



# GOVERNOR'S BUDGET SUMMARY

Gavin Newsom, Governor  
State of California



## 2022-23

To the California Legislature  
Regular Session 2021-22

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GOVERNOR  
Gavin Newsom

January 10, 2022

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

These last two years have brought unimaginable challenges. Through it all, we worked together to navigate our state through crisis after crisis while making unprecedented investments in our future that will benefit Californians for years to come. I am deeply appreciative of your partnership in protecting Californians and setting us on a path to a better future.

But we have more work to do.

COVID-19 continues to impact our state, and many of the challenges we had before the pandemic remain. Thousands of business owners are still trying to find their footing in an economy that has been upended by the pandemic. Many people across our great state don't feel safe in their communities. Too many Californians find themselves displaced and living on our streets. Climate change is driving devastating wildfire seasons, historic droughts – the challenges seem endless.

In the hardest times, we have been able to show a path forward together. I'm proud of our work to get millions of Californians vaccinated and keep Californians safe from COVID-19. We passed the largest economic relief and recovery package in the nation, providing short-term support to millions of Californians and making billions in longer-term investments that will benefit workers, businesses and families decades into the future. We fortified ourselves with historic investments to protect against the escalating impacts of a changed climate, preparing for extreme droughts and combating more severe wildfires.

This budget is a new opportunity for us to address the greatest challenges facing our state – for the year ahead and future generations. We must meet the moment once again.

This is not only a spending plan for the year, it is a foundation for California's future – a fiscally responsible plan that seeks to make our state safer and more affordable, and to set our state on a better path for years to come.

This budget fully funds our state's rainy-day fund and pays down future obligations. It prioritizes the safety and security of all Californians with new crime-fighting strategies, investments in behavioral health reform, and more housing for people exiting homelessness. It tackles affordability with record investments in our public schools and makes California the first state in the nation to achieve universal healthcare coverage. And it reinforces our role as the global leader in climate protection, innovation and job creation.

With your continued partnership, we will persist in our work together to build a better California.

With respect,

/s/ Gavin Newsom

Gavin Newsom

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# INTRODUCTION

California's years of fiscal prudence enabled it to respond quickly to protect lives during the COVID-19 Pandemic, while making significant investments to support greater opportunity for all Californians. This included expanding paid family leave, establishing a Young Child Tax Credit, launching universal transitional kindergarten, expanding afterschool and summer programs, and providing universal no-cost school meals. It also included streamlining pathways from K-12 to higher education to connect degrees to careers and expanded financial aid to keep college costs down. In addition, California expanded health care subsidies for the middle-class and access to Medi-Cal for young adults and seniors, regardless of immigration status. The state also continued to expand and improve its emergency preparedness and response capacity, while dealing with extreme weather and record wildfires.

The state's continuing economic growth provides opportunities to build on these efforts and provide a strong foundation for California's future. The Governor's Budget supports the safety and health of all Californians—including continued support for the state's science-based approach to the COVID-19 Pandemic—and builds on California's innovation and entrepreneurial spirit to address climate change and build a more inclusive economic future.

The state now has a projected surplus of \$45.7 billion, which includes \$20.6 billion in General Fund for discretionary purposes, \$16.1 billion in additional Proposition 98 for K-14 education, and \$9 billion in reserve deposits and supplemental pension payments.

## OVERALL BUDGET STRUCTURE

The state's budget resilience is stronger than ever: the result of building reserves, eliminating budgetary debt, reducing retirement liabilities, and focusing on one-time spending over ongoing investments to maintain structurally balanced budgets over the long term. These efforts enabled the state to protect programs during the COVID-19 Recession while responding immediately to combat the pandemic. The Budget allocates 86 percent of the discretionary surplus to one-time investments, and is projected to be structurally balanced in 2025-26, the last year in the multi-year forecast.

The Budget reflects \$34.6 billion in budgetary reserves. These reserves include: \$20.9 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$9.7 billion in the Public School System Stabilization Account; \$900 million in the Safety Net Reserve; and \$3.1 billion in the state's operating reserve. The Rainy Day Fund is now at its constitutional maximum (10 percent of General Fund revenues) requiring \$2.4 billion to be dedicated for infrastructure investments in 2022-23.

The Budget accelerates the paydown of state retirement liabilities as required by Proposition 2, with \$3.9 billion in additional payments in 2022-23 and nearly \$8.4 billion projected to be paid over the next three years.

The Budget projects the State Appropriations Limit or "Gann Limit" will likely be exceeded in the 2020-21 and 2021-22 fiscal years. Any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund. An updated calculation of this limit, and proposals to address it, will be included in the May Revision.

