needs to support CDCR's programs, including mental health crisis beds, statewide medication distribution, and cognitive behavioral treatment classrooms.

K-12 Education

Since enactment of the Smaller Classes, Safer Schools, and Financial Accountability Act (Proposition 39 in 2002), local communities have increasingly funded a greater share of school construction through passage of local bonds. Over the past two years, voters have approved approximately 208 local bond measures authorizing more than $28 billion for school construction and modernization. Voters also approved the Kindergarten through Community College Public Education Facilities Bond Act of 2016, which provides approximately $7 billion of state general obligation bonds to support the existing K-12 School Facilities Program. Bond sales to support the program are based upon the approval of projects by the State Allocation Board and the associated cash need reported by local educational agencies with approved projects.

The Budget proposes approximately $640 million in bond authority for 2018-19 to fund new construction, modernization, career technical education, and charter facility projects. Additional detail regarding K-12 School Facilities is discussed in the K-12 Education Chapter.

Higher Education

Each year, millions of Californians pursue postsecondary degrees and certificates, enroll in courses, or participate in other kinds of education and training. The three public segments include the University of California (UC), the California State University (CSU), and the California Community Colleges. The UC and CSU currently fund capital projects from their annual support budget. This provides the universities with the flexibility to prioritize funding sources for their entire operation, including infrastructure development. For this reason, neither UC nor CSU are included in the Plan. However, in accordance with statute, both submit annual capital outlay proposals for legislative review and Department of Finance approval.

The CSU submitted capital proposals totaling $1.4 billion ($1.2 billion Statewide Revenue Bonds and $189 million campus funds). CSU continues to prioritize and refine this project list. The UC submitted 2018-19 capital outlay proposals totaling $266 million ($156 million General Fund-supported financing and $110 million non-state resources). Final approved project lists for both CSU and UC will be submitted to the Legislature no earlier than April 1, 2018.

In 2016, voters approved the Kindergarten through Community College Public Education Facilities Bond Act of 2016, which provides approximately $2 billion of state general obligation bonds to support the improvement and construction of community college facilities.

The community colleges report $21.5 billion of capital needs over the next five years. The state's investments must be focused on the most critical of these needs. The 2018 Plan provides $576 million for the California Community Colleges for 21 capital outlay projects that address critical fire and life safety issues.

Department of General Services

The Department of General Services manages approximately 34.3 million square feet of space that supports a variety of state programs and functions.

The Budget includes $30.4 million General Fund for the continuation of the State Printing Plant Demolition project ($815,000), and to initiate three new projects in Sacramento: the Gregory Bateson Building renovation ($5.2 million), the Jesse Unruh Building renovation ($6.3 million), and a new office complex project on Richards Boulevard ($18.1 million). These projects represent a continuation of the DGS Ten Year Sequencing Plan, which provides a strategy for the renovation or replacement of state office buildings in the Sacramento region.

Department of Veterans Affairs

The Department of Veterans Affairs (CalVet) operates eight veterans homes and three state veterans cemeteries.

The Budget includes $15.7 million General Fund for the preliminary plans phase of a new Skilled Nursing Facility at the Veterans Home of California, Yountville. The project represents CalVet's top priority—to address the changing nature of long-term care with a particular emphasis on providing skilled nursing and memory care services in a non-institutional, homelike environment. The Budget also includes $571,000 from the California Central Coast State Veterans' Cemetery at Fort Ord Operations Fund for the working drawings phase for the continuation of the California Central Coast Veterans Cemetery project in the City of Seaside.

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Demographic Information

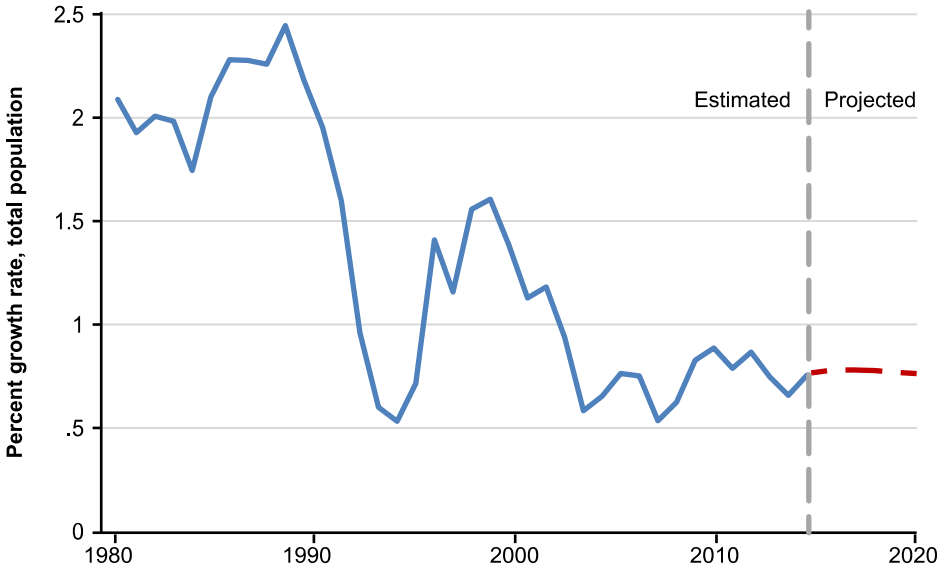
California's population growth is slowing to match the overall U.S. rate. As the population ages, the number of births falls, and international immigration is offset by migration to other states. These changes are particularly striking when looking at patterns since 1980, and show a population that has longer life expectancy, waits to have children, and has a different racial and ethnic composition. Where and how Californians live throughout the state has also evolved across the years.

Demographic Outlook

California's population will continue to grow at less than 1 percent per year from 2018 to 2022 (see Figure DEM-01). While on par with the average growth rate of 0.8 percent since 2005, this marks a slower rate of growth than for most of the years since 1980. California's growth during 2016-17 was only slightly higher than the national growth rate of 0.7 percent.

Since 1980, California's population has grown from 23 million to nearly 40 million in 2016. At current rates of growth, the next doubling in population size will take approximately 85 years. Personal income per capita in 2016 dollars also grew from around $30,000 to more than $56,000. As the state has become wealthier, people live longer and wait to have children. Lower net migration is also to be expected as the state has become more crowded.

Figure DEM-01
Population Growth Rate



Timing of Life Events

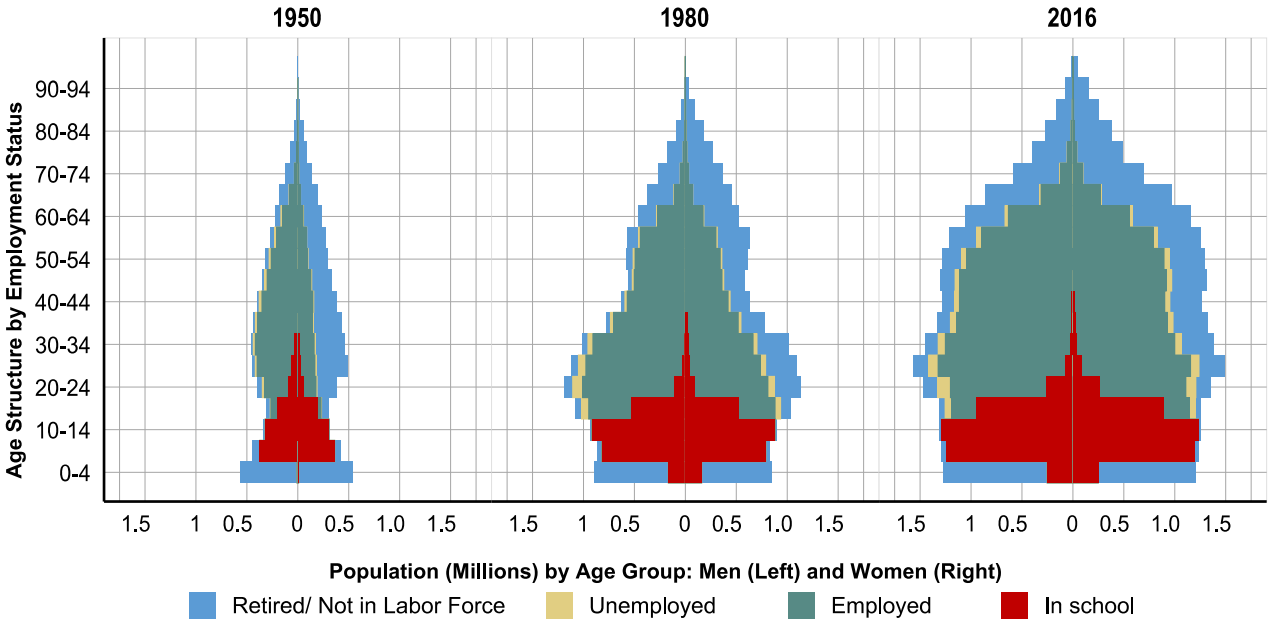
Since 1980, Californians have begun to stay in school longer, which delays their entry to the labor force, along with delaying marriage and when they choose to have children. However, the state also benefits from increases to longevity. In 1980, California was a relatively young state, attracting large numbers of young in-migrants, with a median age of 29. With slowing population growth, the median age had increased to 36 in 2016.

The percentage of the population age 25 and older with a bachelor's degree or higher has climbed from 19.6 to 32.9 percent from 1980 to 2016. Men and women are both spending more time in school: expected years of schooling between ages 17-30 have risen from 3.8 years in 1980 to 6.0 years in 2016 for women and from 3.9 years to 5.4 years for men. Labor force participation rates for Californians aged 16-24 has fallen from 62 percent in 1980 to 50 percent in 2016. At the other end of the spectrum, labor force participation rates for workers aged 65-74 has more than doubled from the 13 percent participation rate in 1980. Health and longevity improvements, as well as economic conditions, have contributed to longer working lives. The life expectancy of women has increased by 5.7 years from 78.0 in 1980 to 83.7 in 2015, while the gains for men were even greater: male life expectancy increased by 8 years from 71 to 79. Figure DEM-02 illustrates a population pyramid that shows the male population on the left and female population on the right, according to age with the youngest at the bottom and oldest at the top.

Female labor force participation has continued to grow; 25-year old women in 2016 can expect to spend approximately 30.6 more years in the labor force— 5.6 more years than their predecessors in 1980. Men can expect to work 37.4 additional years in the labor force beyond age 25, down 0.6 years since 1980. Women still spend an average of 6.8 fewer years working than men over their lifetime, but the gap has decreased from 13 years in 1980.

By 1980, an increasing number of women born during the baby boom of 1946-64 had joined the labor force. This was a major social and economic shift, signaling changing norms about education, work, and family structure. The greater labor force participation rates of women over time can be seen in the pyramid figure below in the increasing symmetry between the male and female populations (in particular, the growth in the share of women 25-34 who are employed or looking for work).

Figure DEM-02
Population Pyramids by Labor Force Status

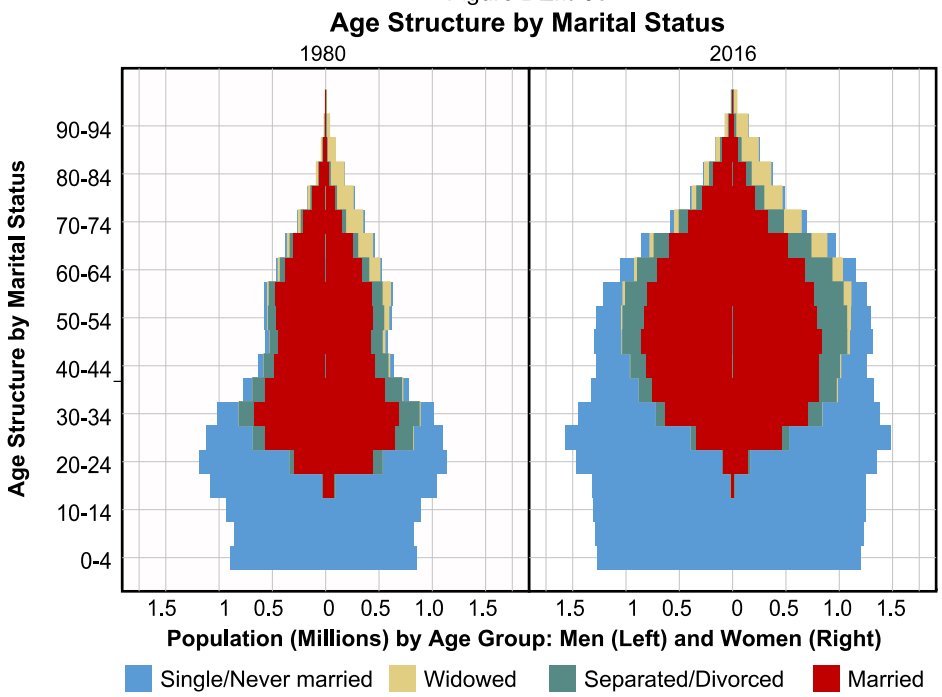


The total fertility rate—the number of children an average woman can expect to have in her lifetime—of 1.8 in 2015 is similar to the rate of 1.9 in 1980. However, in 1980, the state was in the midst of an echo boom with baby boomers having children, and would continue trending upward until 1990 when it reached 2.5 children per woman. Since then, fertility has been on a declining trend.

The average age at marriage has increased rapidly during 1980-2016, from 24 years old to 29 years old for women and from 26 to 31 for men. The average age at first birth for women has increased from 25.4 in 1980 to 29.6 years old in 2016.

Figure DEM-03 shows a population pyramid graph by marital status—a greater share of young women were unmarried at any given age in 2016 than was the case in 1980, especially notable for women under 35.

Figure DEM-03



Migration

Despite low fertility, the working age population is expected to remain at a stable size so long as migration flows continue to bring young people to California. Over half of children born in California today have at least one foreign-born parent, and the state's population growth rate would be much lower without net in-migration. Immigration has buffered California's population from some of the consequences of population aging, as new arrivals to California in prime working ages make up for a dearth of children born in the state. The state attracts both relatively high and low-skilled workers and relatively fewer in the middle (Figure DEM-04).

Although historically the majority of immigration to California came from Mexico and Latin America, this pattern has changed over the last decade, and since 2011, the majority of new arrivals come from Asian countries rather than Latin America. Throughout California's history, immigrants have provided a significant portion of the state's labor force and fueled economic growth. In 1980, most immigrants arrived as young adults and with minimal education. In 2016, over 50 percent of immigrants have Bachelor's degrees or higher, although 18 percent have not completed high school.

Figure DEM-04
Educational Attainment of CA immigrants Age 25+

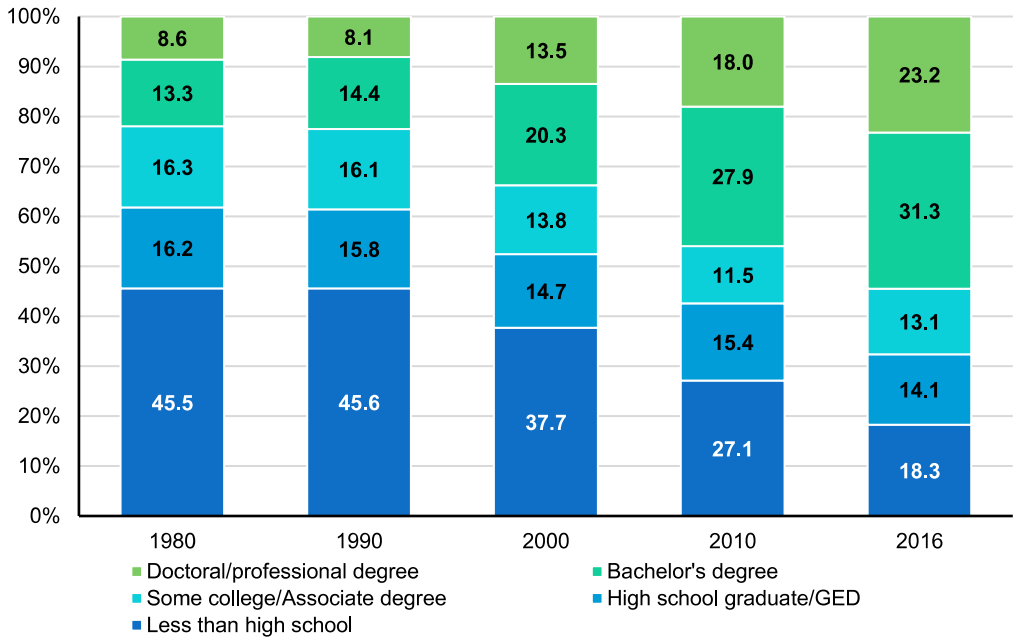


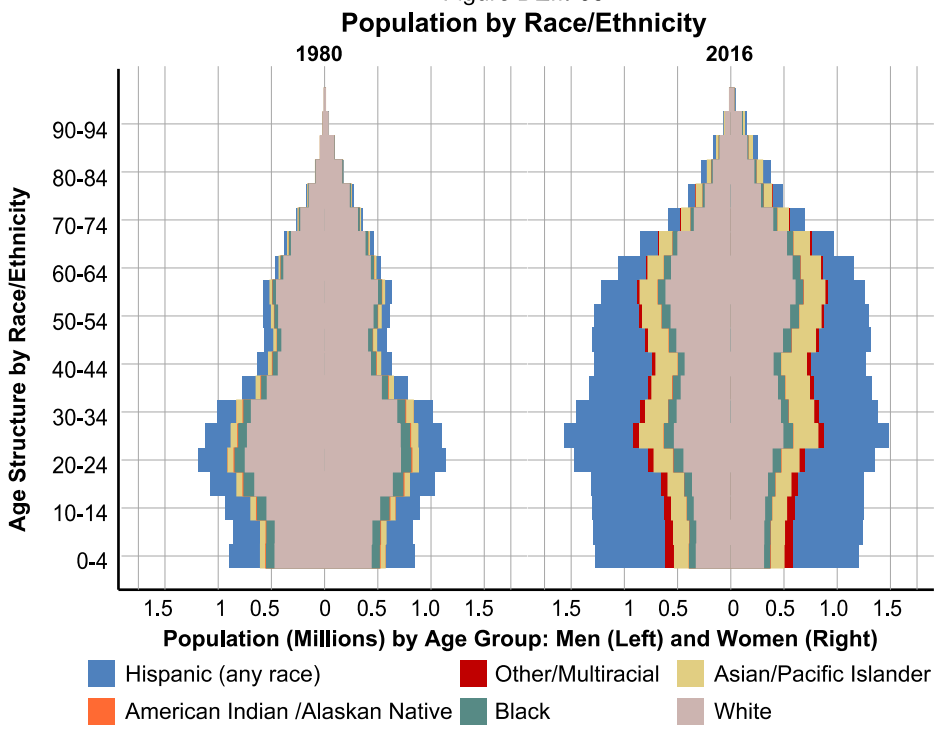
Figure DEM-05 exhibits the change in the racial composition of the population since 1980. The growth of the retirement-age cohorts was concentrated in the non-Hispanic White population, with 21 percent of the White population being at least 65 years of age or older, and only 7 percent of the Hispanic population 65 or older. By 2020, Hispanics will make up 48 percent of the college-age population.

Housing and Poverty

Between 2005 and 2015, California has averaged fewer than 80,000 net new housing units per year, compared to an average of 147,000 per year for 1980 through 2005. When controlling for a different population size, this is equivalent to adding 328 units for each 1,000 new residents in 2005-2015, in contrast with 1970-1980 when California added 620 units per 1,000 new residents. Approximately one in five households in California in 2016 paid more than 50 percent of their household income toward housing costs. In 2016, 54 percent of California households owned their home, compared to 56 percent in 1980. Over half of all California renters pay 30 percent or more of household income towards housing, with more than 25 percent paying 50 percent or more.

These trends have resulted in growth in the number of persons in each household. As Figure DEM-06 shows, much of the growth occurred in areas in relatively close proximity to growing employment centers. Vehicle miles traveled in the state has also more than doubled, from almost 88 billion in 1980 to more than 195 billion in 2016.

Figure DEM-05



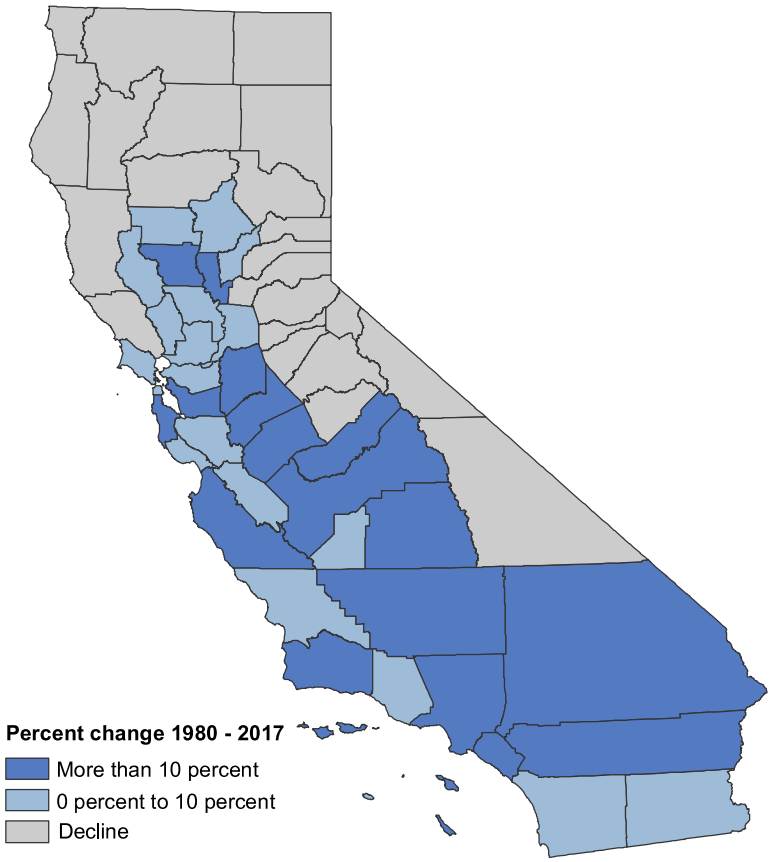
The official poverty rate from the 1980 decennial census was 11.4 percent, which has risen to 14.3 percent in the 2016 American Community Survey. Compared to other states, California remains in the middle of the pack, moving up from 26th highest poverty rate in 1980 to the 20th highest in 2016.

The poverty rate increase since 1980 differs by age group. The poverty rate for children under 16 rose from 16.0 percent in 1980 to 20.1 percent in 2016, although the largest increase in poverty, from 15.4 percent to 19.8 percent, is in the college-age (16-24 years old) population. The smallest change in the poverty rate between 1980 and 2016 can be found in the elderly age group, which rose from 8.3 percent to 10.3 percent, respectively.

Within California, the poverty rate also varies by geography. Northern California and Central Valley counties have experienced the greatest increase in the proportion of the population below the poverty level. Fresno County's poverty rate increased from 14.5 percent in 1980 to 25.6 percent in 2016. Other counties, such as Tulare, Lake and Kern, had similar rate increases. On the other hand, counties in the Bay Area have had little to no increase in poverty rates. In fact, the poverty rate in San Francisco decreased from 13.7 percent in 1980 to 10.1 percent in 2016, and San Mateo County had the lowest poverty rate in California at 6.5 percent in 2016.

Figure DEM-06

Change in Persons per Household: California, 1980 and 2017



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Economic Outlook

Continued growth is expected throughout the forecast period, with unemployment rates remaining low. However, inflation is beginning to rise in the U.S. and California, and the Federal Reserve has raised the interest rate several times. The forecast does not incorporate impacts from the federal tax bill passed at the end of 2017. Individuals and businesses may change their behavior in response to new federal tax incentives, which may affect the economy in many ways. The impacts will be assessed in the May Revision.

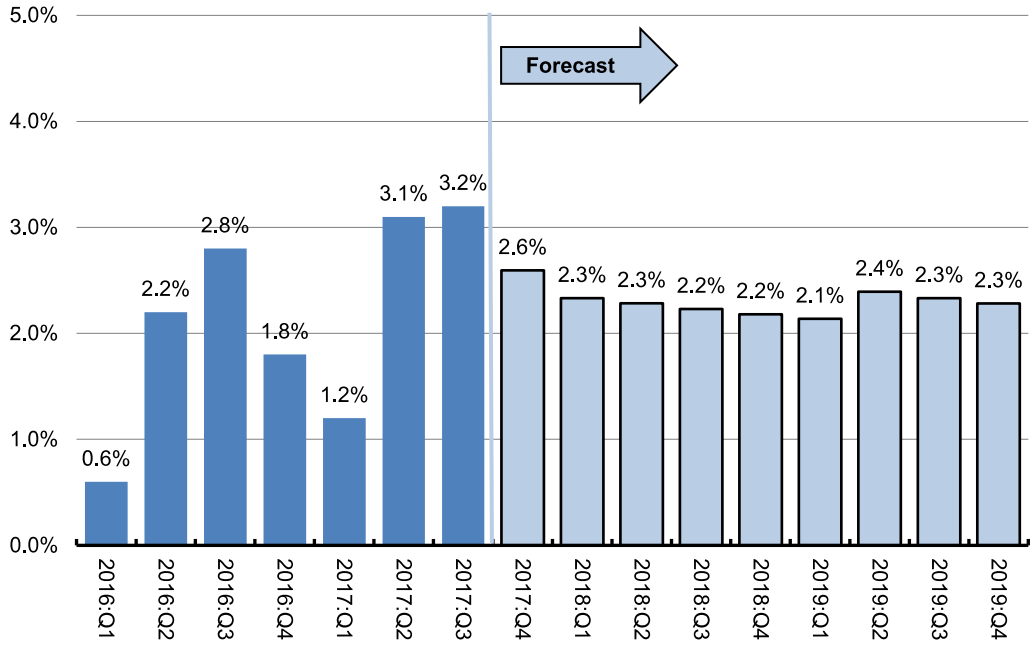
Besides the risks of a stock market correction, geopolitical events or an eventual recession remain the highest risks to California's economy.

The Nation—Continued Growth

The forecast assumes continued moderate economic growth over the next few years. In 2016, real GDP grew by 1.5 percent, as increases in consumption were offset by weak business investment. Business investment is expected to recover and consumption growth is expected to continue. (See Figure ECO-01 for details.)

The U.S. unemployment rate dipped to 4.1 percent in November 2017, the lowest since December 2000. Low unemployment is leading to higher wage growth. Meanwhile, jobs continued to be added at a slower pace, as both the U.S. and California have fewer people looking for work. U.S. inflation was 1.3 percent in 2016 and is expected to exceed 2 percent in 2017 as housing and energy costs rise. After the interest rate hike in December, the Federal Reserve is expected to continue to increase interest rates until the benchmark rate reaches 3.2 percent in 2021. See Figure ECO-02 for highlights of the national and California forecasts.

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—Slowing Growth

California's unemployment rate fell to 4.7 percent in May and June of 2017, matching the all-time low unemployment in November 2000. The unemployment rate then rose to around 5 percent and is expected to remain near that level throughout the forecast (Figure ECO-03). Job growth is slowing, with an average of 21,000 non-farm payroll jobs added each month in the first three quarters of 2017 after 2016 monthly gains of around 30,000 jobs. From 2011 through 2016, the service sector accounted for 88 percent of the 2.2 million jobs added. From 2017 to 2021, that growth will slow, and construction jobs within the goods-producing sector will contribute almost 30 percent of the 1.2 million jobs added. Labor force growth was only 0.5 percent in 2017, but growth is expected to rise back to the population growth rate of 0.8 percent after 2018.

Average wages are rising faster than inflation, although at a slower rate than has been seen in previous episodes of low unemployment. This is due partially to retirements. As older, higher-paid workers are replaced by workers earlier in their careers, total wages and average wages will grow slower than the wages of each individual worker. Total personal income will also grow more slowly, since pension income is excluded from the economic personal income calculation. (The exception is Social Security income that appears in transfer payments.)

Figure ECO-02

Selected Economic Indicators

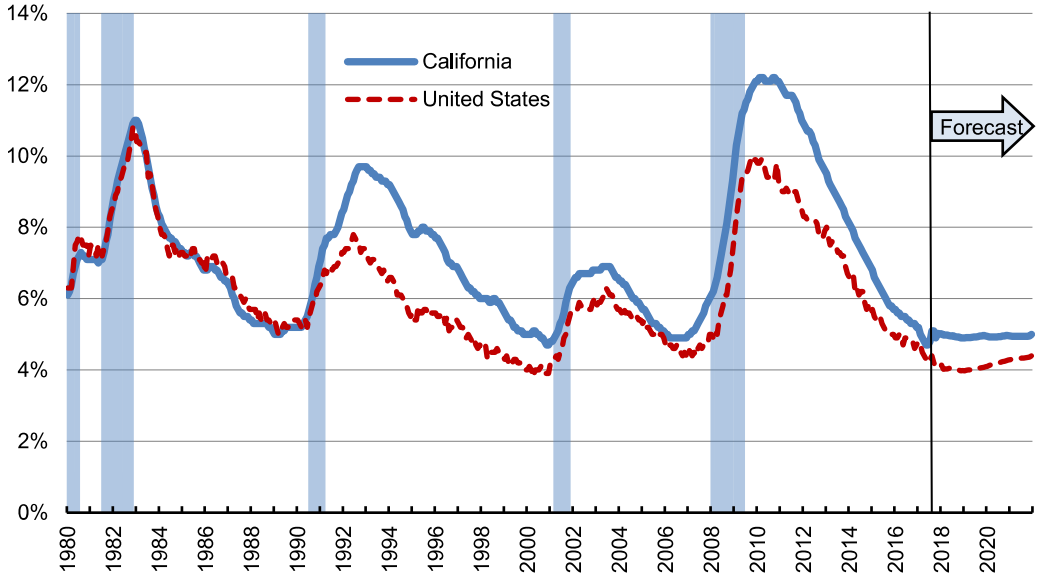
United States	2013	2014	2015	2016	2017 Estimated	2018 Projected	2019 Projected
Nominal gross domestic product, $ billions	$ 16,692	$ 17,428	$ 18,121	$ 18,624	$ 19,377	$ 20,256	$ 21,163
Real gross domestic product, percent change	1.7%	2.6%	2.9%	1.5%	2.2%	2.5%	2.2%
Contributions to real GDP growth							
Personal consumption expenditures	1.0%	2.0%	2.5%	1.9%	1.9%	1.7%	1.5%
Gross private domestic investment	1.0%	0.9%	0.9%	-0.3%	0.5%	0.7%	0.7%
Net exports	0.3%	-0.2%	-0.7%	-0.2%	-0.1%	0.0%	-0.1%
Government purchases of goods and services	-0.6%	-0.1%	0.3%	0.1%	0.0%	0.1%	0.1%
Personal income, $ billions	$ 14,074	$ 14,818	$ 15,553	$ 15,929	$ 16,428	$ 17,074	$ 17,899
Corporate profits, percent change	1.7%	5.3%	-1.1%	-2.1%	5.3%	11.4%	6.9%
Housing permits, thousands	991	1,052	1,183	1,207	–	–	–
Housing starts, thousands	928	1,001	1,107	1,177	1,190	1,253	1,372
Median sales price of existing homes	$ 197,400	$ 208,900	$ 223,900	$ 235,500	–	–	–
Federal funds rate, percent	0.1%	0.1%	0.1%	0.4%	1.0%	1.6%	2.3%
Consumer price index, percent change	1.5%	1.6%	0.1%	1.3%	2.2%	2.1%	2.2%
Unemployment rate, percent	7.4%	6.2%	5.3%	4.9%	4.4%	4.0%	4.0%
Civilian labor force, millions	155.4	155.9	157.1	159.2	160.4	162.1	164.0
Nonfarm employment, millions	136.4	138.9	141.8	144.3	146.4	148.3	149.8
California							
Personal income, $ billions	$ 1,862	$ 1,986	$ 2,134	$ 2,213	$ 2,304	$ 2,424	$ 2,520
California exports, percent change	4.0%	3.4%	-4.9%	-1.1%	--	–	–
Housing permits, thousands	86	86	98	101	110	122	139
Housing unit net change, thousands	59	69	68	89	--	–	–
Median sales price of existing homes	$ 407,150	$ 446,890	$ 476,320	$ 502,250	--	–	–
Consumer price index, percent change	1.5%	1.8%	1.5%	2.3%	3.0%	3.0%	2.9%
Unemployment rate, percent	8.8%	7.5%	6.2%	5.4%	4.9%	4.9%	4.9%
Civilian labor force, millions	18.6	18.7	18.9	19.1	19.2	19.3	19.5
Nonfarm employment, millions	15.2	15.6	16.1	16.5	16.8	17.0	17.3
Percent of total nonfarm employment							
Mining and logging	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Construction	4.2%	4.3%	4.6%	4.7%	5.0%	5.3%	5.6%
Manufacturing	8.3%	8.2%	8.1%	7.9%	7.8%	7.7%	7.7%
High technology	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%
Trade, transportation, and utilities	18.4%	18.3%	18.3%	18.2%	18.0%	17.8%	17.7%
Information	3.0%	3.0%	3.0%	3.2%	3.2%	3.2%	3.1%
Financial activities	5.2%	5.0%	5.0%	5.0%	4.9%	4.9%	4.9%
Professional and business services	15.4%	15.5%	15.5%	15.4%	15.2%	15.0%	14.9%
High technology	2.4%	2.5%	2.6%	2.6%	2.6%	2.5%	2.5%
Educational and health services	15.2%	15.2%	15.3%	15.4%	15.6%	15.7%	15.7%
Leisure and hospitality	11.1%	11.3%	11.4%	11.5%	11.6%	11.6%	11.6%
Other services	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Government	15.7%	15.5%	15.3%	15.3%	15.3%	15.3%	15.4%

Forecast based on data available as of November 2017.
Percent changes calculated from unrounded data.

Overall personal income growth should rise to above 5 percent in 2018 before subsiding to around 4 percent. As discussed in the Revenue Estimates Chapter, there will be increasing divergence between taxable personal income and the economic series for personal income.

Consumer inflation has averaged 1.9 percent in California and 1.6 percent in the nation since 2010, as measured by the Consumer Price Index. Inflation began to pick up in 2016 due to increasing housing costs, medical costs, and energy prices. Consumer inflation is expected to

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



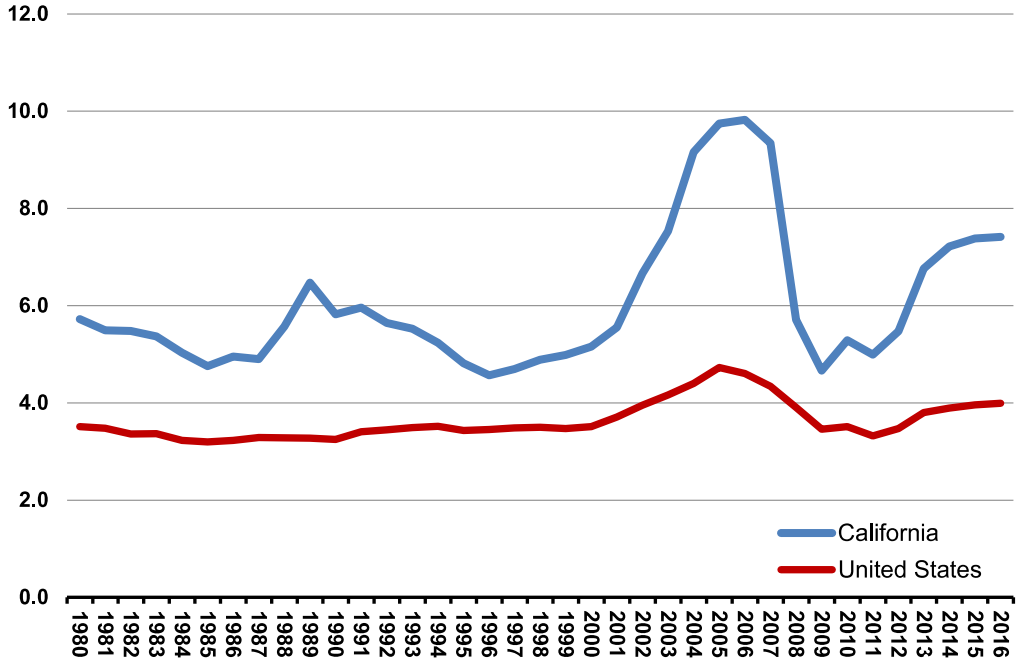
Shaded areas indicate U.S. recessions.
Source: U.S. Bureau of Labor Statistics; CA Employment Development Department, Labor Market Information Division; CA Department of Finance, Governor's Budget Forecast.

remain higher in California than the nation, with overall California inflation expected to average 3 percent in 2017 and 2018, and 2.9 afterwards.

Statewide housing permits averaged 109,000 in the first three quarters of 2017. However, housing permits issued by local authorities are expected to remain well below levels needed to account for population growth throughout the forecast period. This contributes to faster inflation in the state. The statewide median sales price of an existing single-family home was around $550,000 in the third quarter of 2017. While still below the high of almost $600,000 in the second quarter of 2007, California's prices are more than double the national median price of around $250,000.

As can be seen in Figure ECO-04, median home prices in California have been rising faster than median household income. As discussed in the Demographic Information Chapter, this is leading to more crowded conditions, especially in areas where jobs are being added. The housing constraints are assumed to lead to the slower job growth in the forecast.

Figure ECO-04
Median Home Price to Median Income Ratio



Median sales price of existing single-family homes / Median household income.
Source: CA Association of Realtors; U.S. Bureau of the Census; CA Department of Finance

Risks and Challenges for a Changing Economy

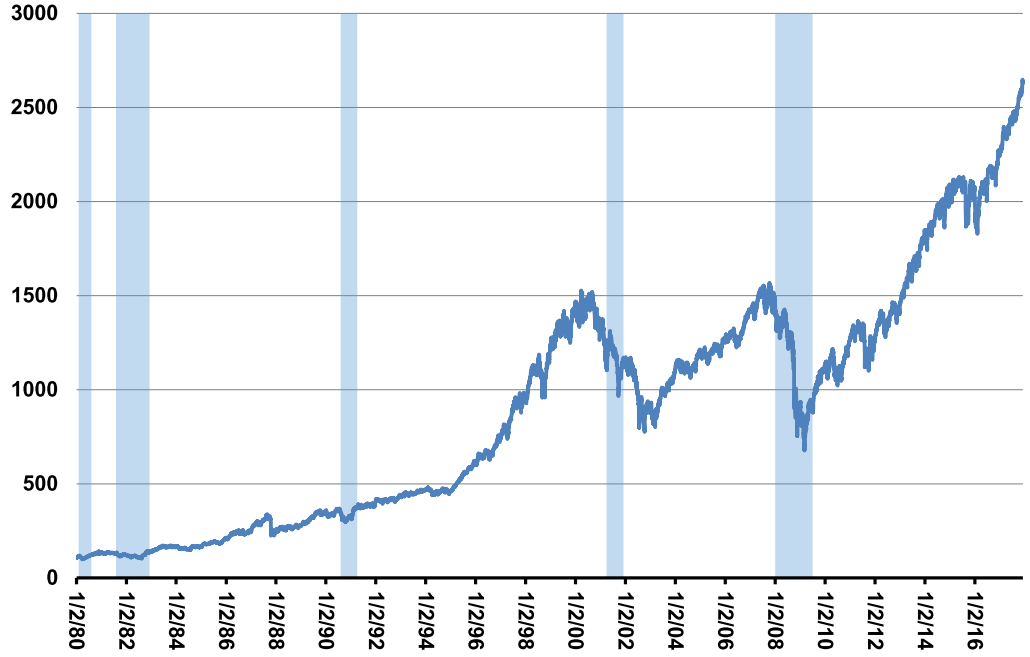
The main risks to the California economic outlook are a stock market correction, an eventual recession in the U.S., or geopolitical risks that affect U.S. growth.

This forecast assumed no large changes to federal taxes, but the S&P 500 had begun to rise on the expectation of lower corporate taxes (see Figure ECO-05). This has continued since the passage of the tax bill in December 2017. However, continued stock price growth would need to be supported by underlying growth in the economy. Valuations of companies are relatively high compared with historical benchmarks. In the 2007-2009 economic downturn, the S&P 500 index decreased by more than half. An adjustment in the expectations of investors regarding future growth could be sudden. This would likely affect investment and hiring decisions at California companies, even in the absence of a recession.

The risk of a U.S. recession also remains. More than eight years after the end of the last recession, both the U.S. and California are at unemployment levels only seen near the end of an expansion. While the recovery was much slower than in previous expansions, there appears to be a limited amount of time that growth can be sustained. To keep growth on its current path,

businesses would have to slow their hiring and wage increases in tandem with slowing consumer demand. Otherwise, inflation will rise further, and imbalances that trigger a recession would result.

Figure ECO-05
S&P 500 Index



Shaded areas indicate U.S. recession.
Source: S&P Dow Jones Indices

Geopolitical events such as wars in the Middle East, conflicts in Asia, or other incidents could also reduce U.S. growth or cause a recession. As with the rest of the U.S., the late 1980's trade policies in favor of a more integrated world market enabled many California companies to take advantage of the more favorable world market access conditions by either selling their products to new foreign market destinations, or by engaging in world supply chains which enabled them to increase productivity and decrease production costs. As a result, California and U.S. ratio of exports and imports of goods to GDP increased to 22 percent and 20 percent in 2016, respectively. Disruptions to trade would hit California particularly hard.

Revenue Estimates

California's economy and revenues are expected to continue to grow somewhat faster over the budget window than had been forecast at the 2017 Budget Act. The General Fund revenue forecast has improved, reflecting a large share of wages going to high-income taxpayers and stronger consumption and investment over the medium term. As a result, after accounting for all transfers, except for transfers to the Rainy Day Fund, General Fund revenue is higher than the 2017 Budget Act projections by $4.7 billion from 2016-17 through 2018-19. These estimates do not include any impacts of the federal tax changes passed at the end of 2017. California does not automatically conform to federal tax law, which will limit the impact on revenues. However, changes by individuals and businesses in response to federal tax incentives will affect revenues in potentially unexpected ways. The impact of the federal tax changes will be assessed at the May Revision.

Figure REV-01 compares the revenue forecasts, by source, in the 2017 Budget Act and the Governor's Budget. Revenue, including transfers, is expected to be $127 billion in 2017-18 and $130 billion in 2018-19. The projected increase since the 2017 Budget Act is due to an improved outlook for personal income tax and sales tax. The corporation tax is slightly lower. Over the three fiscal years, personal income tax is up $2.9 billion, sales tax is up $1.5 billion, and corporation tax is down $358 million.

The improved revenue forecast for personal income tax is driven by strong wage withholding and capital gains. Because wage growth is not keeping up with the growth in withholding, it appears that much of the wage growth is accruing to higher-income taxpayers, who have higher-than-average marginal tax rates. Capital gains are expected to be somewhat lower in 2017 than estimated at the Budget Act, but to be significantly higher in 2018 and somewhat

Figure REV-01
2018-19 Governor's Budget
General Fund Revenue Forecast
Reconciliation with the 2017 Budget Act
(Dollars in Millions)

Source	2017 Budget Act	Governor's Budget	Change From Budget Act Forecast	
Fiscal 2016-17: Preliminary				
Personal Income Tax	$83,161	$82,857	-$304	-0.4%
Sales & Use Tax	24,494	24,872	378	1.5%
Corporation Tax	10,210	10,116	-95	-0.9%
Insurance Tax	2,483	2,422	-61	-2.4%
Alcoholic Beverage	375	368	-6	-1.7%
Cigarette	79	80	1	1.3%
Pooled Money Interest	67	89	22	32.8%
Other Revenues	1,184	1,304	120	10.1%
Subtotal	$122,054	$122,110	$55	0.0%
Transfers[1/]	-3,515	-3,441	74	-2.1%
Total	**$118,539**	**$118,669**	**$130**	0.1%
Fiscal 2017-18				
Personal Income Tax	$88,821	$89,403	$582	0.7%
Sales & Use Tax	24,470	$25,165	695	2.8%
Corporation Tax	10,894	$10,656	-239	-2.2%
Insurance Tax	2,538	$2,438	-100	-3.9%
Alcoholic Beverage	377	$376	-1	-0.2%
Cigarette	65	$65	0	0.1%
Pooled Money Interest	106	$185	79	74.0%
Other Revenues	905	$1,002	97	10.7%
Subtotal	$128,176	$129,289	$1,114	0.9%
Transfers[1/]	-2,295	-2,038	257	-11.2%
Total	**$125,880**	**$127,252**	**$1,371**	1.1%
Fiscal 2018-19				
Personal Income Tax	$91,007	$93,593	$2,587	2.8%
Sales & Use Tax	25,725	26,151	426	1.7%
Corporation Tax	11,249	11,224	-24	-0.2%
Insurance Tax	2,597	2,508	-90	-3.5%
Alcoholic Beverage	379	382	3	0.8%
Cigarette	63	63	0	0.1%
Pooled Money Interest	167	294	127	76.0%
Other Revenues	907	908	1	0.2%
Subtotal	$132,093	$135,123	$3,030	2.3%
Transfers[1/]	-1,936	-5,331	-3,395	175.4%
Total	**$130,157**	**$129,791**	**-$365**	-0.3%
Three-Year Total			**$1,135**	

Totals may not add because of rounding.

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

higher in later years, as well. The sales tax forecast has improved due to strong sales tax receipts as well as a more favorable forecast for consumer spending and capital equipment spending. The reduced corporation tax forecast reflects continued weak performance for corporate tax receipts, even as corporate profits have been strong in 2017.

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 derives 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 2018, capital gains are forecast to contribute $13.4 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016[e/]	2017[e/]	2018[e/]
Capital Gains Realizations	$117.9	$132.0	$56.3	$28.8	$55.3	$52.1	$99.9	$79.9	$115.5	$120.1	$107.5	$128.6	$133.2
Tax Revenues from Capital Gains	$9.6	$10.9	$4.6	$2.3	$4.7	$4.2	$10.4	$7.6	$11.3	$11.8	$10.7	$12.9	$13.4
Fiscal Year Values	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Tax Revenues from Capital Gains	$10.0	$9.0	$3.9	$3.0	$4.5	$6.0	$9.6	$8.7	$11.5	$11.5	$11.4	$13.0	$13.3
Total General Fund Tax Revenues[1/]	$95.4	$101.3	$81.7	$86.6	$92.0	$85.3	$97.6	$103.0	$113.8	$118.9	$122.1	$129.3	$135.1
Capital Gains Percentage	10.5%	8.9%	4.7%	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.7%	9.3%	10.1%	9.8%

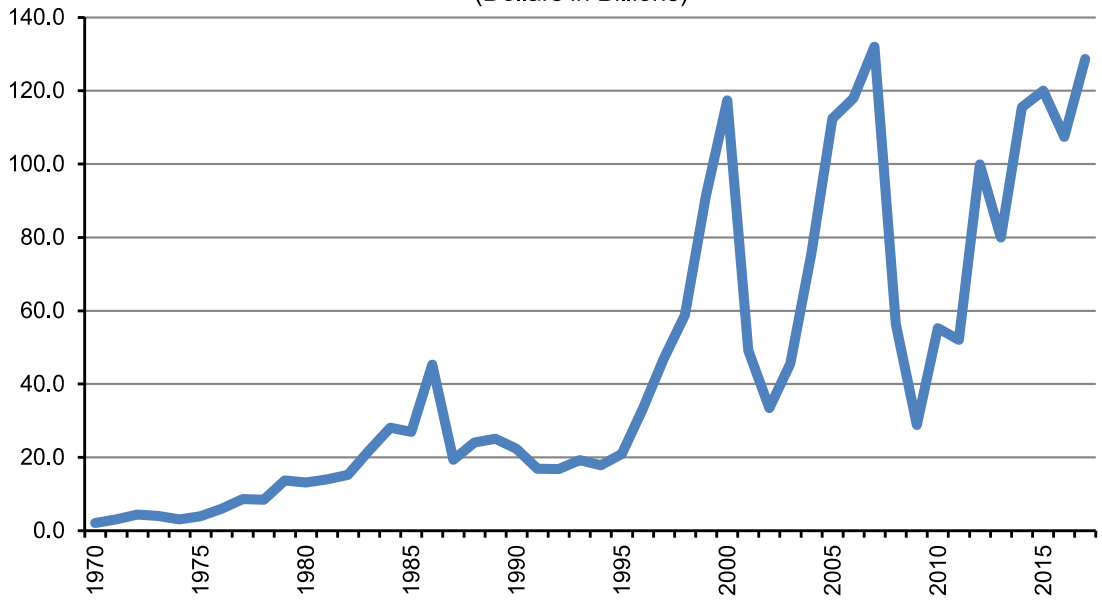
[1/]Excluding transfers.
[e/]Estimated

Figure REV-03 shows capital gains reported on California tax returns from 1970 through projections for 2018. 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.