The economic forecast, finalized last November, does not consider the surge of the Omicron variant, thus the COVID-19 Pandemic remains a risk to the forecast. Strong stock market performance has generated a significant increase of volatile capital gains revenue that is approaching its prior peak levels (as a share of the state's economy) in 2000 and 2007. A stock market reversal could lead to a substantial decrease in revenues. Given the state's history of boom and bust cycles, additional deposits into the state's reserves would further prepare the state for future economic slowdowns. However, deposits into the reserves count towards the State Appropriations Limit. Therefore, any additional deposits would have to be carefully balanced against other spending priorities.



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## COVID-19 PANDEMIC

As the pandemic approaches two years, the state continues its science- and data-driven fight against COVID-19. California continues efforts to increase vaccination rates and expand testing to help slow the spread of the virus. To continue these efforts, the Administration is requesting early action to allocate an additional \$1.4 billion required to continue these efforts for the remainder of the fiscal year. The Budget also reflects \$1.3 billion for 2022-23 to continue COVID-19 efforts. This funding will support continued vaccine distribution and administration, including booster shots, and statewide testing, to keep Californians safe and the economy moving forward. The state also continues to support statewide hospital and medical surge efforts, precautionary measures in state institutions, contact tracing, and efforts to protect public health at the border.

To permanently expand the state's ability to protect public health and address social determinants of health, the Budget includes \$300 million General Fund for the Department of Public Health and local health jurisdictions. The Budget also includes major ongoing investments to modernize public health data systems that have been critical during the COVID-19 Pandemic.

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## EDUCATION AND PARENTS AGENDA

The Budget includes total funding of \$119 billion for K-12 education. K-12 per-pupil funding totals \$15,261 Proposition 98 General Fund—its highest level ever—and \$20,855 per pupil when accounting for all funding sources.

Last year's budget made major investments to benefit all parents, especially those with young children, with the centerpiece being launching universal transitional Kindergarten to all four-year-olds. The Budget includes \$1 billion Proposition 98 General Fund to begin the first year of this program, increasing access to at least 56,000 children and reducing student-to-adult ratios, with full implementation planned by 2025-26. With this change, schools are encouraged to use State Preschool programs to provide wraparound care for income-eligible students so they may have a full day of developmentally appropriate care and education. The Budget also includes nearly \$309 million total funds to focus the State Preschool program to better serve dual language learners and students with disabilities.

Parents' lives were upended by the COVID-19 Pandemic. The Budget recognizes the critical need for child care to support working parents by adding an additional 36,000

## INTRODUCTION

slots on top of 110,000 slots added in the 2021 Budget Act, with the goal of adding 200,000 slots by 2025-26.

The 2021 Budget Act made a \$1.8 billion Proposition 98 General Fund down payment to expand after-school and summer programs to extend learning opportunities and address learning gaps caused by the pandemic. This investment helped provide families the opportunity for a 9-hour day filled with developmentally appropriate academics and enrichment, including six weeks during the summer. The Budget continues these opportunities with an additional \$3.4 billion Proposition 98 General Fund ongoing to support access to expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Linked to this expansion is an additional \$937 million Proposition 98 General Fund to support integrating arts and music into enrichment programs.

The Young Child Tax Credit, established in 2019, provides a \$1,000 refundable tax credit to low-income earners with a child age 5 or younger. The Budget expands this tax credit to families that file returns without income, allowing more families to benefit, and proposes to index the credit to inflation, which will prevent the erosion of its value.

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## HIGHER EDUCATION

The Budget proposes multi-year compacts with the University of California (UC) and California State University (CSU), and a multi-year roadmap for the California Community Colleges (CCCs). These include an expectation of ongoing base augmentations for the UC and the CSU to aid the systems in achieving goals that include expanding access for California students, reducing total cost of attendance through timely degree completion, and closing equity gaps. Building on earlier efforts to better connect students to careers and strengthen occupational pathways that improve student economic mobility, the compacts will also center around better aligning curricula and student learning objectives to the state's workforce needs. The Administration is also establishing an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030, a recommendation of the Governor's Council on Post-Secondary Education.

Following the landmark expansion of the financial aid entitlement to all CCC students, the Budget further supports efforts to reduce the overall cost of attendance by continuing a second year of funding to support the construction of affordable student housing and a second year of funding for learning-aligned employment, and

supporting the first year of a revamped Middle Class Scholarship that will help reduce the total cost of college for more California families.

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## **EXPANDING OPPORTUNITY AND STRENGTHENING CALIFORNIA'S FUTURE**

California is uniquely positioned to confront climate change while simultaneously investing in expanding opportunity and strengthening California's future. The Budget focuses new investments in the continued growth of the state's economy and opportunity for all Californians, and positions the state as a global leader in innovation and solutions to both mitigate and adapt to the changing climate.

California is home to industries that have fundamentally altered the way the world lives and communicates. This leadership will be furthered by encouraging the development of climate solutions that prepare and protect communities, create jobs, and fuel economic growth.

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### **ECONOMIC GROWTH AND JOB CREATION**

The Budget restores business tax credits, including research and development credits and net operating losses that were limited during the COVID-19 Recession, and proposes an additional \$250 million per year for three years for qualified companies headquartered in California that are investing in research to mitigate climate change.

The Budget also includes a new tax credit for those that opt in to develop green energy technologies—totaling \$100 million per year for three years. So Californians can share more broadly in the gains from these innovations, these new credits will be structured so that when the business becomes profitable, a share of the profits will be repaid to the state. The state also plans to develop naturally occurring resources of lithium—a critical component of advanced battery technology—to improve the state's ability to store renewable energy while creating high-paying jobs and generating benefits for surrounding communities and all Californians.

The Budget also proposes direct investments in climate-related research and development at the UC, including \$185 million for applied research, regional networks of climate-focused technology incubators, and workforce development and training hubs. These investments will support the next generation of inventions and innovations to address climate change.

## INTRODUCTION

In addition to the federal Infrastructure Investment and Jobs Act (IIJA) of 2021, which will deliver billions of dollars for infrastructure to California, the Budget makes an historic state investment of over \$20 billion in infrastructure-related investments to prepare and protect California communities from climate change. These investments will further facilitate economic growth and create thousands of jobs.

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### **STRENGTHENING SMALL BUSINESS**

California small businesses are drivers of economic growth—creating two-thirds of the state's new jobs during the recovery. Last year's budget created the nation's largest small business relief program—providing billions in needed relief to thousands of small businesses, and the Budget proposes approximately \$500 million in additional tax relief over several years through state conformity for qualified California recipients of federal relief grants in significantly impacted industries. To further encourage small business creation, the Budget waives initial filing fees for new businesses. In addition, the Budget permanently expands programs that provide technical assistance and access to capital to spur business creation in underserved communities. The Budget also includes \$150 million one-time General Fund to support small businesses previously waitlisted in prior rounds of the state's Small Business COVID-19 Relief Grant Program.

The Budget also allocates \$3 billion General Fund over the next two years to reduce the Unemployment Insurance Trust Fund debt owed to the federal government. Over the long-term, this will reduce costs to the state and benefit employers by reducing debts accumulated during the pandemic.

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### **EXPANDING WORKFORCE TRAINING AND OPPORTUNITY**

So more Californians can participate in California's economic growth, the Budget includes a multipronged strategy to train workers for jobs critical to California's economic growth and to meet growing demands for teachers and health care workers.

These investments start in the K-12 school system with \$1.5 billion Proposition 98 General Fund to support the development of college and career pathways focused on education, health care, technology, and climate-related fields. Promoting pathways that allow students to move seamlessly from high school to college to career will improve the number of students who pursue and achieve post-secondary education and training. These funds will focus on creating local partnerships that bring

together school systems, higher education institutions, and employers to develop integrated pathways to college and careers in these high-demand fields.

In addition, the Budget invests \$1.7 billion to expand the state's health and human services workforce, including training strategies to increase the state's workforce of nurses, social workers, emergency medical technicians, behavioral health care providers, and community health care workers.

Building upon last year's multi-billion dollar investment in teacher preparation, retention, and training, the Budget waives certain teacher examination fees and encourages the development of new integrated teacher preparation programs to address the state's shortage of qualified teachers.

## **CLIMATE CHANGE AND WORKFORCE**

The Budget includes multiple workforce investments with a focus on climate change, including \$35 million General Fund for the UC to create regional workforce development and training hubs focused on climate change; \$30 million General Fund over two years to the CCC to train, develop, and certify forestry professionals; and \$60 million General Fund over three years for the California Workforce Development Board's Low Carbon Economy Workforce grant program to support workforce development programs that align with strategies in the state's Climate Change Scoping Plan.

Last year, \$600 million was allocated to the Community Economic Resilience Fund for regional strategies that support economic and workforce transitions caused by the COVID-19 Pandemic, climate change, and other factors. The Budget complements this effort with \$450 million General Fund over three years starting in 2023-24 to support local governments as local economies adjust, \$215 million General Fund over two years to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs, and \$50 million General Fund to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.

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## **ADDRESSING CLIMATE CHANGE**

Building on last year's historic \$15 billion in climate investments, the Budget integrates climate, equity, and economic opportunity across the state's budget—including housing, health, and education—to mobilize a coordinated state response to the climate crisis.