Forecasting capital gains is difficult because capital gains realizations are heavily dependent upon stock market performance. This forecast assumed that the S&P 500 ended 2017 at 2,588 and will grow slowly for the next several years. While the stock market has outperformed the Budget Act forecast, estimated income tax payments thus far in 2017 have only grown modestly and 2016 capital gains appear to be much lower than forecast at the Budget Act. Reflecting this divergent data, the capital gains forecast for 2017 is down somewhat from Budget Act levels, but the capital gains forecast for 2018 and later has been revised upward.

The highest-income Californians pay a large share of the state's personal income tax. For the 2015 tax year, the top 1 percent of income earners paid just under 48 percent of personal income taxes. This percentage has been greater than 40 percent in 11 of the past 12 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 24 percent in 2014. This number has exceeded 20 percent in 11 of the past 12 years. Consequently, changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

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



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 helps address some level of volatility. Under Proposition 2, when capital gains revenue is greater than 8 percent of General Fund tax revenue, that windfall revenue is used to pay off General Fund debts and build up a reserve for future downturns.

Along with California's economy and demographic profile, California's revenue structure has changed significantly since 1975. For the 1975-76 Budget, total General Fund revenues were $9.4 billion. Sales tax made up the largest share of General Fund revenue, at just under 40 percent. Personal income tax revenue made up less than a third of General Fund revenue, and corporation taxes were about 13 percent. An estate tax in 1975 funded over 3 percent of the General Fund. The current Budget includes total General Fund revenue of $132 billion, with personal income taxes making up almost 70 percent of the total. Sales tax makes up 19.4 percent of General Fund revenue and the estate tax has been repealed. Although the statutory sales tax base has changed very little since 1975, a continuing shift in the economy from the consumption of taxable goods to the consumption of nontaxable services has led to a dramatic drop in the share of personal income spent on taxable goods. On the tax policy front, California has adopted many new tax changes in the intervening four decades:

- Corporations can elect to only report on their activities within the United States, as opposed to having to report on their worldwide activities.

- Personal income tax brackets and other parameters are indexed for inflation.
- The personal income tax structure is friendlier to families with children; the dependent exemption credit has been increased and a state earned income tax credit has been adopted.
- In 1975, the top personal income tax rate was 10 percent for joint returns with income over $31,000. In 2018, the top rate is 12.3 percent for incomes over $1.1 million (plus 1 percent for the Mental Health Services Tax for incomes over $1 million).
- Proposition 13 was adopted by voters in 1978. It limits the growth of property tax revenue and, along with court cases, had the effect of shifting school funding from local governments to the state government.
- Corporations now apportion their income to California using the portion of sales in California, as opposed to a three-factor formula which also considered payroll and property in California.
- The definition of nexus for sales and use tax was expanded in 2011 to include some remote retailers who do not have a physical presence in California.
- Enterprise Zones were first established in 1984. They were repealed in 2013 and the use of their tax credits are still being phased out.

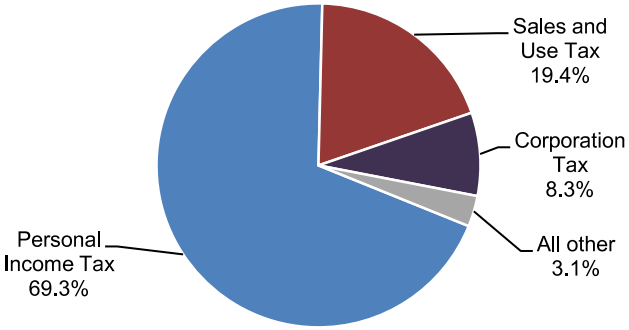
Proposals To Encourage Additional Job Creation

California's economy has added 2.6 million jobs since 2011. In support of this growth, California repealed the ineffective enterprise zone and redevelopment programs and redirected part of the saved revenue towards more effective programs, such as the sales tax exemption for manufacturing equipment and the California Competes tax credit program. This past summer, the exemption for manufacturing equipment was expanded to include equipment used for green electricity production and food production. The Budget proposes the extension of the California Competes program at $180 million for another five years. An additional $20 million is proposed to provide direct assistance to small businesses. In addition, because many Californians continue to struggle to find work, the Budget proposes a reconstituted $50 million per year credit to encourage businesses to hire individuals with employment barriers.

General Fund Revenue

Figure REV-04 shows the breakdown of General Fund revenues, excluding transfers, by taxation type. Personal income tax contributes 69.3 percent of the total.

Figure REV-04
2018-19 General Fund Revenues
$135 Billion



Long-Term Forecast

Figure REV-05 shows the forecast for the three largest General Fund revenues from 2016-17 through 2021-22. Total General Fund revenue from these sources is expected to grow from $117.8 billion in 2015-16 to $142.8 billion in 2021-22. The average year-over-year growth rate for this period is 4.2 percent.

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

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Average Year-Over-Year Growth
Personal Income Tax	$82.9	$89.4	$93.6	$96.3	$98.5	$101.3	4.9%
Sales and Use Tax	24.9	25.2	26.2	27.2	28.0	28.7	2.4%
Corporation Tax	10.1	10.7	11.2	11.7	12.2	12.8	3.4%
Total	**$117.8**	**$125.2**	**$131.0**	**$135.2**	**$138.6**	**$142.8**	4.2%
Growth	5.7%	6.3%	4.6%	3.2%	2.5%	3.0%	

Note: Numbers may not add due to rounding.

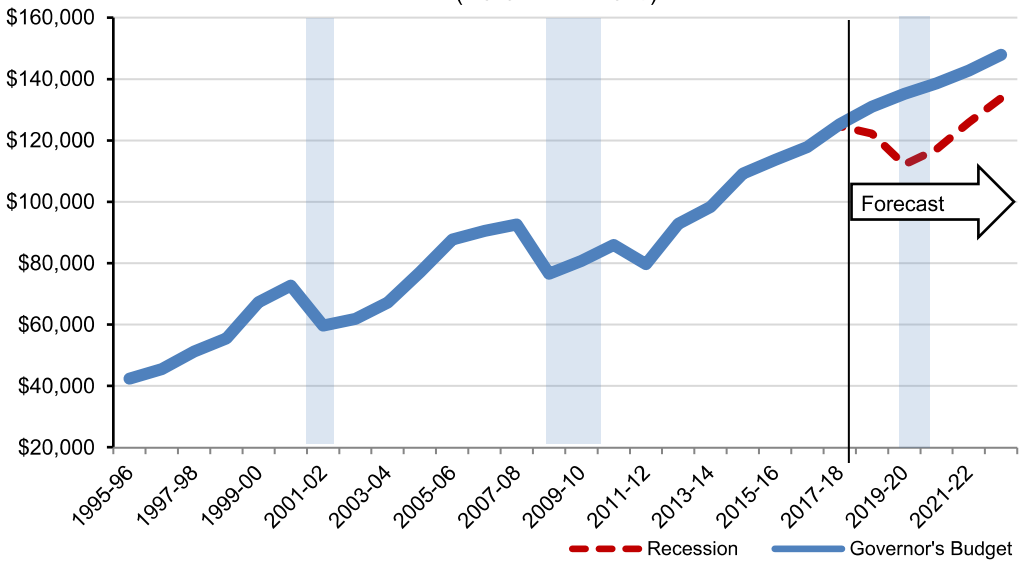
The economic forecast reflects continued steady growth through 2022. The projected average growth rate in U.S. real Gross Domestic Product over this period is around 2.2 percent.

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. As discussed in the Economic Outlook Chapter, there are several economic risk factors that could either lead to a recession or cause a significant slowdown in revenue growth. Continued shortages of housing will require higher percentages of income to be spent on rent or mortgage costs, limiting the amount of disposable income and reducing sales tax revenue. Even at high wages, businesses may find it difficult to hire more people because of the housing shortage which would limit wage and salary growth. Geopolitical events may also cause disruptions for California corporations, many of which have a significant presence in global markets.

Even in a moderate recession, revenue declines could be significant. Figure REV-06 shows a history of California's three largest revenue sources—personal income tax, sales tax, and corporation tax—along with revenue projections for the budget forecast and a moderate one-year recession in 2019. Under this scenario, revenue losses result from a decline in wages of about $90 billion compared to forecast (about 7 percent) and by a drop in capital gains realizations due to a 30-percent stock market correction. The shaded areas in this figure show the timing of the 2001 recession, the 2007 recession, and the recession scenario. While the actual revenue declines in the past two recessions were significant (as shown in this figure), tax law changes temporarily increased revenues to lessen the declines. Revenue losses in this recession forecast would exceed $20 billion per year for two years, continue with several more years of revenue declines in the range of $15 billion, and lead to a permanently lower revenue base compared to the current forecast.

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



Personal Income Tax

The personal income tax is expected to generate $82.9 billion in 2016-17, $89.4 billion in 2017-18, and $93.6 billion in 2018-19. These figures reflect a reduction of $304 million in 2016-17, and increases of $582 million in 2017-18 and $2.6 billion in 2018-19. The personal income tax is the state's largest revenue source and is expected to comprise 69.3 percent of all General Fund revenues in 2018-19.

Modeled closely on federal income tax law, California's personal income tax is imposed on net taxable income—gross income less exclusions and deductions. The tax rate structure is progressive over the income spectrum. 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. Proposition 30 held these tax brackets in effect for seven years—tax years 2012 to 2018. Voters approved Proposition 55 in November of 2016, extending the three additional tax brackets through tax year 2030.

The largest income source for the personal income tax is wages and salaries. Although the year-over-year growth rate for wages tends to be less volatile than other income sources, wages and salaries include some unpredictable types of compensation such as stock grants, restricted stock units, stock options, and bonus payments. In 2015, taxes attributable to wages and salaries accounted for nearly 58 percent of personal income tax revenues. Based on the

economic forecast, wages and salaries are expected to increase 5.4 percent in 2017, 5.9 percent in 2018, and 3.7 percent in 2019. The economic forecast increased the growth rates for 2017 and 2018 since the Budget Act, reflecting stronger near-term economic growth, while the long-term forecast for wages has been downgraded anticipating slower economic growth. The economic forecast shows personal income growing more slowly due to an increasing number of retirements slowing wage growth as higher-income earners leave the work force and are replaced by lower-wage earners. Taxable personal income, however, includes pension income, which is excluded from the economic series for personal income. Recent data suggests that the distribution of income gains among various income levels since the beginning of 2016 has also been disproportionately distributed to high-income earners compared to prior years. The growth rate in wage withholding receipts has been outpacing economic wage growth in 2016 and 2017, which has led to a higher forecast for wage withholding receipts since the Budget Act.

Capital Gains

This forecast assumes that the S&P 500 ended 2017 at 2,588, and will grow annually at approximately 0.4 percent. Though stock market levels are forecast to be higher than the Budget Act, which assumed a 2017 year-end level of 2,398, long-term returns are forecast to be lower due to its higher valuation. Although the stock market is expected to yield slow growth going forward, the strong performance of the stock market in recent years is expected to lead to continued above-normal capital gains through 2020.

This forecast estimates, based on cash receipts and partial-year tax data, capital gains in 2016 at $107 billion, a downgrade from the Budget Act forecast of $115 billion, but still above normal levels. Despite estimated tax payments in 2017 reflecting modest growth over the prior year, the Budget forecasts capital gains to grow substantially year-over-year to $129 billion in 2017, although this is still below the 2017 Budget Act level of $133 billion. Reflecting the strong stock market performance and unrealized gains, 2018 capital gains are forecast at $133 billion, up significantly from $126 billion at Budget Act. Capital gains are forecast to decline modestly beginning in 2019 until reaching a normal level at 4.5 percent of personal income in 2021. The return to a normal level of capital gains is one year later than what was assumed in the Budget Act.

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 $1.8 billion are estimated for 2016-17, and projected to be $2.1 billion for 2017-18 and $2.2 billion for 2018-19 are projected. The General Fund and the Mental Health Services Fund shares of personal

income tax revenues for 2016-17 through 2018-19 are shown in Figure REV-07.

Figure REV-07
Personal Income Tax Revenue
(Dollars in Thousands)

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
General Fund	$82,857,006	$89,403,019	$93,593,240
Mental Health Services Fund	1,795,735	2,088,826	2,229,393
Total	**$84,652,741**	**$91,491,845**	**$95,822,633**

Sales and Use Tax

The sales tax is expected to generate General Fund revenue of $24.9 billion in 2016-17, $25.2 billion in 2017-18, and $26.2 billion in 2018-19. These figures reflect increases of $378 million in 2016-17, $695 million in 2017-18, and $426 million in 2018-19. Receipts from the sales tax, the state's second largest revenue source, are expected to contribute 19.4 percent of all General Fund revenues in 2018-19.

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 consumption of goods and business investment. Higher projections of growth in taxable consumption and business investment have increased the forecast relative to the Budget Act. However, the improved outlook for sales tax does not reverse the long-term trend of deterioration of the sales tax base. This deterioration is evidenced by taxable sales as a percentage of personal income declining from over 50 percent in the late 1970s to 30 percent today.

Figure REV-08 displays total sales tax revenues for the General Fund and various special funds for 2016-17 through 2018-19.

Figure REV-08
State Sales Tax Revenue
(Dollars in Thousands)

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
General Fund	$24,872,229	$25,164,877	$26,151,044
Sales and Use Tax-1991 Realignment	3,360,004	3,526,936	3,662,284
Sales and Use Tax-2011 Realignment	6,699,500	7,010,624	7,310,856
Public Transportation Account	427,333	688,471	768,133
Total	**$35,359,066**	**$36,390,908**	**$37,892,317**

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

Figure REV-09

State and Local Sales and Use Tax Rates (as of January 1, 2018)

State Rates		
General Fund	3.94%	The permanent rate of 3.94% may be temporarily reduced by 0.25% if General Fund operating reserves exceed specified levels.
Local Revenue Fund 2011	1.06%	Revenues attributable to a rate of 1.0625 percent are dedicated to the Local Revenue Fund 2011 for realignment.
Local Revenue Fund	0.50%	Dedicated to local governments to fund health and social services programs transferred to counties as part of 1991 state-local realignment.
Local Uniform Rates[1/]		
Bradley-Burns	1.00%	Imposed by city and county ordinance for general purpose use.[2/]
Transportation Rate	0.25%	Dedicated for county transportation purposes.
Local Public Safety Fund	0.50%	Dedicated to cities and counties for public safety purposes by Proposition 172.
Local Add-on Rates[3/]		
Transactions and Use Taxes	up to 2.00%	May be levied in 0.125% or 0.25% increments up to a combined maximum of 2.00% in any county.[4/] Any ordinance authorizing a transactions and use tax requires approval by the local governing board and local voters.

[1/]These locally imposed taxes are collected by the state for each county and city and are not included in the state's revenue totals.

[2/]The city tax constitutes a credit against the county tax. The combined rate is never more than 1 percent in any area.

[3/]These taxes may be imposed by voters in cities, counties, or special districts. The revenues are collected by the state for each jurisdiction and are not included in the state's revenue totals.

[4/]Various jurisdictions are authorized in statute to have a higher cap than 2.00%.

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

Motor vehicle and parts dealers were the largest contributor to the sales tax base in the calendar year 2016, comprising nearly 13.3 percent of taxable sales. Food service sales saw strong growth of 6.7 percent from 2015 to 2016 and was the second-largest contributor to the sales tax base, with close to 12 percent. The third most significant contributor to the sales tax base is wholesale trade, which comprised 11.6 percent of the sales tax base.

Since July 1, 2010, the General Fund portion of the sales tax no longer applies to gasoline. Taxable sales, excluding gasoline, increased by 3.5 percent in 2015-16. Based on preliminary data, it is estimated that taxable sales increased by 3.8 percent in 2016-17. Growth is expected to increase to 4.6 percent in 2017-18, followed by 4.3 percent in 2018-19.

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 October 1, 2017

County	Tax Rate
Alameda	9.25%
Albany, Hayward, Newark, San Leandro, Union City	9.75%
Alpine	7.25%
Amador	7.75%
Butte	7.25%
Paradise	7.75%
Calaveras	7.25%
Colusa	7.25%
Williams	7.75%
Contra Costa	8.25%
Antioch, Concord, Hercules, Orinda, Pittsburg, Martinez, San Pablo, Pleasant Hill	8.75%
Moraga, Pinole, Richmond	9.25%
El Cerrito	9.75%
Del Norte	7.50%
El Dorado	7.25%
South Lake Tahoe	7.75%
Placerville	8.25%
Fresno	7.975%
Reedley, Selma	8.475%
Sanger	8.725%
Huron	8.975%
Glenn	7.25%
Orland	7.75%
Humboldt	7.75%
Arcata, Eureka, Fortuna Trinidad	8.50%
Rio Dell	8.75%
Imperial	7.75%
Calexico, El Centro	8.25%
Inyo	7.75%
Kern	7.25%
Ridgecrest, Wasco, Arvin, Delano	8.25%
Kings	7.25%
Corcoran	8.25%
Lake	7.25%
Clearlake, Lakeport	8.75%
Lassen	7.25%
Los Angeles	9.50%
Avalon, Commerce	10.00%
Compton, La Mirada, Long Beach, Pico Rivera, South Gate, Lynwood, Santa Monica	10.25%
Madera	7.75%
City of Madera	8.25%
Marin	8.25%
Novato	8.50%
Corte Madera, Larkspur, San Anselmo, Sausalito	8.75%
Fairfax, San Rafael	9.00%

County	Tax Rate
Mariposa	7.75%
Mendocino	7.375%
Point Arena, Willits	7.875%
Ukiah, Fort Bragg	8.375%
Merced	7.75%
Atwater, Gustine	8.25%
Los Banos, Merced	
Modoc	7.25%
Mono	7.25%
Mammoth Lakes	7.75%
Monterey	7.750%
Gonzales, King City	8.250%
Carmel-by-the-Sea, Marina, Monterey, Pacific Grove, Sand City, Soledad	8.750%
Del Rey Oaks, Salinas, Seaside	9.250%
Greenfield	9.50%
Napa	7.75%
St. Helena	8.25%
Nevada	7.50%
Grass Valley	8.00%
Truckee	8.25%
Nevada City	8.75%
Orange	7.75%
La Habra	8.25%
Stanton, La Palma, Fountain Valley, Westminster	8.75%
Placer	7.25%
Loomis	7.50%
Plumas	7.25%
Riverside	7.75%
Hemet, Indio, La Quinta, Cathedral City, Coachella, Palm Springs, Temecula, Menifee, Riverside	8.75%
Sacramento	7.75%
Galt, Sacramento, Rancho Cordova	8.25%
Isleton	8.75%
San Benito	7.25%
San Juan Bautista	8.00%
Hollister	8.25%
San Bernardino	7.75%
Montclair, San Bernardino	8.00%
Town of Yucca Valley	8.75%
San Diego	7.75%
El Cajon, Vista, Chula Vista	8.25%
La Mesa	8.50%
National City, Del Mar	8.75%
San Francisco	8.50%
San Joaquin	7.75%
Manteca, Tracy	8.25%
Lathrop	8.75%
Stockton	9.00%

County	Tax Rate
San Luis Obispo	7.25%
Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo	7.75%
San Mateo	8.75%
San Mateo	9.00%
South San Francisco, East Palo Alto, Belmont	9.25%
Santa Barbara	7.75%
Guadalupe, Santa Maria	8.00%
Santa Clara	9.00%
Campbell, San Jose	9.25%
Santa Cruz	8.50%
Capitola, Santa Cruz, Scotts Valley	9.00%
Watsonville	9.25%
Shasta	7.25%
Anderson	7.75%
Sierra	7.25%
Siskiyou	7.25%
Mount Shasta, Weed	7.50%
Dunsmuir, Yreka	7.75%
Solano	7.375%
Vacaville	7.625%
Rio Vista	8.125%
Benecia, Fairfield, Vallejo, Suisun City	8.375%
Sonoma	8.125%
Healdsburg, Rohnert Park, Santa Rosa, Sonoma	8.625%
Sebastopol	8.875%
Cotati	9.125%
Stanislaus	7.375%
Ceres, Oakdale	7.875%
Sutter	7.25%
Tehama	7.25%
Red Bluff	7.50%
Corning	7.75%
Trinity	7.25%
Tulare	7.75%
Tulare	8.25%
Farmersville, Porterville, Visalia, Dinuba	8.50%
Lindsay	8.75%
Tuolumne	7.25%
Sonora	7.75%
Ventura	7.25%
Oxnard, Port Hueneme Ventura	7.75%
Santa Paula	8.25%
Yolo	7.25%
West Sacramento Woodland	8.00%
Davis	8.25%
Yuba	7.25%
Wheatland	7.75%
Marysville	8.25%

A General Fund sales tax exemption for manufacturing equipment commenced July 1, 2014. The sales tax exemption applies to purchases of manufacturing or biotechnology research and development equipment, valued at up to $200 million in qualifying purchases per business, per year. Utilization of this exemption was about $182 million in 2016-17, and is forecast to be $235 million in 2017-18 and $291 million in 2018-19. The exemption was expanded beginning in 2018 to include manufacturing equipment used in electric power generation and agricultural processing, accounting for additional utilization of $43 million in 2017-18 and $88 million in 2018-19.

Corporation Tax

The corporation tax is expected to generate $10.1 billion in 2016-17, $10.7 billion in 2017-18, and $11.2 billion in 2018-19. These figures reflect reductions of $95 million in 2016-17, $239 million in 2017-18, and $24 million in 2018-19. Corporation tax revenues are expected to contribute 8.3 percent of all General Fund revenues in 2018-19. These figures also reflect a reduction of $248 million in 2017-18 and $259 million in 2018-19 due to the managed care organization tax.

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 $2.4 billion in 2016-17, $2.4 billion in 2017-18, and $2.5 billion in 2018-19. These figures reflect a reduction of $61 million in 2016-17, $100 million in 2017-18, and $90 million in 2018-19. These figures also include a $151 million reduction in 2017-18 and a $158 million reduction 2018-19 due to the managed care organization tax.

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 percent in 2017-18 and 1.5 percent in 2018-19. Revenues from this tax were $368 million in 2016-17 and are estimated to be $376 million in 2017-18 and

$382 million in 2018-19.

Cannabis Excise Taxes

Proposition 64, the Adult Use of Marijuana Act, levies new excise taxes on the cultivation and retail sale of both recreational and medical cannabis as of January 1, 2018. The cultivation tax is $9.25 per ounce of flower, $2.75 per ounce of leaves, and $1.29 per ounce of fresh cannabis plant to be paid on all recreational and medicinal cultivation of cannabis. In addition, there will be a 15-percent tax on the retail price of cannabis. Cannabis excise taxes are expected to generate $175 million in 2017-18 and $643 million in 2018-19. (See the Statewide Issues and Various Departments Chapter for additional discussion.)

Cigarette Tax

The California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56), passed by the voters in November 2016, increased the excise tax rate on cigarettes, tobacco products, and electronic cigarettes. The excise tax increased by $2 from 87 cents to $2.87 per pack of 20 cigarettes on distributors selling cigarettes in California, effective April 1, 2017. The equivalent excise tax on the distribution of other tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff also increased by $2 from a $1.37-equivalent to a $3.37-equivalent tax, effective July 1, 2017. Lastly, Proposition 56 newly imposes the $3.37-equivalent tobacco products tax to electronic cigarettes. The $1.37-equivalent portion of that tax was imposed beginning April 1, 2017 while the additional $2-equivalent tax was imposed beginning July 1, 2017. The ad valorem excise tax rate on other tobacco products is calculated annually by the California Department of Tax and Fee Administration based on the wholesale price of cigarettes and the excise tax on cigarettes.

Revenues from the tax on cigarettes and other tobacco products are distributed as follows:

- Ten cents of the per-pack tax is allocated to the General Fund.
- Fifty cents of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products, goes to the California Children and Families First Trust Fund for distribution according to the provisions of Proposition 10 of 1998.
- Twenty-five cents of the per-pack tax, and a rate equivalent to 87 cents levied on non-cigarette tobacco products and electronic cigarettes, is allocated to the Cigarette and Tobacco Products Surtax Fund for distribution as determined by Proposition 99 of 1988.
- Two cents of the per-pack tax is deposited into the Breast Cancer Fund.
- As of April 1, 2017, two dollars of the per-pack tax, and an equivalent rate levied on

non-cigarette tobacco products and electronic cigarettes, goes to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund for distribution according to the provisions of Proposition 56 of 2016.

As of June 9, 2016, California raised the minimum age to legally purchase cigarettes and other tobacco products from 18 to 21 years, with an exemption for active-duty military personnel. Although raising the legal smoking age is expected to slow initiation rates among young smokers, the negative revenue impact is forecast to be small through 2018-19.

Projections of cigarette tax revenues are based on projected per capita consumption of cigarettes, population growth, and the impact from the higher smoking age as well as the increased prices due to Proposition 56. Revenue estimates for other tobacco products, which now include electronic cigarettes, also reflect recent law changes. The cumulative effect of product price and tax increases, the increasingly restrictive environments for smokers, and anti-smoking campaigns (including state campaigns funded by Proposition 99 Tobacco Tax and Health Protection Act revenues and revenues from the Master Tobacco Settlement) have reduced cigarette consumption considerably.

Annual per capita consumption (based on population ages 18-64) was 184 packs in 1980-81, 123 packs in 1989-90, 84 packs in 1997-98, and 34 packs in 2016-17. Due primarily to higher prices from Proposition 56, per capita consumption is forecast to decline to 26 packs in 2017-18, the first full fiscal year that Proposition 56 is in effect. Tax-paid packs of cigarettes were 804 million in 2016-17. In 2017-18, tax-paid packs of cigarettes are forecast to decline to 649 million.

Figure REV-11 shows the distribution of tobacco tax revenues for the General Fund and various special funds for 2015-16 through 2017-18.

Other Revenues

Unclaimed Property

The Budget reflects receipts of $400 million in 2017-18 and $393 million in 2018-19. These numbers reflect ongoing efforts to maintain holder compliance with Unclaimed Property Law.

Indian Gaming

The Budget reflects General Fund revenues from tribal gaming of $234.5 million in 2016-17, $31.6 million in 2017-18, and $1.8 million in 2018-19. This decline reflects the approval of recent compacts which redirect payments away from the General Fund to dedicated funds.

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

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
General Fund	$80.3	$64.9	$63.0
Cigarette and Tobacco Products Surtax Fund	$246.0	$215.8	$211.7
Breast Cancer Fund	$16.0	$13.0	$12.6
California Children and Families First Trust Fund	$426.7	$355.4	$346.4
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	$466.6	$1,421.8	$1,385.2
Total	**$1,235.6**	**$2,070.9**	**$2,018.9**

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 $128 million and $186 million in 2017-18 and 2018-19, 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 5.5 percent in 2016, with activity in the 2016 calendar year driving fiscal year 2017-18 assessed valuations for property tax purposes. This is lower than the 6-percent increase in median sales prices that occurred in 2015. While both median prices and sales volumes declined slightly from 2015 to 2016, the Budget anticipates property tax revenues will continue to show positive growth. Demand for homes continues to outpace supply in many major population centers, and California real estate continues to be an attractive investment for rental property investors as well as long-term buyers.

Statewide property tax revenues are estimated to increase almost 6 percent in 2017-18 and 5.6 percent in 2018-19. Approximately 42 percent ($29 billion) of 2018-19 property tax revenues will go to K-14 schools. While this amount includes $1.6 billion that schools are expected to

receive in 2018-19 pursuant to the dissolution of the redevelopment agencies, it excludes the $8.5 billion shifted from schools to cities and counties to replace Vehicle License Fee (VLF) revenue losses stemming from the reduced VLF rate of 0.65 percent.

Special Fund Revenue

The California Constitution and state statutes specify into which funds certain revenues must be deposited and how they are to be spent.

Total special fund revenues, excluding transfers, are estimated to be $56.2 billion in 2018-19. Taxes and fees related to motor vehicles are expected to comprise 31.4 percent of all special fund revenue in 2018-19. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2018-19, it is expected that about $17.9 billion in revenues will be derived from the ownership or operation of motor vehicles.

Motor Vehicle Fees

Motor vehicle fees and taxes consist of vehicle license, registration, weight, driver license, and other charges related to vehicle operation. Figure REV-12 displays revenue from these sources from 2016-17 through 2018-19.

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

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
Vehicle License Fees	$2,649,030	$2,775,708	$2,892,285
Registration, Weight, and Other Fees	4,517,248	4,858,268	4,987,505
Transportation Improvement Fee	0	727,000	1,510,000
Total	**$7,166,278**	**$7,633,976**	**$9,389,790**

The Vehicle License Fee (VLF) is imposed on vehicles registered in California that travel on public highways. The current VLF tax rate is 0.65 percent. In addition, the Road Repair and Accountability Act of 2017 (SB 1) added a new graduated fee at $25 to $175 per vehicle beginning November 1, 2017. These taxes are imposed in lieu of a local personal property tax on automobiles and are administered by the Department of Motor Vehicles. The number of vehicles in the state, the ages of those vehicles, and their most recent sales price affect the amount of VLF collected. The total number of vehicles in California—autos, trucks, trailers, and motorcycles, including vehicles registered in multiple states—is estimated to be 32.9 million in 2017-18 and will be 32.9 million in 2018-19. The forecast projects 2.5 million new vehicles registered in both 2017-18 and 2018-19.

Beginning April 1, 2017, the base vehicle registration fee increased by $10 and is indexed to inflation. Including other fees in current law and inflation indexing, the total vehicle registration fee is expected to be $82 in 2018.

In addition to the VLF, truck owners pay a fee based on vehicle weight. Due partly to the expected increase in truck sales, weight fee revenues are expected to be $1.12 billion in 2017-18 and increase 2.3 percent to $1.14 billion in 2018-19.

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)

	2016-17 Preliminary	2017-18 Forecast	2018-19 Forecast
Gasoline[1/]	$4,301,314	$5,851,420	$7,058,259
Diesel	541,435	978,063	1,195,159
Total	**$4,842,749**	**$6,829,483**	**$8,253,418**

[1/]Does not include jet fuel.

Gasoline consumption increased 1.5 percent in 2016-17 compared to the prior fiscal year. While continued gains in the average fuel economy of cars and trucks on the road as well as the state's policies to reduce greenhouse gas emissions are expected to support long-term declines in gasoline consumption, lower gasoline prices have supported continued gains in consumption through 2016-17. Gasoline consumption is expected to decline 0.1 percent in 2017-18 and 0.6 percent in 2018-19 due to a combination of higher gas prices and a more fuel-efficient fleet.

Because most diesel fuel is consumed by the commercial trucking industry, consumption is affected most significantly by general economic conditions. Robust industrial activity contributed to an increase of 6.1 percent in diesel consumption in 2016-17. Diesel consumption is expected to increase by 1 percent in 2017-18 and 0.5 percent in 2018-19.

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 was taxed at a rate of 29 cents per gallon in 2017-18 until November 1. With the passage of the Road Repair and Accountability Act of 2017 (SB 1), a new 12-cent excise tax was added to gasoline sales beginning November 1, 2017, bringing the rate to 41.5 cents for the last eight months of 2017-18. The tax rate is calculated at 45.7 cents per gallon in 2018-19. A portion of the excise rate is adjusted annually to maintain revenue neutrality under a fuel tax swap implemented in 2010-11 that exempted gasoline from the General Fund sales tax and increased the excise tax rate. Fiscal year 2018-19 is the last year that this adjustment will be made.

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 16 cents per gallon in 2016-17. SB 1 increased the excise tax rate by 20 cents on November 1, 2017. As such, the excise tax on diesel was 16 cents for the first four months of 2017-18 before increasing to 36 cents for the remainder of 2017-18 and 2018-19. Dyed diesel fuel, which is used for off-highway purposes such as farm equipment, is not taxed.

Beginning in 2020-21, the excise rates which apply to both gasoline and diesel will begin to increase automatically to keep in line with inflation.

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 2018-19 is displayed in Schedule 3 in the Appendix.

Figure REV-14
Outline of State Tax System as of January 1, 2018

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	$2.87[2/]	Tax & Fee Admin	See below[2/]
Other Tobacco Products	Wholesale cost	65.08%[3/]	Tax & Fee Admin	See below[3/]
Insurance				
Insurers	Gross Premiums	2.35%[4/]	Insurance Dept.	General
Managed Care Organization Tax	Number of enrollees	Various[5/]	Health Care Services	Health and Human Services Special Fund
Cannabis				
Cannabis Excise	Retail Cost	15.00%	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Flower	Ounce	$9.25	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Trim	Ounce	$2.75	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Fresh Plant	Ounce	$1.29	Tax & Fee Admin	Cannabis Tax Fund
Motor Vehicle				
Vehicle License Fees (VLF)	Market value	0.65%	DMV	VLF, Local Revenue[6/]
Transportation Improvement Fee	Market value	$25-$175	DMV	Transportation
Fuel—Gasoline	Gallon	$0.415[7/]	Tax & Fee Admin	Motor Vehicle Fuel[7/]
Fuel—Diesel	Gallon	$0.36[9/]	Tax & Fee Admin	Motor Vehicle Fuel
Registration Fees	Vehicle	$82.00	DMV	Motor Vehicle[10/]
Weight Fees	Gross Vehicle Wt.	Various	DMV	State Highway
Personal Income	Taxable income	1.0-12.3%[11/]	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	7.25%[12/]	Tax & Fee Admin	See below[12/]

[1/] Minimum Tax is $800 per year for existing corporations. New corporations are exempt for their first taxable year.

[2/]This tax is levied at the combined rate of 10 cents/pack of 20 cigarettes for the General Fund, 25 cents/pack for the Cigarette and Tobacco Products Surtax Fund, 2 cents/pack for the Breast Cancer Fund, 50 cents/pack for the California Children and Families First Trust Fund, and $2 for the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. The additional $2 excise tax was effective as of April 1, 2017.

[3/]The surtax rate is determined annually by the California Department of Tax and Fee Administration and is equivalent to the combined rate of tax applied to cigarettes, with funding for the Cigarette and Tobacco Products Surtax Fund and California Children and Families First Trust Fund. Effective July 1, 2017, through June 30, 2018, the rate is 65.08 percent of the wholesale cost.

[4/]Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans, surplus lines, certain health insurance, and nonadmitted insurance.

[5/]From July 1, 2016 to June 30, 2019, a tax is levied on health care plans at various rates based on enrollment in each applicable health plan using October 2014 to September 2015 data.

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

[7/]As part of SB 1 implemented beginning November 1, 2017, an add-on rate of 12 cents went into effect on top of the existing rate of 29.7 cents. Beginning in 2020 the rates will grow to keep in line with inflation.

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

[9/]As part of SB 1, two 10-cent add-on rates went into effect on top of the existing 16-cent rate. Beginning in 2020 these rates will grow to keep in line with inflation.

[10/]For support of State Department of Motor Vehicles, California Highway Patrol, other agencies, and motor vehicle related programs. A $10 increase was effective April 1, 2017.

[11/]Proposition 30 was passed by the California voters in November 2012. Proposition 30, for tax years 2012 through 2018, created three new income tax brackets with rates of 10.3 percent for taxable income over $250,000, 11.3 percent for taxable income over $300,000, and 12.3 percent for taxable income over $500,000. Proposition 55 was passed by the California voters in November 2016 and extended these new income tax brackets until 2030.

[12/]The 7.25-percent rate includes the rates for General Fund, Special Funds, and uniform local rates. Additionally, cities and counties may generally assess up to an additional 2.00 percent to the statewide rate.

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Appendices and Schedules

Budget Process Overview

The Governor's Budget is the result of a process that begins more than one year before the Budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through early to mid-December. In the event the Governor would like to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance proposes adjustments to the Legislature during budget hearings through Finance Letters. In May, Finance submits revised revenue and expenditure estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. Finance also prepares monthly economic and cash revenue updates during the fiscal year. The list below describes the key documents used in the budget process.

Title	Purpose	Prepared/Issued by	When
Budget Letters	Convey the Administration's guidelines for budget preparation to agencies and departments.	Governor/Finance	January through December
Budget Change Proposals	Documents that propose to modify or change the existing level of service, propose new programs, or delete existing programs.	Agencies and departments submit to Finance analysts	August and 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 proposed 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	Summer
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Summer

Adjustments in Accounting Methods and Prior Year Fund Balances

Government Code section 13344 requires the Department of Finance to clearly note in the Governor's Budget or related documents any adjustments of prior year fund balances and accounting methods. This requirement is to ensure the closest possible comparability of the Governor's Budget with the State Controller's Budgetary-Legal Basis Annual Report (Annual Report).

Accounting Methods

Starting with fiscal year 2017-18, Fund 8001 Teachers' Health Benefits Fund, which is administered by the California State Teachers' Retirement System, has transitioned from the cash basis of accounting to the full accrual basis. The change in the basis of accounting results in a minor adjustment in the fund's beginning balance and is more consistent with the Generally Accepted Accounting Principles.

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 instructing and assisting departments 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 or will be completed for all special funds. Special fund balances included in the Governor's Budget were reconciled using the best information available at the time. However, final balances for the Annual Report and certain actual revenue or expenditure amounts are not available during the preparation of the Governor's Budget. Therefore, there will be some remaining variances in the spring when final balances become available. Finance will follow up the efforts in the spring to evaluate if additional budget changes are necessary.

Statewide Financial Information

Provides various statewide displays of financial information included in the Budget that may be the most useful to the public, private sector, or other levels of government. Each statewide display includes a description of the information included.

Schedule 1 General Budget Summary—Total statewide revenues and expenditures for the General Fund and special funds, and expenditure totals for selected bond funds.

Schedule 2 Summary of State Tax Collections—State tax collections per capita and per $100 of personal income.

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

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 Past Fiscal Year Cash Flow—Actual receipts, disbursements, borrowable resources, and cash flow loan balances for the last fiscal year.

Schedule 5C Estimated Current Fiscal Year Cash Flow—Projected receipts, disbursements, borrowable resources, and cash flow loan balances for the current fiscal year.

Schedule 5D Estimated Budget Fiscal Year Cash Flow—Projected receipts, disbursements, borrowable resources, and cash flow loan balances for the next fiscal year.

Schedule 6 Summary of State Population, Employees, and Expenditures—Historical data of state population, employees, personal income, revenues, and expenditures.

Schedule 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.

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/]
AT 2018-19 GOVERNOR'S BUDGET
(In Thousands)

	Reference to Schedule	General Fund	Special Funds	Selected Bond Fund Expenditures	Expenditure Totals
2016-17					
Prior year resources available	10	$5,029,305	$20,913,991		
Revenues and transfers	8	118,668,855	47,098,850		
Expenditures	9	119,087,456	44,254,712	$2,340,008	$165,682,176
Fund Balance	10	$4,610,704	$23,758,129		
Reserve for Liquidation of Encumbrances [2/]		*1,164,703*	--		
Reserves for Economic Uncertainties [3/]		--	*23,758,129*		
Special Fund for Economic Uncertainties [3/]		*3,446,001*	--		
Budget Stabilization Account/Rainy Day Fund		*6,713,422*			
2017-18					
Prior year resources available	10	$4,610,704	$23,758,129		
Revenues and transfers	8	127,251,523	55,912,323		
Expenditures	9	126,511,312	55,851,453	$6,317,567	$188,680,332
Fund Balance	10	$5,350,915	$23,818,999		
Reserve for Liquidation of Encumbrances [2/]		*1,164,703*	--		
Reserves for Economic Uncertainties [3/]		--	*23,818,999*		
Special Fund for Economic Uncertainties [3/]		*4,186,212*	--		
Budget Stabilization Account/Rainy Day Fund		*8,411,422*	--		
2018-19					
Prior year resources available	10	$5,350,915	$23,818,999		
Revenues and transfers	8	129,791,458	61,470,022		
Expenditures	9	131,690,040	56,154,020	$2,475,361	$190,319,421
Fund Balance	10	$3,452,333	$29,135,001		
Reserve for Liquidation of Encumbrances [2/]		*1,164,703*	--		
Reserves for Economic Uncertainties [3/]		--	*29,135,001*		
Special Fund for Economic Uncertainties [3/]		*2,287,630*	--		
Budget Stabilization Account/Rainy Day Fund		*13,461,422*	--		

[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.

[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 AT 2018-19 GOVERNOR'S BUDGET
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	State Tax Collections (Dollars in Millions) Total	Taxes per Capita[1/] General Fund	Taxes per Capita[1/] Total	Taxes per $100 of Personal Income[3/] General Fund	Taxes per $100 of Personal Income[3/] Total
1967	$3,870	$3,558	$4,676	$185.55	$243.86	$4.80	$6.30
1968	4,189	3,963	5,173	203.94	266.21	4.87	6.36
1969	4,668	4,126	5,409	208.96	273.94	4.48	5.87
1970	4,962	4,290	5,598	214.08	279.36	4.31	5.63
1971	5,210	5,213	6,597	256.22	324.24	4.92	6.22
1972	5,652	5,758	7,231	279.72	351.28	4.95	6.21
1973	6,116	6,377	7,877	305.57	377.45	5.00	6.17
1974	6,722	8,043	9,572	379.85	452.06	5.65	6.73
1975	7,306	9,050	10,680	420.19	495.87	5.75	6.79
1976	7,953	10,781	12,525	491.48	570.98	6.18	7.18
1977	8,660	12,951	14,825	579.41	663.25	6.69	7.66
1978	9,656	14,188	16,201	621.30	709.45	6.43	7.35
1979	10,750	16,904	19,057	726.83	819.41	6.76	7.62
1980	11,933	17,808	20,000	748.80	840.97	6.27	7.05
1981	13,131	19,053	21,501	784.78	885.62	5.98	6.74
1982	13,738	19,567	22,359	788.83	901.39	5.74	6.56
1983	14,549	22,300	25,674	880.14	1,013.30	6.05	6.96
1984	15,880	25,515	29,039	988.34	1,124.85	6.22	7.08
1985	16,790	26,974	30,898	1,021.63	1,170.25	6.08	6.97
1986	17,604	31,331	35,368	1,158.18	1,307.41	6.58	7.43
1987	18,529	31,228	35,611	1,126.67	1,284.81	6.08	6.93
1988	19,652	35,647	40,613	1,255.49	1,430.39	6.39	7.28
1989	20,623	37,248	43,052	1,278.16	1,477.32	6.20	7.16
1990	21,579	36,828	43,556	1,234.66	1,460.21	5.72	6.77
1991	21,825	40,072	48,856	1,315.62	1,604.01	6.03	7.35
1992	22,627	39,197	48,230	1,264.93	1,556.44	5.59	6.88
1993	22,929	38,351	48,941	1,224.72	1,562.90	5.34	6.82
1994	23,498	41,099	50,648	1,303.75	1,606.67	5.55	6.84
1995	24,566	44,825	54,805	1,413.51	1,728.20	5.75	7.03
1996	25,920	47,955	58,400	1,500.33	1,827.10	5.79	7.05
1997	27,152	53,859	64,826	1,659.61	1,997.56	6.11	7.36
1998	29,215	58,199	69,724	1,770.96	2,121.65	6.06	7.26
1999	30,713	70,027	81,773	2,095.45	2,446.93	6.82	7.97
2000	33,353	75,668	88,147	2,225.47	2,592.50	6.67	7.77
2001	33,639	62,679	73,295	1,816.12	2,123.70	5.40	6.31
2002	33,836	64,879	75,420	1,856.95	2,158.65	5.49	6.38
2003	35,099	70,229	81,628	1,984.49	2,306.60	5.65	6.57
2004	37,364	80,070	93,764	2,239.55	2,622.57	5.99	7.02
2005	39,347	90,468	105,860	2,514.02	2,941.74	6.39	7.48
2006	42,070	93,237	109,390	2,572.28	3,017.93	6.11	7.17
2007	43,331	95,290	111,778	2,606.95	3,058.01	6.02	7.06
2008	43,860	79,398	95,020	2,154.26	2,578.12	4.91	5.88
2009	42,092	84,537	99,284	2,280.02	2,677.76	5.42	6.36
2010	43,314	89,910	106,942	2,408.20	2,864.37	5.56	6.61
2011	45,850	82,850	106,351	2,199.04	2,822.80	4.80	6.16
2012	48,329	95,444	119,798	2,508.87	3,149.04	5.19	6.52
2013	48,522	101,187	127,388	2,636.88	3,319.67	5.43	6.84
2014	51,266	112,158	139,983	2,895.15	3,613.41	5.65	7.05
2015[p/]	54,626	117,083	144,154	2,997.52	3,690.60	5.49	6.76
2016[e/]	56,238	120,717	146,457	3,068.16	3,722.38	5.46	6.62
2017[e/]	58,082	128,103	158,593	3,228.93	3,997.43	5.56	6.88
2018[e/]	60,589	133,922	168,137	3,346.94	4,202.05	5.52	6.94

[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 AT 2018-19 GOVERNOR'S BUDGET
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2018-19
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	3,202,512	3,889,602
2003	26,506,911	36,398,983	6,925,916	1,081,588	397,848	2,114,980	312,826	3,324,883	4,415,126
2004	29,967,136	42,992,007	8,670,065	1,096,224	213,036	2,232,955	314,252	3,366,142	4,873,705
2005	32,201,082	51,219,823	10,316,467	1,088,703	3,786	2,202,327	318,276	3,393,381	5,078,529
2006	32,669,175	53,348,766	11,157,898	1,078,536	6,348	2,178,336	333,789	3,399,694	5,147,341
2007	31,972,874	55,745,970	11,849,097	1,037,287	6,303	2,172,936	327,260	3,351,268	5,212,811
2008	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,162,299	5,566,642
2009	31,197,154	45,650,901	9,114,589	922,986	0	2,180,786	311,242	3,149,144	6,726,967
2010	30,996,372	50,507,989	9,613,594	905,245	0	2,307,022	334,178	5,705,528	6,558,121
2011	28,542,238	55,449,292	7,233,000	895,677	0	2,416,073	346,000	5,544,530	5,907,866
2012	31,007,290	66,809,000	7,462,000	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	6,065,748	6,226,553
2014	35,263,084	77,929,551	9,007,182	832,379	0	2,444,573	357,373	5,713,698	6,510,898
2015	36,359,764	80,541,269	10,459,561	840,034	0	2,561,932	368,699	5,003,317	6,833,037
2016[p/]	35,359,066	84,652,741	10,116,338	1,235,605	0	2,422,105	368,345	4,845,821	7,157,272
2017[e/]	35,702,437	91,491,845	10,655,743	2,070,914	0	2,438,099	375,993	6,832,602	8,327,823
2018[e/]	37,124,184	95,822,633	11,224,200	2,018,948	0	2,507,639	381,929	8,256,518	9,298,169

[1/] Includes the 0.5 percent Local Revenue Fund, the 1.0625 percent Local Revenue Fund 2011, and the state sales tax rate of 6 percent from April 1, 2009 to June 30, 2011. Includes the 0.25 percent sales tax, effective July 1, 2004 through December 31, 2015, for repayment of economic recovery bonds. Includes passage of Proposition 30, which increased the General Fund sales tax rate from January 1, 2013 to December 31, 2016.

[2/] Includes the revenue for a 1-percent surcharge on taxable incomes over $1 million, with proceeds funding mental health programs. Includes the 0.25-percent surcharge and reduced dependent exemption credit effective for tax years 2009 and 2010. Also includes the impact of Proposition 30, which establishes three additional tax brackets for tax years 2012 through 2018. In November 2016, voters approved Proposition 55, which extends the three additional tax brackets through 2030.

[3/] Includes the corporation tax, corporation income tax, LLC fees, and minimum franchise tax for corporations, partnerships, LLCs, and LLPs. From 1989 to 1997, it included the unitary election fee. Includes impact of Proposition 39 beginning in tax year 2012. Includes a reduction for the managed care organizations tax of $240 million in 2016-17, $248 million in 2017-18, and $259 million in 2018-19.

[4/] Proposition 99 (November 1988) increased the cigarette tax to $0.35 per pack and added an equivalent tax to other tobacco products. The Breast Cancer Act added $0.02 per pack effective 1/1/94. Proposition 10 (November 1998) increased the cigarette tax to $0.87 per pack and added the equivalent of $1.00 tax on other tobacco products. Proposition 56 (November 2016) increased the cigarette tax to $2.87 per pack, effective April 1, 2017, and added the equivalent of a $2.00 tax to other other tobacco products, effective July 1, 2017. Proposition 56 also defined electronic cigarettes as other tobacco products for purposes of taxation.

[5/] Proposition 6, an initiative measure adopted by the voters in June 1982, repealed the inheritance and gift taxes and imposed instead an estate tax known as "the pick-up tax," because it is designed to pick up the maximum credit allowed against the federal estate tax. The federal estate tax has undergone many changes since 2001. It was reinstated in January 2013 for deaths on and after January 1, 2013. The new federal tax operates in such a way to effectively eliminate the state pick-up estate tax.

[6/] Includes insurance gross premiums tax on Medi-Cal managed care plans through June 30, 2013, to provide interim funding for the Healthy Families and Medi-Cal programs. Includes a reduction for the managed care organizations tax of $146 million in 2016-17, $151 million in 2017-18, and $158 million in 2018-19.

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

[8/] Motor vehicle fuel tax (gasoline) and use fuel tax (diesel and other fuels). The gasoline excise tax was 29.7 cents per gallon for the first four months of 2017-18, 41.5 cents for the last 8 months, and expected to be 45.7 cents in 2018-19. The diesel excise tax was 16 cents for the first four months of 2017-18 and will be 36 cents for the last 8 months of 2017-18 and for the entire 2018-19.