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### **WILDFIRES**

California experienced 4 of the 20 largest wildfires in its history in 2021. Last year, the state expanded firefighting capacity and invested \$1.5 billion to significantly increase the state's ability to prevent wildfires. The Budget proposes an additional \$1.2 billion over two years to continue investments in forest health and fire prevention, including a major new reforestation effort. The Budget also makes a major investment to expand firefighting efforts, including new dedicated aircraft and hand crews, as well as \$400 million to address the effects of the recent prolonged wildfire seasons on CAL FIRE firefighters.

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### **DROUGHT**

Despite recent rain, dry conditions may extend to a third consecutive year, requiring the state to prioritize State Water Project allocations for health and safety needs and to maintain salinity control in the Bay-Delta to protect endangered species. Building upon last year's three-year, \$5.2 billion allocation to support drought response and long-term water sustainability, the Budget includes an additional \$750 million General Fund to address immediate drought response needs, including \$250 million set aside as a contingency. These investments will expand support for critical drinking water emergencies and mitigate drought damage to fish and wildlife, and the investments will also support small farmers and ranchers and water systems facing a loss of water supply.

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### **TRANSPORTATION**

The IIJA will deliver more than \$10 billion of new formula-based transportation funding to California over the next five years and billions of dollars in additional funding from new competitive grants. This measure could also provide billions in additional funds for clean drinking water, clean energy, toxic cleanup, broadband, and other infrastructure investments.

The Budget includes an additional \$9.1 billion (\$4.9 billion General Fund and \$4.2 billion Proposition 1A bond funds) to support the continued development of a first-in-the-nation, electrified high-speed rail system in California, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular focus on aligning the state's transportation system with its climate goals. The Budget also includes \$1.2 billion General Fund for improvements to the state's goods

movement infrastructure, including improving data interconnectivity to reduce congestion and increase supply chain efficiency, thereby reducing harmful emissions from this critical sector.

The Budget adds an additional \$6.1 billion (General Fund, Proposition 98 General Fund, federal funds, and Greenhouse Gas Reduction Fund) over five years, which builds on last year's unprecedented zero-emission package, for a total of \$10 billion to advance California's climate and transportation goals. These funds are focused on supporting zero-emission vehicles and charging infrastructure in low-income communities across the state, including funding for community-based projects. The Budget also invests significantly in replacing heavy-duty trucks and buses with zero-emission vehicles, given their disproportionate impact on low-income communities and communities near California's ports, as well as green school transportation to reduce harmful emissions from aging diesel-fueled bus fleets and reduce ongoing school transportation costs.

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## ENERGY

The Budget makes investments to meet the state's clean energy goals with \$2 billion General Fund over two years to provide incentives for long-duration-storage projects, renewable hydrogen, and industrial decarbonization, including in the food processing sector. The Budget also includes funding for decarbonization and electrification of existing buildings in disadvantaged communities, as well as infrastructure improvements to facilitate the development of offshore wind energy production.

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## HOUSING

Since 2019, California has invested significant funding for affordable housing development throughout the state, and has enacted laws to hold local jurisdictions accountable for meeting their regional housing needs. The Budget builds upon the \$10.3 billion housing investment made last year with a focus on aligning housing goals and climate goals.

The Budget proposes an additional \$1.5 billion over two years to accelerate the development of affordable housing. The focus of the majority of these investments is on development in and near downtowns throughout the state. Building housing near jobs, schools and other amenities reduces commutes and greenhouse gas emissions.

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## IMPROVING HEALTH CARE AFFORDABILITY

California has advanced multiple measures in recent years to improve health care affordability—expanding Covered California premium subsidies for the middle class, increasing access to Medi-Cal for children, young adults, and older adults regardless of immigration status, providing greater coverage for preventative services, and taking actions to reduce prescription drug costs. The 2021 Budget Act also included \$1.4 billion to transform California's behavioral health system for children and youth.

The Budget will make California the first state to realize the goal of universal access to health coverage for all Californians by closing a key gap in preventative coverage for individuals ages 26 to 49, regardless of immigration status. The Budget also continues progress in improving health care affordability and proposes \$30 million to create the Office of Health Care Affordability, charged with increasing the transparency of pricing, developing specific cost targets for different sectors of the health care industry, and imposing financial consequences for entities failing to meet these targets.

The Budget continues efforts to improve preventative care for families with children and includes \$400 million (General Fund and federal funds) for provider payments focused on closing equity gaps for children's preventative care measures, maternity care, depression screenings, and follow up behavioral health emergency visits. The Budget also includes \$53.2 million (General Fund and federal funds) to reduce premiums for children, pregnant women, and working disabled adults in Medi-Cal.

Finally, while other states seek to limit a woman's ability to receive reproductive care, the Budget expands access to reproductive healthcare services, and invests to improve clinical infrastructure and expand the workforce in reproductive healthcare services—continuing California's commitment to a woman's right to choose.