[9/] Registration and weight fees, motor vehicle license fees, and other fees. Includes $727 million in 2017-18 and $1.5 billion in 2018-19 from a new graduated fee at $25 to $175 per vehicle.

[p/] Preliminary.
[e/] Estimated.

SCHEDULE 4
POSITIONS AND SALARY COST ESTIMATES AT 2018-19 GOVERNOR'S BUDGET
(Excludes Staff Benefits[1/])
(Dollars in Thousands)

	Positions			Dollars		
	Actuals 2016-17*	Estimated 2017-18*	Proposed 2018-19*	Actuals 2016-17*	Estimated 2017-18*	Proposed 2018-19*
Executive						
Executive	14,393.9	10,138.1	10,384.6	$1,163,083	$908,465	$963,132
Business, Consumer Services, and Housing	5,152.8	5,327.2	5,576.4	352,477	382,487	411,416
Transportation	38,375.4	38,487.9	38,940.4	3,428,784	3,529,262	3,530,933
Natural Resources	18,498.9	16,217.5	17,058.5	1,479,518	1,480,988	1,563,907
California Environmental Protection	5,380.6	5,567.5	5,624.4	472,655	535,209	523,812
Health and Human Services	30,278.3	29,745.9	29,641.3	2,364,029	2,286,704	2,434,568
Corrections and Rehabilitation	53,662.3	56,537.9	57,088.5	4,774,401	4,985,455	5,214,442
Education						
K thru 12 Education	2,525.4	2,487.1	2,489.1	178,356	176,612	184,210
Community Colleges/Other	295.7	306.6	309.6	28,624	29,685	30,923
Labor and Workforce Development	11,071.5	10,663.5	10,596.1	742,024	757,106	751,550
Government Operations	15,533.7	19,097.3	19,210.7	1,094,986	1,425,588	1,446,782
General Government	12,428.4	12,312.0	12,497.2	812,607	723,649	1,838,186
SUBTOTAL, EXECUTIVE	**207,596.9**	**206,888.5**	**209,416.8**	**$16,891,544**	**$17,221,210**	**$18,893,861**
Higher Education						
University of California	103,322.2	109,575.8	109,576.2	$9,523,175	$10,588,215	$10,589,377
Hastings College of Law	242.5	243.4	243.4	25,715	25,522	25,522
California State University	48,093.2	49,229.0	49,229.0	3,074,263	3,172,341	3,172,341
SUBTOTAL, HIGHER EDUCATION	**151,657.9**	**159,048.2**	**159,048.6**	**$12,623,153**	**$13,786,078**	**$13,787,240**
Legislative [1/]	750.0	750.0	750.0	$65,844	$69,176	$69,176
Judicial	1,737.8	1,750.4	1,761.4	208,472	211,173	212,389
GRAND TOTAL	**361,742.6**	**368,437.1**	**370,976.8**	**$29,789,013**	**$31,287,637**	**$32,962,666**

[1/] The numbers of positions include 120 legislators and staff at the Legislative Counsel Bureau. The numbers do not include the Legislature's staff or the Legislative Analyst's Office. Certain benefits of the legislators are included in the dollars.

* Numbers may not add or match to other statements due to rounding of budget details.

SCHEDULE 5A
STATEMENT OF ESTIMATED ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
GENERAL FUND
(Dollars In Thousands)

	Actual 2016-17 Fiscal Year Accruals [1/]			Estimated 2017-18 Fiscal Year Accruals [2/]			Estimated 2018-19 Fiscal Year Accruals [2/]		
	Accounts payable June 30, 2017	*Accounts receivable June 30, 2017*	*Net accruals June 30, 2017*	*Accounts payable June 30, 2018*	*Accounts receivable June 30, 2018*	*Net accruals June 30, 2018*	*Accounts payable June 30, 2019*	*Accounts receivable June 30, 2019*	*Net accruals June 30, 2019*
STATE OPERATIONS									
Legislative/Judicial/Executive	$378,469	$310,891	$67,578	$389,823	$320,218	$69,605	$401,518	$329,825	$71,693
Business, Consumer Services, and Housing	3,634	2,089	1,545	3,743	2,152	1,591	3,855	2,217	1,638
Transportation	63,051	1,372	61,678	64,943	1,413	63,530	66,891	1,455	65,436
Natural Resources	949,455	796,413	153,041	977,939	820,305	157,634	1,007,277	844,914	162,363
California Environmental Protection	42,807	13,315	29,491	44,091	13,714	30,377	45,414	14,125	31,289
Health and Human Services:									
Health Care Services	5,028	1,001	4,027	5,179	1,031	4,148	5,334	1,062	4,272
Developmental Services	52,290	112,705	-60,415	53,859	116,086	-62,227	55,475	119,569	-64,094
State Hospitals	108,364	26,504	81,860	111,615	27,299	84,316	114,963	28,118	86,845
Other Health and Human Services	175,850	203,062	-27,212	181,126	209,154	-28,028	186,560	215,429	-28,869
Corrections and Rehabilitation	1,150,135	695,447	454,688	1,184,639	716,310	468,329	1,220,178	737,799	482,379
Education:									
Department of Education	3,278	1,297	1,980	3,376	1,336	2,040	3,477	1,376	2,101
University of California	0	0	0	0	0	0	0	0	0
California State University	25,444	30	25,414	26,207	31	26,176	26,993	32	26,961
Other Education	24,161	2,671	21,491	24,886	2,751	22,135	25,633	2,834	22,799
Government Operations	110,255	107,663	2,593	113,563	110,893	2,670	116,970	114,220	2,750
General Government/Labor	817,756	1,548,400	-730,644	842,289	1,594,852	-752,563	867,558	1,642,698	-775,140
Totals, State Operations	**$3,909,977**	**$3,822,860**	**$87,115**	**$4,027,278**	**$3,937,545**	**$89,733**	**$4,148,096**	**$4,055,673**	**$92,423**
LOCAL ASSISTANCE									
Public Schools K-12	$916,186	$362,645	$553,540	$943,672	$373,524	$570,148	$971,982	$384,730	$587,252
California Community Colleges	277,838	32,828	245,010	286,173	33,813	252,360	294,758	34,827	259,931
Other Education	68,527	8,041	60,486	70,583	8,282	62,301	72,700	8,530	64,170
Health Care Services (Non-Medi-Cal)	507,213	100,943	406,269	522,429	103,971	418,458	538,102	107,090	431,012
Developmental Services	436,310	934,391	-498,082	449,399	962,423	-513,024	462,881	991,296	-528,415
State Hospitals	0	0	0	0	0	0	0	0	0
Social Services	470,487	1,201,559	-731,072	484,602	1,237,606	-753,004	499,140	1,274,734	-775,594
Other Health and Human Services	38,546	48,843	-10,297	39,702	50,308	-10,606	40,893	51,817	-10,924
Tax Relief	0	0	0	0	0	0	0	0	0
Other Local Assistance	16,734	7,877	8,857	17,236	8,113	9,123	17,753	8,356	9,397
Totals, Local Assistance	**$2,731,841**	**$2,697,127**	**$34,711**	**$2,813,796**	**$2,778,040**	**$35,756**	**$2,898,209**	**$2,861,380**	**$36,829**
TOTALS, ALL CHARACTERS	**$6,641,818**	**$6,519,987**	**$121,826**	**$6,841,074**	**$6,715,585**	**$125,489**	**$7,046,305**	**$6,917,053**	**$129,252**

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

[2/] 2017-18 and 2018-19 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 2016-17 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	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
RECEIPTS:													
Alcoholic Beverage Excise Tax	$43	$28	$31	$32	$32	$24	$44	$20	$31	$23	$30	$32	$371
Corporation Tax	227	73	1,023	240	-105	1,773	420	168	1,372	1,974	530	2,417	10,113
Cigarette Tax	7	2	13	2	12	1	14	1	13	0	10	3	78
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	1
Insurance Tax	17	295	321	15	271	288	10	26	242	448	214	282	2,428
Personal Income Tax	4,388	4,792	7,139	5,135	4,551	8,577	13,271	3,120	3,929	12,757	4,119	10,940	82,718
Retail Sales and Use Tax	694	3,239	2,004	883	3,101	2,139	1,172	3,063	1,998	697	3,406	2,317	24,712
Income from Pooled Money Investments	3	3	6	6	4	5	5	4	9	8	6	11	69
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	62	197	131	51	157	170	153	221	70	110	118	679	2,118
TOTAL, Receipts	**$5,441**	**$8,628**	**$10,668**	**$6,363**	**$8,023**	**$12,979**	**$15,090**	**$6,623**	**$7,664**	**$16,016**	**$8,433**	**$16,681**	**$122,608**
DISBURSEMENTS:													
State Operations:													
University of California	$258	$429	$258	$258	$258	$510	$258	$258	$258	$258	$467	$29	$3,496
Debt Service	-41	545	769	1,013	629	-369	-296	420	856	1,141	217	48	4,930
Other State Operations	2,516	1,871	1,911	2,466	1,541	2,370	1,785	1,718	1,365	2,217	1,827	1,343	22,930
Social Services	1,110	155	805	761	700	796	818	-283	827	1,354	318	519	7,880
Medi-Cal Assistance for DHCS	2,311	1,588	2,209	1,329	385	3,500	736	2,011	1,563	580	1,030	1,541	18,784
Other Health and Human Services	531	187	377	698	396	213	347	251	269	319	205	-19	3,775
Schools	2,665	3,375	6,461	3,872	4,436	6,509	4,633	4,018	5,736	3,535	3,642	5,126	54,009
Teachers' Retirement	456	0	0	780	0	456	0	0	0	780	0	0	2,473
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	635	0	0	0	0	0	635
Transfer to Budget Stabilization Account	0	0	1,294	0	0	0	0	0	0	0	0	1,483	2,777
Other	617	455	1,507	396	168	520	124	58	1,134	239	156	-260	5,113
TOTAL, Disbursements	**$10,422**	**$8,607**	**$15,590**	**$11,573**	**$8,511**	**$14,505**	**$9,038**	**$8,450**	**$12,009**	**$10,423**	**$7,862**	**$9,810**	**$126,801**
EXCESS RECEIPTS/(DEFICIT)	**-$4,981**	**$21**	**-$4,923**	**-$5,210**	**-$489**	**-$1,526**	**$6,051**	**-$1,827**	**-$4,345**	**$5,594**	**$571**	**$6,871**	**-$4,193**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$1,116	$0	$0	$0	$0	$0	$635	$0	$0	$0	$0	-$2	$1,749
Budget Stabilization Account	3,460	0	1,254	0	0	0	0	0	0	0	0	-1,624	3,091
Other Internal Sources	405	-21	3,669	5,210	489	1,526	-6,686	1,827	4,345	-5,594	-571	-5,245	-646
External Borrowing/RANs	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	**$4,981**	**-$21**	**$4,923**	**$5,210**	**$489**	**$1,526**	**-$6,051**	**$1,827**	**$4,345**	**-$5,594**	**-$571**	**-$6,871**	**$4,193**
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	$1,750	$1,750	$1,750	$1,750	$1,750	$1,749	$1,749
Budget Stabilization Account	3,460	3,460	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	6,197	6,197
Other Internal Sources	31,421	31,997	33,214	32,387	33,357	32,417	33,616	34,509	33,914	32,834	34,659	33,876	33,876
External Borrowing/RANs	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	**$35,997**	**$36,574**	**$39,044**	**$38,217**	**$39,188**	**$38,247**	**$40,081**	**$40,974**	**$40,379**	**$39,299**	**$41,124**	**$41,822**	**$41,822**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$1,116	$1,116	$1,116	$1,116	$1,116	$1,116	$1,750	$1,750	$1,750	$1,750	$1,750	$1,749	$1,749
Budget Stabilization Account	3,460	3,460	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	4,714	3,091	3,091
Other Internal Sources	1,051	1,030	4,699	9,909	10,398	11,924	5,238	7,064	11,410	5,816	5,245	0	0
External Borrowing/RANs	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	**$5,627**	**$5,606**	**$10,529**	**$15,739**	**$16,228**	**$17,754**	**$11,702**	**$13,529**	**$17,874**	**$12,281**	**$11,710**	**$4,839**	**$4,839**
UNUSED BORROWABLE RESOURCES	**$30,370**	**$30,967**	**$28,515**	**$22,478**	**$22,960**	**$20,493**	**$28,379**	**$27,445**	**$22,505**	**$27,018**	**$29,414**	**$36,983**	**$36,983**
CASH AND UNUSED BORROWABLE RESOURCES	**$30,370**	**$30,967**	**$28,515**	**$22,478**	**$22,960**	**$20,493**	**$28,379**	**$27,445**	**$22,505**	**$27,018**	**$29,414**	**$36,983**	**$36,983**

Note: Numbers may not add due to rounding.

Source: State Controller's Office

SCHEDULE 5C
ESTIMATED 2017-18 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	$37	$29	$32	$43	$30	$24	$44	$19	$31	$23	$27	$37	$376
Corporation Tax	363	95	1,065	286	-19	2,301	340	133	758	2,326	459	2,565	10,672
Cigarette Tax	6	9	1	11	1	9	6	1	7	5	5	4	65
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	23	321	252	24	282	291	10	27	245	460	217	286	2,438
Personal Income Tax	4,737	5,224	7,622	5,383	4,638	11,189	13,351	3,498	4,402	13,457	4,493	11,676	89,670
Retail Sales and Use Tax	900	3,124	1,902	936	3,301	1,876	1,147	3,214	2,074	807	3,526	2,235	25,042
Income from Pooled Money Investments	5	12	13	18	8	15	13	6	22	10	7	28	157
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	283	0	0	0	0	0	283
Other	37	156	277	82	167	146	109	70	55	53	78	624	1,854
TOTAL, Receipts	**$6,108**	**$8,970**	**$11,164**	**$6,783**	**$8,408**	**$15,851**	**$15,303**	**$6,968**	**$7,594**	**$17,141**	**$8,812**	**$17,456**	**$130,557**
DISBURSEMENTS:													
State Operations:													
University of California	$405	$236	$238	$276	$274	$454	$277	$277	$277	$277	$547	$6	$3,544
Debt Service	-82	350	892	1,038	625	-147	-259	461	994	931	246	-207	4,842
Other State Operations	2,592	1,839	1,987	2,556	1,574	2,389	2,235	1,760	1,557	2,489	2,162	1,810	24,950
Social Services	1,460	330	751	403	1,085	544	689	585	442	782	427	222	7,720
Medi-Cal Assistance for DHCS	1,112	2,581	3,185	2,295	746	2,247	1,799	1,317	1,538	1,467	937	781	20,005
Other Health and Human Services	730	187	180	717	338	353	285	324	340	264	227	138	4,083
Schools	2,840	3,489	5,817	4,256	4,166	6,312	3,797	4,854	5,890	3,705	4,230	5,657	55,013
Teachers' Retirement	524	0	0	871	0	524	0	0	0	871	0	0	2,790
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Budget Stabilization Account	0	0	2,289	0	0	0	0	0	0	0	0	0	2,289
Other	660	-355	659	413	218	253	83	41	94	202	206	828	3,302
TOTAL, Disbursements	**$10,241**	**$8,657**	**$15,998**	**$12,825**	**$9,026**	**$12,929**	**$8,906**	**$9,619**	**$11,132**	**$10,988**	**$8,982**	**$9,235**	**$128,538**
EXCESS RECEIPTS/(DEFICIT)	**-$4,133**	**$313**	**-$4,834**	**-$6,042**	**-$619**	**$2,922**	**$6,397**	**-$2,651**	**-$3,538**	**$6,153**	**-$170**	**$8,221**	**$2,019**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$0	$0	$0	$0	-$40	$0	-$283	$0	$0	$0	$0	$0	-$323
Budget Stabilization Account	3,107	0	2,289	0	0	0	0	0	0	0	0	-7,092	-1,696
Other Internal Sources	1,026	-313	2,545	6,042	658	-2,922	-6,114	2,651	3,538	-6,153	170	-1,129	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	**$4,133**	**-$313**	**$4,834**	**$6,042**	**$618**	**-$2,922**	**-$6,397**	**$2,651**	**$3,538**	**-$6,153**	**$170**	**-$8,221**	**-$2,019**
ENDING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	$1,749	$1,749	$1,749	$1,749	$1,709	$1,709	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426
Budget Stabilization Account	6,197	6,197	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486
Other Internal Sources	34,399	35,173	34,856	32,475	31,669	30,652	26,315	28,579	28,865	26,382	27,462	28,218	28,218
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	**$42,346**	**$43,119**	**$45,091**	**$42,710**	**$41,865**	**$40,848**	**$36,228**	**$38,492**	**$38,778**	**$36,295**	**$37,375**	**$38,131**	**$38,131**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$1,749	$1,749	$1,749	$1,749	$1,709	$1,709	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426
Budget Stabilization Account	6,197	6,197	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486	8,486	1,394	1,394
Other Internal Sources	1,026	714	3,258	9,300	9,959	7,036	922	3,574	7,112	959	1,129	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	**$8,973**	**$8,660**	**$13,493**	**$19,535**	**$20,154**	**$17,232**	**$10,835**	**$13,486**	**$17,025**	**$10,872**	**$11,042**	**$2,820**	**$2,820**
UNUSED BORROWABLE RESOURCES	**$33,373**	**$34,459**	**$31,597**	**$23,174**	**$21,711**	**$23,616**	**$25,393**	**$25,005**	**$21,753**	**$25,423**	**$26,333**	**$35,310**	**$35,310**
Cash and Unused Borrowable Resources	**$33,373**	**$34,459**	**$31,597**	**$23,174**	**$21,711**	**$23,616**	**$25,393**	**$25,005**	**$21,753**	**$25,423**	**$26,333**	**$35,310**	**$35,310**

Note: Numbers may not add due to rounding.

SCHEDULE 5D
ESTIMATED 2018-19 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	$46	$26	$34	$35	$24	$34	$30	$32	$26	$33	$20	$42	$382
Corporation Tax	362	130	1,163	261	-59	1,942	424	145	840	2,851	562	2,584	11,205
Cigarette Tax	5	6	2	9	2	9	6	1	7	5	5	6	63
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	24	330	260	25	290	300	11	28	252	473	223	292	2,508
Personal Income Tax	5,019	5,540	8,052	5,837	4,932	9,786	15,010	3,628	4,570	14,933	4,676	12,068	94,051
Retail Sales and Use Tax	950	3,266	1,999	915	3,463	1,968	1,140	3,375	2,132	850	3,658	2,341	26,057
Income from Pooled Money Investments	10	22	25	29	11	25	20	9	35	16	11	48	261
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	20	98	64	60	87	147	147	60	62	60	85	828	1,718
TOTAL, Receipts	**$6,436**	**$9,418**	**$11,599**	**$7,171**	**$8,750**	**$14,211**	**$16,788**	**$7,278**	**$7,924**	**$19,221**	**$9,240**	**$18,209**	**$136,245**
DISBURSEMENTS:													
State Operations:													
University of California	$280	$278	$278	$278	$278	$453	$278	$278	$278	$278	$551	$1	$3,509
Debt Service	-124	358	854	1,022	644	-303	-86	468	1,011	1,009	229	-211	4,871
Other State Operations	2,815	1,822	2,095	2,779	1,550	2,642	2,017	1,813	2,354	1,663	2,068	1,397	25,015
Social Services	1,315	550	434	793	700	517	880	608	566	843	537	532	8,275
Medi-Cal Assistance for DHCS	2,923	2,055	1,846	1,593	2,265	1,644	1,442	1,947	1,749	1,657	1,412	1,003	21,536
Other Health and Human Services	771	68	92	683	373	385	254	341	374	313	206	-81	3,780
Schools	2,758	3,380	5,944	4,382	4,353	6,285	4,008	4,459	6,345	3,889	4,910	7,275	57,988
Teachers' Retirement	587	0	0	951	0	587	0	0	0	951	0	1	3,077
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	862	0	0	0	0	0	862
Transfer to Budget Stabilization Account	0	0	1,460	0	0	0	0	0	0	0	0	3,515	4,975
Other	492	543	574	478	116	358	102	37	118	204	211	1,027	4,259
TOTAL, Disbursements	**$11,817**	**$9,054**	**$13,577**	**$12,959**	**$10,279**	**$12,568**	**$9,757**	**$9,951**	**$12,795**	**$10,807**	**$10,124**	**$14,459**	**$138,147**
EXCESS RECEIPTS/(DEFICIT)	**-$5,382**	**$364**	**-$1,977**	**-$5,787**	**-$1,529**	**$1,643**	**$7,031**	**-$2,674**	**-$4,871**	**$8,413**	**-$884**	**$3,750**	**-$1,902**
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	$0	$0	$0	$0	$0	$0	$862	$0	$0	$0	$0	$0	$862
Budget Stabilization Account	5,382	-364	1,977	1,557	0	0	-3,776	2,674	1,102	-4,645	884	-3,750	1,041
Other Internal Sources	0	0	0	4,230	1,529	-1,643	-4,116	0	3,768	-3,768	0	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Net Temporary Loans	**$5,382**	**-$364**	**$1,977**	**$5,787**	**$1,529**	**-$1,643**	**-$7,030**	**$2,674**	**$4,870**	**-$8,413**	**$884**	**-$3,750**	**$1,903**
ENDING CASH BALANCE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426	$2,288	$2,288	$2,288	$2,288	$2,288	$2,288	$2,288
Budget Stabilization Account	8,486	8,486	9,946	9,946	9,946	9,946	9,946	9,946	9,946	9,946	9,946	13,461	13,461
Other Internal Sources	29,706	28,932	30,124	28,314	28,092	28,638	27,276	29,340	29,496	29,482	28,503	29,322	29,322
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Available/Borrowable Resources	**$39,618**	**$38,845**	**$41,497**	**$39,687**	**$39,465**	**$40,011**	**$39,510**	**$41,574**	**$41,730**	**$41,716**	**$40,737**	**$45,071**	**$45,071**
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	$1,426	$1,426	$1,426	$1,426	$1,426	$1,426	$2,288	$2,288	$2,288	$2,288	$2,288	$2,288	$2,288
Budget Stabilization Account	6,776	6,412	8,389	9,946	9,946	9,946	6,170	8,844	9,946	5,301	6,185	2,435	2,435
Other Internal Sources	0	0	0	4,230	5,760	4,116	0	0	3,768	0	0	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Cumulative Loan Balances	**$8,202**	**$7,838**	**$9,815**	**$15,603**	**$17,132**	**$15,489**	**$8,458**	**$11,132**	**$16,002**	**$7,589**	**$8,473**	**$4,723**	**$4,723**
UNUSED BORROWABLE RESOURCES	**$31,416**	**$31,007**	**$31,682**	**$24,084**	**$22,333**	**$24,522**	**$31,053**	**$30,443**	**$25,728**	**$34,128**	**$32,265**	**$40,348**	**$40,348**
Cash and Unused Borrowable Resources	**$31,416**	**$31,007**	**$31,682**	**$24,084**	**$22,333**	**$24,522**	**$31,053**	**$30,443**	**$25,728**	**$34,128**	**$32,265**	**$40,348**	**$40,348**

Note: Numbers may not add due to rounding.

SCHEDULE 6
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES AT 2018-19 GOVERNOR'S BUDGET

					Revenue		Expenditures		Expenditures per Capita		Expenditures per $100 of Personal Income	
Year	Population[1/] (Thousands)	Employees[2/]	Employees per 1,000 Population	Personal Income (Billions)[3/]	General Fund (Millions)	Total (Millions)	General Fund[4/] (Millions)	Total[5/] (Millions)	General Fund[4/]	Total[5/]	General Fund[4/]	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	93,489	122,463	91,549	130,981	2,451.83	3,507.89	5.80	8.29
2011-12	37,676	356,808	9.5	1,683.2	87,071	118,792	86,404	126,361	2,293.34	3,353.89	5.13	7.51
2012-13	38,038	346,321	9.1	1,805.2	99,915	137,242	96,562	141,001	2,538.57	3,706.85	5.35	7.81
2013-14	38,370	353,979	9.2	1,856.6	102,675	142,860	99,838	142,810	2,601.98	3,721.92	5.38	7.69
2014-15	38,729	360,859	9.3	1,939.5	111,318	157,875	112,974	160,294	2,917.04	4,138.86	5.82	8.26
2015-16	39,060	350,680	9.0	2,103.7	115,500	161,759	113,984	160,209	2,918.18	4,101.61	5.42	7.62
2016-17	39,345	361,743	9.2	2,212.7	118,669	165,768	119,087	165,682	3,026.74	4,211.01	5.38	7.49
2017-18	39,674	368,437	9.3	2,304.3	127,252	183,164	126,512	188,680	3,188.79	4,755.76	5.49	8.19
2018-19	40,013	370,977	9.3	2,424.3	129,792	191,261	131,690	190,319	3,291.18	4,756.43	5.43	7.85

[1/] Population as of July 1, the beginning of the fiscal year.
[2/] Beginning with the 2010-11 fiscal year, "employees" displays latest authorized/proposed number of positions, as opposed to prior years that show personnel years.
[3/] Only the last three fiscal years have been updated.
[4/] Includes Special Accounts in General Fund from 1973-74 to 1976-77.
[5/] Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

SCHEDULE 8 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actuals 2016-17			Estimated 2017-18			Estimated 2018-19		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES									
4110200-Excise Tax - Beer and Wine	$170,949	--	$170,949	$173,966	--	$173,966	$175,162	--	$175,162
4110250-Excise Tax - Spirits	197,396	--	197,396	202,027	--	202,027	206,767	--	206,767
4110300-Cannabis Excise and Cultivation Tax	--	--	--	--	175,135	175,135	--	642,698	642,698
4110400-Cigarette Tax	80,342	1,155,263	1,235,605	64,903	2,006,011	2,070,914	63,015	1,955,933	2,018,948
4110800-Corporation Tax	10,116,338	--	10,116,338	10,655,743	--	10,655,743	11,224,200	--	11,224,200
4113000-Identification Card Fees	--	32,844	32,844	--	32,985	32,985	--	33,315	33,315
4113400-Insurance Gross Premiums Tax	2,422,105	--	2,422,105	2,438,099	--	2,438,099	2,507,639	--	2,507,639
4113600-Jet Fuel Tax	--	3,072	3,072	--	3,119	3,119	--	3,100	3,100
4113800-Lien Sale Application Fees	--	1,109	1,109	--	1,109	1,109	--	1,109	1,109
4114000-Mobilehome In-Lieu Tax	677	1,888	2,565	602	1,888	2,490	527	1,888	2,415
4115000-Motor Vehicles - Driver's License Fees	--	222,241	222,241	--	300,318	300,318	--	307,226	307,226
4115100-Motor Vehicles - Fuel Tax (Diesel)	--	541,435	541,435	--	978,063	978,063	--	1,195,159	1,195,159
4115200-Motor Vehicles - Fuel Tax (Gasoline)	--	4,301,314	4,301,314	--	5,851,420	5,851,420	--	7,058,259	7,058,259
4115300-Motor Vehicles - License (In-Lieu) Fees	10	2,647,142	2,647,152	--	2,773,820	2,773,820	--	2,890,397	2,890,397
4115400-Motor Vehicles - Registration Fees	--	4,002,346	4,002,346	--	4,316,283	4,316,283	--	4,434,697	4,434,697
4115450-Transportation Improvement Fee	--	--	--	--	727,000	727,000	--	1,510,000	1,510,000
4115600-Motor Vehicles - Other Fees	--	258,708	258,708	--	207,573	207,573	--	211,158	211,158
4116200-Personal Income Tax	82,857,006	1,795,735	84,652,741	89,403,019	2,088,826	91,491,845	93,593,240	2,229,393	95,822,633
4117000-Retail Sales and Use Tax	24,872,229	427,333	25,299,562	25,164,877	688,471	25,853,348	26,151,044	768,143	26,919,187
4117400-Retail Sales and Use Tax - 2011 Realignment	--	6,699,500	6,699,500	--	7,010,624	7,010,624	--	7,310,856	7,310,856
4117600-Retail Sales and Use Tax - 1991 Realignment	--	3,360,004	3,360,004	--	3,526,936	3,526,936	--	3,662,284	3,662,284
4117800-Retail Sales and Use Tax - Medi-Cal Managed Care	--	290,490	290,490	--	-200,111	-200,111	--	--	--
TOTALS, MAJOR TAXES AND LICENSES	**$120,717,052**	**$25,740,424**	**$146,457,476**	**$128,103,236**	**$30,489,470**	**$158,592,706**	**$133,921,594**	**$34,215,615**	**$168,137,209**
MINOR REVENUES									
REGULATORY TAXES AND LICENSES									
4120000-Beverage Container Redemption Fees	--	1,332,813	1,332,813	--	1,327,367	1,327,367	--	1,350,852	1,350,852
4120400-Building Construction Filing Fees (Physically Handicapped)	--	13,822	13,822	--	11,283	11,283	--	11,283	11,283
4120600-Candidate Filing Fee	49	--	49	1,010	--	1,010	120	--	120
4120800-Corporation Fees - Domestic Corporations	--	10,225	10,225	--	8,900	8,900	--	8,870	8,870
4121000-Corporation Fees - Foreign Corporations	--	1,214	1,214	--	1,070	1,070	--	1,020	1,020
4121200-Delinquent Fees	--	7,687	7,687	2	7,688	7,690	2	8,907	8,909
4121600-Elevator and Boiler Inspection Fees	--	16,813	16,813	--	17,477	17,477	--	29,908	29,908
4121800-Employment Agency Filing Fees	--	493	493	--	483	483	--	483	483
4122000-Employment Agency License Fees	--	5,563	5,563	--	5,734	5,734	--	5,684	5,684
4122200-Energy Resources Surcharge	--	590,505	590,505	--	708,502	708,502	--	708,502	708,502
4122400-Environmental and Hazardous Waste Fees	--	53,483	53,483	--	54,617	54,617	--	55,798	55,798
4122600-Explosive Permit Fees	--	1	1	--	--	--	--	--	--

SCHEDULE 8 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actuals 2016-17 General Fund	Actuals 2016-17 Special Funds	Actuals 2016-17 Total	Estimated 2017-18 General Fund	Estimated 2017-18 Special Funds	Estimated 2017-18 Total	Estimated 2018-19 General Fund	Estimated 2018-19 Special Funds	Estimated 2018-19 Total
4122800-Filing Financing Statements	--	2,271	2,271	--	2,000	2,000	--	1,950	1,950
4123000-Fish and Game - Licenses, Tags, and Permits	--	103,837	103,837	--	109,800	109,800	--	113,755	113,755
4123200-Fish and Game - Taxes	--	339	339	--	2,338	2,338	--	2,406	2,406
4123400-Genetic Disease Testing Fees	--	130,448	130,448	--	129,750	129,750	--	135,987	135,987
4123600-Highway Carriers Uniform Business License Tax	289	--	289	218	--	218	218	--	218
4123720-Horse Racing Licenses	887	13,746	14,633	987	14,818	15,805	987	14,818	15,805
4123740-Horse Racing Miscellaneous	--	--	--	5	--	5	5	--	5
4123800-Industrial Homework Fees	--	1	1	--	1	1	--	1	1
4124000-Insurance Company - Examination Fees	--	24,990	24,990	--	24,826	24,826	--	25,003	25,003
4124200-Insurance Company - License Fees and Penalties	--	53,611	53,611	--	57,443	57,443	--	58,795	58,795
4124400-Insurance Company - General Fees	--	31,211	31,211	--	34,046	34,046	--	35,008	35,008
4124600-Insurance Company - Proposition 103 Fees	--	31,715	31,715	--	33,548	33,548	--	35,740	35,740
4124800-Insurance Fraud Assessment - Automobile	--	51,902	51,902	--	53,460	53,460	--	55,064	55,064
4125000-Insurance Fraud Assessment - General	--	13,247	13,247	--	13,866	13,866	--	14,133	14,133
4125200-Insurance Fraud Assessment - Workers Compensation	--	58,275	58,275	--	58,527	58,527	--	63,877	63,877
4125400-Liquor License Fees	--	58,202	58,202	--	60,623	60,623	--	65,149	65,149
4125600-New Motor Vehicle Dealer License Fee	--	1,959	1,959	--	1,959	1,959	--	1,959	1,959
4125800-Notary Public License Fees	--	990	990	--	890	890	--	840	840
4126000-Off Highway Vehicle Fees	--	22,355	22,355	--	22,802	22,802	--	22,802	22,802
4126200-Private Rail Car Tax	9,015	--	9,015	9,015	--	9,015	9,015	--	9,015
4126400-Processing Fee	--	320	320	--	370	370	--	370	370
4126600-Public Utilities Commission - Quarterly Fees	--	151,614	151,614	--	177,940	177,940	--	183,932	183,932
4126800-Public Utilities Commission - Penalties on Quarterly Fees	--	2	2	--	3	3	--	2	2
4127000-Real Estate - Examination Fees	--	4,206	4,206	--	4,353	4,353	--	4,489	4,489
4127200-Real Estate - License Fees	--	40,237	40,237	--	39,960	39,960	--	39,980	39,980
4127300-Refinery Fees	--	--	--	--	4,437	4,437	--	4,437	4,437
4127400-Renewal Fees	--	287,932	287,932	--	310,179	310,179	--	351,123	351,123
4128000-Subdivision Filing Fees	--	8,299	8,299	--	8,299	8,299	--	8,299	8,299
4128400-Teacher Credential Fees	--	25,258	25,258	--	26,306	26,306	--	27,201	27,201
4128600-Teacher Examination Fees	--	5,337	5,337	--	5,444	5,444	--	5,553	5,553
4128740-Trailer Coach License (In Lieu) Fees	25,715	--	25,715	26,218	--	26,218	26,743	--	26,743
4129000-Other Fees and Licenses	--	9,472	9,472	--	139,650	139,650	--	274,290	274,290
4129200-Other Regulatory Fees	1,275	6,367,454	6,368,729	2,190	8,801,900	8,804,090	1,910	7,547,762	7,549,672
4129400-Other Regulatory Licenses and Permits	4,093	688,982	693,075	4,519	754,089	758,608	4,643	875,342	879,985
4129600-Other Regulatory Taxes	--	89,389	89,389	--	144,058	144,058	--	152,499	152,499
Totals, REGULATORY TAXES AND LICENSES	**$41,323**	**$10,310,220**	**$10,351,543**	**$44,164**	**$13,180,806**	**$13,224,970**	**$43,643**	**$12,303,873**	**$12,347,516**
REVENUE FROM LOCAL AGENCIES									
4130000-Architecture Public Building Fees	--	49,739	49,739	--	59,016	59,016	--	73,956	73,956
4131000-Crimes of Public Offense Fines	58	14,034	14,092	57	10,000	10,057	57	10,000	10,057
4131500-Felony Conviction Penalties	--	47,750	47,750	--	50,000	50,000	--	50,000	50,000

SCHEDULE 8 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actuals 2016-17 General Fund	Actuals 2016-17 Special Funds	Actuals 2016-17 Total	Estimated 2017-18 General Fund	Estimated 2017-18 Special Funds	Estimated 2017-18 Total	Estimated 2018-19 General Fund	Estimated 2018-19 Special Funds	Estimated 2018-19 Total
4132000-Fingerprint Identification Card Fees	--	86,140	86,140	--	86,000	86,000	--	86,000	86,000
4132500-Fish and Game Fines	--	714	714	--	64	64	--	64	64
4133000-Fish and Game Fines - Additional Assessments	--	50	50	--	68	68	--	68	68
4134000-Local Agencies - Interest on Loans	1,215	571	1,786	1,215	517	1,732	1,215	444	1,659
4134500-Local Agencies - Cost Recoveries	25,321	11,887	37,208	23,637	11,987	35,624	24,237	11,987	36,224
4135000-Local Agencies - Miscellaneous Revenue	169,202	1,746,532	1,915,734	168,430	1,517,532	1,685,962	168,430	1,395,033	1,563,463
4135500-Narcotic Fines	1,234	--	1,234	1,000	--	1,000	1,000	--	1,000
4136000-Open Space Cancellation Fee Deferred Taxes	--	2,278	2,278	--	3,480	3,480	--	3,480	3,480
4136500-Traffic Violation Penalties	--	55,770	55,770	--	--	--	--	--	--
Totals, REVENUE FROM LOCAL AGENCIES	**$197,030**	**$2,015,465**	**$2,212,495**	**$194,339**	**$1,738,664**	**$1,933,003**	**$194,939**	**$1,631,032**	**$1,825,971**
SERVICES TO THE PUBLIC									
4140000-Document Sales	153	4,770	4,923	145	4,722	4,867	145	4,644	4,789
4140500-Emergency Telephone User's Surcharge	--	81,979	81,979	--	80,549	80,549	--	130,013	130,013
4142500-License Plate Fees - Personalized Plates	--	63,457	63,457	--	64,371	64,371	--	64,282	64,282
4143000-Medicare Receipts - Federal Government	10,109	--	10,109	6,576	--	6,576	4,458	--	4,458
4143500-Miscellaneous Services to the Public	1,412	198,591	200,003	1,852	197,644	199,496	2,212	208,696	210,908
4144000-Parental Fees	--	2,436	2,436	--	2,589	2,589	--	2,589	2,589
4144500-Parking Lot Revenues	--	12,063	12,063	--	11,734	11,734	--	11,734	11,734
4145000-Pay Patients Board Charges	6,600	--	6,600	5,187	--	5,187	2,870	--	2,870
4145500-Secretary of State - Fees	163	35,925	36,088	154	32,385	32,539	150	32,260	32,410
4146000-State Beach and Park Service Fees	--	110,657	110,657	--	120,630	120,630	--	124,158	124,158
Totals, SERVICES TO THE PUBLIC	**$18,437**	**$509,878**	**$528,315**	**$13,914**	**$514,624**	**$528,538**	**$9,835**	**$578,376**	**$588,211**
USE OF PROPERTY AND MONEY									
4150000-Geothermal Resources Well Fees	--	3,305	3,305	--	3,950	3,950	--	3,950	3,950
4150500-Interest Income - Interfund Loans	1	31,808	31,809	1	1,434	1,435	1	1,211	1,212
4151000-Interest Income - Other Loans	4,841	5,692	10,533	1,379	6,297	7,676	1,322	6,290	7,612
4151500-Miscellaneous Revenue - Use of Property and Money	2,914	23,166	26,080	1,342	20,789	22,131	1,338	20,244	21,582
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	223	--	223	140	--	140	140	--	140
4152500-Rental of State Property	20,324	72,588	92,912	19,662	64,297	83,959	19,466	62,505	81,971
4154000-Royalties - Federal Land	--	26,770	26,770	--	27,193	27,193	--	27,197	27,197
4155000-Royalties - State Lands	90,364	--	90,364	64,265	--	64,265	13,365	--	13,365
Totals, USE OF PROPERTY AND MONEY	**$118,667**	**$163,329**	**$281,996**	**$86,789**	**$123,960**	**$210,749**	**$35,632**	**$121,397**	**$157,029**
INVESTMENT INCOME									
4160000-Investment Income - Condemnation Deposits Fund	--	946	946	--	171	171	--	156	156
4161000-Investment Income - Other	--	479	479	--	75	75	--	75	75
4162000-Investment Income - Pooled Money Investments	89,330	339	89,669	184,630	262	184,892	293,642	262	293,904
4163000-Investment Income - Surplus Money Investments	6,621	120,696	127,317	4,837	129,198	134,035	4,837	122,808	127,645
Totals, INVESTMENT INCOME	**$95,951**	**$122,460**	**$218,411**	**$189,467**	**$129,706**	**$319,173**	**$298,479**	**$123,301**	**$421,780**

SCHEDULE 8 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actuals 2016-17 General Fund	Actuals 2016-17 Special Funds	Actuals 2016-17 Total	Estimated 2017-18 General Fund	Estimated 2017-18 Special Funds	Estimated 2017-18 Total	Estimated 2018-19 General Fund	Estimated 2018-19 Special Funds	Estimated 2018-19 Total
MISCELLANEOUS									
4170100-Abandoned Property Revenue	377,591	--	377,591	399,652	--	399,652	393,025	--	393,025
4170400-Capital Asset Sales Proceeds	151	451	602	--	1,611	1,611	--	1,611	1,611
4170600-Carbon Allowances Auction Proceeds	--	891,915	891,915	--	2,700,000	2,700,000	--	2,400,000	2,400,000
4170700-Civil and Criminal Violation Assessment	1,027	143,860	144,887	513	139,244	139,757	583	131,493	132,076
4170800-Confiscated Property Sales	9,442	29	9,471	7,207	27	7,234	7,207	27	7,234
4171000-Cost Recoveries - Delinquent Receivables	10,340	302	10,642	10,276	247	10,523	10,276	240	10,516
4171100-Cost Recoveries - Other	49,607	157,553	207,160	46,809	142,996	189,805	49,105	145,063	194,168
4171200-Court Filing Fees and Surcharges	33	529,454	529,487	15	509,790	509,805	15	502,023	502,038
4171300-Donations	1,424	11,018	12,442	1	11,525	11,526	1	11,536	11,537
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	57,055	11,099	68,154	43,894	8,905	52,799	44,374	8,469	52,843
4171500-Escheat - Unclaimed Property	--	189	189	--	22	22	--	29	29
4171600-External Revenue - Federal Government	--	1,053	1,053	--	--	--	--	--	--
4172000-Fines and Forfeitures	2,175	188,034	190,209	2,387	183,173	185,560	2,387	181,519	183,906
4172200-Fine and Penalties - Horse Racing	172	--	172	229	--	229	229	--	229
4172240-Fines and Penalties - External - Other	--	102	102	--	--	--	--	--	--
4172500-Miscellaneous Revenue	57,379	528,724	586,103	46,145	652,833	698,978	42,860	589,165	632,025
4172600-Miscellaneous Tax Revenue	--	1,833,283	1,833,283	--	2,428,921	2,428,921	--	2,563,988	2,563,988
4172800-Parking Violations	16,790	1,349	18,139	12,784	1,630	14,414	12,784	1,630	14,414
4172900-Penalty Assessments - Criminal Fines	--	171,119	171,119	--	161,202	161,202	--	149,023	149,023
4173000-Penalty Assessments - Other	93,695	269,462	363,157	40,931	339,607	380,538	40,931	185,711	226,642
4173100-Personal Income Tax - Penalties and Interest	--	31,019	31,019	--	23,598	23,598	--	23,598	23,598
4173200-Proceeds from Estates of Deceased Persons	314	--	314	1,274	--	1,274	1,274	--	1,274
4173400-Settlements and Judgments - Anti-Trust Actions (Attorney General)	309	2,544	2,853	309	2,600	2,909	309	4,700	5,009
4173500-Settlements and Judgments - Other	16,900	42,227	59,127	12,759	41,684	54,443	10,748	46,866	57,614
4173600-State Public Land Sales	--	26,255	26,255	--	25,206	25,206	--	28,530	28,530
4173800-Traffic Violations	--	31,157	31,157	--	27,819	27,819	--	25,967	25,967
4173900-Tribal Gaming Revenues	226,285	43,732	270,017	31,562	46,000	77,562	1,812	45,000	46,812
4174000-Unclaimed Contributions	--	3	3	--	--	--	--	--	--
4174100-Unemployment and Disability Insurance Contributions - Penalties and Inte	--	141,996	141,996	--	135,742	135,742	--	139,703	139,703
4174200-Uninsured Motorist Fees	751	184	935	688	184	872	688	184	872
4180000-Cash Adjustment for Transportation Funds (SAL I)	--	-223,261	-223,261	--	--	--	--	--	--
4180100-Prior Year Revenue Adjustments	--	--	--	--	92,151	92,151	--	--	--
Totals, MISCELLANEOUS	**$921,440**	**$4,834,852**	**$5,756,292**	**$657,435**	**$7,676,717**	**$8,334,152**	**$618,608**	**$7,186,075**	**$7,804,683**
TOTALS, MINOR REVENUES	**$1,392,848**	**$17,956,204**	**$19,349,052**	**$1,186,108**	**$23,364,477**	**$24,550,585**	**$1,201,136**	**$21,944,054**	**$23,145,190**
TOTALS, REVENUES	**$122,109,900**	**$43,696,628**	**$165,806,528**	**$129,289,344**	**$53,853,947**	**$183,143,291**	**$135,122,730**	**$56,159,669**	**$191,282,399**
TRANSFERS AND LOANS									
Revenue Transfers	-2,884,186	2,971,907	87,721	-1,458,896	1,472,874	13,978	-4,894,085	4,875,763	-18,322
Loans	-556,859	430,315	-126,544	-578,925	585,502	6,577	-437,187	434,590	-2,597

SCHEDULE 8 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

	Actuals 2016-17			Estimated 2017-18			Estimated 2018-19		
Sources	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
TOTALS, TRANSFERS AND LOANS	- $3,441,045	$3,402,222	- $38,823	- $2,037,821	$2,058,376	$20,555	- $5,331,272	$5,310,353	- $20,919
TOTALS, REVENUES, TRANSFERS AND LOANS	$118,668,855	$47,098,850	$165,767,705	$127,251,523	$55,912,323	$183,163,846	$129,791,458	$61,470,022	$191,261,480

SCHEDULE 9 at 2018-19 Governor's Budget

COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	128,779	--	--	128,779	--	134,213	--	--	134,213	--	134,213	--	--	134,213	--
Totals,0110-Senate	**$128,779**	**--**	**--**	**$128,779**	**--**	**$134,213**	**--**	**--**	**$134,213**	**--**	**$134,213**	**--**	**--**	**$134,213**	**--**
0120-Assembly															
State Operations	169,683	--	--	169,683	--	176,843	--	--	176,843	--	176,843	--	--	176,843	--
Totals,0120-Assembly	**$169,683**	**--**	**--**	**$169,683**	**--**	**$176,843**	**--**	**--**	**$176,843**	**--**	**$176,843**	**--**	**--**	**$176,843**	**--**
0160-Legislative Counsel Bureau															
State Operations	82,354	--	--	82,354	--	85,863	--	--	85,863	--	85,778	--	--	85,778	--
Totals,0160-Legislative Counsel Bureau	**$82,354**	**--**	**--**	**$82,354**	**--**	**$85,863**	**--**	**--**	**$85,863**	**--**	**$85,778**	**--**	**--**	**$85,778**	**--**
Legislative															
State Operations	380,816	--	--	380,816	--	396,919	--	--	396,919	--	396,834	--	--	396,834	--
Totals, Legislative	**$380,816**	**--**	**--**	**$380,816**	**--**	**$396,919**	**--**	**--**	**$396,919**	**--**	**$396,834**	**--**	**--**	**$396,834**	**--**
0250-Judicial Branch															
State Operations	395,070	372,889	--	767,959	1,998	464,652	435,927	--	900,579	4,369	426,004	462,508	--	888,512	4,366
Local Assistance	1,306,453	1,326,824	--	2,633,277	662	1,283,394	1,347,450	--	2,630,844	2,275	1,480,538	1,351,093	--	2,831,631	2,275
Capital Outlay	--	39,590	--	39,590	--	--	19,100	--	19,100	--	--	32,170	--	32,170	--
Totals,0250-Judicial Branch	**$1,701,523**	**$1,739,303**	**--**	**$3,440,826**	**$2,660**	**$1,748,046**	**$1,802,477**	**--**	**$3,550,523**	**$6,644**	**$1,906,542**	**$1,845,771**	**--**	**$3,752,313**	**$6,641**
0280-Commission on Judicial Performance															
State Operations	4,892	--	--	4,892	--	5,175	--	--	5,175	--	5,205	--	--	5,205	--
Totals,0280-Commission on Judicial Performance	**$4,892**	**--**	**--**	**$4,892**	**--**	**$5,175**	**--**	**--**	**$5,175**	**--**	**$5,205**	**--**	**--**	**$5,205**	**--**
0390-Judges Retirement System Contributions															
State Operations	4,257	--	--	4,257	--	4,613	--	--	4,613	--	4,546	--	--	4,546	--
Local Assistance	265,498	--	--	265,498	--	272,349	--	--	272,349	--	269,679	--	--	269,679	--
Totals,0390-Judges Retirement System Contributions	**$269,755**	**--**	**--**	**$269,755**	**--**	**$276,962**	**--**	**--**	**$276,962**	**--**	**$274,225**	**--**	**--**	**$274,225**	**--**
Judicial															
State Operations	404,219	372,889	--	777,108	1,998	474,440	435,927	--	910,367	4,369	435,755	462,508	--	898,263	4,366
Local Assistance	1,571,951	1,326,824	--	2,898,775	662	1,555,743	1,347,450	--	2,903,193	2,275	1,750,217	1,351,093	--	3,101,310	2,275
Capital Outlay	--	39,590	--	39,590	--	--	19,100	--	19,100	--	--	32,170	--	32,170	--
Totals, Judicial	**$1,976,170**	**$1,739,303**	**--**	**$3,715,473**	**$2,660**	**$2,030,183**	**$1,802,477**	**--**	**$3,832,660**	**$6,644**	**$2,185,972**	**$1,845,771**	**--**	**$4,031,743**	**$6,641**
0500-Governors Office															
State Operations	12,184	--	--	12,184	--	14,197	--	--	14,197	--	16,529	--	--	16,529	--
Totals,0500-Governors Office	**$12,184**	**--**	**--**	**$12,184**	**--**	**$14,197**	**--**	**--**	**$14,197**	**--**	**$16,529**	**--**	**--**	**$16,529**	**--**
0509-Governors Office of Bus, Econ Developm															
State Operations	11,400	45	--	11,445	316	15,087	348	--	15,435	--	12,632	348	--	12,980	--
Totals,0509-Governors Office of Bus, Econ Developm	**$11,400**	**$45**	**--**	**$11,445**	**$316**	**$15,087**	**$348**	**--**	**$15,435**	**--**	**$12,632**	**$348**	**--**	**$12,980**	**--**
0511-Government Operations, Secretary															
State Operations	1,222	--	--	1,222	--	1,404	--	--	1,404	--	1,405	--	--	1,405	--
Totals,0511-Government Operations, Secretary	**$1,222**	**--**	**--**	**$1,222**	**--**	**$1,404**	**--**	**--**	**$1,404**	**--**	**$1,405**	**--**	**--**	**$1,405**	**--**
0515-Business, Consumer Svcs, Housing, Scty															
State Operations	93	514	--	607	--	132	661	--	793	--	132	901	--	1,033	--
Totals,0515-Business, Consumer Svcs, Housing, Scty	**$93**	**$514**	**--**	**$607**	**--**	**$132**	**$661**	**--**	**$793**	**--**	**$132**	**$901**	**--**	**$1,033**	**--**
0521-Transportation, Secy															
State Operations	--	2,492	--	2,492	60,386	--	3,143	--	3,143	66,835	--	3,146	--	3,146	59,950
Local Assistance	--	219,927	--	219,927	37,206	3,500	481,757	--	485,257	49,414	--	263,426	--	263,426	36,793
Totals,0521-Transportation, Secy	**--**	**$222,419**	**--**	**$222,419**	**$97,592**	**$3,500**	**$484,900**	**--**	**$488,400**	**$116,249**	**--**	**$266,572**	**--**	**$266,572**	**$96,743**
0530-Health, Human Services Agency, Secy															
State Operations	3,695	1,769	--	5,464	1,129	4,090	2,106	--	6,196	3,000	5,574	2,107	--	7,681	--
Totals,0530-Health, Human Services Agency, Secy	**$3,695**	**$1,769**	**--**	**$5,464**	**$1,129**	**$4,090**	**$2,106**	**--**	**$6,196**	**$3,000**	**$5,574**	**$2,107**	**--**	**$7,681**	**--**
0540-Natural Resources Agency, Secy															
State Operations	2,553	6,082	269,091	277,726	80	2,599	8,739	100,840	112,178	9,213	3,862	9,094	9,892	22,848	--
Local Assistance	4,500	8,680	20,611	33,791	--	18,838	119,456	73,210	211,504	--	1,000	21,700	--	22,700	--
Totals,0540-Natural Resources Agency, Secy	**$7,053**	**$14,762**	**$289,702**	**$311,517**	**$80**	**$21,437**	**$128,195**	**$174,050**	**$323,682**	**$9,213**	**$4,862**	**$30,794**	**$9,892**	**$45,548**	**--**

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
0552-Office of the Inspector General															
State Operations	22,569	--	--	22,569	--	23,811	--	--	23,811	--	23,826	--	--	23,826	--
Totals,0552-Office of the Inspector General	**$22,569**	**--**	**--**	**$22,569**	**--**	**$23,811**	**--**	**--**	**$23,811**	**--**	**$23,826**	**--**	**--**	**$23,826**	**--**
0555-Environmental Protection, Secy															
State Operations	1,952	11,562	--	13,514	494	2,177	13,379	--	15,556	300	1,178	13,368	--	14,546	300
Local Assistance	--	--	--	--	--	835	1,065	--	1,900	--	835	1,500	--	2,335	--
Totals,0555-Environmental Protection, Secy	**$1,952**	**$11,562**	**--**	**$13,514**	**$494**	**$3,012**	**$14,444**	**--**	**$17,456**	**$300**	**$2,013**	**$14,868**	**--**	**$16,881**	**$300**
0559-Labor and Workforce Development, Secy															
State Operations	158	355	--	513	--	--	424	--	424	--	--	424	--	424	--
Totals,0559-Labor and Workforce Development, Secy	**$158**	**$355**	**--**	**$513**	**--**	**--**	**$424**	**--**	**$424**	**--**	**--**	**$424**	**--**	**$424**	**--**
0650-Office of Planning and Research															
State Operations	11,140	7,076	--	18,216	1,633	13,702	15,175	--	28,877	1,966	84,125	1,165	--	85,290	1,959
Local Assistance	--	--	--	--	33,237	1,600	835,927	--	837,527	26,000	--	452,053	--	452,053	26,000
Totals,0650-Office of Planning and Research	**$11,140**	**$7,076**	**--**	**$18,216**	**$34,870**	**$15,302**	**$851,102**	**--**	**$866,404**	**$27,966**	**$84,125**	**$453,218**	**--**	**$537,343**	**$27,959**
0690-Office of Emergency Services															
State Operations	72,892	8,634	526	82,052	55,054	57,978	5,443	2,786	66,207	70,942	71,403	6,536	2,787	80,726	71,901
Local Assistance	118,267	97,373	80,000	295,640	705,555	114,680	136,190	--	250,870	929,166	94,902	121,133	--	216,035	929,166
Capital Outlay	95	--	--	95	--	8,688	--	--	8,688	--	--	--	--	--	--
Totals,0690-Office of Emergency Services	**$191,254**	**$106,007**	**$80,526**	**$377,787**	**$760,609**	**$181,346**	**$141,633**	**$2,786**	**$325,765**	**$1,000,108**	**$166,305**	**$127,669**	**$2,787**	**$296,761**	**$1,001,067**
0720-Governors Portrait															
State Operations	--	--	--	--	--	--	--	--	--	--	25	--	--	25	--
Totals,0720-Governors Portrait	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$25**	**--**	**--**	**$25**	**--**
0730-Governor Elect and Outgoing Governor															
State Operations	--	--	--	--	--	--	--	--	--	--	1,000	--	--	1,000	--
Totals,0730-Governor Elect and Outgoing Governor	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$1,000**	**--**	**--**	**$1,000**	**--**
0750-Office of the Lieutenant Governor															
State Operations	1,196	--	--	1,196	--	1,482	--	--	1,482	--	1,483	--	--	1,483	--
Totals,0750-Office of the Lieutenant Governor	**$1,196**	**--**	**--**	**$1,196**	**--**	**$1,482**	**--**	**--**	**$1,482**	**--**	**$1,483**	**--**	**--**	**$1,483**	**--**
0820-Department of Justice															
State Operations	218,918	270,654	--	489,572	32,464	237,987	330,208	--	568,195	43,628	244,623	331,868	--	576,491	43,735
Local Assistance	--	4,883	--	4,883	--	--	37,528	--	37,528	--	--	28,528	--	28,528	--
Totals,0820-Department of Justice	**$218,918**	**$275,537**	**--**	**$494,455**	**$32,464**	**$237,987**	**$367,736**	**--**	**$605,723**	**$43,628**	**$244,623**	**$360,396**	**--**	**$605,019**	**$43,735**
0840-State Controller															
State Operations	53,198	10,265	1,449	64,912	1,094	63,128	9,826	1,143	74,097	1,355	64,249	10,740	1,145	76,134	1,358
Totals,0840-State Controller	**$53,198**	**$10,265**	**$1,449**	**$64,912**	**$1,094**	**$63,128**	**$9,826**	**$1,143**	**$74,097**	**$1,355**	**$64,249**	**$10,740**	**$1,145**	**$76,134**	**$1,358**
0845-Department of Insurance															
State Operations	9,516	188,661	--	198,177	1,263	7,606	208,195	--	215,801	1,686	8,666	206,597	--	215,263	992
Local Assistance	1,000	63,057	--	64,057	--	1,000	66,365	--	67,365	--	1,500	69,301	--	70,801	--
Totals,0845-Department of Insurance	**$10,516**	**$251,718**	**--**	**$262,234**	**$1,263**	**$8,606**	**$274,560**	**--**	**$283,166**	**$1,686**	**$10,166**	**$275,898**	**--**	**$286,064**	**$992**
0855-Gambling Control Commission															
State Operations	--	5,488	--	5,488	--	--	7,131	--	7,131	--	--	7,136	--	7,136	--
Totals,0855-Gambling Control Commission	**--**	**$5,488**	**--**	**$5,488**	**--**	**--**	**$7,131**	**--**	**$7,131**	**--**	**--**	**$7,136**	**--**	**$7,136**	**--**
0860-State Board of Equalization															
State Operations	288,678	74,009	--	362,687	56	30,369	--	--	30,369	--	29,988	--	--	29,988	--
Totals,0860-State Board of Equalization	**$288,678**	**$74,009**	**--**	**$362,687**	**$56**	**$30,369**	**--**	**--**	**$30,369**	**--**	**$29,988**	**--**	**--**	**$29,988**	**--**
0870-Office of Tax Appeals															
State Operations	--	--	--	--	--	7,554	--	--	7,554	--	19,951	--	--	19,951	--
Totals,0870-Office of Tax Appeals	**--**	**--**	**--**	**--**	**--**	**$7,554**	**--**	**--**	**$7,554**	**--**	**$19,951**	**--**	**--**	**$19,951**	**--**
0890-Secretary of State															
State Operations	36,952	51,240	--	88,192	6,260	37,523	55,531	--	93,054	8,245	32,476	52,809	--	85,285	8,441
Local Assistance	--	--	--	--	35,521	250	--	--	250	3,128	134,348	--	--	134,348	3,128
Totals,0890-Secretary of State	**$36,952**	**$51,240**	**--**	**$88,192**	**$41,781**	**$37,773**	**$55,531**	**--**	**$93,304**	**$11,373**	**$166,824**	**$52,809**	**--**	**$219,633**	**$11,569**
0911-Citizens Redistricting Initiative															

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	102	--	--	102	--	97	--	--	97	--	97	--	--	97	--
Totals,0911-Citizens Redistricting Initiative	**$102**	**--**	**--**	**$102**	**--**	**$97**	**--**	**--**	**$97**	**--**	**$97**	**--**	**--**	**$97**	**--**
0950-State Treasurer															
State Operations	3,143	--	439	3,582	--	5,461	--	761	6,222	--	5,708	--	--	5,708	--
Totals,0950-State Treasurer	**$3,143**	**--**	**$439**	**$3,582**	**--**	**$5,461**	**--**	**$761**	**$6,222**	**--**	**$5,708**	**--**	**--**	**$5,708**	**--**
0954-Scholarshare Investment Board															
State Operations	160	--	--	160	--	234	--	--	234	--	234	--	--	234	--
Local Assistance	--	35	--	35	--	3,000	--	--	3,000	--	--	--	--	--	--
Totals,0954-Scholarshare Investment Board	**$160**	**$35**	**--**	**$195**	**--**	**$3,234**	**--**	**--**	**$3,234**	**--**	**$234**	**--**	**--**	**$234**	**--**
0956-Debt Investment Advisory Commission															
State Operations	--	3,114	--	3,114	--	--	3,632	--	3,632	--	--	3,624	--	3,624	--
Totals,0956-Debt Investment Advisory Commission	**--**	**$3,114**	**--**	**$3,114**	**--**	**--**	**$3,632**	**--**	**$3,632**	**--**	**--**	**$3,624**	**--**	**$3,624**	**--**
0959-Debt Limit Allocation Committee															
State Operations	--	1,417	--	1,417	--	--	1,587	--	1,587	--	--	1,588	--	1,588	--
Totals,0959-Debt Limit Allocation Committee	**--**	**$1,417**	**--**	**$1,417**	**--**	**--**	**$1,587**	**--**	**$1,587**	**--**	**--**	**$1,588**	**--**	**$1,588**	**--**
0965-Industrial Dvlmt Financing Advisory Comm															
State Operations	--	37	--	37	--	--	40	--	40	--	--	40	--	40	--
Totals,0965-Industrial Dvlmt Financing Advisory Comm	**--**	**$37**	**--**	**$37**	**--**	**--**	**$40**	**--**	**$40**	**--**	**--**	**$40**	**--**	**$40**	**--**
0968-Tax Credit Allocation Committee															
State Operations	--	6,552	--	6,552	--	--	8,136	--	8,136	--	--	8,132	--	8,132	--
Local Assistance	--	207	--	207	--	--	190	--	190	--	--	190	--	190	--
Totals,0968-Tax Credit Allocation Committee	**--**	**$6,759**	**--**	**$6,759**	**--**	**--**	**$8,326**	**--**	**$8,326**	**--**	**--**	**$8,322**	**--**	**$8,322**	**--**
0971-Alt Energy, Advanced Trans Fin Auth															
State Operations	--	412	--	412	--	--	504	--	504	--	--	500	--	500	--
Totals,0971-Alt Energy, Advanced Trans Fin Auth	**--**	**$412**	**--**	**$412**	**--**	**--**	**$504**	**--**	**$504**	**--**	**--**	**$500**	**--**	**$500**	**--**
0974-Pollution Control Financing Authority															
Local Assistance	9,998	--	--	9,998	762	--	--	--	--	--	--	--	--	--	--
Totals,0974-Pollution Control Financing Authority	**$9,998**	**--**	**--**	**$9,998**	**$762**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
0977-Health Facilities Financing Authority															
State Operations	--	185	1,225	1,410	--	1,687	265	1,051	3,003	--	--	--	751	751	--
Local Assistance	--	14,814	27,848	42,662	--	--	20,452	125,000	145,452	--	65,813	144,000	140,000	349,813	--
Totals,0977-Health Facilities Financing Authority	**--**	**$14,999**	**$29,073**	**$44,072**	**--**	**$1,687**	**$20,717**	**$126,051**	**$148,455**	**--**	**$65,813**	**$144,000**	**$140,751**	**$350,564**	**--**
0985-School Finance Authority															
State Operations	424	--	944	1,368	230	556	--	1,253	1,809	433	556	--	1,253	1,809	435
Local Assistance	112,031	--	--	112,031	12,000	112,031	--	--	112,031	20,000	140,405	--	--	140,405	20,000
Totals,0985-School Finance Authority	**$112,455**	**--**	**$944**	**$113,399**	**$12,230**	**$112,587**	**--**	**$1,253**	**$113,840**	**$20,433**	**$140,961**	**--**	**$1,253**	**$142,214**	**$20,435**
0989-Educational Facilities Authority															
State Operations	--	32	--	32	--	--	136	--	136	--	--	9	--	9	--
Totals,0989-Educational Facilities Authority	**--**	**$32**	**--**	**$32**	**--**	**--**	**$136**	**--**	**$136**	**--**	**--**	**$9**	**--**	**$9**	**--**
0996-General Obligation Bonds-LJE															
State Operations	12,125	--	--	12,125	--	110	--	--	110	--	61	--	--	61	--
Totals,0996-General Obligation Bonds-LJE	**$12,125**	**--**	**--**	**$12,125**	**--**	**$110**	**--**	**--**	**$110**	**--**	**$61**	**--**	**--**	**$61**	**--**
Executive															
State Operations	764,270	650,595	273,674	1,688,539	160,459	528,971	674,609	107,834	1,311,414	207,603	629,783	660,132	15,828	1,305,743	189,071
Local Assistance	245,796	408,976	128,459	783,231	824,281	255,734	1,698,930	198,210	2,152,874	1,027,708	438,803	1,101,831	140,000	1,680,634	1,015,087
Capital Outlay	95	--	--	95	--	8,688	--	--	8,688	--	--	--	--	--	--
Totals, Executive	**$1,010,161**	**$1,059,571**	**$402,133**	**$2,471,865**	**$984,740**	**$793,393**	**$2,373,539**	**$306,044**	**$3,472,976**	**$1,235,311**	**$1,068,586**	**$1,761,963**	**$155,828**	**$2,986,377**	**$1,204,158**
TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE	**$3,367,147**	**$2,798,874**	**$402,133**	**$6,568,154**	**$987,400**	**$3,220,495**	**$4,176,016**	**$306,044**	**$7,702,555**	**$1,241,955**	**$3,651,392**	**$3,607,734**	**$155,828**	**$7,414,954**	**$1,210,799**
State Operations	1,549,305	1,023,484	273,674	2,846,463	162,457	1,400,330	1,110,536	107,834	2,618,700	211,972	1,462,372	1,122,640	15,828	2,600,840	193,437
Local Assistance	1,817,747	1,735,800	128,459	3,682,006	824,943	1,811,477	3,046,380	198,210	5,056,067	1,029,983	2,189,020	2,452,924	140,000	4,781,944	1,017,362
Capital Outlay	95	39,590	--	39,685	--	8,688	19,100	--	27,788	--	--	32,170	--	32,170	--

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
BUSINESS, CONSUMER SERVICES, & HOUSING															
1045-Cannabis Control Appeals Panel															
State Operations	--	--	--	--	--	--	1,367	--	1,367	--	--	1,215	--	1,215	--
Totals,1045-Cannabis Control Appeals Panel	**--**	**--**	**--**	**--**	**--**	**--**	**$1,367**	**--**	**$1,367**	**--**	**--**	**$1,215**	**--**	**$1,215**	**--**
1111-Dept of Consumer Affairs, Reg Bds, Bur															
State Operations	--	585,173	--	585,173	--	--	670,424	--	670,424	--	--	626,329	--	626,329	--
Local Assistance	--	50	--	50	--	--	150	--	150	--	--	--	--	--	--
Totals,1111-Dept of Consumer Affairs, Reg Bds, Bur	**--**	**$585,223**	**--**	**$585,223**	**--**	**--**	**$670,574**	**--**	**$670,574**	**--**	**--**	**$626,329**	**--**	**$626,329**	**--**
1690-Seismic Safety Commission, A. E. Alquist															
State Operations	--	1,215	--	1,215	--	--	1,318	--	1,318	--	--	1,319	--	1,319	--
Totals,1690-Seismic Safety Commission, A. E. Alquist	**--**	**$1,215**	**--**	**$1,215**	**--**	**--**	**$1,318**	**--**	**$1,318**	**--**	**--**	**$1,319**	**--**	**$1,319**	**--**
1700-Department of Fair Employment, Housing															
State Operations	22,879	1,389	--	24,268	3,950	23,349	--	--	23,349	5,689	25,460	262	--	25,722	5,698
Totals,1700-Department of Fair Employment, Housing	**$22,879**	**$1,389**	**--**	**$24,268**	**$3,950**	**$23,349**	**--**	**--**	**$23,349**	**$5,689**	**$25,460**	**$262**	**--**	**$25,722**	**$5,698**
1701-Department of Business Oversight															
State Operations	--	83,479	--	83,479	--	--	95,617	--	95,617	--	--	96,503	--	96,503	--
Totals,1701-Department of Business Oversight	**--**	**$83,479**	**--**	**$83,479**	**--**	**--**	**$95,617**	**--**	**$95,617**	**--**	**--**	**$96,503**	**--**	**$96,503**	**--**
1750-Horse Racing Board															
State Operations	--	12,975	--	12,975	--	--	13,542	--	13,542	--	--	13,547	--	13,547	--
Totals,1750-Horse Racing Board	**--**	**$12,975**	**--**	**$12,975**	**--**	**--**	**$13,542**	**--**	**$13,542**	**--**	**--**	**$13,547**	**--**	**$13,547**	**--**
1996-General Obligation Bonds-BCH															
State Operations	413,228	--	--	413,228	--	343,442	--	--	343,442	--	394,394	--	--	394,394	--
Totals,1996-General Obligation Bonds-BCH	**$413,228**	**--**	**--**	**$413,228**	**--**	**$343,442**	**--**	**--**	**$343,442**	**--**	**$394,394**	**--**	**--**	**$394,394**	**--**
2100-Department of Alcoholic Beverage Control															
State Operations	--	61,413	--	61,413	--	--	66,181	--	66,181	--	--	68,323	--	68,323	--
Local Assistance	--	3,000	--	3,000	--	--	3,000	--	3,000	--	--	3,000	--	3,000	--
Totals,2100-Department of Alcoholic Beverage Control	**--**	**$64,413**	**--**	**$64,413**	**--**	**--**	**$69,181**	**--**	**$69,181**	**--**	**--**	**$71,323**	**--**	**$71,323**	**--**
2120-Alcoholic Beverage Control Appeals Board															
State Operations	--	1,007	--	1,007	--	--	1,169	--	1,169	--	--	1,169	--	1,169	--
Totals,2120-Alcoholic Beverage Control Appeals Board	**--**	**$1,007**	**--**	**$1,007**	**--**	**--**	**$1,169**	**--**	**$1,169**	**--**	**--**	**$1,169**	**--**	**$1,169**	**--**
2240-Dept of Housing, Community Development															
State Operations	4,392	33,064	9,895	47,351	7,661	3,110	37,548	14,548	55,206	9,649	6,069	41,516	14,772	62,357	10,121
Local Assistance	50,629	274,595	96,946	422,170	91,973	33,879	14,845	399,649	448,373	121,570	5,629	245,100	337,325	588,054	121,570
Totals,2240-Dept of Housing, Community Development	**$55,021**	**$307,659**	**$106,841**	**$469,521**	**$99,634**	**$36,989**	**$52,393**	**$414,197**	**$503,579**	**$131,219**	**$11,698**	**$286,616**	**$352,097**	**$650,411**	**$131,691**
2320-Department of Real Estate															
State Operations	--	--	--	--	--	--	--	--	--	--	--	51,385	--	51,385	--
Totals,2320-Department of Real Estate	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$51,385**	**--**	**$51,385**	**--**
TOTALS, BUSINESS, CONSUMER SERVICES, & HOUSING	**$491,128**	**$1,057,360**	**$106,841**	**$1,655,329**	**$103,584**	**$403,780**	**$905,161**	**$414,197**	**$1,723,138**	**$136,908**	**$431,552**	**$1,149,668**	**$352,097**	**$1,933,317**	**$137,389**
State Operations	440,499	779,715	9,895	1,230,109	11,611	369,901	887,166	14,548	1,271,615	15,338	425,923	901,568	14,772	1,342,263	15,819
Local Assistance	50,629	277,645	96,946	425,220	91,973	33,879	17,995	399,649	451,523	121,570	5,629	248,100	337,325	591,054	121,570
TRANSPORTATION															
2600-California Transportation Commission															
State Operations	--	3,338	118	3,456	--	--	5,077	122	5,199	--	--	5,163	122	5,285	--
Local Assistance	--	--	6,332	6,332	--	--	--	9,054	9,054	--	--	--	9,054	9,054	--
Totals,2600-California Transportation Commission	**--**	**$3,338**	**$6,450**	**$9,788**	**--**	**--**	**$5,077**	**$9,176**	**$14,253**	**--**	**--**	**$5,163**	**$9,176**	**$14,339**	**--**
2640-State Transit Assistance															
Local Assistance	--	303,598	35,385	338,983	--	--	679,426	27,076	706,502	--	--	838,389	17,028	855,417	--
Totals,2640-State Transit Assistance	**--**	**$303,598**	**$35,385**	**$338,983**	**--**	**--**	**$679,426**	**$27,076**	**$706,502**	**--**	**--**	**$838,389**	**$17,028**	**$855,417**	**--**
2660-Department of Transportation															
State Operations	--	2,570,146	23,848	2,593,994	1,009,876	--	3,255,347	13,315	3,268,662	1,215,561	--	3,491,602	16,091	3,507,693	1,221,030
Local Assistance	--	258,644	65,656	324,300	1,494,057	--	1,044,383	33,055	1,077,438	1,940,988	--	1,066,637	60,338	1,126,975	2,465,202

SCHEDULE 9 at 2018-19 Governor's Budget

COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	--	623,535	68,185	691,720	2,098,634	--	959,676	86,106	1,045,782	1,830,031	--	2,052,518	152,425	2,204,943	1,990,029
Unclassified	--	--	--	--	10	--	--	--	--	5,000	--	--	--	--	5,000
Totals,2660-Department of Transportation	**--**	**$3,452,325**	**$157,689**	**$3,610,014**	**$4,602,577**	**--**	**$5,259,406**	**$132,476**	**$5,391,882**	**$4,991,580**	**--**	**$6,610,757**	**$228,854**	**$6,839,611**	**$5,681,261**
2665-High-Speed Rail Authority															
State Operations	--	--	34,906	34,906	--	--	103	44,514	44,617	--	--	103	44,540	44,643	--
Local Assistance	--	--	--	--	--	--	--	73,739	73,739	--	--	--	190,374	190,374	--
Capital Outlay	--	405,529	192,623	598,152	99,889	--	18,397	69,176	87,573	77,105	--	749,379	147,569	896,948	--
Totals,2665-High-Speed Rail Authority	**--**	**$405,529**	**$227,529**	**$633,058**	**$99,889**	**--**	**$18,500**	**$187,429**	**$205,929**	**$77,105**	**--**	**$749,482**	**$382,483**	**$1,131,965**	**--**
2670-Board of Pilot Commissioners															
State Operations	--	2,133	--	2,133	--	--	2,472	--	2,472	--	--	2,480	--	2,480	--
Totals,2670-Board of Pilot Commissioners	**--**	**$2,133**	**--**	**$2,133**	**--**	**--**	**$2,472**	**--**	**$2,472**	**--**	**--**	**$2,480**	**--**	**$2,480**	**--**
2720-Dept of the California Highway Patrol															
State Operations	--	2,163,315	--	2,163,315	13,308	--	2,259,707	--	2,259,707	21,117	--	2,263,457	--	2,263,457	20,953
Capital Outlay	--	43,711	--	43,711	--	--	11,230	--	11,230	--	--	8,230	--	8,230	--
Totals,2720-Dept of the California Highway Patrol	**--**	**$2,207,026**	**--**	**$2,207,026**	**$13,308**	**--**	**$2,270,937**	**--**	**$2,270,937**	**$21,117**	**--**	**$2,271,687**	**--**	**$2,271,687**	**$20,953**
2740-Department of Motor Vehicles															
State Operations	3,888	1,034,717	--	1,038,605	28	1,750	1,093,459	--	1,095,209	2,810	3,188	1,131,985	--	1,135,173	2,780
Capital Outlay	--	4,125	--	4,125	--	--	23,430	--	23,430	--	--	12,828	--	12,828	--
Totals,2740-Department of Motor Vehicles	**$3,888**	**$1,038,842**	**--**	**$1,042,730**	**$28**	**$1,750**	**$1,116,889**	**--**	**$1,118,639**	**$2,810**	**$3,188**	**$1,144,813**	**--**	**$1,148,001**	**$2,780**
2830-General Obligation Bonds-Transportation															
State Operations	198,632	1,235,153	--	1,433,785	--	237,496	1,492,348	--	1,729,844	--	209,713	1,526,848	--	1,736,561	--
Totals,2830-General Obligation Bonds-Transportation	**$198,632**	**$1,235,153**	**--**	**$1,433,785**	**--**	**$237,496**	**$1,492,348**	**--**	**$1,729,844**	**--**	**$209,713**	**$1,526,848**	**--**	**$1,736,561**	**--**
TOTALS, TRANSPORTATION	**$202,520**	**$8,647,944**	**$427,053**	**$9,277,517**	**$4,715,802**	**$239,246**	**$10,845,055**	**$356,157**	**$11,440,458**	**$5,092,612**	**$212,901**	**$13,149,619**	**$637,541**	**$14,000,061**	**$5,704,994**
State Operations	202,520	7,008,802	58,872	7,270,194	1,023,212	239,246	8,108,513	57,951	8,405,710	1,239,488	212,901	8,421,638	60,753	8,695,292	1,244,763
Local Assistance	--	562,242	107,373	669,615	1,494,057	--	1,723,809	142,924	1,866,733	1,940,988	--	1,905,026	276,794	2,181,820	2,465,202
Capital Outlay	--	1,076,900	260,808	1,337,708	2,198,523	--	1,012,733	155,282	1,168,015	1,907,136	--	2,822,955	299,994	3,122,949	1,990,029
Unclassified	--	--	--	--	10	--	--	--	--	5,000	--	--	--	--	5,000
NATURAL RESOURCES															
3100-Science Center															
State Operations	28,721	10,433	--	39,154	--	22,462	10,993	--	33,455	--	22,487	9,671	--	32,158	--
Totals,3100-Science Center	**$28,721**	**$10,433**	**--**	**$39,154**	**--**	**$22,462**	**$10,993**	**--**	**$33,455**	**--**	**$22,487**	**$9,671**	**--**	**$32,158**	**--**
3110-Special Resources Programs															
State Operations	--	200	--	200	--	--	200	--	200	--	--	200	--	200	--
Local Assistance	3,998	707	--	4,705	--	3,998	840	--	4,838	--	--	4,912	--	4,912	--
Totals,3110-Special Resources Programs	**$3,998**	**$907**	**--**	**$4,905**	**--**	**$3,998**	**$1,040**	**--**	**$5,038**	**--**	**--**	**$5,112**	**--**	**$5,112**	**--**
3125-Tahoe Conservancy															
State Operations	--	4,269	236	4,505	165	--	4,892	254	5,146	348	--	4,946	444	5,390	453
Local Assistance	--	--	2,750	2,750	--	--	450	4,482	4,932	2,318	--	550	--	550	--
Capital Outlay	--	561	1,508	2,069	1,911	--	2,065	7,354	9,419	3,858	--	559	1,975	2,534	4,482
Totals,3125-Tahoe Conservancy	**--**	**$4,830**	**$4,494**	**$9,324**	**$2,076**	**--**	**$7,407**	**$12,090**	**$19,497**	**$6,524**	**--**	**$6,055**	**$2,419**	**$8,474**	**$4,935**
3340-California Conservation Corps															
State Operations	42,593	50,497	--	93,090	--	45,051	56,191	--	101,242	--	52,296	42,695	--	94,991	--
Capital Outlay	1,397	--	--	1,397	--	21,500	--	--	21,500	--	14,069	--	--	14,069	--
Totals,3340-California Conservation Corps	**$43,990**	**$50,497**	**--**	**$94,487**	**--**	**$66,551**	**$56,191**	**--**	**$122,742**	**--**	**$66,365**	**$42,695**	**--**	**$109,060**	**--**
3360-Energy Resource Conservation, Dvlmt Comm															
State Operations	--	248,778	--	248,778	2,755	15,000	365,250	--	380,250	16,822	--	246,945	--	246,945	10,964
Local Assistance	--	131,533	--	131,533	12,699	3,000	281,112	--	284,112	2,500	--	122,868	--	122,868	2,500
Totals,3360-Energy Resource Conservation, Dvlmt Comm	**--**	**$380,311**	**--**	**$380,311**	**$15,454**	**$18,000**	**$646,362**	**--**	**$664,362**	**$19,322**	**--**	**$369,813**	**--**	**$369,813**	**$13,464**
3480-Department of Conservation															
State Operations	5,799	92,635	915	99,349	1,242	3,606	114,006	1,563	119,175	2,835	3,611	114,172	1,100	118,883	2,825
Local Assistance	--	23,568	--	23,568	--	--	16,564	3,239	19,803	--	--	2,000	1,150	3,150	--
Totals,3480-Department of Conservation	**$5,799**	**$116,203**	**$915**	**$122,917**	**$1,242**	**$3,606**	**$130,570**	**$4,802**	**$138,978**	**$2,835**	**$3,611**	**$116,172**	**$2,250**	**$122,033**	**$2,825**

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
3540-Department of Forestry, Fire Protection															
State Operations	1,143,414	145,051	--	1,288,465	4,633	1,793,949	349,431	--	2,143,380	20,750	1,413,022	118,759	--	1,531,781	20,756
Local Assistance	--	3,435	--	3,435	--	6,800	3,465	--	10,265	--	--	--	--	--	--
Capital Outlay	6,640	--	--	6,640	2,045	6,301	--	--	6,301	--	28,289	--	--	28,289	--
Totals,3540-Department of Forestry, Fire Protection	**$1,150,054**	**$148,486**	**--**	**$1,298,540**	**$6,678**	**$1,807,050**	**$352,896**	**--**	**$2,159,946**	**$20,750**	**$1,441,311**	**$118,759**	**--**	**$1,560,070**	**$20,756**
3560-State Lands Commission															
State Operations	15,595	16,075	--	31,670	--	25,791	19,331	--	45,122	--	77,115	20,777	--	97,892	--
Totals,3560-State Lands Commission	**$15,595**	**$16,075**	**--**	**$31,670**	**--**	**$25,791**	**$19,331**	**--**	**$45,122**	**--**	**$77,115**	**$20,777**	**--**	**$97,892**	**--**
3600-Department of Fish and Wildlife															
State Operations	103,790	183,110	9,935	296,835	54,851	104,045	220,064	26,434	350,543	61,528	93,303	243,185	51,078	387,566	62,384
Local Assistance	576	3,094	57,527	61,197	18,020	576	19,981	66,311	86,868	20,000	576	3,341	31,740	35,657	20,000
Capital Outlay	--	--	--	--	--	--	246	--	246	--	--	--	--	--	--
Totals,3600-Department of Fish and Wildlife	**$104,366**	**$186,204**	**$67,462**	**$358,032**	**$72,871**	**$104,621**	**$240,291**	**$92,745**	**$437,657**	**$81,528**	**$93,879**	**$246,526**	**$82,818**	**$423,223**	**$82,384**
3640-Wildlife Conservation Board															
State Operations	--	1,180	2,638	3,818	--	--	1,604	3,076	4,680	--	--	2,357	3,076	5,433	--
Local Assistance	--	6,376	60,855	67,231	--	1,000	20,000	87,252	108,252	--	--	--	41,200	41,200	--
Capital Outlay	18,901	-22,554	14,416	10,763	12,676	19,687	32,511	295,654	347,852	35,000	19,810	1,853	8,000	29,663	35,000
Totals,3640-Wildlife Conservation Board	**$18,901**	**- $14,998**	**$77,909**	**$81,812**	**$12,676**	**$20,687**	**$54,115**	**$385,982**	**$460,784**	**$35,000**	**$19,810**	**$4,210**	**$52,276**	**$76,296**	**$35,000**
3720-Coastal Commission															
State Operations	15,909	1,394	--	17,303	2,718	16,724	2,199	--	18,923	2,817	16,741	2,255	--	18,996	2,817
Local Assistance	23	503	--	526	--	--	503	--	503	--	--	503	--	503	--
Totals,3720-Coastal Commission	**$15,932**	**$1,897**	**--**	**$17,829**	**$2,718**	**$16,724**	**$2,702**	**--**	**$19,426**	**$2,817**	**$16,741**	**$2,758**	**--**	**$19,499**	**$2,817**
3760-State Coastal Conservancy															
State Operations	186	285	6,728	7,199	311	--	655	6,190	6,845	549	--	2,176	5,835	8,011	569
Local Assistance	1,000	1,357	30,626	32,983	5,499	15,000	6,765	94,548	116,313	17,295	--	825	13,140	13,965	8,000
Capital Outlay	--	-1,396	1,413	17	--	--	17,564	8,953	26,517	--	--	3,636	--	3,636	--
Totals,3760-State Coastal Conservancy	**$1,186**	**$246**	**$38,767**	**$40,199**	**$5,810**	**$15,000**	**$24,984**	**$109,691**	**$149,675**	**$17,844**	**--**	**$6,637**	**$18,975**	**$25,612**	**$8,569**
3780-Native American Heritage Commission															
State Operations	2,547	--	--	2,547	--	1,874	--	--	1,874	--	2,106	--	--	2,106	--
Totals,3780-Native American Heritage Commission	**$2,547**	**--**	**--**	**$2,547**	**--**	**$1,874**	**--**	**--**	**$1,874**	**--**	**$2,106**	**--**	**--**	**$2,106**	**--**
3790-Department of Parks, Recreation															
State Operations	135,019	254,502	17,280	406,801	10,865	202,524	306,179	20,349	529,052	16,225	137,452	313,799	4,818	456,069	16,356
Local Assistance	2,500	33,035	381	35,916	19,917	9,500	61,072	26,000	96,572	141,242	9,500	43,550	--	53,050	87,700
Capital Outlay	104	2,469	3,981	6,554	--	3,548	30,160	50,740	84,448	590	--	945	8,436	9,381	1,656
Totals,3790-Department of Parks, Recreation	**$137,623**	**$290,006**	**$21,642**	**$449,271**	**$30,782**	**$215,572**	**$397,411**	**$97,089**	**$710,072**	**$158,057**	**$146,952**	**$358,294**	**$13,254**	**$518,500**	**$105,712**
3810-Santa Monica Mountains Conservancy															
State Operations	--	395	233	628	--	--	493	979	1,472	--	--	494	229	723	--
Local Assistance	--	--	8,633	8,633	--	3,500	20	60,822	64,342	--	--	120	1,775	1,895	--
Capital Outlay	--	--	2,865	2,865	--	--	--	981	981	--	--	--	--	--	--
Totals,3810-Santa Monica Mountains Conservancy	**--**	**$395**	**$11,731**	**$12,126**	**--**	**$3,500**	**$513**	**$62,782**	**$66,795**	**--**	**--**	**$614**	**$2,004**	**$2,618**	**--**
3820-SF Bay Conservation, Development Comm															
State Operations	5,651	--	--	5,651	--	5,903	--	--	5,903	--	5,907	--	--	5,907	--
Totals,3820-SF Bay Conservation, Development Comm	**$5,651**	**--**	**--**	**$5,651**	**--**	**$5,903**	**--**	**--**	**$5,903**	**--**	**$5,907**	**--**	**--**	**$5,907**	**--**
3825-San Gabriel,Lower LA River,Mtns Consvcy															
State Operations	--	346	526	872	--	--	479	639	1,118	--	--	480	477	957	--
Local Assistance	--	--	13,110	13,110	--	--	--	63,033	63,033	--	--	--	--	--	--
Capital Outlay	--	--	2,885	2,885	--	--	--	4,044	4,044	--	--	--	372	372	--
Totals,3825-San Gabriel,Lower LA River,Mtns Consvcy	**--**	**$346**	**$16,521**	**$16,867**	**--**	**--**	**$479**	**$67,716**	**$68,195**	**--**	**--**	**$480**	**$849**	**$1,329**	**--**
3830-San Joaquin River Conservancy															
State Operations	--	349	219	568	--	200	455	250	905	--	--	452	250	702	--
Totals,3830-San Joaquin River Conservancy	**--**	**$349**	**$219**	**$568**	**--**	**$200**	**$455**	**$250**	**$905**	**--**	**--**	**$452**	**$250**	**$702**	**--**
3835-Baldwin Hills Conservancy															
State Operations	--	337	265	602	--	--	369	369	738	--	--	365	340	705	--

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	--	--	1,351	1,351	--	--	--	10,674	10,674	--	--	--	2,000	2,000	--
Capital Outlay	--	--	1,422	1,422	--	--	--	7,413	7,413	--	--	--	--	--	--
Totals,3835-Baldwin Hills Conservancy	**--**	**$337**	**$3,038**	**$3,375**	**--**	**--**	**$369**	**$18,456**	**$18,825**	**--**	**--**	**$365**	**$2,340**	**$2,705**	**--**
3840-Delta Protection Commission															
State Operations	150	1,096	--	1,246	--	--	1,230	--	1,230	--	--	1,659	--	1,659	--
Totals,3840-Delta Protection Commission	**$150**	**$1,096**	**--**	**$1,246**	**--**	**--**	**$1,230**	**--**	**$1,230**	**--**	**--**	**$1,659**	**--**	**$1,659**	**--**
3845-San Diego River Conservancy															
State Operations	--	370	109	479	--	--	402	113	515	--	--	402	113	515	--
Local Assistance	--	--	1,057	1,057	--	--	--	5,399	5,399	--	--	--	4,060	4,060	--
Totals,3845-San Diego River Conservancy	**--**	**$370**	**$1,166**	**$1,536**	**--**	**--**	**$402**	**$5,512**	**$5,914**	**--**	**--**	**$402**	**$4,173**	**$4,575**	**--**
3850-Coachella Valley Mountains Conservancy															
State Operations	--	263	100	363	--	--	336	155	491	--	--	328	162	490	--
Local Assistance	--	--	97	97	--	--	--	6,653	6,653	--	--	--	2,489	2,489	--
Capital Outlay	--	--	660	660	--	--	--	8,592	8,592	--	--	--	--	--	--
Totals,3850-Coachella Valley Mountains Conservancy	**--**	**$263**	**$857**	**$1,120**	**--**	**--**	**$336**	**$15,400**	**$15,736**	**--**	**--**	**$328**	**$2,651**	**$2,979**	**--**
3855-Sierra Nevada Conservancy															
State Operations	--	4,374	324	4,698	--	--	4,505	464	4,969	30	--	4,506	358	4,864	30
Local Assistance	--	--	4,318	4,318	--	--	--	8,987	8,987	--	--	--	300	300	--
Totals,3855-Sierra Nevada Conservancy	**--**	**$4,374**	**$4,642**	**$9,016**	**--**	**--**	**$4,505**	**$9,451**	**$13,956**	**$30**	**--**	**$4,506**	**$658**	**$5,164**	**$30**
3860-Department of Water Resources															
State Operations	118,114	32,645	61,224	211,983	5,511	213,978	35,730	416,386	666,094	12,449	119,382	32,496	29,687	181,565	12,497
Local Assistance	22,290	16,137	34,749	73,176	--	13,710	2,863	822,366	838,939	--	--	--	90,135	90,135	--
Capital Outlay	--	8,210	249,151	257,361	--	--	--	489,431	489,431	--	--	--	--	--	--
Totals,3860-Department of Water Resources	**$140,404**	**$56,992**	**$345,124**	**$542,520**	**$5,511**	**$227,688**	**$38,593**	**$1,728,183**	**$1,994,464**	**$12,449**	**$119,382**	**$32,496**	**$119,822**	**$271,700**	**$12,497**
3875-Sacramento-San Joaquin Delta Conservancy															
State Operations	1,270	71	422	1,763	691	1,379	71	457	1,907	720	1,380	71	458	1,909	696
Local Assistance	--	--	630	630	--	--	--	9,300	9,300	--	--	--	13,950	13,950	--
Totals,3875-Sacramento-San Joaquin Delta Conservancy	**$1,270**	**$71**	**$1,052**	**$2,393**	**$691**	**$1,379**	**$71**	**$9,757**	**$11,207**	**$720**	**$1,380**	**$71**	**$14,408**	**$15,859**	**$696**
3882-General Obligation Bonds-Natural Res															
State Operations	1,024,547	--	--	1,024,547	--	984,228	--	--	984,228	--	993,433	--	--	993,433	--
Totals,3882-General Obligation Bonds-Natural Res	**$1,024,547**	**--**	**--**	**$1,024,547**	**--**	**$984,228**	**--**	**--**	**$984,228**	**--**	**$993,433**	**--**	**--**	**$993,433**	**--**
3885-Delta Stewardship Council															
State Operations	18,583	665	--	19,248	178	19,507	843	--	20,350	2,760	18,542	2,844	--	21,386	2,757
Totals,3885-Delta Stewardship Council	**$18,583**	**$665**	**--**	**$19,248**	**$178**	**$19,507**	**$843**	**--**	**$20,350**	**$2,760**	**$18,542**	**$2,844**	**--**	**$21,386**	**$2,757**
TOTALS, NATURAL RESOURCES	**$2,719,317**	**$1,256,355**	**$595,539**	**$4,571,211**	**$156,687**	**$3,564,341**	**$1,992,089**	**$2,619,906**	**$8,176,336**	**$360,636**	**$3,029,021**	**$1,351,696**	**$319,147**	**$4,699,864**	**$292,442**
State Operations	2,661,888	1,049,320	101,154	3,812,362	83,920	3,456,221	1,495,908	477,678	5,429,807	137,833	2,956,777	1,166,034	98,425	4,221,236	133,104
Local Assistance	30,387	219,745	216,084	466,216	56,135	57,084	413,635	1,269,066	1,739,785	183,355	10,076	178,669	201,939	390,684	118,200
Capital Outlay	27,042	-12,710	278,301	292,633	16,632	51,036	82,546	873,162	1,006,744	39,448	62,168	6,993	18,783	87,944	41,138
ENVIRONMENTAL PROTECTION															
3900-Air Resources Board															
State Operations	--	257,096	143	257,239	8,611	--	298,125	1,201	299,326	17,333	--	302,512	1,201	303,713	17,231
Local Assistance	--	434,406	--	434,406	--	--	1,258,069	1,202	1,259,271	--	--	94,233	813	95,046	--
Capital Outlay	--	--	--	--	--	--	154,000	--	154,000	--	--	--	--	--	--
Totals,3900-Air Resources Board	**--**	**$691,502**	**$143**	**$691,645**	**$8,611**	**--**	**$1,710,194**	**$2,403**	**$1,712,597**	**$17,333**	**--**	**$396,745**	**$2,014**	**$398,759**	**$17,231**
3930-Department of Pesticide Regulation															
State Operations	750	66,025	--	66,775	2,006	--	72,832	--	72,832	2,366	--	69,748	--	69,748	2,375
Local Assistance	--	26,957	--	26,957	--	--	28,850	--	28,850	--	--	32,046	--	32,046	--
Totals,3930-Department of Pesticide Regulation	**$750**	**$92,982**	**--**	**$93,732**	**$2,006**	**--**	**$101,682**	**--**	**$101,682**	**$2,366**	**--**	**$101,794**	**--**	**$101,794**	**$2,375**
3940-State Water Resources Control Board															
State Operations	42,893	344,628	11,095	398,616	43,506	53,331	493,946	74,870	622,147	82,090	40,243	505,787	11,388	557,418	82,480
Local Assistance	--	82,259	415,576	497,835	196,830	--	153,897	1,486,744	1,640,641	232,693	--	48,833	--	48,833	232,693
Totals,3940-State Water Resources Control Board	**$42,893**	**$426,887**	**$426,671**	**$896,451**	**$240,336**	**$53,331**	**$647,843**	**$1,561,614**	**$2,262,788**	**$314,783**	**$40,243**	**$554,620**	**$11,388**	**$606,251**	**$315,173**