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## HOMELESSNESS

The state has invested billions of dollars in recent years to provide funding to local governments for critical housing supports and homelessness services, marked by last year's three-year, \$12 billion allocation. The state has also invested in new housing through Homekey—an effort started during the COVID-19 Pandemic that has acquired and converted a variety of building and housing types—including hotels, motels, and commercial buildings—to house individuals and families experiencing homelessness. This effort was also expanded last year to include the development of a behavioral health continuum of housing and community care facilities.



The Budget proposes an additional \$2 billion General Fund over two years to continue the state's efforts to address homelessness by investing in behavioral health housing and encampment cleanup grants. These investments are intended to serve as a bridge to other related efforts such as Homekey and California Advancing and Innovating Medi-Cal (CalAIM), which will redesign Medi-Cal to better serve Californians, including individuals experiencing homelessness and provide long-term care.

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## CRIME

Personal safety is one of the most basic needs—and expectations—of all Californians. The Budget provides \$285 million General Fund over three years for grants to bolster local law enforcement response to organized retail theft crime, as well as to assist local prosecutors in holding perpetrators accountable. The Budget expands the California Highway Patrol's retail theft task force and also includes \$18 million General Fund over three years for the Attorney General to prosecute organized retail theft crimes, and \$5 million ongoing General Fund for the Attorney General to continue leading anti-crime task forces throughout the state.

In addition, the Budget makes one-time General Fund investments of \$25 million to provide matching grants for local government gun buyback programs, \$20 million to support small businesses victimized by retail theft, and \$20 million for a drug interdiction program at the California-Mexico border.

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## LOOKING AHEAD

While California's economy is much improved from this time a year ago, considerable risks remain, including a potential stock market decline that could affect higher-income households that contribute substantially to state revenues. A strong reserve was critical to the state's response to the COVID-19 Pandemic and the resulting recession, and reserves will remain critical to balancing the budget in the event of an economic downturn. If current budgetary conditions continue, expenditures are expected to be near or exceed the State Appropriations Limit—and increased deposits into the reserves are not currently exempt from this limit. If the state's expenditures exceed the limit, tax refunds and supplemental school payments are required.

In addition to strengthening reserves, it is essential that one-time revenues be used for one-time expenditures in order to maintain fiscal stability. Maintaining a balanced

## INTRODUCTION

budget over the long-term will minimize disruptions to core programs such as education and health care when revenues decline.

# SUMMARY CHARTS

This section provides various statewide budget charts and tables.

**2022-23 Governor's Budget  
General Fund Budget Summary**

(Dollars in Millions)

	<b>2021-22</b>	<b>2022-23</b>
<b>Prior Year Balance</b>	\$37,011	\$23,650
Revenues and Transfers	\$196,669	\$195,719
<b>Total Resources Available</b>	<b>\$233,680</b>	<b>\$219,369</b>
Non-Proposition 98 Expenditures	\$138,185	\$139,993
Proposition 98 Expenditures	\$71,845	\$73,134
<b>Total Expenditures</b>	<b>\$210,030</b>	<b>\$213,127</b>
<b>Fund Balance</b>	<b>\$23,650</b>	<b>\$6,242</b>
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$20,475	\$3,067
<b>Public School System Stabilization Account</b>	<b>\$6,663</b>	<b>\$9,725</b>
<b>Safety Net Reserve</b>	<b>\$900</b>	<b>\$900</b>
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$19,303</b>	<b>\$20,868</b>
Note: Numbers may not add due to rounding.		

**General Fund Expenditures by Agency**

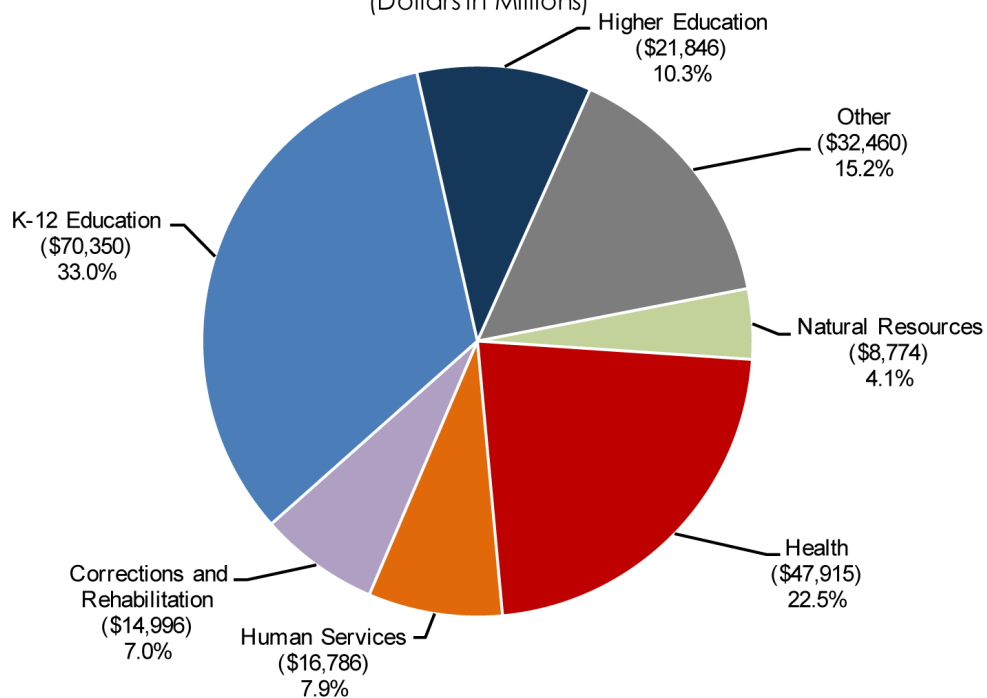
(Dollars in Millions)