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
3960-Department of Toxic Substances Control															
State Operations	44,103	168,235	--	212,338	31,442	34,037	191,010	--	225,047	31,610	32,828	210,194	--	243,022	31,848
Local Assistance	--	--	--	--	3,027	2,000	1,000	--	3,000	3,027	--	1,000	--	1,000	3,027
Totals,3960-Department of Toxic Substances Control	**$44,103**	**$168,235**	**--**	**$212,338**	**$34,469**	**$36,037**	**$192,010**	**--**	**$228,047**	**$34,637**	**$32,828**	**$211,194**	**--**	**$244,022**	**$34,875**
3970-Resources Recycling and Recovery															
State Operations	-1,911	193,995	--	192,084	--	17,500	243,199	--	260,699	--	--	238,550	--	238,550	--
Local Assistance	--	1,307,448	--	1,307,448	--	--	1,385,646	--	1,385,646	--	--	1,283,176	--	1,283,176	--
Totals,3970-Resources Recycling and Recovery	**- $1,911**	**$1,501,443**	**--**	**$1,499,532**	**--**	**$17,500**	**$1,628,845**	**--**	**$1,646,345**	**--**	**--**	**$1,521,726**	**--**	**$1,521,726**	**--**
3980-Environmental Health Hazard Assessment															
State Operations	5,197	14,122	--	19,319	--	5,285	16,940	--	22,225	414	5,340	17,066	--	22,406	--
Totals,3980-Environmental Health Hazard Assessment	**$5,197**	**$14,122**	**--**	**$19,319**	**--**	**$5,285**	**$16,940**	**--**	**$22,225**	**$414**	**$5,340**	**$17,066**	**--**	**$22,406**	**--**
3996-General Obligation Bonds-Environmental															
State Operations	3,484	--	--	3,484	--	3,318	--	--	3,318	--	3,234	--	--	3,234	--
Totals,3996-General Obligation Bonds-Environmental	**$3,484**	**--**	**--**	**$3,484**	**--**	**$3,318**	**--**	**--**	**$3,318**	**--**	**$3,234**	**--**	**--**	**$3,234**	**--**
TOTALS, ENVIRONMENTAL PROTECTION	**$94,516**	**$2,895,171**	**$426,814**	**$3,416,501**	**$285,422**	**$115,471**	**$4,297,514**	**$1,564,017**	**$5,977,002**	**$369,533**	**$81,645**	**$2,803,145**	**$13,402**	**$2,898,192**	**$369,654**
State Operations	94,516	1,044,101	11,238	1,149,855	85,565	113,471	1,316,052	76,071	1,505,594	133,813	81,645	1,343,857	12,589	1,438,091	133,934
Local Assistance	--	1,851,070	415,576	2,266,646	199,857	2,000	2,827,462	1,487,946	4,317,408	235,720	--	1,459,288	813	1,460,101	235,720
Capital Outlay	--	--	--	--	--	--	154,000	--	154,000	--	--	--	--	--	--
HEALTH AND HUMAN SERVICES															
4100-State Council-Developmental Disabilities															
State Operations	--	--	--	--	6,526	--	--	--	--	7,255	--	--	--	--	7,260
Totals,4100-State Council-Developmental Disabilities	**--**	**--**	**--**	**--**	**$6,526**	**--**	**--**	**--**	**--**	**$7,255**	**--**	**--**	**--**	**--**	**$7,260**
4120-Emergency Medical Services Authority															
State Operations	1,931	3,511	--	5,442	2,773	2,001	4,217	--	6,218	3,642	2,358	4,079	--	6,437	3,619
Local Assistance	6,454	200	--	6,654	1,879	6,865	300	--	7,165	2,671	6,865	300	--	7,165	2,671
Totals,4120-Emergency Medical Services Authority	**$8,385**	**$3,711**	**--**	**$12,096**	**$4,652**	**$8,866**	**$4,517**	**--**	**$13,383**	**$6,313**	**$9,223**	**$4,379**	**--**	**$13,602**	**$6,290**
4140-Statewide Health Planning, Development															
State Operations	--	78,998	--	78,998	482	2,000	104,451	--	106,451	564	2,000	94,224	--	96,224	464
Local Assistance	--	36,516	--	36,516	1,000	31,334	19,306	--	50,640	1,008	31,333	6,656	--	37,989	1,000
Totals,4140-Statewide Health Planning, Development	**--**	**$115,514**	**--**	**$115,514**	**$1,482**	**$33,334**	**$123,757**	**--**	**$157,091**	**$1,572**	**$33,333**	**$100,880**	**--**	**$134,213**	**$1,464**
4150-Department of Managed Health Care															
State Operations	--	73,614	--	73,614	83	--	79,996	--	79,996	--	--	79,036	--	79,036	--
Totals,4150-Department of Managed Health Care	**--**	**$73,614**	**--**	**$73,614**	**$83**	**--**	**$79,996**	**--**	**$79,996**	**--**	**--**	**$79,036**	**--**	**$79,036**	**--**
4170-Department of Aging															
State Operations	3,186	191	--	3,377	6,194	4,417	249	--	4,666	8,332	4,420	249	--	4,669	8,189
Local Assistance	31,500	4,546	--	36,046	146,954	29,538	4,546	--	34,084	150,382	29,538	4,546	--	34,084	142,766
Totals,4170-Department of Aging	**$34,686**	**$4,737**	**--**	**$39,423**	**$153,148**	**$33,955**	**$4,795**	**--**	**$38,750**	**$158,714**	**$33,958**	**$4,795**	**--**	**$38,753**	**$150,955**
4180-Commission on Aging															
State Operations	--	--	--	--	422	--	--	--	--	464	--	--	--	--	467
Totals,4180-Commission on Aging	**--**	**--**	**--**	**--**	**$422**	**--**	**--**	**--**	**--**	**$464**	**--**	**--**	**--**	**--**	**$467**
4185-California Senior Legislature															
State Operations	235	--	--	235	--	640	--	--	640	--	--	--	--	--	--
Totals,4185-California Senior Legislature	**$235**	**--**	**--**	**$235**	**--**	**$640**	**--**	**--**	**$640**	**--**	**--**	**--**	**--**	**--**	**--**
4250-Children and Families Commission															
State Operations	--	6,045	--	6,045	--	--	5,561	--	5,561	--	--	5,116	--	5,116	--
Local Assistance	--	349,613	--	349,613	--	--	416,566	--	416,566	--	--	392,487	--	392,487	--
Totals,4250-Children and Families Commission	**--**	**$355,658**	**--**	**$355,658**	**--**	**--**	**$422,127**	**--**	**$422,127**	**--**	**--**	**$397,603**	**--**	**$397,603**	**--**
4260-State Department of Health Care Services															
State Operations	190,756	18,558	--	209,314	309,486	220,828	31,050	--	251,878	399,920	219,075	27,650	--	246,725	414,138
Local Assistance	19,242,332	9,042,819	--	28,285,151	59,281,854	20,293,833	12,465,230	--	32,759,063	64,066,799	21,643,449	11,057,277	--	32,700,726	67,507,157
Totals,4260-State Department of Health Care Services	**$19,433,088**	**$9,061,377**	**--**	**$28,494,465**	**$59,591,340**	**$20,514,661**	**$12,496,280**	**--**	**$33,010,941**	**$64,466,719**	**$21,862,524**	**$11,084,927**	**--**	**$32,947,451**	**$67,921,295**

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
4265-Department of Public Health															
State Operations	87,291	319,384	--	406,675	267,890	94,011	477,200	--	571,211	313,027	91,352	483,314	--	574,666	316,814
Local Assistance	52,219	348,549	--	400,768	1,296,344	54,289	554,557	--	608,846	1,253,917	46,571	533,472	--	580,043	1,272,535
Capital Outlay	--	--	--	--	--	--	--	--	--	--	4,866	--	--	4,866	--
Totals,4265-Department of Public Health	**$139,510**	**$667,933**	**--**	**$807,443**	**$1,564,234**	**$148,300**	**$1,031,757**	**--**	**$1,180,057**	**$1,566,944**	**$142,789**	**$1,016,786**	**--**	**$1,159,575**	**$1,589,349**
4300-Department of Developmental Services															
State Operations	372,760	718	--	373,478	2,961	418,697	746	--	419,443	2,705	331,542	747	--	332,289	2,707
Local Assistance	3,520,873	742	--	3,521,615	52,963	3,786,315	3,427	--	3,789,742	52,964	4,105,886	3,427	--	4,109,313	52,867
Capital Outlay	5,607	--	--	5,607	--	205	--	--	205	--	3,450	--	--	3,450	--
Totals,4300-Department of Developmental Services	**$3,899,240**	**$1,460**	**--**	**$3,900,700**	**$55,924**	**$4,205,217**	**$4,173**	**--**	**$4,209,390**	**$55,669**	**$4,440,878**	**$4,174**	**--**	**$4,445,052**	**$55,574**
4440-Department of State Hospitals															
State Operations	1,744,870	--	--	1,744,870	--	1,526,982	--	--	1,526,982	--	1,752,590	--	--	1,752,590	--
Capital Outlay	28,950	--	--	28,950	--	17,193	--	--	17,193	--	20,067	--	--	20,067	--
Totals,4440-Department of State Hospitals	**$1,773,820**	**--**	**--**	**$1,773,820**	**--**	**$1,544,175**	**--**	**--**	**$1,544,175**	**--**	**$1,772,657**	**--**	**--**	**$1,772,657**	**--**
4560-Mental Hlth Svcs Ovrst and Acntblty Comm															
State Operations	--	40,965	--	40,965	--	--	56,839	--	56,839	--	--	15,896	--	15,896	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	32,000	--	32,000	--
Totals,4560-Mental Hlth Svcs Ovrst and Acntblty Comm	**--**	**$40,965**	**--**	**$40,965**	**--**	**--**	**$56,839**	**--**	**$56,839**	**--**	**--**	**$47,896**	**--**	**$47,896**	**--**
4700-Dept of Community Services, Development															
State Operations	--	1,905	--	1,905	15,697	--	1,900	--	1,900	26,229	--	600	--	600	26,143
Local Assistance	7,500	61,636	--	69,136	264,148	--	22,100	--	22,100	227,163	--	15,000	--	15,000	227,163
Totals,4700-Dept of Community Services, Development	**$7,500**	**$63,541**	**--**	**$71,041**	**$279,845**	**--**	**$24,000**	**--**	**$24,000**	**$253,392**	**--**	**$15,600**	**--**	**$15,600**	**$253,306**
4800-California Health Benefit Exchange															
State Operations	--	--	--	--	95,969	--	--	--	--	--	--	--	--	--	--
Totals,4800-California Health Benefit Exchange	**--**	**--**	**--**	**--**	**$95,969**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
5160-Department of Rehabilitation															
State Operations	61,863	1,060	--	62,923	355,805	63,899	1,114	--	65,013	366,973	63,944	892	--	64,836	368,736
Local Assistance	705	--	--	705	15,736	705	--	--	705	15,736	705	--	--	705	15,736
Totals,5160-Department of Rehabilitation	**$62,568**	**$1,060**	**--**	**$63,628**	**$371,541**	**$64,604**	**$1,114**	**--**	**$65,718**	**$382,709**	**$64,649**	**$892**	**--**	**$65,541**	**$384,472**
5175-Department of Child Support Services															
State Operations	49,138	--	--	49,138	112,346	54,351	--	--	54,351	123,743	54,378	--	--	54,378	123,858
Local Assistance	261,404	--	--	261,404	376,091	261,217	--	--	261,217	401,934	261,258	--	--	261,258	403,582
Totals,5175-Department of Child Support Services	**$310,542**	**--**	**--**	**$310,542**	**$488,437**	**$315,568**	**--**	**--**	**$315,568**	**$525,677**	**$315,636**	**--**	**--**	**$315,636**	**$527,440**
5180-Department of Social Services															
State Operations	160,607	37,614	--	198,221	374,505	181,748	40,643	--	222,391	410,801	189,301	40,120	--	229,421	416,819
Local Assistance	8,003,967	1,398	--	8,005,365	6,851,035	8,277,860	1,230	--	8,279,090	7,091,697	8,410,381	1,218	--	8,411,599	7,017,489
Totals,5180-Department of Social Services	**$8,164,574**	**$39,012**	**--**	**$8,203,586**	**$7,225,540**	**$8,459,608**	**$41,873**	**--**	**$8,501,481**	**$7,502,498**	**$8,599,682**	**$41,338**	**--**	**$8,641,020**	**$7,434,308**
5195-State-Local Realignment, 1991															
Local Assistance	--	5,376,996	--	5,376,996	--	--	5,606,684	--	5,606,684	--	--	5,829,372	--	5,829,372	--
Totals,5195-State-Local Realignment, 1991	**--**	**$5,376,996**	**--**	**$5,376,996**	**--**	**--**	**$5,606,684**	**--**	**$5,606,684**	**--**	**--**	**$5,829,372**	**--**	**$5,829,372**	**--**
5196-State-Local Realignment, 2011															
Local Assistance	--	4,722,137	--	4,722,137	--	--	4,920,925	--	4,920,925	--	--	5,112,426	--	5,112,426	--
Totals,5196-State-Local Realignment, 2011	**--**	**$4,722,137**	**--**	**$4,722,137**	**--**	**--**	**$4,920,925**	**--**	**$4,920,925**	**--**	**--**	**$5,112,426**	**--**	**$5,112,426**	**--**
5206-General Obligation Bonds-HHS															
State Operations	144,475	--	--	144,475	--	65,204	--	--	65,204	--	107,770	--	--	107,770	--
Totals,5206-General Obligation Bonds-HHS	**$144,475**	**--**	**--**	**$144,475**	**--**	**$65,204**	**--**	**--**	**$65,204**	**--**	**$107,770**	**--**	**--**	**$107,770**	**--**
TOTALS, HEALTH AND HUMAN SERVICES	**$33,978,623**	**$20,527,715**	**--**	**$54,506,338**	**$69,839,143**	**$35,394,132**	**$24,818,837**	**--**	**$60,212,969**	**$74,927,926**	**$37,383,099**	**$23,740,104**	**--**	**$61,123,203**	**$78,332,180**
State Operations	2,817,112	582,563	--	3,399,675	1,551,139	2,634,778	803,966	--	3,438,744	1,663,655	2,818,730	751,923	--	3,570,653	1,689,214
Local Assistance	31,126,954	19,945,152	--	51,072,106	68,288,004	32,741,956	24,014,871	--	56,756,827	73,264,271	34,535,986	22,988,181	--	57,524,167	76,642,966
Capital Outlay	34,557	--	--	34,557	--	17,398	--	--	17,398	--	28,383	--	--	28,383	--

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
5225-Corrections and Rehabilitation															
State Operations	10,439,707	89	--	10,439,796	1,703	11,399,664	237	--	11,399,901	2,041	11,517,422	237	--	11,517,659	2,047
Local Assistance	152,437	-1,000	--	151,437	--	140,445	-1,000	--	139,445	--	143,959	-1,000	--	142,959	--
Capital Outlay	82,591	--	--	82,591	--	54,636	--	--	54,636	--	68,858	--	--	68,858	--
Totals,5225-Corrections and Rehabilitation	**$10,674,735**	**- $911**	**--**	**$10,673,824**	**$1,703**	**$11,594,745**	**- $763**	**--**	**$11,593,982**	**$2,041**	**$11,730,239**	**- $763**	**--**	**$11,729,476**	**$2,047**
5227-Board of State and Community Corrections															
State Operations	9,503	2,629	--	12,132	1,317	10,503	--	--	10,503	3,756	11,361	--	--	11,361	3,766
Local Assistance	98,968	49,857	--	148,825	39,109	56,636	29,370	--	86,006	43,598	37,732	41,625	--	79,357	43,598
Totals,5227-Board of State and Community Corrections	**$108,471**	**$52,486**	**--**	**$160,957**	**$40,426**	**$67,139**	**$29,370**	**--**	**$96,509**	**$47,354**	**$49,093**	**$41,625**	**--**	**$90,718**	**$47,364**
5228-Safe Neighborhoods and Schools Act															
Local Assistance	39,449	-39,449	--	--	--	45,573	-45,573	--	--	--	64,422	-64,422	--	--	--
Totals,5228-Safe Neighborhoods and Schools Act	**$39,449**	**- $39,449**	**--**	**--**	**--**	**$45,573**	**- $45,573**	**--**	**--**	**--**	**$64,422**	**- $64,422**	**--**	**--**	**--**
5296-Enhancing Law Enforcement Activities															
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	--	550,340	--	550,340	--	--	561,574	--	561,574	--	--	572,447	--	572,447	--
Totals,5396-Trial Court Security 2011 Realignment	**--**	**$550,340**	**--**	**$550,340**	**--**	**--**	**$561,574**	**--**	**$561,574**	**--**	**--**	**$572,447**	**--**	**$572,447**	**--**
5496-Local Community Corrections															
Local Assistance	--	1,241,062	--	1,241,062	--	--	1,325,313	--	1,325,313	--	--	1,406,864	--	1,406,864	--
Totals,5496-Local Community Corrections	**--**	**$1,241,062**	**--**	**$1,241,062**	**--**	**--**	**$1,325,313**	**--**	**$1,325,313**	**--**	**--**	**$1,406,864**	**--**	**$1,406,864**	**--**
5596-Dist Attorney and Public Defender Svcs															
Local Assistance	--	33,245	--	33,245	--	--	38,862	--	38,862	--	--	44,297	--	44,297	--
Totals,5596-Dist Attorney and Public Defender Svcs	**--**	**$33,245**	**--**	**$33,245**	**--**	**--**	**$38,862**	**--**	**$38,862**	**--**	**--**	**$44,297**	**--**	**$44,297**	**--**
5696-Juvenile Justice Programs															
Local Assistance	--	152,715	--	152,715	--	--	163,949	--	163,949	--	--	174,822	--	174,822	--
Totals,5696-Juvenile Justice Programs	**--**	**$152,715**	**--**	**$152,715**	**--**	**--**	**$163,949**	**--**	**$163,949**	**--**	**--**	**$174,822**	**--**	**$174,822**	**--**
5796-Enhancing Law Enforcement Act Growth															
Local Assistance	--	155,891	--	155,891	--	--	201,390	--	201,390	--	--	209,722	--	209,722	--
Totals,5796-Enhancing Law Enforcement Act Growth	**--**	**$155,891**	**--**	**$155,891**	**--**	**--**	**$201,390**	**--**	**$201,390**	**--**	**--**	**$209,722**	**--**	**$209,722**	**--**
5990-Federal Immigration Funding-Incarceratn															
State Operations	-50,600	--	--	-50,600	50,600	-50,600	--	--	-50,600	50,600	-50,600	--	--	-50,600	50,600
Totals,5990-Federal Immigration Funding-Incarceratn	**- $50,600**	**--**	**--**	**- $50,600**	**$50,600**	**- $50,600**	**--**	**--**	**- $50,600**	**$50,600**	**- $50,600**	**--**	**--**	**- $50,600**	**$50,600**
5996-General Obligation Bonds-DCR															
State Operations	18,881	--	--	18,881	--	20,905	--	--	20,905	--	21,916	--	--	21,916	--
Totals,5996-General Obligation Bonds-DCR	**$18,881**	**--**	**--**	**$18,881**	**--**	**$20,905**	**--**	**--**	**$20,905**	**--**	**$21,916**	**--**	**--**	**$21,916**	**--**
TOTALS, CORRECTIONS AND REHABILITATION	**$10,790,936**	**$2,635,279**	**--**	**$13,426,215**	**$92,729**	**$11,677,762**	**$2,764,022**	**--**	**$14,441,784**	**$99,995**	**$11,815,070**	**$2,874,492**	**--**	**$14,689,562**	**$100,011**
State Operations	10,417,491	2,718	--	10,420,209	53,620	11,380,472	237	--	11,380,709	56,397	11,500,099	237	--	11,500,336	56,413
Local Assistance	290,854	2,632,561	--	2,923,415	39,109	242,654	2,763,785	--	3,006,439	43,598	246,113	2,874,255	--	3,120,368	43,598
Capital Outlay	82,591	--	--	82,591	--	54,636	--	--	54,636	--	68,858	--	--	68,858	--
EDUCATION															
6100-Department of Education															
State Operations	162,170	2,737	2,120	167,027	151,737	168,163	3,416	3,098	174,677	181,150	164,028	4,086	3,100	171,214	181,809
Local Assistance	45,368,594	29,361	--	45,397,955	7,172,854	48,065,855	65,798	--	48,131,653	7,521,571	49,610,578	68,159	--	49,678,737	7,319,698
Capital Outlay	266	--	--	266	--	1,483	--	--	1,483	--	--	--	--	--	--
Totals, 6100-Department of Education	**$45,531,030**	**$32,098**	**$2,120**	**$45,565,248**	**$7,324,591**	**$48,235,501**	**$69,214**	**$3,098**	**$48,307,813**	**$7,702,721**	**$49,774,606**	**$72,245**	**$3,100**	**$49,849,951**	**$7,501,507**
6120-State Library															
State Operations	17,578	381	--	17,959	6,939	15,583	369	--	15,952	7,071	15,815	322	--	16,137	7,086
Local Assistance	15,925	552	--	16,477	11,266	16,925	552	--	17,477	11,266	20,125	552	--	20,677	11,266
Totals, 6120-State Library	**$33,503**	**$933**	**--**	**$34,436**	**$18,205**	**$32,508**	**$921**	**--**	**$33,429**	**$18,337**	**$35,940**	**$874**	**--**	**$36,814**	**$18,352**
6125-Education Audit Appeals Panel															

SCHEDULE 9 at 2018-19 Governor's Budget
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(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	666	--	--	666	--	1,203	--	--	1,203	--	1,204	--	--	1,204	--
Totals, 6125-Education Audit Appeals Panel	**$666**	**--**	**--**	**$666**	**--**	**$1,203**	**--**	**--**	**$1,203**	**--**	**$1,204**	**--**	**--**	**$1,204**	**--**
6255-Summer School for the Arts															
State Operations	1,405	--	--	1,405	--	1,450	--	--	1,450	--	1,464	--	--	1,464	--
Totals, 6255-Summer School for the Arts	**$1,405**	**--**	**--**	**$1,405**	**--**	**$1,450**	**--**	**--**	**$1,450**	**--**	**$1,464**	**--**	**--**	**$1,464**	**--**
6300-Teachers Retirement System Contributions															
Local Assistance	2,472,993	--	--	2,472,993	--	2,790,445	--	--	2,790,445	--	3,076,733	--	--	3,076,733	--
Totals, 6300-Teachers Retirement System Contributions	**$2,472,993**	**--**	**--**	**$2,472,993**	**--**	**$2,790,445**	**--**	**--**	**$2,790,445**	**--**	**$3,076,733**	**--**	**--**	**$3,076,733**	**--**
6305-Retirement Costs for Community Colleges															
Local Assistance	-191,665	--	--	-191,665	--	-215,882	--	--	-215,882	--	-238,319	--	--	-238,319	--
Totals, 6305-Retirement Costs for Community Colleges	**- $191,665**	**--**	**--**	**- $191,665**	**--**	**- $215,882**	**--**	**--**	**- $215,882**	**--**	**- $238,319**	**--**	**--**	**- $238,319**	**--**
6350-School Facilities Aid Program															
Local Assistance	--	1,372	148,113	149,485	--	--	5,980	710,156	716,136	--	--	--	653,165	653,165	--
Totals, 6350-School Facilities Aid Program	**--**	**$1,372**	**$148,113**	**$149,485**	**--**	**--**	**$5,980**	**$710,156**	**$716,136**	**--**	**--**	**--**	**$653,165**	**$653,165**	**--**
6360-Commission on Teacher Credentialing															
State Operations	12,346	22,242	--	34,588	--	100	31,782	--	31,882	--	--	30,462	--	30,462	--
Local Assistance	--	--	--	--	--	125,000	--	--	125,000	--	--	--	--	--	--
Totals, 6360-Commission on Teacher Credentialing	**$12,346**	**$22,242**	**--**	**$34,588**	**--**	**$125,100**	**$31,782**	**--**	**$156,882**	**--**	**--**	**$30,462**	**--**	**$30,462**	**--**
6396-General Obligation Bonds-K-12															
State Operations	2,309,458	--	--	2,309,458	--	2,518,795	--	--	2,518,795	--	2,515,895	--	--	2,515,895	--
Totals, 6396-General Obligation Bonds-K-12	**$2,309,458**	**--**	**--**	**$2,309,458**	**--**	**$2,518,795**	**--**	**--**	**$2,518,795**	**--**	**$2,515,895**	**--**	**--**	**$2,515,895**	**--**
K-12 Education															
State Operations	2,503,623	25,360	2,120	2,531,103	158,676	2,705,294	35,567	3,098	2,743,959	188,221	2,698,406	34,870	3,100	2,736,376	188,895
Local Assistance	47,665,847	31,285	148,113	47,845,245	7,184,120	50,782,343	72,330	710,156	51,564,829	7,532,837	52,469,117	68,711	653,165	53,190,993	7,330,964
Capital Outlay	266	--	--	266	--	1,483	--	--	1,483	--	--	--	--	--	--
Totals, K-12 Education	**$50,169,736**	**$56,645**	**$150,233**	**$50,376,614**	**$7,342,796**	**$53,489,120**	**$107,897**	**$713,254**	**$54,310,271**	**$7,721,058**	**$55,167,523**	**$103,581**	**$656,265**	**$55,927,369**	**$7,519,859**
6440-University of California															
State Operations	3,495,835	23,132	--	3,518,967	3,648,980	3,548,375	170,423	--	3,718,798	3,734,500	3,508,963	156,299	--	3,665,262	3,775,500
Totals, 6440-University of California	**$3,495,835**	**$23,132**	**--**	**$3,518,967**	**$3,648,980**	**$3,548,375**	**$170,423**	**--**	**$3,718,798**	**$3,734,500**	**$3,508,963**	**$156,299**	**--**	**$3,665,262**	**$3,775,500**
6445-Institute for Regenerative Medicine															
State Operations	--	--	16,607	16,607	--	--	--	18,906	18,906	--	--	--	18,906	18,906	--
Local Assistance	--	--	179,244	179,244	--	--	--	250,000	250,000	--	--	--	250,000	250,000	--
Totals, 6445-Institute for Regenerative Medicine	**--**	**--**	**$195,851**	**$195,851**	**--**	**--**	**--**	**$268,906**	**$268,906**	**--**	**--**	**--**	**$268,906**	**$268,906**	**--**
6600-Hastings College of the Law															
State Operations	13,659	--	--	13,659	--	12,726	--	--	12,726	--	13,832	--	--	13,832	--
Totals, 6600-Hastings College of the Law	**$13,659**	**--**	**--**	**$13,659**	**--**	**$12,726**	**--**	**--**	**$12,726**	**--**	**$13,832**	**--**	**--**	**$13,832**	**--**
6610-California State University															
State Operations	3,291,471	--	--	3,291,471	1,351,709	3,472,441	2,000	--	3,474,441	1,399,916	3,521,830	2,000	--	3,523,830	1,399,916
Capital Outlay	--	--	--	--	--	--	--	5,592	5,592	--	--	--	--	--	--
Totals, 6610-California State University	**$3,291,471**	**--**	**--**	**$3,291,471**	**$1,351,709**	**$3,472,441**	**$2,000**	**$5,592**	**$3,480,033**	**$1,399,916**	**$3,521,830**	**$2,000**	**--**	**$3,523,830**	**$1,399,916**
6645-CSU Health Benefits, Retired Annuitants															
State Operations	272,453	--	--	272,453	--	291,006	--	--	291,006	--	311,289	--	--	311,289	--
Totals, 6645-CSU Health Benefits, Retired Annuitants	**$272,453**	**--**	**--**	**$272,453**	**--**	**$291,006**	**--**	**--**	**$291,006**	**--**	**$311,289**	**--**	**--**	**$311,289**	**--**
6870-Board of Governors of Community Colleges															
State Operations	13,309	87	1,627	15,023	--	15,588	94	2,320	18,002	--	17,688	94	2,321	20,103	--
Local Assistance	5,337,904	9,850	--	5,347,754	746	5,681,217	5,620	--	5,686,837	--	6,066,260	4,928	--	6,071,188	--
Capital Outlay	--	--	30,988	30,988	--	--	--	50,187	50,187	--	--	--	59,187	59,187	--
Totals, 6870-Board of Governors of Community Colleges	**$5,351,213**	**$9,937**	**$32,615**	**$5,393,765**	**$746**	**$5,696,805**	**$5,714**	**$52,507**	**$5,755,026**	**--**	**$6,083,948**	**$5,022**	**$61,508**	**$6,150,478**	**--**
6874-General Obligation Bonds-Hi Ed-CC															
State Operations	309,631	--	--	309,631	--	238,116	--	--	238,116	--	252,506	--	--	252,506	--
Totals, 6874-General Obligation Bonds-Hi Ed-CC	**$309,631**	**--**	**--**	**$309,631**	**--**	**$238,116**	**--**	**--**	**$238,116**	**--**	**$252,506**	**--**	**--**	**$252,506**	**--**
6878-Retirement Costs-Hi Ed-CC															
Local Assistance	191,665	--	--	191,665	--	215,882	--	--	215,882	--	238,319	--	--	238,319	--

SCHEDULE 9 at 2018-19 Governor's Budget
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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, 6878-Retirement Costs-Hi Ed-CC	**$191,665**	**--**	**--**	**$191,665**	**--**	**$215,882**	**--**	**--**	**$215,882**	**--**	**$238,319**	**--**	**--**	**$238,319**	**--**
6910-Awards for Innovation in Higher Ed															
Local Assistance	25,000	--	--	25,000	--	--	--	--	--	--	--	--	--	--	--
Totals, 6910-Awards for Innovation in Higher Ed	**$25,000**	**--**	**--**	**$25,000**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
6980-Student Aid Commission															
State Operations	15,324	--	--	15,324	--	15,025	--	--	15,025	--	21,926	--	--	21,926	--
Local Assistance	1,114,580	4,067	--	1,118,647	--	1,162,860	5,546	--	1,168,406	--	1,178,618	5,631	--	1,184,249	--
Totals, 6980-Student Aid Commission	**$1,129,904**	**$4,067**	**--**	**$1,133,971**	**--**	**$1,177,885**	**$5,546**	**--**	**$1,183,431**	**--**	**$1,200,544**	**$5,631**	**--**	**$1,206,175**	**--**
7996-General Obligation Bonds-Hi Ed															
State Operations	287,657	--	--	287,657	--	314,377	--	--	314,377	--	319,282	--	--	319,282	--
Totals, 7996-General Obligation Bonds-Hi Ed	**$287,657**	**--**	**--**	**$287,657**	**--**	**$314,377**	**--**	**--**	**$314,377**	**--**	**$319,282**	**--**	**--**	**$319,282**	**--**
Higher Education															
State Operations	7,699,339	23,219	18,234	7,740,792	5,000,689	7,907,654	172,517	21,226	8,101,397	5,134,416	7,967,316	158,393	21,227	8,146,936	5,175,416
Local Assistance	6,669,149	13,917	179,244	6,862,310	746	7,059,959	11,166	250,000	7,321,125	--	7,483,197	10,559	250,000	7,743,756	--
Capital Outlay	--	--	30,988	30,988	--	--	--	55,779	55,779	--	--	--	59,187	59,187	--
Totals, Higher Education	**$14,368,488**	**$37,136**	**$228,466**	**$14,634,090**	**$5,001,435**	**$14,967,613**	**$183,683**	**$327,005**	**$15,478,301**	**$5,134,416**	**$15,450,513**	**$168,952**	**$330,414**	**$15,949,879**	**$5,175,416**
TOTALS, EDUCATION	**$64,538,224**	**$93,781**	**$378,699**	**$65,010,704**	**$12,344,231**	**$68,456,733**	**$291,580**	**$1,040,259**	**$69,788,572**	**$12,855,474**	**$70,618,036**	**$272,533**	**$986,679**	**$71,877,248**	**$12,695,275**
State Operations	10,202,962	48,579	20,354	10,271,895	5,159,365	10,612,948	208,084	24,324	10,845,356	5,322,637	10,665,722	193,263	24,327	10,883,312	5,364,311
Local Assistance	54,334,996	45,202	327,357	54,707,555	7,184,866	57,842,302	83,496	960,156	58,885,954	7,532,837	59,952,314	79,270	903,165	60,934,749	7,330,964
Capital Outlay	266	--	30,988	31,254	--	1,483	--	55,779	57,262	--	--	--	59,187	59,187	--
LABOR AND WORKFORCE DEVELOPMENT															
7100-Employment Development Department															
State Operations	159,449	170,014	--	329,463	640,542	126,077	160,791	--	286,868	696,757	84,884	162,753	--	247,637	666,469
Local Assistance	--	--	--	--	5,788,864	--	--	--	--	6,024,031	--	--	--	--	5,964,518
Capital Outlay	1	--	--	1	--	--	--	--	--	--	--	--	--	--	--
Totals,7100-Employment Development Department	**$159,450**	**$170,014**	**--**	**$329,464**	**$6,429,406**	**$126,077**	**$160,791**	**--**	**$286,868**	**$6,720,788**	**$84,884**	**$162,753**	**--**	**$247,637**	**$6,630,987**
7120-Workforce Development Board															
State Operations	--	3,000	--	3,000	3,321	--	3,250	--	3,250	4,139	480	650	--	1,130	4,642
Local Assistance	--	--	--	--	--	--	4,750	--	4,750	--	15,520	4,750	--	20,270	--
Totals,7120-Workforce Development Board	**--**	**$3,000**	**--**	**$3,000**	**$3,321**	**--**	**$8,000**	**--**	**$8,000**	**$4,139**	**$16,000**	**$5,400**	**--**	**$21,400**	**$4,642**
7300-Agricultural Labor Relations Board															
State Operations	8,693	971	--	9,664	--	9,068	1,179	--	10,247	--	9,072	1,180	--	10,252	--
Totals,7300-Agricultural Labor Relations Board	**$8,693**	**$971**	**--**	**$9,664**	**--**	**$9,068**	**$1,179**	**--**	**$10,247**	**--**	**$9,072**	**$1,180**	**--**	**$10,252**	**--**
7320-Public Employment Relations Board															
State Operations	10,542	--	--	10,542	--	11,757	--	--	11,757	--	11,763	--	--	11,763	--
Totals,7320-Public Employment Relations Board	**$10,542**	**--**	**--**	**$10,542**	**--**	**$11,757**	**--**	**--**	**$11,757**	**--**	**$11,763**	**--**	**--**	**$11,763**	**--**
7350-Department of Industrial Relations															
State Operations	--	448,682	--	448,682	33,358	300	556,645	--	556,945	37,553	--	562,297	--	562,297	36,931
Totals,7350-Department of Industrial Relations	**--**	**$448,682**	**--**	**$448,682**	**$33,358**	**$300**	**$556,645**	**--**	**$556,945**	**$37,553**	**--**	**$562,297**	**--**	**$562,297**	**$36,931**
TOTALS, LABOR AND WORKFORCE DEVELOPMENT	**$178,685**	**$622,667**	**--**	**$801,352**	**$6,466,085**	**$147,202**	**$726,615**	**--**	**$873,817**	**$6,762,480**	**$121,719**	**$731,630**	**--**	**$853,349**	**$6,672,560**
State Operations	178,684	622,667	--	801,351	677,221	147,202	721,865	--	869,067	738,449	106,199	726,880	--	833,079	708,042
Local Assistance	--	--	--	--	5,788,864	--	4,750	--	4,750	6,024,031	15,520	4,750	--	20,270	5,964,518
Capital Outlay	1	--	--	1	--	--	--	--	--	--	--	--	--	--	--
GOVERNMENT OPERATIONS															
7501-Department of Human Resources															
State Operations	9,119	6	--	9,125	--	8,318	75	--	8,393	--	9,403	75	--	9,478	--
Totals,7501-Department of Human Resources	**$9,119**	**$6**	**--**	**$9,125**	**--**	**$8,318**	**$75**	**--**	**$8,393**	**--**	**$9,403**	**$75**	**--**	**$9,478**	**--**
7502-Department of Technology															
State Operations	4,623	--	--	4,623	--	4,765	--	--	4,765	--	4,768	--	--	4,768	--
Totals,7502-Department of Technology	**$4,623**	**--**	**--**	**$4,623**	**--**	**$4,765**	**--**	**--**	**$4,765**	**--**	**$4,768**	**--**	**--**	**$4,768**	**--**

SCHEDULE 9 at 2018-19 Governor's Budget
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(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
7503-State Personnel Board															
State Operations	330	--	--	330	--	1,315	--	--	1,315	--	1,539	--	--	1,539	--
Totals,7503-State Personnel Board	**$330**	**--**	**--**	**$330**	**--**	**$1,315**	**--**	**--**	**$1,315**	**--**	**$1,539**	**--**	**--**	**$1,539**	**--**
7600-Department of Tax and Fee Administration															
State Operations	--	--	--	--	--	331,749	89,614	--	421,363	245	354,162	92,934	--	447,096	261
Totals,7600-Department of Tax and Fee Administration	**--**	**--**	**--**	**--**	**--**	**$331,749**	**$89,614**	**--**	**$421,363**	**$245**	**$354,162**	**$92,934**	**--**	**$447,096**	**$261**
7730-Franchise Tax Board															
State Operations	738,693	19,279	--	757,972	--	766,052	22,155	--	788,207	--	759,464	22,130	--	781,594	--
Totals,7730-Franchise Tax Board	**$738,693**	**$19,279**	**--**	**$757,972**	**--**	**$766,052**	**$22,155**	**--**	**$788,207**	**--**	**$759,464**	**$22,130**	**--**	**$781,594**	**--**
7760-Department of General Services															
State Operations	21,513	112,174	5,777	139,464	--	11,973	111,593	6,458	130,024	--	18,970	109,637	7,018	135,625	--
Capital Outlay	148,830	-125,858	--	22,972	--	910	--	--	910	--	30,416	--	--	30,416	--
Totals,7760-Department of General Services	**$170,343**	**- $13,684**	**$5,777**	**$162,436**	**--**	**$12,883**	**$111,593**	**$6,458**	**$130,934**	**--**	**$49,386**	**$109,637**	**$7,018**	**$166,041**	**--**
7870-California Victim Compensation Board															
State Operations	121	29,916	--	30,037	982	130	33,524	--	33,654	1,854	130	33,553	--	33,683	1,848
Local Assistance	--	57,126	--	57,126	23,000	--	58,896	--	58,896	23,000	--	60,404	--	60,404	23,000
Totals,7870-California Victim Compensation Board	**$121**	**$87,042**	**--**	**$87,163**	**$23,982**	**$130**	**$92,420**	**--**	**$92,550**	**$24,854**	**$130**	**$93,957**	**--**	**$94,087**	**$24,848**
7910-Office of Administrative Law															
State Operations	1,919	--	--	1,919	--	2,206	--	--	2,206	--	2,264	--	--	2,264	--
Totals,7910-Office of Administrative Law	**$1,919**	**--**	**--**	**$1,919**	**--**	**$2,206**	**--**	**--**	**$2,206**	**--**	**$2,264**	**--**	**--**	**$2,264**	**--**
TOTALS, GOVERNMENT OPERATIONS	**$925,148**	**$92,643**	**$5,777**	**$1,023,568**	**$23,982**	**$1,127,418**	**$315,857**	**$6,458**	**$1,449,733**	**$25,099**	**$1,181,116**	**$318,733**	**$7,018**	**$1,506,867**	**$25,109**
State Operations	776,318	161,375	5,777	943,470	982	1,126,508	256,961	6,458	1,389,927	2,099	1,150,700	258,329	7,018	1,416,047	2,109
Local Assistance	--	57,126	--	57,126	23,000	--	58,896	--	58,896	23,000	--	60,404	--	60,404	23,000
Capital Outlay	148,830	-125,858	--	22,972	--	910	--	--	910	--	30,416	--	--	30,416	--
GENERAL GOVERNMENT															
8120-Peace Officer Standards, Training Comm															
State Operations	15,205	18,233	--	33,438	--	--	1,828	--	1,828	--	--	--	--	--	--
Local Assistance	151	15,407	--	15,558	--	--	--	--	--	--	--	--	--	--	--
Totals, 8120-Peace Officer Standards, Training Comm	**$15,356**	**$33,640**	**--**	**$48,996**	**--**	**--**	**$1,828**	**--**	**$1,828**	**--**	**--**	**--**	**--**	**--**	**--**
8140-State Public Defender															
State Operations	13,025	--	--	13,025	--	13,825	--	--	13,825	--	13,833	--	--	13,833	--
Totals, 8140-State Public Defender	**$13,025**	**--**	**--**	**$13,025**	**--**	**$13,825**	**--**	**--**	**$13,825**	**--**	**$13,833**	**--**	**--**	**$13,833**	**--**
8260-Arts Council															
State Operations	902	412	--	1,314	966	1,697	838	--	2,535	1,035	1,700	840	--	2,540	1,085
Local Assistance	12,708	1,404	--	14,112	91	14,300	1,405	--	15,705	100	14,300	1,405	--	15,705	100
Totals, 8260-Arts Council	**$13,610**	**$1,816**	**--**	**$15,426**	**$1,057**	**$15,997**	**$2,243**	**--**	**$18,240**	**$1,135**	**$16,000**	**$2,245**	**--**	**$18,245**	**$1,185**
8385-Citizens Compensation Commission															
State Operations	1	--	--	1	--	10	--	--	10	--	10	--	--	10	--
Totals, 8385-Citizens Compensation Commission	**$1**	**--**	**--**	**$1**	**--**	**$10**	**--**	**--**	**$10**	**--**	**$10**	**--**	**--**	**$10**	**--**
8570-Department of Food and Agriculture															
State Operations	87,654	152,249	362	240,265	88,500	97,984	183,609	1,178	282,771	103,135	89,937	162,090	1,178	253,205	109,162
Local Assistance	9,010	37,864	--	46,874	--	9,010	204,430	--	213,440	--	9,010	51,677	--	60,687	--
Capital Outlay	--	--	--	--	--	3,088	--	--	3,088	--	9,348	--	--	9,348	--
Totals, 8570-Department of Food and Agriculture	**$96,664**	**$190,113**	**$362**	**$287,139**	**$88,500**	**$110,082**	**$388,039**	**$1,178**	**$499,299**	**$103,135**	**$108,295**	**$213,767**	**$1,178**	**$323,240**	**$109,162**
8620-Fair Political Practices Commission															
State Operations	10,313	--	--	10,313	--	11,660	--	--	11,660	--	12,188	--	--	12,188	--
Totals, 8620-Fair Political Practices Commission	**$10,313**	**--**	**--**	**$10,313**	**--**	**$11,660**	**--**	**--**	**$11,660**	**--**	**$12,188**	**--**	**--**	**$12,188**	**--**
8640-Political Reform Act of 1974															
State Operations	--	--	--	--	--	--	--	--	--	--	2,848	--	--	2,848	--
Totals, 8640-Political Reform Act of 1974	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$2,848**	**--**	**--**	**$2,848**	**--**
8660-Public Utilities Commission															
State Operations	--	239,545	--	239,545	5,726	--	306,751	--	306,751	8,952	--	312,988	--	312,988	9,405

SCHEDULE 9 at 2018-19 Governor's Budget
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(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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	--	1,168,315	--	1,168,315	--	--	1,448,099	--	1,448,099	--	--	1,225,452	--	1,225,452	--
Totals, 8660-Public Utilities Commission	**--**	**$1,407,860**	**--**	**$1,407,860**	**$5,726**	**--**	**$1,754,850**	**--**	**$1,754,850**	**$8,952**	**--**	**$1,538,440**	**--**	**$1,538,440**	**$9,405**
8780-Milton Marks Little Hoover Commission															
State Operations	1,003	--	--	1,003	--	1,078	--	--	1,078	--	1,108	--	--	1,108	--
Totals, 8780-Milton Marks Little Hoover Commission	**$1,003**	**--**	**--**	**$1,003**	**--**	**$1,078**	**--**	**--**	**$1,078**	**--**	**$1,108**	**--**	**--**	**$1,108**	**--**
8790-CA Commission on Disability Access															
State Operations	640	--	--	640	--	--	--	--	--	--	--	--	--	--	--
Totals, 8790-CA Commission on Disability Access	**$640**	**--**	**--**	**$640**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
8820-Comm on the Status of Women and Girls															
State Operations	524	--	--	524	--	552	--	--	552	--	552	--	--	552	--
Totals, 8820-Comm on the Status of Women and Girls	**$524**	**--**	**--**	**$524**	**--**	**$552**	**--**	**--**	**$552**	**--**	**$552**	**--**	**--**	**$552**	**--**
8855-California State Auditor's Office															
State Operations	13,594	-1,000	--	12,594	--	19,729	--	--	19,729	--	21,711	--	--	21,711	--
Totals, 8855-California State Auditor's Office	**$13,594**	**- $1,000**	**--**	**$12,594**	**--**	**$19,729**	**--**	**--**	**$19,729**	**--**	**$21,711**	**--**	**--**	**$21,711**	**--**
8860-Department of Finance															
State Operations	32,767	--	--	32,767	--	42,667	--	--	42,667	--	39,057	--	--	39,057	--
Totals, 8860-Department of Finance	**$32,767**	**--**	**--**	**$32,767**	**--**	**$42,667**	**--**	**--**	**$42,667**	**--**	**$39,057**	**--**	**--**	**$39,057**	**--**
8880-Financial Information System for CA															
State Operations	91,060	13,874	--	104,934	--	94,362	14,374	--	108,736	--	52,176	1,275	--	53,451	--
Totals, 8880-Financial Information System for CA	**$91,060**	**$13,874**	**--**	**$104,934**	**--**	**$94,362**	**$14,374**	**--**	**$108,736**	**--**	**$52,176**	**$1,275**	**--**	**$53,451**	**--**
8885-Commission on State Mandates															
State Operations	2,063	--	--	2,063	--	2,306	--	--	2,306	--	2,414	--	--	2,414	--
Local Assistance	33,855	2,345	--	36,200	--	34,510	2,417	--	36,927	--	34,699	2,170	--	36,869	--
Totals, 8885-Commission on State Mandates	**$35,918**	**$2,345**	**--**	**$38,263**	**--**	**$36,816**	**$2,417**	**--**	**$39,233**	**--**	**$37,113**	**$2,170**	**--**	**$39,283**	**--**
8940-Military Department															
State Operations	53,145	1,282	--	54,427	110,134	63,983	1,541	--	65,524	115,484	61,529	1,564	--	63,093	112,151
Local Assistance	--	--	--	--	--	60	--	--	60	--	60	--	--	60	--
Capital Outlay	9,978	--	--	9,978	1,235	14,028	--	--	14,028	14,028	37,361	--	--	37,361	12,656
Totals, 8940-Military Department	**$63,123**	**$1,282**	**--**	**$64,405**	**$111,369**	**$78,071**	**$1,541**	**--**	**$79,612**	**$129,512**	**$98,950**	**$1,564**	**--**	**$100,514**	**$124,807**
8951-Federal Per Diem for Veterans Housing															
State Operations	-58,137	--	--	-58,137	58,137	-71,649	--	--	-71,649	71,649	-75,038	--	--	-75,038	75,038
Totals, 8951-Federal Per Diem for Veterans Housing	**- $58,137**	**--**	**--**	**- $58,137**	**$58,137**	**- $71,649**	**--**	**--**	**- $71,649**	**$71,649**	**- $75,038**	**--**	**--**	**- $75,038**	**$75,038**
8955-Department of Veterans Affairs															
State Operations	362,136	422	218	362,776	1,811	392,515	420	406	393,341	2,659	400,311	505	406	401,222	2,580
Local Assistance	5,600	1,104	--	6,704	--	5,600	1,139	--	6,739	--	5,600	1,205	--	6,805	--
Capital Outlay	--	--	-3,428	-3,428	346	6,212	-4,500	8,945	10,657	29,767	16,010	571	--	16,581	--
Totals, 8955-Department of Veterans Affairs	**$367,736**	**$1,526**	**- $3,210**	**$366,052**	**$2,157**	**$404,327**	**- $2,941**	**$9,351**	**$410,737**	**$32,426**	**$421,921**	**$2,281**	**$406**	**$424,608**	**$2,580**
8998-General Obligation Bonds-Gen Govt															
State Operations	15,694	--	--	15,694	--	17,270	--	--	17,270	--	14,792	--	--	14,792	--
Totals, 8998-General Obligation Bonds-Gen Govt	**$15,694**	**--**	**--**	**$15,694**	**--**	**$17,270**	**--**	**--**	**$17,270**	**--**	**$14,792**	**--**	**--**	**$14,792**	**--**
Non-Agency Departments															
State Operations	641,589	425,017	580	1,067,186	265,274	687,989	509,361	1,584	1,198,934	302,914	639,128	479,262	1,584	1,119,974	309,421
Local Assistance	61,324	1,226,439	--	1,287,763	91	63,480	1,657,490	--	1,720,970	100	63,669	1,281,909	--	1,345,578	100
Capital Outlay	9,978	--	-3,428	6,550	1,581	23,328	-4,500	8,945	27,773	43,795	62,719	571	--	63,290	12,656
Totals, Non-Agency Departments	**$712,891**	**$1,651,456**	**- $2,848**	**$2,361,499**	**$266,946**	**$774,797**	**$2,162,351**	**$10,529**	**$2,947,677**	**$346,809**	**$765,516**	**$1,761,742**	**$1,584**	**$2,528,842**	**$322,177**
9100-Tax Relief															
Local Assistance	411,031	-2,505	--	408,526	--	420,001	-2,505	--	417,496	--	420,001	-2,505	--	417,496	--
Totals, 9100-Tax Relief	**$411,031**	**- $2,505**	**--**	**$408,526**	**--**	**$420,001**	**- $2,505**	**--**	**$417,496**	**--**	**$420,001**	**- $2,505**	**--**	**$417,496**	**--**
9210-Local Government Financing															
Local Assistance	31,708	--	--	31,708	--	138	--	--	138	--	28,917	--	--	28,917	--
Totals, 9210-Local Government Financing	**$31,708**	**--**	**--**	**$31,708**	**--**	**$138**	**--**	**--**	**$138**	**--**	**$28,917**	**--**	**--**	**$28,917**	**--**
9285-Trial Court Security-Court Construction															
Local Assistance	3,001	--	--	3,001	--	7,000	--	--	7,000	--	7,000	--	--	7,000	--