	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$12,396	\$9,061	-\$3,335	-26.9%
Business, Consumer Services & Housing	2,016	1,078	-938	-46.5%
Transportation	2,161	1,700	-461	-21.3%
Natural Resources	9,684	8,774	-910	-9.4%
Environmental Protection	3,580	1,226	-2,354	-65.8%
Health and Human Services	56,324	64,701	8,377	14.9%
Corrections and Rehabilitation	14,757	14,996	239	1.6%
K-12 Education	69,422	70,350	928	1.3%
Higher Education	21,312	21,846	534	2.5%
Labor and Workforce Development	982	2,179	1,197	121.9%
Government Operations	10,739	5,270	-5,469	-50.9%
General Government:				
Non-Agency Departments	1,823	1,796	-27	-1.5%
Tax Relief/Local Government	638	640	2	0.3%
Statewide Expenditures	4,196	9,510	5,314	126.6%
<b>Total</b>	<b>\$210,030</b>	<b>\$213,127</b>	<b>\$3,097</b>	<b>1.5%</b>

Note: Numbers may not add due to rounding.

**2022-23  
General Fund Expenditures**

(Dollars in Millions)



**General Fund Revenue Sources**

(Dollars in Millions)

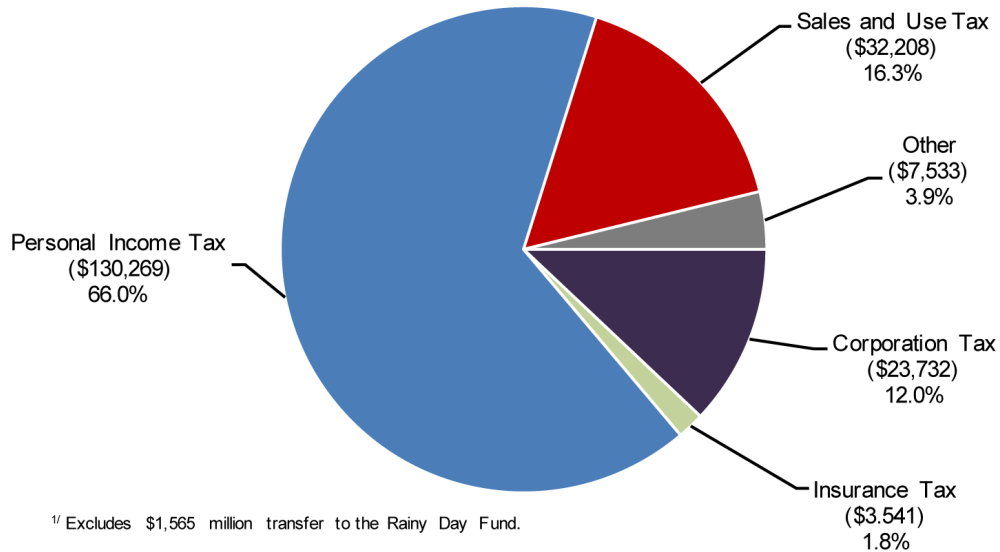
	2021-22	2022-23	Change from 2021-22	
			Dollar Change	Percent Change
Personal Income Tax	\$120,873	\$130,269	\$9,396	7.8%
Sales and Use Tax	30,866	32,208	1,342	4.3%
Corporation Tax	32,863	23,732	-9,131	-27.8%
Insurance Tax	3,448	3,541	93	2.7%
Alcoholic Beverage Taxes and Fees	423	421	-2	-0.5%
Cigarette Tax	58	51	-7	-12.1%
Motor Vehicle Fees	36	37	1	2.8%
Other	13,118	7,024	-6,094	-46.5%
<b>Subtotal</b>	<b>\$201,685</b>	<b>\$197,283</b>	<b>-\$4,402</b>	<b>-2.2%</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,016	-1,565	3,451	-68.8%
<b>Total</b>	<b>\$196,669</b>	<b>\$195,718</b>	<b>-\$951</b>	<b>-0.5%</b>

Note: Numbers may not add due to rounding.