SCHEDULE 9 at 2018-19 Governor's Budget
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(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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, 9285-Trial Court Security-Court Construction	**$3,001**	**--**	**--**	**$3,001**	**--**	**$7,000**	**--**	**--**	**$7,000**	**--**	**$7,000**	**--**	**--**	**$7,000**	**--**
9286-Trial Court Security - Judgeships															
Local Assistance	--	--	--	--	--	280	--	--	280	--	560	--	--	560	--
Totals, 9286-Trial Court Security - Judgeships	**--**	**--**	**--**	**--**	**--**	**$280**	**--**	**--**	**$280**	**--**	**$560**	**--**	**--**	**$560**	**--**
9300-Payment to Counties for Homicide Trials															
Local Assistance	31	--	--	31	--	1	--	--	1	--	1	--	--	1	--
Totals, 9300-Payment to Counties for Homicide Trials	**$31**	**--**	**--**	**$31**	**--**	**$1**	**--**	**--**	**$1**	**--**	**$1**	**--**	**--**	**$1**	**--**
9350-Shared Revenues															
Local Assistance	218	1,289,681	--	1,289,899	14,716	218	1,867,775	--	1,867,993	14,716	218	2,823,807	--	2,824,025	14,716
Totals, 9350-Shared Revenues	**$218**	**$1,289,681**	**--**	**$1,289,899**	**$14,716**	**$218**	**$1,867,775**	**--**	**$1,867,993**	**$14,716**	**$218**	**$2,823,807**	**--**	**$2,824,025**	**$14,716**
Tax Relief-Local Gov															
Local Assistance	445,989	1,287,176	--	1,733,165	14,716	427,638	1,865,270	--	2,292,908	14,716	456,697	2,821,302	--	3,277,999	14,716
Totals, Tax Relief-Local Gov	**$445,989**	**$1,287,176**	**--**	**$1,733,165**	**$14,716**	**$427,638**	**$1,865,270**	**--**	**$2,292,908**	**$14,716**	**$456,697**	**$2,821,302**	**--**	**$3,277,999**	**$14,716**
9600-Debt Service GO Bonds Commercial Paper															
State Operations	16,949	--	--	16,949	--	32,371	--	--	32,371	--	38,161	--	--	38,161	--
Totals, 9600-Debt Service GO Bonds Commercial Paper	**$16,949**	**--**	**--**	**$16,949**	**--**	**$32,371**	**--**	**--**	**$32,371**	**--**	**$38,161**	**--**	**--**	**$38,161**	**--**
9612-Enhanced Tobacco Asset-Backed Bonds															
State Operations	--	--	--	--	--	--	--	--	--	--	1	--	--	1	--
Totals, 9612-Enhanced Tobacco Asset-Backed Bonds	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$1**	**--**	**--**	**$1**	**--**
9620-Cash Management and Budgetary Loans															
State Operations	54,286	--	--	54,286	--	24,542	--	--	24,542	--	53,969	--	--	53,969	--
Totals, 9620-Cash Management and Budgetary Loans	**$54,286**	**--**	**--**	**$54,286**	**--**	**$24,542**	**--**	**--**	**$24,542**	**--**	**$53,969**	**--**	**--**	**$53,969**	**--**
9625-Interest Payments to the Federal Govt															
State Operations	1,582	89	--	1,671	--	5,250	1,001	--	6,251	--	15,000	1,001	--	16,001	--
Totals, 9625-Interest Payments to the Federal Govt	**$1,582**	**$89**	**--**	**$1,671**	**--**	**$5,250**	**$1,001**	**--**	**$6,251**	**--**	**$15,000**	**$1,001**	**--**	**$16,001**	**--**
9650-Health, Dental Benefits for Annuitants															
State Operations	1,618,318	--	--	1,618,318	--	1,766,694	--	--	1,766,694	--	1,887,150	--	--	1,887,150	--
Totals, 9650-Health, Dental Benefits for Annuitants	**$1,618,318**	**--**	**--**	**$1,618,318**	**--**	**$1,766,694**	**--**	**--**	**$1,766,694**	**--**	**$1,887,150**	**--**	**--**	**$1,887,150**	**--**
9670-Victim Compensation Government Claims Bd															
State Operations	84,192	252	--	84,444	--	7,694	--	--	7,694	--	--	--	--	--	--
Totals, 9670-Victim Compensation Government Claims Bd	**$84,192**	**$252**	**--**	**$84,444**	**--**	**$7,694**	**--**	**--**	**$7,694**	**--**	**--**	**--**	**--**	**--**	**--**
9800-Augmentation for Employee Compensation															
State Operations	--	--	--	--	--	6,000	--	--	6,000	--	604,500	402,721	--	1,007,221	--
Totals, 9800-Augmentation for Employee Compensation	**--**	**--**	**--**	**--**	**--**	**$6,000**	**--**	**--**	**$6,000**	**--**	**$604,500**	**$402,721**	**--**	**$1,007,221**	**--**
9802-June to July Payroll Deferral															
State Operations	-64,801	-3,022	--	-67,823	--	-34,412	-16,192	--	-50,604	--	-35,444	-16,677	--	-52,121	--
Totals, 9802-June to July Payroll Deferral	**- $64,801**	**- $3,022**	**--**	**- $67,823**	**--**	**- $34,412**	**- $16,192**	**--**	**- $50,604**	**--**	**- $35,444**	**- $16,677**	**--**	**- $52,121**	**--**
9804-Contracts Impacted by Minimum Wage															
State Operations	--	--	--	--	--	--	--	--	--	--	6,179	4,130	--	10,309	--
Totals, 9804-Contracts Impacted by Minimum Wage	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$6,179**	**$4,130**	**--**	**$10,309**	**--**
9840-Contingencies-Emergencies Augmentation															
State Operations	--	--	--	--	--	8,244	15,000	--	23,244	--	20,000	15,000	--	35,000	--
Totals, 9840-Contingencies-Emergencies Augmentation	**--**	**--**	**--**	**--**	**--**	**$8,244**	**$15,000**	**--**	**$23,244**	**--**	**$20,000**	**$15,000**	**--**	**$35,000**	**--**
9860-Capital Outlay Planning, Studies															
Capital Outlay	1,000	--	--	1,000	--	1,000	--	--	1,000	--	2,000	--	--	2,000	--
Totals, 9860-Capital Outlay Planning, Studies	**$1,000**	**--**	**--**	**$1,000**	**--**	**$1,000**	**--**	**--**	**$1,000**	**--**	**$2,000**	**--**	**--**	**$2,000**	**--**
9885-Reserve for Liquidation of Encumbrances															
Unclassified	-184,802	--	--	-184,802	--	--	--	--	--	--	--	--	--	--	--
Totals, 9885-Reserve for Liquidation of Encumbrances	**- $184,802**	**--**	**--**	**- $184,802**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
9892-Supplemental Pension Payments															
State Operations	--	--	--	--	--	146,000	--	--	146,000	--	475,000	132,493	2,065	609,558	3
Totals, 9892-Supplemental Pension Payments	**--**	**--**	**--**	**--**	**--**	**$146,000**	**--**	**--**	**$146,000**	**--**	**$475,000**	**$132,493**	**$2,065**	**$609,558**	**$3**

SCHEDULE 9 at 2018-19 Governor's Budget
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(Dollars In Thousands)

	Actual 2016-17					Estimated 2017-18					Estimated 2018-19				
	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
9894-Statewide Proposition 98 Reconciliation															
Local Assistance	8,548	--	--	8,548	--	-324,394	--	--	-324,394	--	-208,184	--	--	-208,184	--
Totals, 9894-Statewide Proposition 98 Reconciliation	**$8,548**	**--**	**--**	**$8,548**	**--**	**- $324,394**	**--**	**--**	**- $324,394**	**--**	**- $208,184**	**--**	**--**	**- $208,184**	**--**
9897-Section 3.60 Rate Adjustments															
State Operations	--	--	--	--	--	--	--	--	--	--	458,470	264,023	--	722,493	--
Totals, 9897-Section 3.60 Rate Adjustments	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**$458,470**	**$264,023**	**--**	**$722,493**	**--**
9898-PERS General Fund Deferral Payment															
State Operations	570,355	--	--	570,355	--	626,570	--	--	626,570	--	681,747	--	--	681,747	--
Totals, 9898-PERS General Fund Deferral Payment	**$570,355**	**--**	**--**	**$570,355**	**--**	**$626,570**	**--**	**--**	**$626,570**	**--**	**$681,747**	**--**	**--**	**$681,747**	**--**
9900-Statewide General Admin Exp (Pro Rata)															
State Operations	-676,647	582,713	--	-93,934	--	-710,124	601,930	--	-108,194	--	-776,580	677,468	--	-99,112	--
Totals, 9900-Statewide General Admin Exp (Pro Rata)	**- $676,647**	**$582,713**	**--**	**- $93,934**	**--**	**- $710,124**	**$601,930**	**--**	**- $108,194**	**--**	**- $776,580**	**$677,468**	**--**	**- $99,112**	**--**
9901-Various Departments															
State Operations	--	--	--	--	--	254,951	--	--	254,951	--	-380,099	-2,589	--	-382,688	--
Local Assistance	--	108,259	--	108,259	--	--	89,347	--	89,347	--	25,938	94,052	--	119,990	--
Totals, 9901-Various Departments	**--**	**$108,259**	**--**	**$108,259**	**--**	**$254,951**	**$89,347**	**--**	**$344,298**	**--**	**- $354,161**	**$91,463**	**--**	**- $262,698**	**--**
9910-General Fund Credits from Federal Funds															
State Operations	-160,079	--	--	-160,079	--	-166,342	--	--	-166,342	--	-200,392	--	--	-200,392	--
Totals, 9910-General Fund Credits from Federal Funds	**- $160,079**	**--**	**--**	**- $160,079**	**--**	**- $166,342**	**--**	**--**	**- $166,342**	**--**	**- $200,392**	**--**	**--**	**- $200,392**	**--**
9935-PERS Deferral															
State Operations	-626,569	--	--	-626,569	--	-681,747	--	--	-681,747	--	-725,140	--	--	-725,140	--
Totals, 9935-PERS Deferral	**- $626,569**	**--**	**--**	**- $626,569**	**--**	**- $681,747**	**--**	**--**	**- $681,747**	**--**	**- $725,140**	**--**	**--**	**- $725,140**	**--**
Statewide Expenditures															
State Operations	817,586	580,032	--	1,397,618	--	1,285,691	601,739	--	1,887,430	--	2,122,522	1,477,570	2,065	3,602,157	3
Local Assistance	8,548	108,259	--	116,807	--	-324,394	89,347	--	-235,047	--	-182,246	94,052	--	-88,194	--
Capital Outlay	1,000	--	--	1,000	--	1,000	--	--	1,000	--	2,000	--	--	2,000	--
Unclassified	-184,802	--	--	-184,802	--	--	--	--	--	--	--	--	--	--	--
Totals, Statewide Expenditures	**$642,332**	**$688,291**	**--**	**$1,330,623**	**--**	**$962,297**	**$691,086**	**--**	**$1,653,383**	**--**	**$1,942,276**	**$1,571,622**	**$2,065**	**$3,515,963**	**$3**
TOTALS, GENERAL GOVERNMENT	**$1,801,212**	**$3,626,923**	**- $2,848**	**$5,425,287**	**$281,662**	**$2,164,732**	**$4,718,707**	**$10,529**	**$6,893,968**	**$361,525**	**$3,164,489**	**$6,154,666**	**$3,649**	**$9,322,804**	**$336,896**
State Operations	$1,459,175	$1,005,049	$580	$2,464,804	$265,274	$1,973,680	$1,111,100	$1,584	$3,086,364	$302,914	$2,761,650	$1,956,832	$3,649	$4,722,131	$309,424
Local Assistance	$515,861	$2,621,874	--	$3,137,735	$14,807	$166,724	$3,612,107	--	$3,778,831	$14,816	$338,120	$4,197,263	--	$4,535,383	$14,816
Capital Outlay	$10,978	--	- $3,428	$7,550	$1,581	$24,328	- $4,500	$8,945	$28,773	$43,795	$64,719	$571	--	$65,290	$12,656
Unclassified	- $184,802	--	--	- $184,802	--	--	--	--	--	--	--	--	--	--	--
GRAND TOTAL	**$119,087,456**	**$44,254,712**	**$2,340,008**	**$165,682,176**	**$95,296,727**	**$126,511,312**	**$55,851,453**	**$6,317,567**	**$188,680,332**	**$102,234,143**	**$131,690,040**	**$56,154,020**	**$2,475,361**	**$190,319,421**	**$105,877,309**
State Operations	$30,800,470	$13,328,373	$481,544	$44,610,387	$9,074,366	$33,454,757	$16,020,388	$766,448	$50,241,593	$9,824,595	$34,142,718	$16,843,201	$237,361	$51,223,280	$9,850,570
Local Assistance	$88,167,428	$29,948,417	$1,291,795	$119,407,640	$84,005,615	$92,898,076	$38,567,186	$4,457,951	$135,923,213	$90,414,169	$97,292,778	$36,448,130	$1,860,036	$135,600,944	$93,977,916
Capital Outlay	$304,360	$977,922	$566,669	$1,848,951	$2,216,736	$158,479	$1,263,879	$1,093,168	$2,515,526	$1,990,379	$254,544	$2,862,689	$377,964	$3,495,197	$2,043,823
Unclassified	- $184,802	--	--	- $184,802	$10	--	--	--	--	$5,000	--	--	--	--	$5,000

Note: Numbers may not add due to rounding

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
GENERAL FUND	**5,029,305**	**118,668,855**	**119,087,456**	**4,610,704**	**127,251,523**	**126,511,312**	**5,350,915**	**129,791,458**	**131,690,040**	**3,452,333**
SPECIAL FUNDS										
0002-Property Acquisition Law Money Account	1,429	4,970	3,729	2,670	4,213	6,123	760	4,307	4,065	1,002
0003-Motor Vehicle Parking Facilities Moneys Account	2,950	4,018	3,298	3,670	3,619	3,547	3,742	3,619	3,626	3,735
0004-Breast Cancer Fund	87	518	594	11	744	746	9	734	737	6
0006-Disability Access Account	12,417	13,851	8,616	17,652	11,285	9,618	19,319	11,285	10,089	20,515
0007-Breast Cancer Research Account, Breast Cancer Fund	13,507	9,643	4,989	18,161	8,160	12,001	14,320	7,926	21,138	1,108
0009-Breast Cancer Control Account, Breast Cancer Fund	12,028	8,569	10,467	10,130	8,473	11,855	6,748	8,289	12,227	2,810
0012-Attorney General Antitrust Account	646	2,504	2,595	555	2,601	2,733	423	4,701	4,649	475
0014-Hazardous Waste Control Account	29,869	59,988	69,554	20,303	63,139	70,573	12,869	65,193	69,411	8,651
0017-Fingerprint Fees Account	49,312	86,659	73,445	62,526	86,519	91,641	57,404	86,519	90,226	53,697
0018-Site Remediation Account	210	10,771	10,503	478	10,915	9,626	1,767	10,915	9,626	3,056
0020-California State Law Library Special Account	36	372	399	9	372	381	--	372	350	22
0022-State Emergency Telephone Number Account	55,902	81,078	84,340	52,640	80,551	117,120	16,071	130,015	128,743	17,343
0023-Farmworker Remedial Account	178	355	--	533	305	291	547	305	291	561
0024-State Board of Guide Dogs for the Blind Fund	82	166	155	93	6	99	--	--	--	--
0025-Leaking Underground Storage Tank Cost Recovery Fund	94	--	--	94	--	--	94	--	--	94
0026-State Motor Vehicle Insurance Account	31,045	29,721	42,297	18,469	37,203	35,933	19,739	47,529	36,318	30,950
0028-Unified Program Account	5,974	4,981	7,985	2,970	8,652	9,038	2,584	8,652	9,260	1,976
0029-Nuclear Planning Assessment Special Account	--	4,343	3,753	590	4,150	4,378	362	4,150	4,366	146
0032-Firearm Safety Account	4,140	1,002	140	5,002	840	353	5,489	840	354	5,975
0033-State Energy Conservation Assistance Account	8,819	2,090	-6,261	17,170	2,330	-612	20,112	2,330	460	21,982
0034-Geothermal Resources Development Account	134	1,188	1,322	--	1,565	1,322	243	1,565	1,322	486
0035-Surface Mining and Reclamation Account	1,476	4,301	3,781	1,996	4,724	4,709	2,011	4,728	4,751	1,988
0041-Aeronautics Account, State Transportation Fund	5,717	6,009	9,211	2,515	6,093	7,298	1,310	6,060	7,313	57
0042-State Highway Account, State Transportation Fund	2,626,771	3,280,104	3,353,877	2,552,998	3,795,378	3,733,664	2,614,712	4,150,468	4,388,466	2,376,714
0044-Motor Vehicle Account, State Transportation Fund	663,384	3,319,641	3,527,355	455,670	3,669,025	3,675,674	449,021	3,772,739	3,793,025	428,735

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
0046-Public Transportation Account, State Transportation Fund	565,169	382,593	500,002	447,760	1,152,487	1,124,447	475,800	1,231,095	1,131,046	575,849
0052-Local Airport Loan Account	28,742	787	-1,279	30,808	756	-345	31,909	691	-266	32,866
0054-New Motor Vehicle Board Account	1,442	1,966	1,571	1,837	1,964	1,805	1,996	1,964	1,858	2,102
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
0061-Motor Vehicle Fuel Account, Transportation Tax Fund	29,259	4,157	33,416	--	37,256	37,256	--	44,010	44,010	--
0062-Highway Users Tax Account, Transportation Tax Fund	91,093	1,188,091	1,279,184	--	1,408,592	1,408,592	--	1,644,590	1,644,590	--
0064-Motor Vehicle License Fee Account, Transportation Tax Fund	15,413	23,404	20,419	18,398	5,212	23,610	--	26,121	26,121	--
0065-Illegal Drug Lab Cleanup Account	2,384	3	619	1,768	3	849	922	3	844	81
0066-Sale of Tobacco to Minors Control Account	1,512	118	154	1,476	177	704	949	177	1,104	22
0067-State Corporations Fund	67,789	60,726	49,817	78,698	59,674	57,097	81,275	59,374	59,262	81,387
0069-Barbering and Cosmetology Contingent Fund	19,349	23,642	22,426	20,565	24,313	24,186	20,692	25,041	23,525	22,208
0070-Occupational Lead Poisoning Prevention Account	2,922	3,472	3,275	3,119	3,334	4,592	1,861	3,334	4,885	310
0071-Yosemite Foundation Account, California Environmental License Plate Fund	20	710	707	23	900	840	83	900	840	143
0072-California Collegiate License Plate Fund	16	32	32	16	38	38	16	38	38	16
0074-Medical Waste Management Fund	2,567	2,466	2,932	2,101	2,307	2,908	1,500	2,307	2,953	854
0075-Radiation Control Fund	5,417	23,485	25,363	3,539	28,035	27,515	4,059	28,035	27,165	4,929
0076-Tissue Bank License Fund	2,759	812	582	2,989	831	645	3,175	831	665	3,341
0078-Graphic Design License Plate Account	887	1,733	1,880	740	2,204	2,349	595	2,204	2,362	437
0080-Childhood Lead Poisoning Prevention Fund	78,221	21,810	28,327	71,704	21,301	34,186	58,819	21,301	34,179	45,941
0082-Export Document Program Fund	1,856	452	639	1,669	480	759	1,390	480	805	1,065
0083-Veterans Service Office Fund	1,641	1,112	887	1,866	1,156	925	2,097	1,156	991	2,262
0093-Construction Management Education Account (CMEA)	160	89	--	249	94	107	236	99	110	225
0098-Clinical Laboratory Improvement Fund	22,217	12,288	11,308	23,197	11,308	12,718	21,787	10,442	12,674	19,555
0099-Health Statistics Special Fund	6,791	27,422	24,885	9,328	27,879	28,084	9,123	30,229	28,785	10,567
0100-California Used Oil Recycling Fund	19,858	24,040	24,249	19,649	24,268	28,240	15,677	24,268	23,173	16,772
0102-State Fire Marshal Licensing and Certification Fund	2,452	2,222	3,544	1,130	4,550	4,455	1,225	4,950	4,519	1,656

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(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
0104-San Joaquin River Conservancy Fund	1,960	124	91	1,993	65	138	1,920	65	130	1,855
0106-Department of Pesticide Regulation Fund	18,053	95,594	99,513	14,134	102,275	108,289	8,120	108,487	107,720	8,887
0108-Acupuncture Fund	1,386	6,742	3,270	4,858	2,715	3,581	3,992	2,875	3,610	3,257
0111-Department of Agriculture Account, Department of Food and Agriculture Fund	103,310	147,815	141,759	109,366	156,932	184,367	81,931	168,531	177,318	73,144
0115-Air Pollution Control Fund	138,842	170,326	116,505	192,663	278,881	340,878	130,666	110,988	122,061	119,593
0117-Alcoholic Beverage Control Appeals Fund	3,702	1,338	1,080	3,960	1,304	1,262	4,002	1,318	1,455	3,865
0121-Hospital Building Fund	117,939	104,466	49,567	172,838	55,741	66,145	162,434	70,741	67,184	165,991
0122-Emergency Food Assistance Program Fund	363	350	503	210	535	347	398	547	358	587
0124-California Agricultural Export Promotion Account	42	10	12	40	10	10	40	10	10	40
0125-Assembly Operating Fund	89	55	--	144	--	--	144	--	--	144
0126-State Audit Fund	10,054	--	-1,000	11,054	400	--	11,454	400	--	11,854
0129-Water Device Certification Special Account	1,098	218	217	1,099	222	421	900	222	409	713
0131-Foster Family Home and Small Family Home Insurance Fund	1,071	--	-375	1,446	--	--	1,446	--	--	1,446
0132-Workers Compensation Managed Care Fund	592	13	25	580	9	78	511	9	83	437
0133-California Beverage Container Recycling Fund	258,377	1,213,819	1,196,795	275,401	1,211,009	1,204,107	282,303	1,236,582	1,188,978	329,907
0139-Driving Under-the-Influence Program Licensing Trust Fund	1,192	1,124	1,231	1,085	1,072	1,969	188	1,038	1,212	14
0140-California Environmental License Plate Fund	6,104	48,901	37,063	17,942	55,887	46,219	27,610	50,606	72,325	5,891
0141-Soil Conservation Fund	5,218	2,323	2,394	5,147	3,525	5,667	3,005	3,525	5,655	875
0142-Department of Justice Sexual Habitual Offender Fund	2,360	2,473	2,096	2,737	2,524	2,719	2,542	2,524	2,746	2,320
0143-California Health Data and Planning Fund	23,418	30,722	32,952	21,188	28,581	32,728	17,041	29,081	33,396	12,726
0144-California Water Fund	--	--	--	--	1,100	--	1,100	--	--	1,100
0152-State Board of Chiropractic Examiners Fund	2,513	3,479	3,970	2,022	3,726	4,463	1,285	3,701	4,516	470
0156-California Heritage Fund	53	--	--	53	--	--	53	--	--	53
0158-Travel Seller Fund	1,989	742	803	1,928	760	1,492	1,196	760	1,500	456
0159-State Trial Court Improvement and Modernization Fund	11,144	12,993	14,837	9,300	6,959	2,011	14,248	5,189	19,292	145
0160-Operating Funds of the Assembly and Senate	26	--	--	26	--	--	26	--	--	26
0163-Continuing Care Provider Fee Fund	2,355	1,621	1,314	2,662	1,977	1,476	3,163	2,226	1,512	3,877

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
0166-Certification Account, Consumer Affairs Fund	1,164	1,264	1,268	1,160	1,241	1,338	1,063	1,241	1,348	956
0168-Structural Pest Control Research Fund	737	148	--	885	150	3	1,032	150	3	1,179
0169-California Debt Limit Allocation Committee Fund	6,009	2,835	1,457	7,387	2,046	1,715	7,718	2,146	1,792	8,072
0170-Corrections Training Fund	478	17,213	17,619	72	--	--	72	--	--	72
0171-California Debt and Investment Advisory Commission Fund	5,239	3,221	3,308	5,152	4,134	3,855	5,431	4,186	3,922	5,695
0172-Developmental Disabilities Program Development Fund	2,097	2,468	335	4,230	2,591	2,863	3,958	2,591	2,878	3,671
0175-Dispensing Opticians Fund	158	271	168	261	572	407	426	586	443	569
0177-Food Safety Fund	11,851	8,912	10,216	10,547	8,754	11,021	8,280	8,754	11,500	5,534
0178-Driver Training Penalty Assessment Fund	1,342	1,104	1,705	741	--	--	741	--	--	741
0179-Environmental Laboratory Improvement Fund	161	3,075	2,562	674	3,412	3,806	280	4,252	3,762	770
0180-Northern California Veterans Cemetery Master Development Fund	143	--	--	143	--	--	143	--	--	143
0181-Registered Nurse Education Fund	2,491	2,096	2,124	2,463	2,080	2,202	2,341	2,080	2,204	2,217
0183-Environmental Enhancement and Mitigation Program Fund	33,568	7,394	8,821	32,141	7,814	13,969	25,986	7,814	7,051	26,749
0184-Employment Development Department Benefit Audit Fund	12,472	25,741	22,872	15,341	23,123	22,285	16,179	24,667	20,225	20,621
0185-Employment Development Department Contingent Fund	49,248	144,473	151,650	42,071	136,975	143,956	35,090	139,851	147,879	27,062
0186-Energy Resources Surcharge Fund	43	-43	--	--	--	--	--	--	--	--
0191-Fair and Exposition Fund	6,227	425	423	6,229	269	1,766	4,732	269	1,750	3,251
0193-Waste Discharge Permit Fund	19,522	126,821	131,700	14,643	133,852	145,356	3,139	145,242	145,330	3,051
0194-Emergency Medical Services Training Program Approval Fund	12	222	189	45	222	226	41	222	253	10
0198-California Fire and Arson Training Fund	1,329	2,421	2,848	902	3,220	3,641	481	3,503	3,680	304
0200-Fish and Game Preservation Fund	66,449	98,027	106,395	58,081	120,747	128,381	50,447	141,996	142,285	50,158
0203-Genetic Disease Testing Fund	18,111	127,429	123,779	21,761	126,710	134,160	14,311	131,733	134,230	11,814
0205-Geology and Geophysics Account, Professional Engineers and Land Surveyors F	1,131	--	--	1,131	--	--	1,131	--	--	1,131
0207-Fish and Wildlife Pollution Account	433	953	546	840	176	321	695	176	321	550
0209-California Hazardous Liquid Pipeline Safety Fund	10,857	3,683	4,498	10,042	3,433	4,915	8,560	3,933	5,095	7,398
0210-Outpatient Setting Fund of the Medical Board of California	334	115	1	448	--	28	420	--	28	392

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(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
0211-California Waterfowl Habitat Preservation Account, Fish and Game Preservati	2,285	17	28	2,274	5	223	2,056	5	219	1,842
0212-Marine Invasive Species Control Fund	4,417	4,758	5,457	3,718	5,700	6,308	3,110	5,700	6,270	2,540
0213-Native Species Conservation and Enhancement Account, Fish and Game Preserva	613	80	33	660	71	189	542	71	34	579
0214-Restitution Fund	86,789	87,180	105,439	68,530	70,705	90,801	48,434	68,139	90,823	25,750
0215-Industrial Development Fund	46	27	37	36	40	40	36	40	40	36
0217-Insurance Fund	30,546	266,404	263,568	33,382	276,770	288,895	21,257	287,371	293,036	15,592
0219-Lifetime License Trust Account, Fish and Game Preservation Fund	10,696	666	--	11,362	-11,362	--	--	--	--	--
0223-Workers Compensation Administration Revolving Fund	359,957	156,422	271,283	245,096	339,280	347,526	236,850	343,842	350,006	230,686
0226-California Tire Recycling Management Fund	100,138	36,958	43,364	93,732	37,751	47,058	84,425	34,504	45,883	73,046
0228-Secretary of States Business Fees Fund	1,845	48,886	49,732	999	53,919	53,918	1,000	53,925	53,925	1,000
0230-Cigarette and Tobacco Products Surtax Fund	-1,273	8,644	7,369	2	8,134	8,134	2	8,952	8,953	1
0231-Health Education Account, Cigarette and Tobacco Products Surtax Fund	20,656	57,446	69,972	8,130	52,463	57,461	3,132	51,479	51,880	2,731
0232-Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	61,967	83,521	112,172	33,316	75,823	103,682	5,457	74,101	75,580	3,978
0233-Physician Services Account, Cigarette and Tobacco Products Surtax Fund	23,009	18,872	28,463	13,418	21,656	33,320	1,754	21,164	21,732	1,186
0234-Research Account, Cigarette and Tobacco Products Surtax Fund	5,976	14,402	10,577	9,801	13,170	14,570	8,401	12,924	21,323	2
0235-Public Resources Account, Cigarette and Tobacco Products Surtax Fund	3,403	6,791	8,893	1,301	5,723	6,672	352	5,477	5,475	354
0236-Unallocated Account, Cigarette and Tobacco Products Surtax Fund	46,380	48,659	76,486	18,553	48,958	64,135	3,376	47,851	48,664	2,563
0238-Northern California Veterans Cemetery Perpetual Maintenance Fund	309	151	64	396	81	72	405	81	71	415
0239-Private Security Services Fund	14,954	11,006	13,782	12,178	11,049	15,829	7,398	14,711	16,154	5,955
0240-Local Agency Deposit Security Fund	190	496	527	159	525	581	103	525	602	26
0241-Local Public Prosecutors and Public Defenders Training Fund	1,076	857	812	1,121	--	7	1,114	--	--	1,114
0242-Court Collection Account	1,004	120,931	120,583	1,352	106,447	103,215	4,584	112,054	107,946	8,692
0243-Narcotic Treatment Program Licensing Trust Fund	2,311	1,917	1,216	3,012	2,185	1,875	3,322	2,445	1,985	3,782
0244-Environmental Water Fund	--	--	--	--	2,400	--	2,400	--	--	2,400

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0245-Mobilehome Parks and Special Occupancy Parks Revolving Fund	3,750	7,753	8,379	3,124	7,545	9,339	1,330	7,545	8,834	41
0247-Drinking Water Operator Certification Special Account	3,798	1,735	1,737	3,796	1,670	1,834	3,632	1,670	1,764	3,538
0256-Sexual Predator Public Information Account	331	90	82	339	90	187	242	90	187	145
0257-Earthquake Emergency Investigations Account, Disaster Assistance Fund	30	--	--	30	--	--	30	--	--	30
0260-Nursing Home Administrators State License Examining Fund	799	--	--	799	--	--	799	--	--	799
0261-Off Highway License Fee Fund	--	2,401	1,984	417	2,401	1,984	834	2,401	1,984	1,251
0262-Habitat Conservation Fund	49,048	9,099	-15,630	73,777	10,313	61,841	22,249	10,190	9,286	23,153
0263-Off-Highway Vehicle Trust Fund	105,068	175,144	81,498	198,714	81,200	129,143	150,771	80,796	112,025	119,542
0264-Osteopathic Medical Board of California Contingent Fund	3,058	2,271	2,193	3,136	2,177	2,476	2,837	2,203	2,693	2,347
0266-Inland Wetlands Conservation Fund, Wildlife Restoration Fund	1,134	2,011	--	3,145	11	--	3,156	11	--	3,167
0267-Exposition Park Improvement Fund	4,770	10,478	10,815	4,433	10,716	11,530	3,619	10,716	10,308	4,027
0268-Peace Officers Training Fund	4,679	32,778	34,332	3,125	--	1,319	1,806	--	200	1,606
0269-Glass Processing Fee Account, California Beverage Container Recycling Fund	7,806	65,130	59,830	13,106	66,223	60,806	18,523	66,223	60,806	23,940
0270-Technical Assistance Fund	9,645	24,680	22,977	11,348	25,366	26,191	10,523	25,913	26,018	10,418
0271-Certification Fund	3,261	1,503	2,249	2,515	1,626	2,243	1,898	1,621	2,254	1,265
0272-Infant Botulism Treatment and Prevention Fund	9,979	7,015	4,647	12,347	5,702	6,734	11,315	5,702	6,445	10,572
0275-Hazardous and Idle-Deserted Well Abatement Fund	785	578	10	1,353	351	221	1,483	351	229	1,605
0276-Penalty Account, California Beverage Container Recycling Fund	5,493	409	461	5,441	230	35	5,636	230	28	5,838
0277-Bi-metal Processing Fee Account, California Beverage Container Recycling Fu	18,843	1,538	190	20,191	1,300	244	21,247	1,300	244	22,303
0278-PET Processing Fee Account, California Beverage Container Recycling Fund	10,390	57,242	50,053	17,579	52,274	47,611	22,242	50,186	47,611	24,817
0279-Child Health and Safety Fund	5,870	4,334	5,804	4,400	4,507	5,697	3,210	4,464	5,853	1,821
0280-Physician Assistant Fund	1,762	1,821	1,713	1,870	1,894	1,767	1,997	1,989	1,864	2,122
0281-Recycling Market Development Revolving Loan Subaccount, Integrated Waste Ma	11,627	1,149	3,710	9,066	1,154	5,601	4,619	1,157	3,763	2,013
0286-Lake Tahoe Conservancy Account	3,609	993	1,042	3,560	1,061	1,753	2,868	1,061	1,481	2,448
0288-The Registry of International Student Exchange Visitor Placement Organizati	107	15	--	122	13	--	135	13	--	148

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0289-State HICAP Fund	4,254	3,868	2,458	5,664	4,021	2,525	7,160	4,021	2,522	8,659
0290-Board of Pilot Commissioners Special Fund	3,564	2,049	2,207	3,406	2,290	2,476	3,220	2,315	2,816	2,719
0293-Motor Carriers Safety Improvement Fund	1,141	1,829	2,275	695	1,879	1,891	683	1,929	1,913	699
0294-Removal and Remedial Action Account	5,005	51	3,318	1,738	3,400	3,353	1,785	3,400	3,315	1,870
0295-Board of Podiatric Medicine Fund	992	947	964	975	996	1,293	678	924	1,583	19
0296-Coachella Valley Mountains Conservancy Fund	2	--	2	--	--	--	--	--	--	--
0298-Financial Institutions Fund	53,367	27,092	29,238	51,221	28,717	32,745	47,193	28,966	33,409	42,750
0299-Credit Union Fund	4,102	8,826	9,327	3,601	9,162	10,903	1,860	9,728	11,320	268
0300-Professional Forester Registration Fund	234	131	176	189	123	221	91	123	214	--
0305-Private Postsecondary Education Administration Fund	7,014	14,991	13,427	8,578	14,737	18,512	4,803	16,599	16,901	4,501
0306-Safe Drinking Water Account	6,752	25,831	24,962	7,621	24,885	25,794	6,712	24,885	25,767	5,830
0308-Earthquake Risk Reduction Fund of 1996	88	--	36	52	--	52	--	--	--	--
0309-Perinatal Insurance Fund	46,901	12,717	8,575	51,043	2,542	14,533	39,052	2,542	19,978	21,616
0310-Psychology Fund	4,777	4,337	4,817	4,297	3,980	5,414	2,863	7,807	5,516	5,154
0311-Traumatic Brain Injury Fund	468	998	1,060	406	800	1,114	92	800	892	--
0312-Emergency Medical Services Personnel Fund	2,429	2,367	2,333	2,463	2,561	3,073	1,951	2,561	3,197	1,315
0313-Major Risk Medical Insurance Fund	68,083	3,745	13,129	58,699	-58,607	92	--	--	--	--
0314-Diesel Emission Reduction Fund	4,192	70	--	4,262	70	--	4,332	70	--	4,402
0317-Real Estate Fund	45,084	52,199	53,969	43,314	52,224	57,098	38,440	52,165	54,823	35,782
0318-Collins-Dugan Calif Conservation Corps Reimbursement Acct	18,052	35,176	40,137	13,091	38,833	44,838	7,086	46,403	39,885	13,604
0319-Respiratory Care Fund	1,858	2,725	3,248	1,335	2,907	3,281	961	3,015	3,932	44
0320-Oil Spill Prevention and Administration Fund	29,296	51,990	49,044	32,242	51,901	56,367	27,776	51,901	56,820	22,857
0321-Oil Spill Response Trust Fund	9,262	5,386	2,467	12,181	539	322	12,398	539	93	12,844
0322-Environmental Enhancement Fund	916	158	278	796	112	670	238	112	290	60
0325-Electronic and Appliance Repair Fund	2,447	2,736	2,335	2,848	2,980	2,866	2,962	3,016	2,866	3,112
0326-Athletic Commission Fund	1,044	1,562	1,679	927	1,596	1,796	727	1,596	1,822	501
0327-Court Interpreters Fund	778	244	8	1,014	218	655	577	215	163	629
0328-Public School Planning, Design, and Construction Review Revolving Fund	9,444	51,108	53,260	7,292	59,017	57,881	8,428	73,957	59,309	23,076
0329-Vehicle License Collection Account, Local Revenue Fund	--	14,000	14,000	--	14,000	14,000	--	14,000	14,000	--
0330-Local Revenue Fund	--	815	815	--	843	843	--	840	840	--
0331-Sales Tax Account, Local Revenue Fund	--	--	--	--	--	--	--	--	--	--

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0332-Vehicle License Fee Account, Local Revenue Fund	--	--	--	--	--	--	--	--	--	--
0333-Sales Tax Growth Account, Local Revenue Fund	--	--	--	--	--	--	--	--	--	--
0334-Vehicle License Fee Growth Account	--	--	--	--	--	--	--	--	--	--
0335-Registered Environmental Health Specialist Fund	376	330	417	289	303	442	150	303	442	11
0336-Mine Reclamation Account	1,383	3,661	3,797	1,247	4,073	4,167	1,153	4,573	4,733	993
0338-Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	9,893	11,969	10,666	11,196	12,092	12,550	10,738	12,092	12,722	10,108
0342-State School Fund	1,645	22,550	22,166	2,029	22,550	22,550	2,029	22,550	22,550	2,029
0347-School Land Bank Fund	2,586	67,441	661	69,366	15	1,226	68,155	15	1,188	66,982
0348-Senate Operating Fund	10	4	--	14	--	--	14	--	--	14
0349-Educational Telecommunication Fund	1,323	--	--	1,323	--	--	1,323	--	--	1,323
0351-Mental Health Subaccount, Sales Tax Account	--	1,164,354	1,164,354	--	1,165,018	1,165,018	--	1,164,684	1,164,684	--
0352-Social Services Subaccount, Sales Tax Account	--	1,913,802	1,913,802	--	2,024,696	2,024,696	--	2,191,628	2,191,628	--
0353-Health Subaccount, Sales Tax Account	--	--	--	--	--	--	--	22,204	22,204	--
0354-Caseload Subaccount, Sales Tax Growth Account	--	84,626	84,626	--	166,932	166,932	--	135,348	135,348	--
0361-General Growth Subaccount, Sales Tax Growth Account	--	42,590	42,590	--	--	--	--	--	--	--
0365-Historic Property Maintenance Fund	1,377	686	1,076	987	731	1,137	581	726	1,137	170
0367-Indian Gaming Special Distribution Fund	17,205	32,034	31,260	17,979	31,054	33,763	15,270	45,053	34,204	26,119
0368-Asbestos Consultant Certification Account, Asbestos Training and Consultant	1,617	-1,617	--	--	--	--	--	--	--	--
0369-Asbestos Training Approval Account, Asbestos Training and Consultant Certif	773	-773	--	--	--	--	--	--	--	--
0371-California Beach and Coastal Enhancement Account, California Environmental	921	1,426	2,016	331	1,342	1,460	213	1,253	1,365	101
0375-Disaster Response-Emergency Operations Account, Special Fund for Economic U	23	--	--	23	--	--	23	--	--	23
0376-Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	1,844	2,078	1,924	1,998	1,946	2,140	1,804	1,997	2,401	1,400
0378-False Claims Act Fund	1,558	16,170	13,706	4,022	25,700	21,110	8,612	14,000	21,500	1,112
0381-Public Interest Research, Development, and Demonstration Fund	15,986	146	1,234	14,898	100	1,259	13,739	100	751	13,088
0382-Renewable Resource Trust Fund	60,397	5,521	23,196	42,722	1,803	25,750	18,775	1,803	4,948	15,630

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0384-The Salmon and Steelhead Trout Restoration Account	144	--	--	144	--	140	4	--	--	4
0386-Solid Waste Disposal Site Cleanup Trust Fund	5,944	152	2,452	3,644	847	3,303	1,188	5,047	5,620	615
0387-Integrated Waste Management Account, Integrated Waste Management Fund	29,137	51,005	44,044	36,098	47,864	55,919	28,043	43,659	54,001	17,701
0392-State Parks and Recreation Fund	38,129	188,269	183,692	42,706	215,405	243,146	14,965	248,873	237,516	26,322
0396-Self-Insurance Plans Fund	3,298	2,177	2,845	2,630	3,896	4,307	2,219	3,896	4,301	1,814
0399-Structural Pest Control Education and Enforcement Fund	747	431	260	918	444	403	959	440	403	996
0400-Real Estate Appraisers Regulation Fund	8,712	6,613	5,583	9,742	2,921	6,157	6,506	3,412	6,430	3,488
0407-Teacher Credentials Fund	8,035	26,198	19,919	14,314	27,249	28,009	13,554	28,140	26,027	15,667
0408-Test Development and Administration Account, Teacher Credentials Fund	3,328	5,373	4,057	4,644	5,484	5,003	5,125	5,597	5,927	4,795
0410-Transcript Reimbursement Fund	-49	301	105	147	1	86	62	1	60	3
0412-Transportation Rate Fund	400	2,568	1,904	1,064	2,467	2,672	859	-750	--	109
0421-Vehicle Inspection and Repair Fund	100,497	140,710	122,168	119,039	130,629	137,457	112,211	133,228	138,751	106,688
0425-Victim - Witness Assistance Fund	1,160	12,517	13,355	322	--	109	213	--	--	213
0429-Local Jurisdiction Energy Assistance Account	264	1	--	265	1	--	266	1	--	267
0434-Air Toxics Inventory and Assessment Account	749	720	1,022	447	721	683	485	721	690	516
0436-Underground Storage Tank Tester Account	4	21	17	8	20	19	9	20	26	3
0437-State Assistance For Fire Equipment Account	1,426	445	4	1,867	100	100	1,867	100	100	1,867
0439-Underground Storage Tank Cleanup Fund	530,396	331,973	183,724	678,645	319,242	306,605	691,282	318,942	315,285	694,939
0442-California Olympic Training Account	-1	1	--	--	--	--	--	--	--	--
0447-Wildlife Restoration Fund	4,051	3,341	5,668	1,724	3,999	5,050	673	6,069	6,067	675
0448-Occupancy Compliance Monitoring Account,Tax Credit Allocation Fee Account	25,093	4,408	4,537	24,964	5,192	5,362	24,794	5,294	5,748	24,340
0449-Winter Recreation Fund	640	224	354	510	172	423	259	172	381	50
0452-Elevator Safety Account	37,534	13,658	22,362	28,830	13,531	27,202	15,159	25,182	28,515	11,826
0453-Pressure Vessel Account	88	4,808	3,913	983	5,410	5,550	843	6,180	5,672	1,351
0456-Expedited Site Remediation Trust Fund	1,615	2	--	1,617	-1,295	320	2	--	--	2
0457-Tax Credit Allocation Fee Account	19,388	19,513	2,556	36,345	6,463	3,307	39,501	6,590	3,420	42,671
0458-Site Operation and Maintenance Account, Hazardous Substances Account	7	549	404	152	551	408	295	551	404	442
0459-Telephone Medical Advice Services Fund	1,095	54	103	1,046	--	10	1,036	--	--	1,036

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0460-Dealers Record of Sale Special Account	2,086	24,588	20,628	6,046	24,504	24,309	6,241	21,570	22,278	5,533
0461-Public Utilities Commission Transportation Reimbursement Account	14,979	20,177	15,547	19,609	17,877	18,865	18,621	18,793	18,912	18,502
0462-Public Utilities Commission Utilities Reimbursement Account	51,913	100,766	111,416	41,263	125,103	136,372	29,994	132,026	142,605	19,415
0464-California High-Cost Fund-A Administrative Committee Fund	29,430	41,216	36,881	33,765	41,331	49,249	25,847	66,277	49,288	42,836
0465-Energy Resources Programs Account	42,787	72,376	81,683	33,480	72,535	88,436	17,579	72,535	88,045	2,069
0467-State Notes Expense Account	250	--	--	250	--	--	250	--	--	250
0470-California High-Cost Fund-B Administrative Committee Fund	80,447	788	17,044	64,191	-2,946	22,332	38,913	62,500	22,385	79,028
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	120,534	590,751	429,711	281,574	532,573	630,205	183,942	532,391	429,783	286,550
0475-Underground Storage Tank Fund	106	--	--	106	--	--	106	--	--	106
0478-Vectorborne Disease Account	236	118	181	173	132	194	111	132	207	36
0479-Energy Technologies Research, Development and Demonstration Account	2,912	4	--	2,916	5	--	2,921	5	--	2,926
0481-Garment Manufacturers Special Account	-161	315	133	21	480	500	1	500	500	1
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	42,413	58,788	55,538	45,663	58,389	69,245	34,807	58,389	67,240	25,956
0485-Armory Discretionary Improvement Account	576	28	24	580	82	170	492	82	158	416
0487-Financial Responsibility Penalty Account	971	124	--	1,095	--	--	1,095	--	--	1,095
0492-State Athletic Commission Neurological Examination Account	621	14	56	579	17	55	541	16	55	502
0493-California Teleconnect Fund Administrative Committee Fund	52,598	127,191	94,273	85,516	115,736	153,005	48,247	82,066	128,108	2,205
0494-Other - Unallocated Special Funds	76,000	--	-1,890	77,890	--	-1,191	79,081	--	666,609	-587,528
0496-Developmental Disabilities Services Account	144	--	--	144	150	150	144	150	150	144
0497-Local Government Geothermal Resources Revolving Subaccount, Geothermal Reso	5,878	931	5,073	1,736	1,220	1,613	1,343	1,220	1,555	1,008
0557-Toxic Substances Control Account	23,502	84,704	85,924	22,282	101,333	105,187	18,428	126,089	130,136	14,381
0558-Farm and Ranch Solid Waste Cleanup and Abatement Account	1,238	3	405	836	1,000	1,177	659	1,000	1,212	447
0566-Department of Justice Child Abuse Fund	1,653	267	393	1,527	250	444	1,333	250	451	1,132
0567-Gambling Control Fund	47,847	23,421	18,162	53,106	23,406	20,011	56,501	23,406	20,863	59,044
0569-Gambling Control Fines and Penalties Account	4,582	3,653	249	7,986	31	261	7,756	--	286	7,470

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0577-Abandoned Watercraft Abatement Fund	588	1,750	1,750	588	2,750	2,750	588	2,750	2,750	588
0582-High Polluter Repair or Removal Account	37,825	47,472	37,417	47,880	47,567	40,812	54,635	47,829	41,250	61,214
0585-Counties Children and Families Account, California Children and Families Tr	30,886	319,892	291,354	59,424	273,934	333,358	--	309,038	309,038	--
0587-Family Law Trust Fund	5,193	2,408	1,094	6,507	1,786	1,762	6,531	1,674	1,795	6,410
0593-Coastal Access Account, State Coastal Conservancy Fund	2,392	567	700	2,259	554	550	2,263	567	798	2,032
0623-California Children and Families First Trust Fund	957	11,848	12,794	11	16,180	15,975	216	15,753	15,647	322
0631-Mass Media Communications Account, California Children and Families Trust F	15,639	25,587	28,578	12,648	21,140	20,342	13,446	23,773	20,342	16,877
0634-Education Account, California Children and Families Trust Fund	55,173	20,543	8,369	67,347	17,833	23,710	61,470	19,852	23,951	57,371
0636-Child Care Account, California Children and Families Trust Fund	37,214	12,355	10,626	38,943	10,569	15,121	34,391	11,885	15,121	31,155
0637-Research and Development Account, California Children and Families Trust Fu	41,873	12,347	5,252	48,968	10,624	16,983	42,609	11,940	16,983	37,566
0638-Administration Account, California Children and Families Trust Fund	15,465	4,872	6,608	13,729	3,544	6,863	10,410	3,983	6,123	8,270
0639-Unallocated Account, California Children and Families Trust Fund	14,627	8,104	5,434	17,297	6,891	7,052	17,136	7,769	7,052	17,853
0642-Domestic Violence Training and Education Fund	359	613	404	568	663	645	586	663	628	621
0643-Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	1	--	--	1	--	--	1	--	--	1
0648-Mobilehome-Manufactured Home Revolving Fund	9,095	20,945	22,636	7,404	21,674	23,792	5,286	18,786	23,307	765
0704-Accountancy Fund, Professions and Vocations Fund	12,903	33,572	14,686	31,789	10,478	14,627	27,640	10,745	14,781	23,604
0706-California Architects Board Fund	5,658	3,006	3,694	4,970	4,254	4,053	5,171	2,981	4,059	4,093
0717-Cemetery and Funeral Fund	3,410	3,812	3,649	3,573	4,003	4,721	2,855	4,016	4,846	2,025
0735-Contractors License Fund	18,971	60,078	62,867	16,182	64,076	70,323	9,935	67,049	70,430	6,554
0741-State Dentistry Fund	6,491	11,107	11,209	6,389	13,224	14,507	5,106	14,926	14,756	5,276
0750-State Funeral Directors and Embalmers Fund	1,516	--	3	1,513	--	--	1,513	--	--	1,513
0752-Home Furnishings and Thermal Insulation Fund	3,022	4,768	4,736	3,054	5,041	5,258	2,837	5,088	5,126	2,799
0755-Licensed Midwifery Fund	327	49	14	362	46	15	393	46	122	317
0757-California Board of Architectural Examiners - Landscape Architects Fund	2,299	519	716	2,102	517	1,062	1,557	512	1,093	976