**2022-23**

**General Fund Revenues and Transfers<sup>1/</sup>**

(Dollars in Millions)

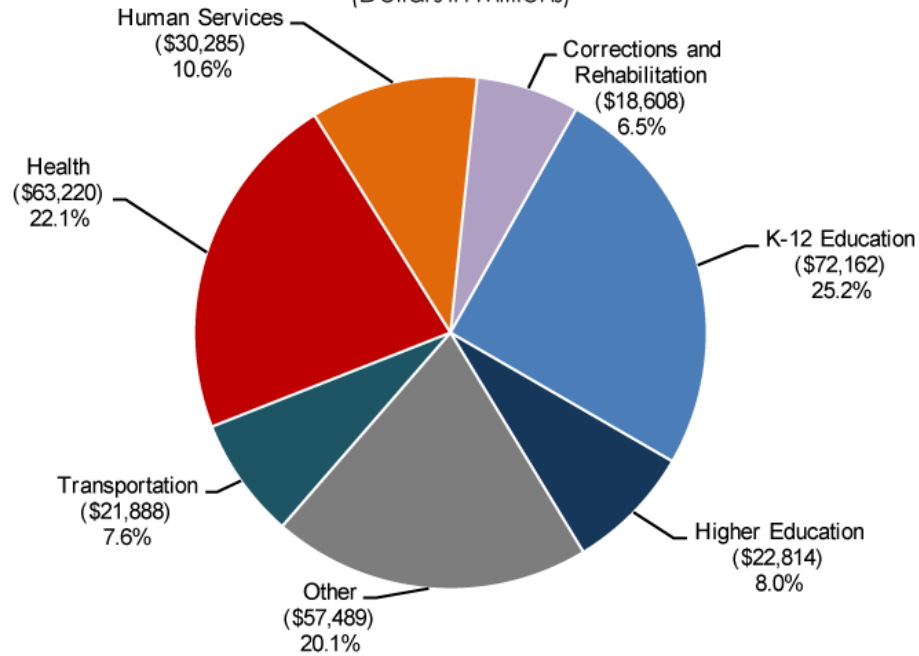


**2022-23 Total State Expenditures by Agency**  
(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$9,061	\$3,631	\$146	\$12,838
Business, Consumer Services & Housing	1,078	1,210	937	3,225
Transportation	1,700	16,093	4,095	21,888
Natural Resources	8,774	1,757	611	11,142
Environmental Protection	1,226	4,296	15	5,537
Health and Human Services	64,701	28,805	-	93,506
Corrections and Rehabilitation	14,996	3,612	-	18,608
K-12 Education	70,350	325	1,488	72,163
Higher Education	21,846	232	736	22,814
Labor and Workforce Development	2,179	965	-	3,144
Government Operations	5,270	339	8	5,617
General Government:				
Non-Agency Departments	1,796	1,786	2	3,584
Tax Relief/Local Government	640	3,464	-	4,104
Statewide Expenditures	9,510	-1,212	-	8,298
<b>Total</b>	<b>\$213,127</b>	<b>\$65,303</b>	<b>\$8,037</b>	<b>\$286,467</b>

Note: Numbers may not add due to rounding.

**2022-23  
Total State Expenditures  
(Including Selected Bond Funds)**  
(Dollars in Millions)



**2022-23 Revenue Sources**

(Dollars in Millions)