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Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
0758-Contingent Fund of the Medical Board of California	27,242	64,863	63,377	28,728	65,928	66,491	28,165	56,702	67,711	17,156
0759-Physical Therapy Fund	1,486	5,554	4,962	2,078	5,685	5,286	2,477	5,685	5,012	3,150
0761-Board of Registered Nursing Fund, Professions and Vocations Fund	10,310	42,483	42,827	9,966	44,525	43,902	10,589	44,804	47,450	7,943
0763-State Optometry Fund, Professions and Vocations Fund	1,909	3,071	1,703	3,277	1,873	2,287	2,863	1,888	2,047	2,704
0767-Pharmacy Board Contingent Fund, Professions and Vocations Fund	10,675	19,102	21,693	8,084	24,016	24,492	7,608	24,152	26,832	4,928
0769-Private Investigator Fund	474	1,421	1,055	840	688	1,144	384	1,455	1,259	580
0770-Professional Engineer's, Land Surveyor's, and Geologist's Fund	8,271	12,188	10,417	10,042	8,772	12,777	6,037	9,692	12,695	3,034
0771-Court Reporters Fund	1,125	629	1,150	604	886	1,161	329	885	1,192	22
0773-Behavioral Science Examiners Fund, Professions and Vocations Fund	7,752	9,848	11,953	5,647	12,272	12,314	5,605	11,757	12,558	4,804
0775-Structural Pest Control Fund	2,176	4,566	4,588	2,154	4,493	5,358	1,289	4,493	5,366	416
0777-Veterinary Medical Board Contingent Fund	2,840	4,203	5,221	1,822	4,393	5,078	1,137	6,210	5,241	2,106
0779-Vocational Nursing and Psychiatric Technicians Fund	12,618	12,097	12,789	11,926	12,479	16,677	7,728	12,371	16,987	3,112
0780-Psychiatric Technicians Account, Vocational Nursing and Psychiatric Technic	1,067	--	3	1,064	--	--	1,064	--	--	1,064
0932-Trial Court Trust Fund	40,588	1,289,886	1,263,905	66,569	1,275,001	1,306,430	35,140	1,258,131	1,292,537	734
0933-Managed Care Fund	19,446	73,180	76,835	15,791	74,599	84,233	6,157	83,415	84,976	4,596
0940-Bosco-Keene Renewable Resources Investment Fund	1,886	1,200	853	2,233	1,200	1,059	2,374	1,200	1,069	2,505
1003-Cleanup Loans and Environmental Assistance to Neighborhoods Account	2,645	-40	--	2,605	-40	1,000	1,565	-40	1,000	525
1006-Rural CUPA Reimbursement Account	1,739	--	-55	1,794	--	1,065	729	--	--	729
1008-Firearms Safety and Enforcement Special Fund	22,028	10,886	9,910	23,004	4,838	10,152	17,690	7,772	10,859	14,603
1010-Natural Heritage Preservation Tax Credit Reimbursement Account	--	-725	--	-725	--	--	-725	--	--	-725
1011-Budget Stabilization Account	3,699,422	3,014,000	--	6,713,422	1,698,000	--	8,411,422	5,050,000	--	13,461,422
1017-Umbilical Cord Blood Collection Program Fund	8,172	3,240	--	11,412	3,240	5,000	9,652	3,240	5,000	7,892
1018-Lake Tahoe Science and Lake Improvement Account, General Fund	1,499	1,206	555	2,150	1,005	1,157	1,998	1,005	1,161	1,842
2501-Local Transportation Loan Account, State Highway Account, State Transportat	4,029	30	--	4,059	30	--	4,089	30	--	4,119
2504-Advance Mitigation Account, State Transportation Fund	--	--	--	--	30,000	--	30,000	30,000	30,000	30,000
3001-Public Beach Restoration Fund	6,117	8,790	4,213	10,694	2,439	2,439	10,694	--	1,300	9,394
3002-Electrician Certification Fund	8,666	2,197	1,597	9,266	2,269	3,001	8,534	2,269	2,883	7,920
3004-Garment Industry Regulations Fund	3,798	2,925	2,978	3,745	2,853	3,422	3,176	2,853	3,428	2,601

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3007-Traffic Congestion Relief Fund	251,440	173,000	98,847	325,593	75,000	138,326	262,267	75,000	150,737	186,530
3010-Pierces Disease Management Account	10,620	4,483	5,612	9,491	4,540	3,305	10,726	4,540	3,374	11,892
3013-California Central Coast State Veterans Cemetery at Fort Ord Operations Fun	1	152	100	53	61	65	49	719	720	48
3015-Gas Consumption Surcharge Fund	144,946	494,754	523,254	116,446	613,584	563,092	166,938	613,584	563,387	217,135
3016-Missing Persons DNA Data Base Fund	5,586	3,258	3,607	5,237	3,258	3,701	4,794	3,258	3,726	4,326
3017-Occupational Therapy Fund	3,029	1,416	1,857	2,588	1,800	2,384	2,004	2,209	2,490	1,723
3018-Drug and Device Safety Fund	1,889	5,505	5,799	1,595	5,611	6,392	814	6,672	7,303	183
3019-Substance Abuse Treatment Trust Fund	277	--	--	277	--	--	277	--	--	277
3020-Tobacco Settlement Fund	2,264	--	--	2,264	--	1,200	1,064	--	57	1,007
3022-Apprenticeship Training Contribution Fund	19,193	13,263	11,208	21,248	12,050	12,369	20,929	12,050	12,663	20,316
3024-Rigid Container Account	139	--	42	97	162	166	93	162	173	82
3025-Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation A	3,220	827	1,967	2,080	827	1,277	1,630	827	1,128	1,329
3027-Trauma Care Fund	44	--	38	6	--	--	6	--	--	6
3030-Workers Occupational Safety and Health Education Fund	1,295	1,016	861	1,450	1,005	1,177	1,278	1,005	1,203	1,080
3033-California Memorial Scholarship Fund	345	168	35	478	-109	--	369	-369	--	--
3034-Antiterrorism Fund	420	3,399	1,369	2,450	1,104	1,890	1,664	1,364	1,395	1,633
3035-Environmental Quality Assessment Fund	178	--	--	178	--	--	178	--	--	178
3036-Alcohol Beverage Control Fund	32,675	58,060	64,690	26,045	60,272	69,519	16,798	64,798	72,586	9,010
3037-State Court Facilities Construction Fund	431,938	86,900	131,540	387,298	55,681	140,397	302,582	61,591	161,319	202,854
3039-Dentally Underserved Account, State Dentistry Fund	1,552	11	6	1,557	5	134	1,428	5	134	1,299
3042-Victims of Corporate Fraud Compensation Fund	12,052	1,904	723	13,233	1,544	1,578	13,199	1,544	1,607	13,136
3046-Oil, Gas, and Geothermal Administrative Fund	12,075	82,498	85,959	8,614	101,558	105,716	4,456	110,158	107,423	7,191
3053-Public Rights Law Enforcement Special Fund	3,030	11,896	12,155	2,771	13,000	13,900	1,871	17,000	18,342	529
3054-Health Care Benefits Fund	1,759	2,000	1,621	2,138	2,000	2,206	1,932	2,000	2,933	999
3056-Safe Drinking Water and Toxic Enforcement Fund	7,438	3,979	3,742	7,675	2,020	4,813	4,882	2,020	4,866	2,036
3057-Dam Safety Fund	1,840	12,724	13,639	925	20,300	19,878	1,347	17,759	18,386	720
3058-Water Rights Fund	4,858	18,079	19,684	3,253	23,251	23,130	3,374	21,751	23,237	1,888
3059-Fiscal Recovery Fund	170,190	1,341	--	171,531	-171,531	--	--	--	--	--
3060-Appellate Court Trust Fund	8,517	5,756	1,609	12,664	5,691	8,112	10,243	5,621	7,726	8,138

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3062-Energy Facility License and Compliance Fund	13,248	3,746	3,570	13,424	4,050	3,653	13,821	5,050	4,671	14,200
3063-State Responsibility Area Fire Prevention Fund	62,934	79,425	92,925	49,434	--	5,533	43,901	--	43,901	--
3064-Mental Health Practitioner Education Fund	169	395	400	164	404	400	168	404	401	171
3065-Electronic Waste Recovery and Recycling Account, Integrated Waste Managemen	119,359	72,719	94,400	97,678	95,589	111,523	81,744	95,589	115,131	62,202
3066-Court Facilities Trust Fund	15,787	105,779	106,771	14,795	98,414	103,130	10,079	98,410	104,030	4,459
3067-Cigarette and Tobacco Products Compliance Fund	8,525	9,493	7,374	10,644	9,178	8,209	11,613	9,178	11,891	8,900
3068-Vocational Nurse Education Fund	732	243	216	759	240	228	771	240	230	781
3069-Naturopathic Doctors Fund	511	350	330	531	301	453	379	301	439	241
3070-Nontoxic Dry Cleaning Incentive Trust Fund	734	60	95	699	180	430	449	180	429	200
3071-Car Wash Worker Restitution Fund	1,048	1,348	409	1,987	720	421	2,286	720	421	2,585
3072-Car Wash Worker Fund	4,037	1,012	320	4,729	860	742	4,847	860	760	4,947
3074-Medical Marijuana Program Fund	362	189	201	350	2	162	190	1	191	--
3075-Unlawful Sales Reduction Fund	85	--	--	85	1	--	86	1	--	87
3078-Labor and Workforce Development Fund	22,356	21,727	6,873	37,210	21,727	8,815	50,122	21,727	8,850	62,999
3079-Childrens Medical Services Rebate Fund	28,364	17,501	36,110	9,755	18,100	18,000	9,855	14,188	14,088	9,955
3080-AIDS Drug Assistance Program Rebate Fund	221,271	251,512	211,980	260,803	328,326	293,906	295,223	304,009	307,864	291,368
3081-Cannery Inspection Fund	2,277	2,853	2,548	2,582	2,605	2,846	2,341	2,605	2,904	2,042
3082-School Facilities Emergency Repair Account	12,906	479	1,455	11,930	--	6,063	5,867	--	83	5,784
3083-Welcome Center Fund	67	84	35	116	180	122	174	180	124	230
3084-State Certified Unified Program Agency Account	12	2,774	1,707	1,079	2,774	2,887	966	2,774	2,852	888
3085-Mental Health Services Fund	1,035,118	1,798,338	1,951,413	882,043	2,094,712	1,963,876	1,012,879	2,235,279	2,083,024	1,165,134
3086-DNA Identification Fund	9,604	53,263	57,664	5,203	53,570	55,671	3,102	53,570	55,671	1,001
3087-Unfair Competition Law Fund	18,203	16,372	18,246	16,329	16,537	23,433	9,433	16,537	24,752	1,218
3088-Registry of Charitable Trusts Fund	6,173	4,464	4,210	6,427	4,529	5,744	5,212	7,229	6,312	6,129
3089-Public Utilities Commission Ratepayer Advocate Account	6,627	30,550	29,985	7,192	35,161	35,074	7,279	35,786	35,293	7,772
3091-Certified Access Specialist Fund	1,610	371	277	1,704	415	399	1,720	415	399	1,736
3093-Transportation Deferred Investment Fund	58,459	--	11,922	46,537	--	18,341	28,196	--	15,404	12,792
3095-Film Promotion and Marketing Fund	31	10	10	31	10	10	31	10	12	29
3096-Nondesignated Public Hospital Supplemental Fund	460	12	--	472	1,617	--	2,089	522	--	2,611
3097-Private Hospital Supplemental Fund	50,688	15,473	64,683	1,478	72,830	9,150	65,158	39,927	19,500	85,585

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Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
3098-State Department of Public Health Licensing and Certification Program Fund	40,352	123,063	133,122	30,293	141,059	159,765	11,587	156,974	166,781	1,780
3099-Mental Health Facility Licensing Fund	685	419	96	1,008	398	400	1,006	398	428	976
3101-Analytical Laboratory Account, Department of Food and Agriculture Fund	2,665	396	516	2,545	393	518	2,420	393	520	2,293
3102-Acute Orphan Well Account, Oil, Gas, and Geothermal Administrative Fund	105	--	54	51	--	--	51	--	--	51
3103-Hatchery and Inland Fisheries Fund	8,341	20,371	22,683	6,029	23,906	21,995	7,940	21,881	21,557	8,264
3107-Transportation Debt Service Fund	--	1,235,153	1,235,153	--	1,492,348	1,492,348	--	1,526,848	1,526,848	--
3108-Professional Fiduciary Fund	220	534	534	220	565	573	212	595	568	239
3109-Natural Gas Subaccount, Public Interest Research, Development, and Demonstr	32,055	24,640	32,966	23,729	24,750	45,803	2,676	24,750	24,127	3,299
3110-Gambling Addiction Program Fund	934	321	157	1,098	225	162	1,161	280	157	1,284
3111-Retail Food Safety and Defense Fund	59	--	--	59	--	--	59	--	--	59
3112-Equality in Prevention and Services for Domestic Abuse Fund	4	23	--	27	24	--	51	24	--	75
3113-Residential and Outpatient Program Licensing Fund	5,610	6,019	4,954	6,675	6,902	7,343	6,234	5,995	6,956	5,273
3114-Birth Defects Monitoring Program Fund	4,024	3,079	3,671	3,432	3,102	4,844	1,690	4,316	4,539	1,467
3117-Alternative and Renewable Fuel and Vehicle Technology Fund	162,631	110,813	105,751	167,693	108,000	212,648	63,045	108,000	108,557	62,488
3119-Air Quality Improvement Fund	16,210	41,480	31,163	26,527	38,051	46,956	17,622	38,051	31,850	23,823
3120-State Fire Marshal Fireworks Enforcement and Disposal Fund	202	--	--	202	--	--	202	--	--	202
3121-Occupational Safety and Health Fund	45,371	81,736	78,554	48,553	76,968	88,891	36,630	88,975	92,793	32,812
3122-Enhanced Fleet Modernization Subaccount, High Polluter Repair or Removal Ac	30,699	43,785	45,049	29,435	33,675	40,762	22,348	33,994	40,704	15,638
3123-Coastal Act Services Fund	3,240	903	947	3,196	946	1,796	2,346	933	1,469	1,810
3131-California Bingo Fund	695	15	6	704	--	3	701	--	--	701
3132-Charity Bingo Mitigation Fund	--	5	--	5	5	--	10	5	--	15
3133-Managed Care Administrative Fines and Penalties Fund	4,022	87	--	4,109	-88	--	4,021	-88	--	3,933
3134-School District Account, Underground Storage Tank Cleanup Fund	5,150	61	2,496	2,715	42	1,330	1,427	42	--	1,469
3136-Foreclosure Consultant Regulation Fund	12	--	--	12	--	--	12	--	--	12
3137-Emergency Medical Technician Certification Fund	879	1,581	1,466	994	1,511	1,702	803	1,511	1,773	541
3138-Immediate and Critical Needs Account, State Court Facilities Construction F	238,453	217,326	223,489	232,290	236,977	243,940	225,327	205,726	263,445	167,608
3139-Specialized License Plate Fund	817	585	328	1,074	755	432	1,397	755	705	1,447

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3140-State Dental Hygiene Fund	1,846	1,821	1,653	2,014	1,809	2,171	1,652	1,835	2,172	1,315
3141-California Advanced Services Fund	178,590	26,820	96,370	109,040	19,667	77,104	51,603	67,814	81,140	38,277
3142-State Dental Assistant Fund	2,656	1,661	2,197	2,120	2,023	2,730	1,413	2,495	2,717	1,191
3144-Building Standards Administration Special Revolving Fund	5,070	2,731	1,953	5,848	2,700	2,485	6,063	2,700	2,304	6,459
3145-Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund	18,296	148	2,080	16,364	99	6,834	9,629	99	--	9,728
3147-State Water Pollution Control Revolving Fund Small Community Grant Fund	23,862	10,277	19,753	14,386	9,598	8,000	15,984	8,890	8,000	16,874
3149-Local Safety and Protection Account, Transportation Tax Fund	--	704	--	704	--	--	704	--	--	704
3150-State Public Works Enforcement Fund	6,492	10,750	9,596	7,646	11,070	10,224	8,492	12,870	11,625	9,737
3151-Internal Health Information Integrity Quality Improvement Account	1	--	--	1	--	--	1	--	--	1
3152-Labor Enforcement and Compliance Fund	35,298	60,205	53,755	41,748	62,762	69,636	34,874	73,269	75,335	32,808
3153-Horse Racing Fund	2,243	13,479	13,487	2,235	13,805	14,183	1,857	13,805	14,243	1,419
3155-Lead-Related Construction Fund	1,033	504	629	908	500	720	688	500	698	490
3156-Childrens Health and Human Services Special Fund	639,797	295,102	312,766	622,133	-193,402	428,731	--	--	--	--
3157-Recreational Health Fund	524	4	--	528	--	--	528	--	--	528
3158-Hospital Quality Assurance Revenue Fund	405,053	3,353,719	3,281,685	477,087	5,461,639	5,035,241	903,485	4,055,993	4,381,635	577,843
3160-Wastewater Operator Certification Fund	2,899	1,288	1,037	3,150	913	1,526	2,537	670	1,530	1,677
3164-Renewable Energy Resources Development Fee Trust Fund	293	-161	--	132	--	--	132	--	--	132
3165-Enterprise Zone Fund	5,759	42	280	5,521	42	428	5,135	42	3,548	1,629
3167-Skilled Nursing Facility Quality and Accountability Fund	2,110	147	--	2,257	249	--	2,506	249	--	2,755
3168-Emergency Medical Air Transportation and Childrenâ€™s Coverage Fund	8,643	5,627	8,116	6,154	7,084	7,890	5,348	7,084	8,525	3,907
3170-Heritage Enrichment Resource Fund	259	98	6	351	98	45	404	98	47	455
3171-Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3172-Public Hospital Investment, Improvement, and Incentive Fund	--	1,115,877	1,115,877	--	885,500	885,500	--	760,000	760,000	--
3179-Mental Health Account, Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3195-Carpet Stewardship Account, Integrated Waste Management Fund	588	516	369	735	275	386	624	275	402	497

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3200-CalWORKs Maintenance of Effort Subaccount, Sales Tax Account	--	752,887	752,887	--	752,888	752,888	--	752,888	752,888	--
3201-Low Income Health Program MCE Out-of- Network Emergency Care Services Fund	12,262	91	--	12,353	133	--	12,486	--	--	12,486
3202-Architectural Paint Stewardship Account, Integrated Waste Management Fund	658	155	149	664	155	391	428	155	400	183
3204-Entertainment Work Permit Fund	248	-248	--	--	--	--	--	--	--	--
3205-Appliance Efficiency Enforcement Subaccount, Energy Resources Programs Acco	1,115	996	125	1,986	1,820	1,402	2,404	3,020	1,511	3,913
3209-Office of Patient Advocate Trust Fund	1,469	2,093	1,793	1,769	2,079	2,115	1,733	2,123	2,130	1,726
3210-Davis-Dolwig Account, California Water Resources Development Bond Fund	5,001	10,013	15,002	12	10,000	10,000	12	10,000	10,000	12
3211-Electric Program Investment Charge Fund	44,222	139,284	143,787	39,719	218,351	235,120	22,950	136,021	136,668	22,303
3212-Timber Regulation and Forest Restoration Fund	29,742	41,663	40,668	30,737	41,000	58,468	13,269	41,000	50,441	3,828
3213-Long-Term Care Quality Assurance Fund	154,523	356,405	444,083	66,845	541,195	539,842	68,198	559,855	504,609	123,444
3214-Support Services Account, Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3215-Law Enforcement Services Account, Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3216-Protective Services Subaccount, Support Services Account	--	2,169,501	2,169,501	--	2,258,028	2,258,028	--	2,351,909	2,351,909	--
3217-Behavioral Health Subaccount, Support Services Account	--	1,230,254	1,230,254	--	1,328,618	1,328,618	--	1,432,930	1,432,930	--
3218-Support Services Growth Subaccount, Sales and Use Tax Growth Account	--	--	--	--	--	--	--	--	--	--
3220-Law Enforcement Services Growth Subaccount, Sales and Use Tax Growth Accoun	--	--	--	--	--	--	--	--	--	--
3221-Trial Court Security Subaccount, Law Enforcement Services Account	--	539,747	539,747	--	550,340	550,340	--	561,574	561,574	--
3222-Enhancing Law Enforcement Activities Subaccount, Law Enforcement Services A	--	489,900	489,900	--	489,900	489,900	--	489,900	489,900	--
3223-Community Corrections Subaccount, Law Enforcement Services Account	--	1,161,615	1,161,615	--	1,241,062	1,241,062	--	1,325,315	1,325,315	--
3224-District Attorney and Public Defender Subaccount, Law Enforcement Services	--	27,948	27,948	--	33,245	33,245	--	38,860	38,860	--
3225-Juvenile Justice Subaccount, Law Enforcement Services Account	--	--	--	--	--	--	--	--	--	--

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
3226-Juvenile Reentry Grant Special Account, Juvenile Justice Subaccount	--	7,843	7,843	--	8,428	8,428	--	9,048	9,048	--
3227-Youthful Offender Block Grant Special Account, Juvenile Justice Subaccount	--	134,279	134,279	--	144,287	144,287	--	154,901	154,901	--
3228-Greenhouse Gas Reduction Fund	2,599,960	913,295	1,476,738	2,036,517	2,776,900	3,293,094	1,520,323	2,431,500	1,718,499	2,233,324
3229-Sales and Use Tax Growth Account, Local Revenue Fund 2011	--	--	--	--	--	--	--	--	--	--
3230-Juvenile Justice Growth Special Account, Law Enforcement Services Growth Su	--	10,593	10,593	--	11,234	11,234	--	10,873	10,873	--
3231-Enhancing Law Enforcement Activities Growth Special Account, Enhancing Law	--	155,891	155,891	--	201,390	201,390	--	209,722	209,722	--
3232-District Attorney and Public Defender Growth Special Account, Law Enforceme	--	5,297	5,297	--	5,617	5,617	--	5,437	5,437	--
3233-Community Corrections Growth Special Account, Law Enforcement Services Grow	--	79,447	79,447	--	84,251	84,251	--	81,549	81,549	--
3234-Trial Court Security Growth Special Account, Law Enforcement Services Growt	--	10,593	10,593	--	11,234	11,234	--	10,873	10,873	--
3235-Behavioral Health Services Growth Special Account, Support Services Growth	--	98,364	98,364	--	104,312	104,312	--	100,966	100,966	--
3236-Protective Services Growth Special Account, Support Services Growth Subacco	--	88,527	88,527	--	93,881	93,881	--	90,869	90,869	--
3237-Cost of Implementation Account, Air Pollution Control Fund	9,477	52,052	52,969	8,560	70,942	73,602	5,900	83,033	73,947	14,986
3238-State Parks Revenue Incentive Subaccount, State Parks and Recreation Fund	14,138	4,340	8,273	10,205	4,340	9,176	5,369	--	4,505	864
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	2,463	620	503	2,580	620	643	2,557	620	682	2,495
3242-Child Performer Services Permit Fund	3	-3	--	--	--	--	--	--	--	--
3244-Political Disclosure, Accountability, Transparency, and Access Fund	1,928	641	1,757	812	407	94	1,125	502	262	1,365
3245-Disability Access and Education Revolving Fund	560	642	523	679	712	741	650	787	722	715
3246-Fair Employment and Housing Enforcement and Litigation Fund	1,533	187	1,389	331	180	2	509	180	458	231
3248-Family Support Subaccount, Sales Tax Account	--	443,908	443,908	--	443,962	443,962	--	421,758	421,758	--

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
3249-Child Poverty and Family Supplemental Support Subaccount, Sales Tax Account	37,255	88,224	125,479	--	104,422	104,422	--	104,422	104,422	--
3251-Prepaid Mobile Telephony Services Surcharge Fund	49	2,045	2,091	3	25,640	1,648	23,995	25,640	1,994	47,641
3252-CURES Fund	2,383	1,640	1,072	2,951	1,820	1,733	3,038	1,828	1,801	3,065
3254-Business Programs Modernization Fund	3,404	1,828	1,593	3,639	1,510	2,514	2,635	1,510	174	3,971
3255-Home Care Fund	9,092	4,573	7,635	6,030	7,706	6,925	6,811	3,317	6,679	3,449
3256-Specialized First Aid Training Program Approval Fund	53	6	--	59	--	--	59	--	--	59
3257-Used Mattress Recycling Fund	1,911	--	306	1,605	--	33	1,572	--	34	1,538
3259-Recidivism Reduction Fund	17,624	--	6,911	10,713	--	--	10,713	-9,000	--	1,713
3260-Regional Railroad Accident Preparedness and Immediate Response Fund	5,119	--	4,154	965	--	263	702	--	466	236
3261-Vessel Operator Certification Account, Harbors and Watercraft Revolving Fun	829	3,014	386	3,457	--	1,110	2,347	--	1,096	1,251
3262-Expedited Claim Account, Underground Storage Tank Cleanup Fund	100,000	--	9,387	90,613	290	90,613	290	290	--	580
3263-College Access Tax Credit Fund	6,533	4,489	4,099	6,923	4,489	5,727	5,685	4,489	5,685	4,489
3264-Site Cleanup Subaccount	23,909	25,617	22,852	26,674	25,500	25,296	26,878	25,500	20,441	31,937
3265-Prepaid MTS PUC Account	1	-1	--	--	--	--	--	--	--	--
3266-Prepaid MTS 911 Account	--	903	--	903	--	--	903	--	--	903
3268-Senior Citizens and Disabled Citizens Property Tax Postponement Fund	16,618	2,886	-467	19,971	-4,945	26	15,000	69	69	15,000
3270-Local Charges for Prepaid Mobile Telephony Service Fund	462	9,161	9,623	--	8,097	8,097	--	8,097	8,097	--
3272-California Domestic Violence Prevention Fund	-1	--	--	-1	--	--	-1	--	--	-1
3273-Employment Opportunity Fund	2,332	--	-790	3,122	--	1,825	1,297	--	1,297	--
3274-Social Services Subaccount, Vehicle License Fee Account	--	58,142	58,142	--	131,889	131,889	--	193,070	193,070	--
3275-County Medical Services Program Subaccount, Vehicle License Fee Account	--	40,538	40,538	--	25,824	25,824	--	42,115	42,115	--
3276-CalWORKs Maintenance of Effort Subaccount, Vehicle License Fee Account	--	367,663	367,663	--	367,663	367,663	--	367,663	367,663	--
3278-Mental Health Subaccount, Vehicle License Fee Account	--	94,870	94,870	--	95,063	95,063	--	95,063	95,063	--
3279-Health Subaccount, Vehicle License Fee Account	--	1,007,392	1,007,392	--	926,175	926,175	--	1,014,354	1,014,354	--
3280-General Growth Subaccount, Vehicle License Fee Growth Account	--	119,570	119,570	--	100,011	100,011	--	87,340	87,340	--

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
3281-Family Support Subaccount, Vehicle License Fee Account	--	117,097	117,097	--	213,181	213,181	--	108,711	108,711	--
3282-Child Poverty and Family Supplemental Support Subaccount, Vehicle License F	--	160,465	160,465	--	205,942	205,942	--	244,772	244,772	--
3283-County Medical Services Program Subaccount, Sales Tax Account	--	--	--	--	--	--	--	--	--	--
3285-Electronic Recording Authorization Fund	101	174	249	26	301	300	27	301	304	24
3286-Safe Neighborhoods and Schools Fund	--	-25,642	-26,039	397	-29,370	-29,370	397	-41,625	-41,525	297
3287-Second Chance Fund	--	25,642	25,387	255	29,370	29,370	255	41,625	41,634	246
3288-Cannabis Control Fund	7,476	24,000	17,955	13,521	176,858	101,875	88,504	203,530	91,687	200,347
3290-Road Maintenance and Rehabilitation Account, State Transportation Fund	--	--	--	--	1,493,274	1,488,924	4,350	2,936,897	2,834,189	107,058
3291-Trade Corridor Enhancement Account, State Transportation Fund	--	--	--	--	202,735	124,917	77,818	305,622	223,914	159,526
3292-State Project Infrastructure Fund	--	--	-124,858	124,858	--	2	124,856	--	--	124,856
3293-Health and Human Services Special Fund	1	1,833,283	1,711,734	121,550	2,435,630	2,367,559	189,621	2,570,697	2,519,214	241,104
3297-Major League Sporting Event Raffle Fund	--	595	298	297	595	335	557	595	338	814
3299-Oil and Gas Environmental Remediation Account	--	--	--	--	60	54	6	60	54	12
3301-Lead-Acid Battery Cleanup Fund	--	5,053	319	4,734	13,400	1,410	16,724	14,600	2,293	29,031
3302-Safe Energy Infrastructure and Excavation Fund	--	--	--	--	7,406	3,788	3,618	--	3,613	5
3303-Ammunition Safety and Enforcement Special Fund	--	25,000	1,219	23,781	44	12,687	11,138	44	11,101	81
3304-California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	466,551	--	466,551	-465,591	960	--	1,301	1,301	--
3305-Healthcare Treatment Fund	--	--	--	--	1,401,612	1,070,558	331,054	934,594	850,925	414,723
3306-Graduate Medical Education Account, California Healthcare, Research and Pre	--	--	--	--	50,000	50,000	--	40,000	40,000	--
3307-State Dental Program Account, California Healthcare, Research and Preventio	--	--	--	--	37,500	37,500	--	30,000	30,000	--
3308-Tobacco Law Enforcement Account, California Healthcare, Research and Preven	--	--	--	--	60,000	58,532	1,468	--	--	1,468
3309-Tobacco Prevention and Control Programs Account, California Healthcare, Res	--	--	--	--	222,207	213,086	9,121	--	--	9,121
3310-Medical Research Program Account, California Healthcare, Research and Preve	--	--	--	--	85,465	81,956	3,509	56,987	56,987	3,509

SCHEDULE 10 at 2018-19 Governor's Budget
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Beginning Reserve 2016-17	Revenues 2016-17	Expenditures 2016-17	Beginning Reserve 2017-18	Revenues 2017-18	Expenditures 2017-18	Beginning Reserve 2018-19	Revenues 2018-19	Expenditures 2018-19	Ending Reserve 2018-19
3311-Health Care Services Plan Fines and Penalties Fund	--	--	--	--	61,716	58,874	2,842	3,109	5,918	33
3313-Southern California Veterans Cemetery Master Development Fund	--	--	--	--	--	-4,500	4,500	--	--	4,500
3314-California Cannabis Tax Fund	--	--	--	--	175,135	--	175,135	507,968	--	683,103
3315-Household Movers Fund	--	--	--	--	--	--	--	3,214	2,457	757
3317-Building Homes and Jobs Trust Fund	--	--	--	--	129,000	--	129,000	258,000	250,665	136,335
3318-Public Health, Tobacco Law Enforcement Acct, CA Healthcare, Rsrch Prvt FD	--	--	--	--	--	--	--	6,000	6,000	--
3319-Tax Fee Admin, Tobacco Law Enforcement Acct, CA Healthcare, Rsrch Prvt FD	--	--	--	--	--	--	--	6,000	4,464	1,536
3320-Justice, Tobacco Law Enforcement Acct, CA Healthcare, Rsrch Prvt FD	--	--	--	--	--	--	--	36,000	36,000	--
3321-Education, Tobacco Prevention Ctrl Acct, CA Healthcare, Rsrch Prvt FD	--	--	--	--	--	--	--	22,225	22,225	--
3322-Public Health, Tobacco Prevention Ctrl Acct, CA Healthcare, Rsrch Prvt FD	--	--	--	--	--	--	--	125,942	125,942	--
3323-Medi-Cal Emergency Medical Transport Fund	--	--	--	--	--	--	--	1,003	1,003	--
3324-Safe and Affordable Drinking Water Fund	--	--	--	--	--	--	--	4,800	4,721	79
8059-State Community Corrections Performance Incentive Fund	296	--	-81	377	--	356	21	--	3	18
8080-Clean Energy Job Creation Fund	409,286	--	-608	409,894	--	162	409,732	--	--	409,732
Totals, Special Funds	**$20,913,991**	**$47,098,850**	**$44,254,712**	**$23,758,129**	**$55,912,323**	**$55,851,453**	**$23,818,999**	**$61,470,022**	**$56,154,020**	**$29,135,001**
GRAND TOTALS	**$25,943,296**	**$165,767,705**	**$163,342,168**	**$28,368,833**	**$183,163,846**	**$182,362,765**	**$29,169,914**	**$191,261,480**	**$187,844,060**	**$32,587,334**

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 1, 2017				Proposed Sales		As of December 1, 2017	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed [5]	Jan-June 2018	July-Dec 2018	Resolution Authorization	Total Outstanding
	LEGISLATIVE, JUDICIAL, EXECUTIVE									
6032	Voting Modernization (2002)	2018	$200,000	$64,495	$60	$135,445	$0	$0	$64,495	$0
	Total, Legislative, Judicial, Executive		$200,000	$64,495	$60	$135,445	$0	$0	$64,495	$0
	BUSINESS, CONSUMER SERVIICES & HOUSING									
0714	Housing & Homeless (1990)	2022	$150,000	$0	$1,025	$148,975	$0	$0	$0	$0
6037	Housing and Emergency Shelter (2002)	2040	2,100,000	71,395	374,250	1,654,355	1,566	1,500	64,395	9,750
6066	Housing and Emergency Shelter (2006)	2044	2,850,000	500,135	1,171,330	1,178,535	79,312	87,022	430,935	201,515
6082	Veterans Housing and Homeless Prevention (2014)	2031	600,000	591,770	3,380	4,850	22,331	47,557	54,505	3,990
	Total, Business, Consumer Services & Housing		$5,700,000	$1,163,300	$1,549,985	$2,986,715	$103,209	$136,079	$549,835	$215,255
	TRANSPORTATION									
0703	Clean Air & Transp Improv (1990)	2040	$1,990,000	$4,985	$580,510	$1,404,505	$4,985	$0	$4,985	$0
6053	Highway Safe, Traffic Red, Air Qual, Port Sec (2006)	2046	19,925,000	1,642,730	16,197,695	2,084,575	109,432	71,312	840,325	100,945
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	0	16,975	983,025	0	0	-	0
6043	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2047	9,950,000	7,193,190	2,272,815	483,995	1,234,355	184,193	7,193,190	42,565
0653	Seismic Retrofit (1996)	2039	2,000,000	0	964,090	1,035,910	0	0	-	0
	Total, Transportation		$34,865,000	$8,840,905	$20,032,085	$5,992,010	$1,348,772	$255,505	$8,038,500	$143,510
	NATURAL RESOURCES									
0722	Ca Park & Recreational Facil (1984)[1]	2027	$368,900	$0	$8,925	$359,975	$0	$0	$0	$0
0721	Ca Parklands (1980)	2024	285,000	0	1,720	283,280	0	0	0	0
0707	Ca Safe Drinking Water (1976)[1]	2027	172,500	0	2,330	170,170	0	0	0	0
0707	Ca Safe Drinking Water (1984)	2027	75,000	0	1,380	73,620	0	0	0	0
0707	Ca Safe Drinking Water (1986)	2030	100,000	0	17,005	82,995	0	0	0	0
0793	Ca Safe Drinking Water (1988)	2040	75,000	0	22,410	52,590	0	0	0	0
6001	Ca Safe Drinking Water (2000)[2]	2040	1,884,000	43,346	1,244,735	595,919	0	0	43,346	0
6051	Ca Safe Drinking Water (2006)[2]	2047	5,283,000	1,620,785	3,017,945	644,270	198,581	172,924	496,070	215,125
0786	Ca Wildlife, Coast, & Park Land Cons (1988)[1]	2032	768,670	0	86,920	681,750	0	0	0	0
0740	Clean Water (1984)	2024	325,000	0	7,450	317,550	0	0	0	0
6029	Clean Water, Clean Air, and Parks (2002)	2046	2,600,000	202,875	1,954,460	442,665	15,000	11,424	183,768	14,925
0716	Community Parklands (1986)	2022	100,000	0	1,775	98,225	0	0	0	0
6052	Disaster Prep and Flood Prevent (2006)[2]	2046	3,990,000	1,489,047	2,294,430	206,523	170,911	134,535	625,622	128,270
0748	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	0	4,190	80,810	0	0	0	0
0720	Lake Tahoe Acquisitions (1982)	2017	85,000	0	0	85,000	0	0	0	0
0402	Safe, Clean, Reliable Water Supply (1996)[2]	2040	969,500	62,915	466,995	439,590	0	0	62,915	0
0005	Safe Neighborhood Parks (2000)	2040	2,100,000	66,990	1,278,210	754,800	10,508	5,856	66,990	6,195
0742	State, Urban & Coastal Park (1976)	2029	280,000	0	2,925	277,075	0	0	0	0
0744	Water Conserv & Water Quality (1986)[2]	2031	136,500	230	21,160	115,110	0	0	230	0
0790	Water Conserv (1988)	2036	60,000	5,235	16,510	38,255	0	0	5,235	0
6031	Water Security, Coastal & Beach Protection (2002)[2]	2043	3,345,000	301,864	2,457,150	585,986	28,642	21,287	145,954	9,135
6083	Water Quality, Supply, and Infrastructure Improvement (2014)	2046	7,545,000	7,227,375	168,080	149,545	369,484	390,157	902,375	118,640
	Total, Natural Resources		$30,633,070	$11,020,662	$13,076,705	$6,535,703	$793,126	$736,183	$2,532,505	$492,290
	ENVIRONMENTAL PROTECTION									
0737	Clean Water & Water Conserv (1978)	2028	$375,000	$0	$3,320	$371,680	$0	$0	$0	$0
0764	Clean Water & Water Reclam (1988)	2029	65,000	0	14,675	50,325	0	0	0	0
	Total, Environmental Protection		$440,000	$0	$17,995	$422,005	$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 1, 2017				Proposed Sales		As of December 1, 2017	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed [5]	Jan-June 2018	July-Dec 2018	Resolution Authorization	Total Outstanding
	HEALTH AND HUMAN SERVICES									
6046	Children's Hospital Projects (2004)	2040	$750,000	$46,705	$547,540	$155,755	$0	$0	$46,705	$45
6079	Children's Hospital Projects (2008)	2045	980,000	258,545	662,680	58,775	22,687	25,250	258,545	40,615
	Total, Health and Human Services		$1,730,000	$305,250	$1,210,220	$214,530	$22,687	$25,250	$305,250	$40,660
	YOUTH AND ADULT CORRECTIONAL									
0711	Co Corr Facil Cap Expend (1986)	2022	$495,000	$0	$9,655	$485,345	$0	$0	$0	$0
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2029	500,000	0	47,635	452,365	0	0	0	0
0746	New Prison Construction (1986)	2034	500,000	0	945	499,055	0	0	0	0
0747	New Prison Construction (1988)	2030	817,000	1,505	6,775	808,720	0	0	1,505	175
0751	New Prison Construction (1990)	2029	450,000	605	7,975	441,420	0	0	307	0
	Total, Youth and Adult Correctional		$2,762,000	$2,110	$72,985	$2,686,905	$0	$0	$1,812	$175
	EDUCATION--K-12									
0794	Ca Library Constr & Renov (1988)[1]	2030	$72,405	$0	$8,990	$63,415	$0	$0	$0	$0
6000	Ca Library Constr & Renov (2000)	2040	350,000	5,040	220,570	124,390	0	0	5,040	0
0119	Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	2033	6,700,000	11,400	3,259,470	3,429,130	0	0	11,400	0
0657	Public Education Facil (1996) K-12[1]	2034	2,012,035	0	687,525	1,324,510	0	0	0	0
6036	Public Education Facil (2002) K-12	2046	11,400,000	18,190	8,455,640	2,926,170	0	0	18,190	17,720
6044	Public Education Facil (2004) K-12	2046	10,000,000	43,100	7,739,870	2,217,030	0	9,524	43,100	12,465
6057	Public Education Facil (2006) K-12	2047	7,329,000	211,620	6,609,845	507,535	0	51,890	211,620	17,110
6086	Public Education Facil (2016) K-12	2047	7,000,000	6,567,035	432,965	0	91,471	238,872	567,035	0
0739	School Bldg & Earthquake (1974)	2026	150,000	0	11,970	138,030	0	0	0	0
0708	School Facilities (1990)	2033	800,000	0	99,070	700,930	0	0	0	0
0745	School Facilities (1992)	2036	1,900,000	10,280	359,395	1,530,325	0	0	10,280	0
0776	1988 School Facil Bond Act (Nov)[1]	2032	797,745	0	31,755	765,990	0	0	0	0
0774	1990 School Facil Bond Act (Jun)[1]	2032	797,875	0	63,615	734,260	0	0	0	0
0765	1992 School Facil Bond Act (Nov)[1]	2035	898,211	0	169,985	728,226	0	0	0	0
	Total, Education--K-12		$50,207,271	$6,866,665	$28,150,665	$15,189,941	$91,471	$300,286	$866,665	$47,295
	HIGHER EDUCATION									
0574	Class Size Reduction K-U Pub. Ed. Facil (1998) Hi-Ed	2039	$2,500,000	$0	$1,496,010	$1,003,990	$0	$0	$0	$0
0785	Higher Education Facil (1988)	2032	600,000	0	17,215	582,785	0	0	0	0
0791	Higher Education Facil (Jun 1990)	2040	450,000	540	35,750	413,710	0	0	540	0
0705	Higher Education Facil (Jun 1992)	2040	900,000	0	221,620	678,380	0	0	0	0
0658	Public Education Facil (1996) Hi-Ed	2032	975,000	4,650	412,740	557,610	0	0	4,650	530
6028	Public Education Facil (2002) Hi-Ed	2039	1,650,000	0	1,162,095	487,905	0	0	0	0
6041	Public Education Facil (2004) Hi-Ed	2040	2,300,000	58,019	1,847,065	394,916	0	0	58,019	0
6048	Public Education Facil (2006) Hi-Ed	2043	3,087,000	38,775	2,858,675	189,550	0	0	38,775	840
6087	Public Education Facil (2016) CCC	2047	2,000,000	1,983,120	16,880	0	22,700	17,400	383,120	0
6047	Stem Cell Research and Cures (2004)	2039	3,000,000	736,150	1,069,605	1,194,245	130,000	125,000	181,675	103,110
	Total, Higher Education		$17,462,000	$2,821,254	$9,137,655	$5,503,091	$152,700	$142,400	$666,779	$104,480
	GENERAL GOVERNMENT									
0768	Earthquake Safety & Public Bldg. Rehab (1990)	2029	$300,000	$7,490	$45,950	$246,560	$0	$0	$7,490	$635
0701	Veterans' Homes (2000)	2039	50,000	975	32,725	16,300	0	0	975	0
	Total, General Government		$350,000	$8,465	$78,675	$262,860	$0	$0	$8,465	$635
	Total, All Agencies		$144,349,341	$31,093,106	$73,327,030	$39,929,205	$2,511,965	$1,595,703	$13,034,306	$1,044,300

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 1, 2017				Proposed Sales		As of December 1, 2017	
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed [5]	Jan-June 2018	July-Dec 2018	Resolution Authorization	Total Outstanding
	SELF-LIQUIDATING BONDS[4]									
	Ca Water Resources Dev (1959)	2024	$1,750,000	$167,600	$70,415	$1,511,985	$0	$0	$0	$0
	Veterans Bonds[3]	2047	2,960,000	93,455	712,960	2,153,585	0	0	93,455	0
	Total, Self-Liquidating Bonds		$4,710,000	$261,055	$783,375	$3,665,570	$0	$0	$93,455	$0
	Total		**$149,059,341**	**$31,354,161**	**$74,110,405**	**$43,594,775 [5]**	**$2,511,965**	**$1,595,703**	**$13,127,761**	**$1,044,300**

[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

[5] Reflects the amount of authorization for each bond act that has been reduced as a result of General Obligation bonds or commercial paper amounts redeemed.

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

	2016-17			2017-18			2018-19		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Schedule 8									
Revenues and Transfers	$118,669	$47,099	$165,768	$127,252	$55,912	$183,164	$129,791	$61,470	$191,261
Less/Add: Transfers	3,441	-3,402	39	2,038	-2,058	-20	5,331	-5,310	21
Schedule 12B									
Less: Revenues to Excluded Funds	-	-17,258	-17,258	-	-22,630	-22,630	-	-21,025	-21,025
Schedule 12C									
Less: Non-Tax Revenues to Included Funds	-1,256	-648	-1,904	-959	-1,458	-2,417	-864	-2,256	-3,120
Schedule 12D									
Add: Transfers from Other Funds to Included Funds	193	-156	37	439	-365	74	346	-236	110
TOTAL, SAL REVENUES AND TRANSFERS	**$121,047**	**$25,635**	**$146,682**	**$128,770**	**$29,401**	**$158,171**	**$134,604**	**$32,643**	**$167,247**
Schedule 12E									
Less: Exclusions	-54,438	-8,607	-63,045	-55,314	-11,171	-66,485	-57,285	-13,206	-70,491
TOTAL, SAL APPROPRIATIONS			**$83,637**			**$91,686**			**$96,756**
CALCULATION OF LIMIT ROOM									
Appropriations Limit (Sec. 12.00)			$99,787			$103,390			$108,782
Less: Total SAL Appropriations			83,637			91,686			96,756
Appropriation Limit Room			**$16,150**			**$11,704**			**$12,026**

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

	Actual 2016-17	Estimated 2017-18	Estimated 2018-19
MAJOR REVENUES:			
4110400-Cigarette Tax	$1,139,242	$1,993,031	$1,943,331
4113000-Identification Card Fees	186	--	--
4114000-Mobilehome In-Lieu Tax	1,888	1,888	1,888
4115600-Motor Vehicles - Other Fees	184,807	141,046	141,382
Total, MAJOR TAXES AND LICENSES	**$1,326,123**	**$2,135,965**	**$2,086,601**
MINOR REVENUES:			
REGULATORY TAXES AND LICENSES:			
4120000-Beverage Container Redemption Fees	$1,332,813	$1,327,367	$1,350,852
4120400-Building Construction Filing Fees - Physically Handicapped	13,822	11,283	11,283
4120800-Corporation Fees - Domestic Corporations	10,225	8,900	8,870
4121000-Corporation Fees - Foreign Corporations	1,214	1,070	1,020
4121200-Delinquent Fees	7,692	7,688	8,907
4121600-Elevator and Boiler Inspection Fees	16,813	17,477	29,908
4121800-Employment Agency Filing Fees	493	483	483
4122000-Employment Agency License Fees	5,563	5,734	5,684
4122200-Energy Resources Surcharge	590,505	708,502	708,502
4122600-Explosive Permit Fees	1	--	--
4122800-Filing Financing Statements	2,271	2,000	1,950
4123000-Fish and Game - Licenses, Tags, and Permits	102,680	108,900	112,855
4123200-Fish and Game - Taxes	339	2,338	2,406
4123400-Genetic Disease Testing Fees	130,448	129,750	135,987
4123720-Horse Racing Licenses	13,746	14,068	14,068
4123800-Industrial Homework Fees	1	1	1
4124000-Insurance Company - Examination Fees	24,990	24,826	25,003
4124200-Insurance Company - License Fees and Penalties	53,611	57,443	58,795
4124400-Insurance Company - General Fees	31,211	34,046	35,008
4124600-Insurance Company - Proposition 103 Fees	31,715	33,548	35,740
4124800-Insurance Fraud Assessment - Automobile	51,902	53,460	55,064
4125000-Insurance Fraud Assessment - General	13,247	13,866	14,133
4125200-Insurance Fraud Assessment - Workers Compensation	58,275	58,527	63,877
4125400-Liquor License Fees	57,762	60,184	64,710
4125600-New Motor Vehicle Dealer License Fee	1,959	1,959	1,959
4125800-Notary Public License Fees	990	890	840
4126000-Off Highway Vehicle Fees	16,553	17,000	17,000
4126400-Processing Fee	320	370	370
4126600-Public Utilities Commission - Quarterly Fees	151,614	177,940	183,932
4126800-Public Utilities Commission - Penalties on Quarterly Fees	2	3	2
4127000-Real Estate - Examination Fees	4,206	4,353	4,489
4127200-Real Estate - License Fees	40,237	39,960	39,980
4127300-Refinery Fees	--	4,437	4,437
4127400-Renewal Fees	287,932	310,179	351,123
4128000-Subdivision Filing Fees	8,299	8,299	8,299
4128400-Teacher Credential Fees	25,258	26,306	27,201
4128600-Teacher Examination Fees	5,337	5,444	5,553
4129000-Other Fees and Licenses	9,472	139,650	274,290
4129200-Other Regulatory Fees	6,318,416	8,753,477	7,499,265
4129400-Other Regulatory Licenses and Permits	653,565	719,182	839,923
4129600-Other Regulatory Taxes	85,536	118,058	126,499
Total, REGULATORY TAXES AND LICENSES	**$10,161,035**	**$13,008,968**	**$12,130,268**
REVENUE FROM LOCAL AGENCIES:			
4130000-Architecture Public Building Fees	$49,739	$59,016	$73,956
4131000-Crimes of Public Offense Fines	14,034	10,000	10,000
4131500-Felony Conviction Penalties	47,750	50,000	50,000
4132000-Fingerprint Identification Card Fees	86,140	86,000	86,000
4132500-Fish and Game Fines	714	64	64
4133000-Fish and Game Fines - Additional Assessments	50	68	68
4134500-Local Agencies - Cost Recoveries	--	100	100
4135000-Local Agencies - Miscellaneous Revenue	1,746,509	1,517,509	1,395,010
4136500-Traffic Violation Penalties	55,770	--	--

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

	Actual 2016-17	Estimated 2017-18	Estimated 2018-19
Total, REVENUE FROM LOCAL AGENCIES	**$2,000,706**	**$1,722,757**	**$1,615,198**
SERVICES TO THE PUBLIC:			
4140000-Document Sales	$861	$947	$831
4140500-Emergency Telephone User's Surcharge	81,979	80,549	130,013
4142500-License Plate Fees - Personalized Plates	63,455	64,369	64,280
4143500-Miscellaneous Services to the Public	114,558	112,770	122,973
4144000-Parental Fees	2,436	2,589	2,589
4144500-Parking Lot Revenues	11,558	11,229	11,229
4145500-Secretary of State - Fees	35,925	32,385	32,260
4146000-State Beach and Park Service Fees	110,657	120,630	124,158
Total, SERVICES TO THE PUBLIC	**$421,429**	**$425,468**	**$488,333**
USE OF PROPERTY AND MONEY:			
4150000-Geothermal Resources Well Fees	$3,305	$3,950	$3,950
4150500-Interest Income - Interfund Loans	31,808	1,434	1,211
4151000-Interest Income - Other Loans	5,692	6,297	6,290
4151500-Miscellaneous Revenue - Use of Property and Money	22,539	20,326	19,826
4152500-Rental of State Property	17,271	13,930	11,761
4154000-Royalties - Federal Land	26,770	27,193	27,197
4160000-Investment Income - Condemnation Deposits Fund	785	--	--
4161000-Investment Income - Other	479	75	75
4162000-Investment Income - Pooled Money Investments	339	262	262
4163000-Investment Income - Surplus Money Investments	81,018	76,135	75,560
Total, USE OF PROPERTY AND MONEY	**$190,006**	**$149,602**	**$146,132**
MISCELLANEOUS:			
4170400-Capital Asset Sales Proceeds	$451	$1,611	$1,611
4170600-Carbon Allowances Auction Proceeds	891,915	2,700,000	2,400,000
4170700-Civil and Criminal Violation Assessment	140,109	134,986	127,235
4170800-Confiscated Property Sales	29	27	27
4171000-Cost Recoveries - Delinquent Receivables	276	221	214
4171100-Cost Recoveries - Other	148,210	132,795	136,762
4171200-Court Filing Fees and Surcharges	529,082	509,418	501,651
4171300-Donations	11,018	11,525	11,536
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	8,567	5,938	5,941
4171500-Escheat - Unclaimed Property	189	22	29
4172000-Fines and Forfeitures	188,034	183,173	181,519
4172240-Fines and Penalties - External - Other	102	--	--
4172500-Miscellaneous Revenue	523,818	647,323	581,695
4172800-Parking Violations	1,349	1,630	1,630
4172900-Penalty Assessments - Criminal Fines	171,119	161,202	149,023
4173000-Penalty Assessments - Other	262,355	337,367	183,471
4173100-Personal Income Tax - Penalties and Interest	31,019	23,598	23,598
4173400-Settlements and Judgments - Anti-Trust Actions - Attorney General	2,503	2,600	4,700
4173500-Settlements and Judgments - Other	41,927	41,684	46,866
4173600-State Public Land Sales	26	--	--
4173800-Traffic Violations	21,290	17,952	16,100
4173900-Tribal Gaming Revenues	43,732	46,000	45,000
4174000-Unclaimed Contributions	3	--	--
4174100-Unemployment and Disability Insurance Contributions - Penalties and Interest	141,996	135,742	139,703
4180100-Prior Year Revenue Adjustments	--	92,151	--
Total, MISCELLANEOUS	**$3,159,119**	**$5,186,965**	**$4,558,311**
TOTAL, MINOR REVENUES	**$15,932,295**	**$20,493,760**	**$18,938,242**
TOTALS, Revenue to Excluded Funds (MAJOR and MINOR)	**$17,258,418**	**$22,629,725**	**$21,024,843**

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

	Actual 2016-17		Estimated 2017-18		Estimated 2018-19	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
MAJOR REVENUES:						
4113000-Identification Card Fees	--	$32,658	--	$32,985	--	$33,315
4113800-Lien Sale Application Fees	--	1,109	--	1,109	--	1,109
4115000-Motor Vehicles - Driver's License Fees	--	222,241	--	300,318	--	307,226
4115450-Transportation Improvement Fee	--	--	--	727,000	--	1,510,000
4115600-Motor Vehicles - Other Fees	--	73,901	--	66,527	--	69,776
Total, MAJOR TAXES AND LICENSES	**--**	**$329,909**	**--**	**$1,127,939**	**--**	**$1,921,426**
MINOR REVENUES:						
REGULATORY TAXES AND LICENSES:						
4120600-Candidate Filing Fee	$49	--	$1,010	--	$120	--
4121200-Delinquent Fees	--	-$5	2	--	2	--
4123000-Fish and Game - Licenses, Tags, and Permits	--	1,157	--	$900	--	$900
4123600-Highway Carriers Uniform Business License Tax	289	--	218	--	218	--
4123720-Horse Racing Licenses	887	--	987	750	987	750
4123740-Horse Racing Miscellaneous	--	--	5	--	5	--
4125400-Liquor License Fees	--	440	--	439	--	439
4126000-Off Highway Vehicle Fees	--	5,802	--	5,802	--	5,802
4129200-Other Regulatory Fees	1,275	49,038	2,190	48,423	1,910	48,497
4129400-Other Regulatory Licenses and Permits	4,093	35,417	$4,519	34,907	4,643	35,419
4129600-Other Regulatory Taxes	--	3,853	--	26,000	--	26,000
Total, REGULATORY TAXES AND LICENSES	**$6,593**	**$95,702**	**$8,931**	**$117,221**	**$7,885**	**$117,807**
REVENUE FROM LOCAL AGENCIES:						
4131000-Crimes of Public Offense Fines	$58	--	$57	--	$57	--
4134500-Local Agencies - Cost Recoveries	25,321	$11,887	23,637	$11,887	24,237	$11,887
4135000-Local Agencies - Miscellaneous Revenue	169,202	23	168,430	23	168,430	23
4135500-Narcotic Fines	1,234	--	1,000	--	1,000	--
Total, REVENUE FROM LOCAL AGENCIES	**$195,815**	**$11,910**	**$193,124**	**$11,910**	**$193,724**	**$11,910**
SERVICES TO THE PUBLIC:						
4140000-Document Sales	$153	$3,909	$145	$3,775	$145	$3,813
4142500-License Plate Fees - Personalized Plates	--	2	--	2	--	2
4143000-Medicare Receipts - Federal Government	10,109	--	6,576	--	4,458	--
4143500-Miscellaneous Services to the Public	1,412	84,033	1,852	84,874	2,212	85,723
4144500-Parking Lot Revenues	--	505	--	505	--	505
4145000-Pay Patients Board Charges	6,600	--	5,187	--	2,870	--
4145500-Secretary of State - Fees	163	--	154	--	150	--
Total, SERVICES TO THE PUBLIC	**$18,437**	**$88,449**	**$13,914**	**$89,156**	**$9,835**	**$90,043**
USE OF PROPERTY AND MONEY						
4151500-Miscellaneous Revenue - Use of Property and Money	$2,914	$627	$1,342	$463	$1,338	$418
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	223	--	140	--	140	--
4152500-Rental of State Property	20,324	55,317	19,662	50,367	19,466	50,744
4155000-Royalties - State Lands	90,364	--	64,265	--	13,365	--
Total, USE OF PROPERTY AND MONEY	**$113,825**	**$55,944**	**$85,409**	**$50,830**	**$34,309**	**$51,162**
MISCELLANEOUS:						
4170100-Abandoned Property Revenue	$377,591	--	$399,652	--	$393,025	--
4170400-Capital Asset Sales Proceeds	151	--	--	--	--	--
4170700-Civil and Criminal Violation Assessment	1,027	$3,751	513	$4,258	583	$4,258
4170800-Confiscated Property Sales	9,442	--	7,207	--	7,207	--
4171000-Cost Recoveries - Delinquent Receivables	10,340	26	10,276	26	10,276	26
4171100-Cost Recoveries - Other	49,607	9,343	46,809	10,201	49,105	8,301
4171200-Court Filing Fees and Surcharges	33	372	15	372	15	372
4171300-Donations	1,424	--	1	--	1	--

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

	Actual 2016-17		Estimated 2017-18		Estimated 2018-19	
	General Fund	**Special Funds**	**General Fund**	**Special Funds**	**General Fund**	**Special Funds**
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	57,055	2,532	43,894	2,967	44,374	2,528
4171600-External Revenue - Federal Government	--	1,053	--	--	--	--
4172000-Fines and Forfeitures	2,175	--	2,387	--	2,387	--
4172200-Fine and Penalties - Horse Racing	172	--	229	--	229	--
4172500-Miscellaneous Revenue	57,379	4,906	46,145	5,510	42,860	7,470
4172800-Parking Violations	16,790	--	12,784	--	12,784	--
4173000-Penalty Assessments - Other	93,695	7,107	40,931	2,240	40,931	2,240
4173200-Proceeds from Estates of Deceased Persons	314	--	1,274	--	1,274	--
4173400-Settlements and Judgments - Anti-Trust Actions - Attorney General	309	41	309	--	309	--
4173500-Settlements and Judgments - Other	16,900	300	12,759	--	10,748	--
4173600-State Public Land Sales	--	26,229	--	25,206	--	28,530
4173800-Traffic Violations	--	9,867	--	9,867	--	9,867
4173900-Tribal Gaming Revenues	226,285	--	31,562	--	1,812	--
4174200-Uninsured Motorist Fees	751	184	688	184	688	184
Total, MISCELLANEOUS	**$921,440**	**$65,711**	**$657,435**	**$60,831**	**$618,608**	**$63,776**
TOTAL, MINOR REVENUES	**$1,256,110**	**$317,716**	**$958,813**	**$329,948**	**$864,361**	**$334,698**
TOTALS, Non-Tax Revenues (MAJOR AND MINOR)	**$1,256,110**	**$647,625**	**$958,813**	**$1,457,887**	**$864,361**	**$2,256,124**

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

	Actual 2016-17		Estimated 2017-18		Estimated 2018-19	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenue Transfer from California Environmental License Plate Fund (0140) to Motor Vehicle Account, State Transportation Fund (0044) per Public Resources Code Section 21191	-	$2,797	-	$2,424	-	$1,405
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)	$5,369	-	$5,369	-	$5,369	-
Revenue Transfer from Fiscal Recovery Fund (3059) to General Fund (0001) per Government Code Section 99010	-	-	171,931	-171,931	-	-
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Government Code Section 16475	18	-18	3	-3	3	-3
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Item 2740-011-0044, Budget Acts	78,592	-78,592	84,044	-84,044	89,288	-89,288
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.4(b)	10,128	-10,128	33,292	-33,292	44,539	-44,539
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.5(b)	21,161	-21,161	25,423	-25,423	34,013	-34,013
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)	38,749	-38,749	44,428	-44,428	59,438	-59,438
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.6(a)(3)	9,996	-9,996	9,996	-9,996	9,996	-9,996
Revenue Transfer from the Business Fees Fund (0228) to the General Fund (0001) Per Government Code Section 12176.	29,199	-	12,578	-	11,595	-
Revenue Transfer from the California Olympic Training Account (0442) to the General Fund (0001) per Government Code Section 7592	56	-	58	-	58	-
Revenue Transfer from the Senior Citizens and Disabled Citizens Property Tax Postponement Fund (3268) to the General Fund (0001) per Government Code Section 16180(b)	-	-	8,591	-	3,577	-
Revenue Transfer from the Greenhouse Gas Reduction Fund (3228) to the General Fund (0001) per Revenue and Taxation Code 6377.1	-	-	43,100	-	88,500	-
TOTAL TRANSFERS	**$193,268**	**$-155,847**	**$438,813**	**$-365,398**	**$346,376**	**$-235,872**

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

	Fund	Actual 2016-17	Estimated 2017-18	Estimated 2018-19
DEBT SERVICE:				
9600 Bond Interest and Redemption				
(9600-510-0001)	General	$5,182	$5,119	$5,233
(9600-510-3107)	Special	1,235	1,492	1,527
No Place Like Home bond				
(0977-601-3085)	Special	-	-	140
TOTAL -- DEBT SERVICE		$6,417	$6,611	$6,900
QUALIFIED CAPITAL OUTLAY PROJECTS:				
Various (Ch. 3 Except DOT)	General	$304	$158	$192
Various (Ch. 3 Except DOT)	Special	50	49	225
Various Qualified Capital Outlay Projects	General	720	322	427
Various Qualified Capital Outlay Projects	Special	1,308	1,331	1,388
Lease-Revenue Bonds (Capital Outlay)	General	633	661	673
Lease-Revenue Bonds (Capital Outlay)	Special	7	6	7
TOTAL -- CAPITAL OUTLAY		$3,022	$2,527	$2,912
SUBVENTIONS:				
6100 K-12 / LCFF Apportionments	General	$31,160	$32,303	$33,851
6100 K-12 Education Protection Account	General	6,709	6,792	7,191
6100 County Offices of Education Apportionments	General	421	404	421
6100 Subventions Not Counted in Local Limits	General	-12,569	-13,094	-15,162
6100 K-12 Mandate Debt Payments	General	1,281	877	1,757
6870 Community Colleges Mandate Debt Payments	General	106	-	-
6870 Community Colleges Apportionments	General	2,341	2,443	2,626
6870 Community Colleges Education Protection Account	General	829	839	889
SUBVENTIONS -- EDUCATION		$30,278	$30,564	$31,573
5195 1991 State-Local Realignment				
Vehicle License Collection Account	Special	$14	$14	$14
Vehicle License Fees	Special	1,972	2,064	2,151
5196 2011 State-Local Realignment				
Vehicle License Fees	Special	666	696	725
9100 Tax Relief (9100-101-0001)	General	411	420	420
SUBVENTIONS -- OTHER		$3,063	$3,194	$3,310
COURT AND FEDERAL MANDATES:				
Various Court and Federal Mandates (HHS)	General	$13,110	$13,751	$14,454
Various Court and Federal Mandates	General	3,800	4,319	4,313
Various Court and Federal Mandates	Special	241	246	248
TOTAL -- MANDATES		$17,151	$18,316	$19,015
SCA2/SB1				
Retail Sales and Use Tax: Diesel	Special	-	$200	$286
TOTAL -- SCA2/SB1		-	$200	$286
PROPOSITION 111:				
Motor Vehicle Fuel Tax: Gasoline	Special	$2,903	$4,455	$5,670
Motor Vehicle Fuel Tax: Diesel	Special	211	618	825
TOTAL -- PROPOSITION 111		$3,114	$5,073	$6,495
TOTAL EXCLUSIONS:		**$63,045**	**$66,485**	**$70,491**
General Fund		*$54,438*	*$55,314*	*$57,285*
Special Funds		*$8,607*	*$11,171*	*$13,206*

Finance Glossary of Accounting and Budgeting Terms

The following terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, the annual Budget (Appropriations) Bill, the Enacted Budget, and other documents. Definitions are provided for terms that are common to many of these publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation. Certain terms may be interpreted or used differently depending on the context, the audience, or the purpose.

Abatement
A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See *SAM 10220* for more detail.)

Abolishment of Fund
The closure of a fund pursuant to the operation of law. Funds may also be administratively abolished by the Department of Finance with the concurrence of the State Controller's Office. When a special fund is abolished, all of its assets and liabilities are transferred by the State Controller's Office to a successor fund, or if no successor fund is specified, then to the General Fund. *(GC 13306, 16346.)*

Account
A classification code used in FI$Cal (PeopleSoft) to identify an asset, liability, fund balance, receipt, expenditure, transfer, or statistical measurement in a transaction. Accounts combine several codes in the Uniform Codes Manual such as the general ledger code, receipt and object of expenditure codes into a single account code. (See also "Chart of Account Crosswalk" and 'Uniform Codes Manual.")

Accruals
Revenues or expenditures that have been recognized for that fiscal year but not received or disbursed until a subsequent fiscal year. Annually, accruals are included in the revenue and expenditure amounts reported in departments' budget documents and year-end financial reports. For budgetary purposes, departments' expenditure accruals also include payables and outstanding encumbrances at the end of the fiscal year for obligations attributable to that fiscal year.

Accrual Basis of Accounting
The basis of accounting in which transactions are recognized in the fiscal year when they occur, regardless of when cash is received or disbursed. Revenue is recognized in the fiscal year when earned, and expenditures are recognized in the fiscal year when obligations are created (generally when goods/services are ordered or when contracts are signed). Also referred to as the full accrual basis of accounting.

Administration
Refers to the Governor's Office and those individuals, departments, and offices reporting to it (e.g., the Department of Finance).

Administration Program Costs
The indirect costs of a program, typically a share of the costs of the administrative units serving the entire department (e.g., the Director's Office, Legal, Personnel, Accounting, and Business Services). "Distributed Administration" costs represent the distribution of the indirect costs to the various program activities of a department. In most departments, all administrative costs are distributed. (See also "Indirect Costs" and "Statewide Cost Allocation Plan.")

Administratively Established Positions
Positions authorized by the Department of Finance during a fiscal year that were not included in the Budget 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 appropriation 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. Appropriations are usually limited in amount and period of time during which the expenditure is to be recognized. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating “without regard to fiscal year” shall be available from year-to-year until fully expended. Legislation or the California Constitution can provide continuous appropriations, and voters can also make appropriations by approving ballot measures. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted into the fund. Federal funds have four years to liquidate. *(GC 16304, 16304.1.)*

Appropriation Without Regard to Fiscal Year (AWRTFY)
An appropriation for a specified amount that is available from year-to-year until fully expended.

Appropriations Limit, State (SAL)
The constitutional limit on the growth of certain appropriations from tax proceeds, generally set to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. *(Article XIII B, § 8; GC 7900 et seq; CS 12.00.)*

Appropriation Schedule
The detail of an appropriation (e.g., in the Budget Act), showing the distribution of the appropriation to each of the programs or projects thereof.

Assembly
California's lower house of the Legislature composed of 80 members. As a result of Proposition 140 (passed in 1990) and Proposition 28 (passed in 2012), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. *(Article IV, § 2 (a).)*

Audit
Typically a review of financial reports or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform audits of state agencies: the State Controller's Office, the Department of Finance, and the California State Auditor. Many state departments also have internal audit units to review their own internal functions and program activities. *(SAM 20000, etc.)*

Augmentation
An increase to a previously authorized appropriation or allotment. This increase can be authorized by Budget Act provisional language, control sections, or other legislation. Usually, a Budget Revision or an Executive Order is processed to the State Controller's Office to implement the increase.

Authorized
Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.

Authorized Positions
In the Salaries and Wages publication, the past year total authorized positions represent the number of actual positions filled for that year as reported by the State Controller's Office. For current year, total authorized positions include all regular ongoing positions approved in the Budget Act for that year, adjustments to limited-term positions and temporary help, and positions authorized through enacted legislation. For budget year, the number of authorized positions is the same as current year except for adjustments to remove expiring positions. *(GC 19818; 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 regard to a fund, it is the excess of resources over uses. For budgeting purposes, the balance available in a fund condition is the carry-in balance, net of any prior year adjustments, plus revenues and transfers, minus expenditures. For accounting purposes, the balance available in a fund is the net of assets over liabilities and reserves that are available for expenditure.

For appropriations, it is the unobligated, or unencumbered, balance still available.

Baseline Adjustment
Also referred to as Workload Budget Adjustment. (See "Workload Budget Adjustment.")

Baseline Budget
Also referred to as Workload Budget. (See "Workload Budget.")

Bill
A draft of a proposed law presented to the Legislature for enactment. (A bill has greater legal formality and standing than a resolution.)

Or:

An invoice, or itemized statement, of an amount owing for goods and services received.

Bond Funds
For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds. These funds do not account for the debt retirement because the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in non-governmental cost funds. *(SAM 14400.)*

Budget
A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. *(GC 13320, 13335; SAM 6120.)*

Budget Act (BA)
An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget and amended by the Legislature. *(SAM 6333.)*

Budget Bill
Legislation presenting the Governor's spending proposal for the next fiscal year. The Budget Bill is prepared by the Department of Finance and submitted to each house of the Legislature in January (accompanying the Governor's Budget). The Budget Bill's authors are typically the budget committee chairpersons.

The California Constitution requires the Legislature to pass the Budget Bill and send it to the Governor for signature by June 15 each year. The Budget Bill becomes the Budget Act upon signature by the Governor, after any line-item vetoes. *(Art. IV. § 12(c); GC 13338; SAM 6325, 6333.)*

Budget Change Proposal (BCP)
A proposal to change the level of service or funding sources for activities authorized by the Legislature, propose new program activities not currently authorized, or to eliminate existing programs. The Department of Finance annually issues a Budget Letter with specific instructions for preparing BCPs. *(SAM 6120.)*

Budget Cycle
The period of time required to prepare the state financial plan and enact that portion of it applying to the budget year. Significant events in the cycle include:

- Preparation of the Governor's proposed budget (most activities occur between July 1 and January 10).
- Submission of the Governor's Budget and the Budget Bill to the Legislature (by January 10).
- Submission to the Legislature of proposed adjustments to the Governor's Budget
    - April 1—adjustments other than Capital Outlay and May Revision.
    - May 1—Capital Outlay appropriation adjustments.
    - May 14—May Revision adjustments for changes in General Fund revenues, expenditure adjustments to reflect updated revenue, and funding for Proposition 98, caseload, and population.
- Review and revision of the Governor's Budget by the Legislature.
- Return of the revised budget to the Governor by June 15, for signature after any line-item vetoes.
- Signing of the budget by the Governor. *(Art. IV. § 10, GC 13308, SAM 6150.)*

Budget—Program
A program budget expresses the operating plan in terms of the costs of activities (programs) to be undertaken to achieve specific goals and objectives.

The Governor's Budget is a program budget, but also includes detailed categorization of proposed expenditures for goods and services (Expenditures by Category) related to the state operations of each department. *(GC 13336; SAM 6210, 6220.)*

Budget Position Transparency and Expenditure by Category Redistribution
On a biennial basis beginning with the 2016-17 Budget, the salaries and wages associated with historically vacant positions have been reallocated to expenditure categories where resources are actually being expended in the current and budget years. Reductions in Regular Ongoing Positions as a result of this process are for display purposes only and do not impact departments' ability to hire up to their legislatively authorized staffing level.

Budget Position Transparency represents a department's historically vacant positions and associated salaries and wages expenditures that are being reallocated.

Expenditure by Category Redistribution represents the reallocation of the salaries and wages dollars to staff benefits and/or operating expenses and equipment.

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

Budget Revision (BR)
A document prepared by the department that cites a legal authority to authorize a change in an appropriation. A BR must be approved by the Department of Finance. Typically, BRs either increase the appropriation or make adjustments to the categories or programs within the appropriation as scheduled. *(SAM 6533, 6542, 6545.)*

Budget Year (BY)
The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year). (See also "Fiscal Year.")

Business Unit
The four-digit code assigned to each state governmental entity (or a program) for fiscal system purposes. The business unit is the first segment of the budget item/appropriation number. *(UCM.)*

CALSTARS
The acronym for the California State Accounting and Reporting System, the state's primary accounting system. Departments using CALSTARS will transition to FI$Cal. *(GC 13300.)*

Capital Outlay (CO)
A character representing expenditures of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction.
(CS 3.00.)

Carryover
The unencumbered balance of an appropriation that continues to be available for expenditure in years subsequent to the year of enactment. For example, if 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 (as used in FI$Cal/Hyperion)
A grouping of related types of expenditures, such as personal services, operating expenses and equipment, special items of expense, unclassified, local costs, capital costs, and internal cost recovery; or, revenues (including revenue transfers). *(UCM.)*

Changes in Authorized Positions
A schedule in the Governor's Budget that reflects staffing changes made subsequent to the adoption of the current year budget and enacted legislation. This schedule documents changes in positions for various reasons. Some examples are: actual expenditures in the past year, as well as transfers, positions established, selected re-classifications, and proposed new positions included in BCPs, for the current or budget year.
(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 2017,* would refer to the first bill enacted in 2017.

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

Chart of Account (COA) Crosswalk
A detailed guide found on the Department of Finance's website that crosswalks the Account Category Code used by FI$Cal departments to the codes in the Uniform Codes Manual for general ledger, receipts and object of expenditures. (See also "Account" and "Uniform Codes Manual.")

Claim Schedule
A request from a state department to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The claim schedule identifies the appropriation or account to be charged, the payee(s), the amount(s) to be paid, and an affidavit attesting to the validity of the request. Claims against the state for which there is no provision for payment (e.g., no appropriation available for payment), will be submitted to the Department of General Services. *(SAM 7340)*

COBCP
Capital outlay budgets are zero-based each year; therefore, the department must submit a written capital outlay budget change proposal for each new project, or subsequent phase of an existing project, for which the department requests funding. *(SAM 6818.)*

Conference Committee
A committee of three members (two from the majority party, and one from the minority party) from each house, appointed to meet and resolve differences between versions of a bill (e.g., when one house of the Legislature does not concur with bill amendments made by the other house). If resolution cannot be reached, another conference committee can be selected, but no more than three different conference committees can be appointed on any one bill. Budget staff commonly refer to the conference committee on the annual budget bill as the "Conference Committee." *(SAM 6340.)*

Continuing Appropriation
An appropriation for a set amount that is available for more than one year. *(SAM 8382.)*

Continuous Appropriation
Constitutional or statutory expenditure authorization that is renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues that have been dedicated permanently to a certain purpose; or, whatever amount is designated for the purpose as determined by formula, e.g., school apportionments. Note: Government Code section 13340 sunsets statutory continuous appropriations on June 30 with exceptions specified in the section and other statutes. Control Section 30.00 of the annual Budget Act traditionally extends the continuous appropriations for one additional fiscal year. *(GC 13340.)*

Control Sections
Sections of the Budget Act (i.e., 1.00 to the end) providing specific controls on the appropriations itemized in Section 2.00 of the Budget Act. (See more detail under “Sections.”)

Cost-of-Living Adjustments (COLA)
Increases provided in state-funded programs that include periodic adjustments predetermined in state law (statutory, such as K-12 education apportionments), or established at optional levels (discretionary) by the Administration and the Legislature each year through the budget process.

Current Year (CY)
A term used in budgeting and accounting to designate the operations of the present fiscal year in contrast to past or future periods. (See also “Fiscal Year.”)

Debt Service
The amount of money required to pay interest on outstanding bonds and the principal of maturing bonds.

Department
A governmental organization, usually belonging to the third-level of the state organizational hierarchy, as defined in the Uniform Codes Manual. *(UCM.)*

Department of Finance
The Department is a fiscal control agency. The Director of Finance is appointed by the Governor and serves as the chief fiscal policy advisor. The Director sits as a member of the Governor's cabinet and senior staff.

Principal functions are as follows:

- Establish appropriate fiscal and accounting policies to carry out the state's programs.
- Prepare, explain, and administer the state's annual financial plan (budget), which the Governor is required under the State Constitution to present to the Legislature by January 10 of each year.
- Analyze legislation that has a fiscal impact.
- Maintain the California State Accounting and Reporting System (CALSTARS).
- Provide fiscal and accounting training, advice, and consulting services to state departments.
- Monitor/audit expenditures by state departments to ensure compliance with law, approved standards, and policies.
- Develop economic forecasts and revenue estimates.
- Develop population and enrollment estimates and projections.
- Review expenditures for information technology activities of departments.

(GC 13000 et seq.)

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

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.”
- **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.
- **Issue-Specific Adjustments**—Identifies large dollar amounts that would otherwise be categorized as Miscellaneous Baseline Adjustments or combined within another workload budget adjustment type. These are 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.

Enacted Budget
A publication produced by Finance to reflect budget details as enacted. It is similar in detail as in the Governor's Budget. A PDF of this publication is available on Finance's eBudget website.

Enactment Year (ENY)
See Year of Appropriation (YOA).

Encumbrance
The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the individual department's budget documents and their individual annual financial reports. For the General Fund budgetary purposes, the Department of Finance makes a statewide adjustment to remove the total outstanding encumbrances from overall General Fund expenditures and show the amount as a reserve in the fund balance, in accordance with Government Code section 13307. For other funds, such encumbrance adjustments are not made in the budget totals, and encumbrances are treated as budgetary expenditures that decrease the fund balance of these funds.

Enrolled Bill Report (EBR)
An analysis prepared by Finance on legislative measures passed by both houses and referred to the Governor, to provide the Governor's Office with information concerning the measure, with a recommendation for action by the Governor. While approved bill analyses become public information, EBRs do not. Note that EBRs are not prepared for Constitutional Amendments, or for Concurrent, Joint, or single house resolutions, because these are not acted upon by the Governor. *(SAM 6965.)*

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

Executive Branch
One of the three branches of state government, responsible for implementing and administering the state's laws and programs. The Governor's Office and those individuals, departments, and offices reporting to it (the Administration), are part of the Executive Branch.

Executive Order (EO)
A budget document issued by the Department of Finance ordering the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by Budget Act provisional language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a statewide basis, involves two or more appropriations, or makes certain transfers or loans between funds.

Exempt Employees
State employees exempt from civil service pursuant to subdivision (e), (f), or (g), of Section 4 of Article VII of the California Constitution. Examples include department directors and other gubernatorial appointees. *(SAM 0400.)*

Expenditure
Expenditures reported on a department's year-end financial reports and "past year" budget documents consist of amounts paid and accruals (including outstanding encumbrances and payables) for obligations created for the last fiscal year. "Current year" and "budget year" expenditures in budget documents are estimates for the respective fiscal year. (See "Encumbrance," also referred to as "budgetary expenditures.")

Expenditure Authority
The authorization to make an expenditure (usually by a budget act appropriation, provisional language, or other legislation).

Expenditures by Category
A budget display for each department that reflects actual past year, estimated current year, and proposed budget year expenditures presented by character of expenditure (e.g., state operations and/or local assistance) and category of expenditure (e.g., personal services, operating expenses and equipment).

3-year Expenditures and Positions
A display at the start of each departmental budget that presents the various departmental programs by title, dollar totals, positions, and source of funds for the past, current, and budget years.

Federal Fiscal Year
The 12-month accounting period of the federal government, beginning on October 1 and ending the following September 30. For example, a reference to federal fiscal year 2018 means the period beginning October 1, 2017 and ending September 30, 2018.

Federal Funds
For legal basis budgeting purposes, classification of funds into which money received in trust from an agency of the federal government will be deposited and expended by a state department in accordance with state and/or federal rules and regulations. State departments must deposit federal grant funds in the Federal Trust Fund or other appropriate federal fund in the State Treasury.
(GC 13326 (Finance approval), 13338 approp. of FF, CS 8.50.)

Feeder Funds
For legal basis accounting purposes, funds into which certain taxes or fees are deposited upon collection. In some cases, administrative costs, collection expenses, and refunds are paid. The balance of these funds is transferable at any time by the State Controller's Office to the receiving fund, in most cases, the General Fund.

Final Budget
Generally refers to the Governor's Budget as amended by actions taken on the Budget Bill (e.g., legislative changes, Governor's vetoes). Note: subsequent legislation (law enacted after the Budget Bill is chaptered) may add, delete, or change appropriations, or require other actions that affect a budget appropriation.

Final Budget Summary
A document produced by the Department of Finance after enactment of the Budget Act, which reflects the Budget Act, any vetoes to language and/or appropriations, technical corrections to the Budget Act, and summary budget information. (See also "Budget Act" and "Final Change Book.")
(SAM 6130, 6350.)

Final Change Book
A document produced by the Department of Finance after enactment of the Budget Act. It includes detailed fiscal information on the changes made to the budget bill that accompanies the Governor's Budget as submitted to the legislature on or before January 10 of each year. It contains a detailed list of changes in Budget Act items, non-Budget Act items, and control sections for state operations, local assistance, capital outlay, and unclassified items. The Final Change Book also includes fiscal summaries. *(SAM 6355)*

Finance Letter (FL)
Proposals made by the Director of Finance to the chairpersons of the budget committees in each house to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for enrollment, caseload, population, updated revenues, and Proposition 98 by May 14. *(GC 13308.)*

FI$Cal
The acronym for the Financial Information System for California, the state's integrated financial management system. Departments using CALSTARS will transition to FI$Cal. *(GC 11850.)*

Fiscal Committees
Committees of members in each house of the Legislature that review the fiscal impact of proposed legislation, including the Budget Bill. Currently, the fiscal committees include the Senate Budget and Fiscal Review Committee, the Senate Appropriations Committee, the Assembly Appropriations Committee, and the Assembly Budget Committee. The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are broken into subcommittees responsible for specific state departments and/or subject areas. Both houses also have Revenue and Taxation Committees that are often considered fiscal committees.

Fiscal Impact Analysis
Typically refers to a section of an analysis (e.g., bill analysis) that identifies the costs and revenue impact of a proposal, and to the extent possible, a specific numeric estimate for applicable fiscal years.

Fiscal Year (FY)
A 12-month period during which revenue is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recognized. In California state government, the fiscal year begins July 1 and ends the following June 30. If reference is made to the state's FY 2017-18, this is the time period beginning July 1, 2017 and ending June 30, 2018. *(GC 13290.)*

Floor
The Assembly or Senate chambers, the term used to describe the location of a bill, or the type of session. Matters may be referred to as "on the floor."

Form 9
A request by a department for space planning services (e.g., new or additional space, lease extensions, or renewals desired by an agency in non-institutional buildings, whether state-owned or state-leased, relocatable buildings, and trailers) and also reviewed by the Department of Finance. *(SAM 6453.)*

Form 22
A department's request to transfer money to the Architectural Revolving Fund (e.g., for building improvements), reviewed by the Department of Finance. *(GC 14957; SAM 1321.1.)*

Fund
A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its revenue and expenditures.

Fund Balance
For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the excess of a fund's resources over its expenditures.

Fund Condition Statement
A budget display, included in the Governor's Budget, summarizing the operations of a fund for the past, current, and budget years. The display includes the beginning balance, prior year adjustments, revenue, transfers, loans, expenditures, the ending balance, and any reserves. Fund Condition Statements are required for all special funds. The Fund Condition Statement for the General Fund is Summary Schedule 1. Other funds are displayed at the discretion of the Department of Finance.

General Fund (GF)
For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are personal income tax, sales and use tax, and corporation taxes. The major uses of the General Fund are education (K-12 and higher education), health and human services programs, and correctional programs.

Generally Accepted Accounting Principles (GAAP)
The accounting principles, rules, conventions, and procedures that are used for accounting and financial reporting. GAAP for governments are set by the Governmental Accounting Standards Board (GASB), the accounting and financial reporting standards setting body for state and local governments.

Governmental Cost Funds
For legal basis accounting and budgeting purposes, funds that derive revenue from taxes, licenses, and/or fees.

Governor's Budget
The publication the Governor presents to the Legislature by January 10 each year. It contains recommendations and estimates for the state's financial operations for the budget year. It also displays the actual revenues and expenditures of the state for the prior fiscal year, and updates estimates for the current year revenues and expenditures. This publication is also produced in a web format known as the Governor's Proposed Budget Detail on the Department of Finance's website. *(Article IV, § 12; SAM 6120, et seq.)*

Governor's Budget Summary
A companion publication to the Governor's Budget that outlines the Governor's policies, goals, and objectives for the budget year. It provides a perspective on significant fiscal and/or structural proposals. This publication is also produced in a web format known as the Governor's Proposed Budget Summary on the Department of Finance's website.

Grants
Typically used to describe amounts of money received by an organization for a specific purpose but with no obligation to repay (in contrast to a loan, although the award may stipulate repayment of funds under certain circumstances). For example, the state receives some federal grants for the implementation of health and community development programs, and the state also awards various grants to local governments, private organizations, and individuals according to criteria applicable to a given program.

Indirect Costs
Costs that 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) that 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
A coding scheme or structure for an appropriation reflecting the respective Business Unit, reference number, and fund (if applicable). (See "Appropriation.")

Judgments
Usually refers to decisions made by courts against the state. Payment of judgments is subject to a variety of controls and procedures.

Language Sheets
Copies of the current Budget Act appropriation items provided to the Department of Finance and departmental staff each fall to update for the proposed Governor's Budget. These updated language sheets become the proposed Budget Bill. In the spring, language sheets for the Budget Bill are updated to reflect revisions to the proposed appropriation amounts, Item schedule(s) and provisions, and become the Budget Act.

Legislative Analyst's Office (LAO)
A non-partisan organization that provides advice to the Legislature on fiscal and policy matters. For example, the LAO annually publishes a detailed analysis of the Governor's Budget, which becomes the initial basis for legislative hearings on the Budget Bill. *(SAM 7360.)*

Legislative Counsel Bureau
A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze, and render opinions on legal matters for the legislative members.

Legislative Counsel's Digest
A summary of what a legislative measure does, contrasting existing law and the proposed change. This summary appears on the first page of a bill.

Legislature, California
A two-house body of elected representatives vested with the responsibility and power to make laws affecting the state (except as limited by the veto power of the Governor). (See also "Assembly" and "Senate.")

Line Item
See "Object of Expenditure."

Local Assistance (LA)
The character of expenditures made for the support of local government or other locally administered activities.

Major Regulation
Any proposed rulemaking action adopting, amending, or repealing a regulation subject to review by the Office of Administrative Law (OAL) that will have an economic impact on California business enterprises and individuals in an amount exceeding 50 million dollars in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented (as estimated by the agency), computed without regard to any offsetting benefits or costs that might result directly or indirectly from that adoption, amendment, or repeal. An agency proposing a major regulation must submit a Standardized Regulatory Impact Assessment to the Department of Finance for review, and the agency must include Finance's comments and the agency's response when transmitting the proposed major regulation to OAL. *(GC sections 11346-11348 of Article 5, Chapter 3.5, Part 1, Division 3, Title 2; SAM 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; given normal attrition rates, additional costs usually must be absorbed within existing resources. *(GC 19832.)*

Minor Capital Outlay
Construction projects, or equipment acquired to complete a construction project, estimated to cost less than $656,000 plus any escalation per Public Contract Code section 10108.

Modified Accrual Basis
The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations. This basis is generally used for the General Fund and special funds.

Non-add
Refers to a numerical value that is displayed in parentheses for informational purposes, but is not included in computing totals, usually because the amounts are already accounted for in the budget system or display.

Non-governmental Cost Funds
For legal basis purposes, used to budget and account for revenues other than general and special taxes, licenses, and fees, or certain other state revenues. Generally, expenditures of these funds do not represent a cost of government.

Object of Expenditure (Objects)
A classification of expenditures based on the type of goods or services received. For example, the budget category of Personal Services includes the objects of Salaries and Wages and Staff Benefits. The Governor's Budget includes an "Expenditures by Category" section for each department at this level. These objects may be further subdivided into line items 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 that 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 that includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. (See also "Object of Expenditure.") *(SAM 6403, 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 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.)*

Pooled Money Investment Account (PMIA)
A State Treasurer's Office accountability account maintained by the State Controller's Office to account for short-term investments purchased by the State Treasurer's Office as designated by the Pooled Money Investment Board on behalf of various funds.

Pooled Money Investment Board (PMIB)
A board comprised of the Director of Finance, the State Treasurer, and the State Controller, the purpose of which is to design an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available monies invested, consistent with the goals of safety, liquidity, and yield. *(SAM 7350.)*

Positions
See "Authorized Positions."

Price Increase
A budget adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

Prior Year Adjustment
In a Fund Condition Statement in the Governor's Budget, an adjustment for the difference between previously estimated accruals used in the development of the last Governor's Budget and actual expenditures or revenues. The adjustment amount is generally included to realign the beginning fund balance to ensure accurate fund balances.

Pro Rata
The amount of state administrative costs, paid from the General Fund and the Central Service Cost Recovery Fund (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and Department of Finance for the general administration of state government), that are chargeable to and recovered from special funds (other than the General Fund, Central Service Cost Recovery Fund, and federal funds) as determined by the Department of Finance. *(GC 11270-11275, 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 program resources. *(SAM 7261.)*

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

Project Approval Lifecycle
The process to assess the full implications of a proposed information technology project that contains analyses of options, cost estimates, and other information. *(SAM 4920-4928.)*

Proposed New Positions
A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also "Changes in Authorized Positions.")

Proposition 98
An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 (K-14), beginning with fiscal year 1988-89. The term is also used to refer to any expenditures that fulfill the guarantee. *(Article XVI, § 8.)*

Provision
Language in a bill or act that imposes requirements or constraints upon actions or expenditures of the state. Provisions are often used to constrain the expenditure of appropriations but may also be used to provide additional or exceptional authority. (Exceptional authority usually begins with the phrase "Notwithstanding...".)

Public Service Enterprise Funds
For legal basis accounting purposes, the fund classification that identifies funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user (primarily the general public). Self-supporting enterprises that render goods or services for a direct charge to other state departments or governmental entities, account for their transactions in a Working Capital and Revolving Fund. *(UCM, Fund Codes—Structure.)*

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/to be performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. *(SAM 6463.)*

Reserve
An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects.

Revenue
Any addition to cash or other current assets (e.g., accounts receivables) that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. *(UCM.)*

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 a primary support item. Departments may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State Controller's Office transfer from a department appropriation. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. *(SAM 8100, et seq.)*

SAL
See "Appropriations Limit, State."

Salaries and Wages Supplement
An annual publication, issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance's website. (See "Schedule 7A.")

Schedule
The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the programs, or projects thereof.

Or:

A supplemental schedule submitted by departments to detail certain expenditures.

Or:

A summary listing in the Governor's Budget.

Schedule 7A
A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance's website. (See "Salaries and Wages Supplement") *(SAM 6415-6419.)*

Schedule 8
A detailed listing generated from the State Controller's Office payroll records for a department's past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. *(SAM 6424-6429, 6448.)*

Schedule of Federal Funds and Reimbursements, Supplementary
A supplemental schedule (DF-301) submitted by departments during budget preparation that displays federal expenditures by source. *(SAM 6460.)*

Schedule of Operating Expenses and Equipment, Supplementary
A supplemental schedule (DF-300) submitted by departments during budget preparation that details by object the expenses included in the Operating Expenses and Equipment category. *(SAM 6454, 6457.)*

Section 1.50
Section of the Budget Act that (1) specifies a certain format and style for the codes used in the Budget Act, (2) authorizes the Department of Finance to revise codes used in the Budget Act to provide compatibility with the Governor's Budget and records of the State Controller's Office, and (3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the distribution of any unallocated amounts within an appropriation, adjustments of schedules to facilitate departmental accounting operations, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement. The Section also authorizes Finance to make certain technical corrections related to the implementation of and conversion into FI$Cal.

Section 1.80
Section of the Budget Act that includes periods of availability for Budget Act appropriations.

Section 8.50
A Control Section of the Budget Act that provides the authority to increase federal fund spending authority.

Section 26.00
A Control Section of the Budget Act that provides the authority for the transfer of funds from one program or function within a schedule to another program or function within the same schedule, subject to specified limitations and reporting requirements to the Legislature. *(SAM 6548.)*

Section 28.00
A Control Section of the Budget Act that authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements to the Legislature. Appropriation authority for unanticipated federal funds is contained in Section 8.50. *(SAM 6551-6557.)*

Section 28.50
A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements to the Legislature. *(SAM 6551-6557.)*

Section 30.00
A Control Section of the Budget Act that amends Government Code section 13340 to sunset continuous appropriations.

Section 31.00
A Control Section of the Budget Act that grants departments the authority to administratively establish or reclassify positions. This section states that administratively establishing positions outside of the budget process requires both Finance's approval and legislative notification. Administratively established positions are to be temporary and expire June 30 of the current year, unless extended by Finance and the Legislature during the following budget cycle. Additionally, Section 31.00 requires Finance to review all reclassification requests involving a position meeting a specified threshold.

Senate
The upper house of California's Legislature consisting of 40 members. As a result of Proposition 140 (1990, term limits) and Proposition 28 (2012, limits on Legislators' terms in office), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. *(Article IV, § 2 (a).)*

Service Revolving Fund
A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. *(SAM 8471.)*

Settlements
Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. (See also "Judgments.") *(GC 965.)*

Shared Revenue
A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

Sinking Fund
A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

Special Fund for Economic Uncertainties
A fund in the General Fund (a similar reserve is included in each special fund), authorized by statute and Budget Act Control Section 12.30, to provide for emergency situations. *(GC 16418, 16418.5.)*

Special Funds
For legal basis budgeting purposes, funds created by statute, or administratively per Government Code section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Special Items of Expense
An expenditure category that covers non-recurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). *(SAM 6469; UCM.)*

Sponsor
An individual, group, or organization that initiates or brings to a legislator's attention a proposed law change.

Spot Bill
An introduced bill that makes non-substantive changes in a law, usually with the intent to amend the bill at a later date to include substantive law changes. This procedure provides flexibility to meet the deadline for the introduction of bills.

Staff Benefits
An object of expenditure representing the state costs of contributions for employees' retirement, OASDI, health benefits, and non-industrial disability leave benefits. *(SAM 6412; UCM.)*

State-Mandated Local Program
State reimbursements to local governments for the cost of activities required by legislative and executive acts. This reimbursement requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. *(Article XIII B, § 6; SAM 6601.)*

State Operations (SO)
A character of expenditure representing expenditures for the support of state government, exclusive of capital investments and expenditures for local assistance activities.

Statewide Cost Allocation Plan (SWCAP)
The amount of state administrative costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, the State Personnel Board, the State Controller's Office, and the Department of Finance for the general administration of state government) chargeable to and recovered from federal funds, as determined by the Department of Finance. These statewide administrative costs are for administering federal programs, which the federal government allows reimbursement. *(GC 13332.01-13332.02; SAM 8753, 8755-8756 et seq.)*

Statute
A written law enacted by the Legislature and signed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses), usually referred to by its chapter number and the year in which it is enacted. Statutes that modify a state code are "codified" into the respective Code (e.g., Government Code, Health and Safety Code). (See also "Bill" and "Chapter.") *(Article IV, § 9.)*

Subcommittee
The smaller groupings into which Senate or Assembly committees are often divided. For example, the fiscal committees that hear the Budget Bill are divided into subcommittees generally by departments/subject area (e.g., Education, Resources, General Government).

Subventions
Typically used to describe amounts of money expended as local assistance based on a formula, in contrast to grants that are provided selectively and often on a competitive basis. For the purposes of Article XIII B, state subventions include only money received by a local agency from the state, the use of which is unrestricted by the statutes providing the subvention. *(GC 7903.)*

Summary Schedules
Various schedules in the Governor's Budget Summary that summarize state revenues, expenditures, and other fiscal and personnel data for the past, current, and budget years.

Sunset Clause
Language contained in a law that states the expiration date for that statute.

Tax Expenditures
Subsidies provided through the taxation systems by creating deductions, credits, and exclusions of certain types of income or expenditures that would otherwise be taxable.

Technical
In the budget systems, refers to an amendment that clarifies, corrects, or otherwise does not materially affect the intent of a bill.

Tort
A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, and assault and battery. Recently, torts have been broadly expanded such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. *(GC 948, 965-965.9; SAM 6472, 8712; Budget Act Items 9670.)*

Traditional Budget
See "Budget—Program or Traditional."

Transfers
As displayed in fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

Trigger
An event that causes an action or actions. 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.)

Unencumbered Balance
The balance of an appropriation not yet committed for specific purposes. (See "Encumbrance.")

Uniform Codes Manual (UCM)
A document maintained by the Department of Finance that sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, business units, programs, funds, receipts, line items, and objects of expenditure. Departments using FI$Cal use Accounts that combine the UCM general ledger code, receipt and object of expenditure codes in a single classification code. (See also "Account" and "Chart of Account Crosswalk")

Unscheduled Reimbursements
Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., CS 28.50).

Urgency Statute/Legislation
A measure that contains an “urgency clause” requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health, or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. *(Article IV, § 8 (d))*. However, the Budget Bill and other bills providing for appropriations related to the Budget Bill may be passed by a majority vote to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. *(Article IV § 12 (e) (1).)*

Veto
The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. *(Article IV, §10 (e); SAM 6345.)*

Warrant
An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. *(SAM 8400 et seq.)*

Without Regard to Fiscal Year (WRTFY)
Where an appropriation has no period of limitation on its availability.

Working Capital and Revolving Fund
For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. In contrast, self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

Workload
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. The compacts with Higher Education and the Courts are commitments by this Administration and are therefore 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. Also referred to as the Enactment Year, or ENY.

Year of Budget (YOB)
The fiscal year revenues and expenditures are recognized. For revenues, this is generally the fiscal year when revenues are earned, measurable, and "available." For expenditures, this is generally the fiscal year when obligations, including encumbrances, have been created during the availability period of the appropriation. When the availability period of encumbrance of an appropriation is one year (e.g., most Budget Act items), the YOB is the same as the year of appropriation (YOA) and the year of completion (YOC). However, when the availability period is more than one year, the YOB may be any fiscal year during the availability period, including the YOA or the YOC, as appropriate. For example, an appropriation created in 2016-17 and is available for three years, the YOA is 2016 and the YOC is 2018. If an obligation is created in 2017-18, the YOB for this obligation is 2018. In CALSTARS, the 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*