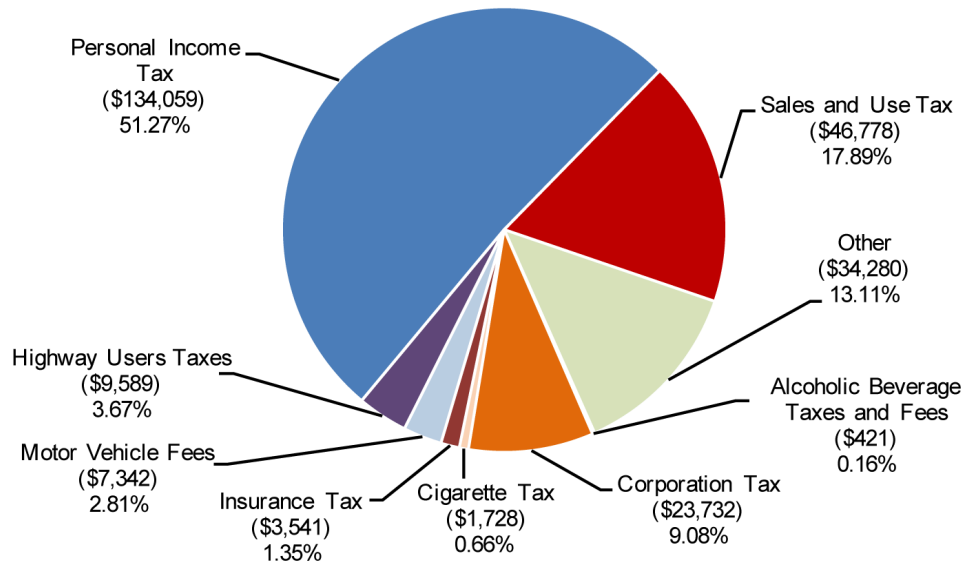
	General Fund	Special Funds	Total	Change From 2021-22
Personal Income Tax	\$130,269	\$3,790	\$134,059	\$9,521
Sales and Use Tax	32,208	14,570	46,778	1,897
Corporation Tax	23,732	-	23,732	-9,131
Highway Users Taxes	-	9,589	9,589	766
Insurance Tax	3,541	-	3,541	93
Alcoholic Beverage Taxes and Fees	421	-	421	-2
Cigarette Tax	51	1,677	1,728	-227
Motor Vehicle Fees	37	7,305	7,342	346
Other	7,024	27,256	34,280	-9,332
<b>Subtotal</b>	<b>\$197,283</b>	<b>\$64,187</b>	<b>\$261,470</b>	<b>-\$6,069</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	-1,565	1,565	-	-
<b>Total</b>	<b>\$195,718</b>	<b>\$65,752</b>	<b>\$261,470</b>	<b>-\$6,069</b>

Note: Numbers may not add due to rounding.

**2022-23**

**Total Revenues and Transfers**

(Dollars in Millions)





# EARLY CHILDHOOD

California has made major strides to expand services and supports for young children and their families. Guided by the Master Plan for Early Learning and Care, the state has invested in the following that uplift families:

- Promoting and expanding quality, comprehensive programs and services for young children, including universal transitional kindergarten.
- Employing a two-generation strategy—investing in parents so they can invest more in their children.
- Easing financial pressures on parents to help them achieve economic security for their children.

The Governor's Budget continues to make progress in a parents agenda—better supporting families with young children during their critical developmental years.

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## CHILD CARE AND DEVELOPMENT

Effective July 1, 2021, child care and nutrition programs were transferred from the Department of Education to the Department of Social Services (DSS), aligning all child care programs within a single state department and placing a deeper emphasis on whole-child/whole-family approaches to address Californians' needs. DSS now administers CalWORKs Stages One, Two, and Three; the Emergency Child Care Bridge Program; Alternative Payment Programs; Migrant Child Care; General Child Care; Child

## EARLY CHILDHOOD

Care for Children with Disabilities; and a variety of local supports for these programs, such as Resource and Referral and Local Child Care Planning Councils, in addition to quality improvement projects. Families can access child care subsidies through centers that contract directly with DSS, local educational agencies, or vouchers from county welfare departments and Alternative Payment Programs.

The Budget includes \$5.8 billion (\$2.3 billion General Fund) for child care programs, including continued support for the historic multi-year commitment to rate increases taking effect in January 2022, supplemental funding to providers, infrastructure grant program funding, and eventually expanding child care access by 200,000 slots.

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### **CONTINUING TO IMPLEMENT THE MASTER PLAN FOR EARLY LEARNING AND CARE**

The Budget includes \$823.7 million for 36,000 additional subsidized slots compared to 2021-22. When combined with the slots funded in the 2021 Budget Act, this brings the total to over 145,000.

The Budget also includes \$373 million to support a full year of rate increases while the state continues work with partners and stakeholders toward further rate reform and increased access to a comprehensive, quality, and affordable child care and development system as set forth in the Master Plan for Early Learning and Care. Consistent with these goals, the state and Child Care Providers United – California (CCPU) are working collaboratively through a Joint Labor Management Committee (JLMC) to develop recommendations for a single reimbursement rate structure that addresses quality standards for equity and accessibility while supporting positive learning and developmental outcomes for children. The JLMC will provide recommendations no later than November 15, 2022. The state is also convening a separate workgroup to assess the methodology for establishing reimbursement rates and the existing quality standards for child care and development and preschool programs. This workgroup will provide recommendations no later than August 15, 2022.

The state and CCPU are also collaborating through additional JLMCs to discuss healthcare and retirement benefits for CCPU-represented providers. A joint recommendation will be proposed in the future to include a state contribution to the respective CCPU-administered trust funds for healthcare and retirement benefits.

Other significant commitments include:

- \$25 million to fund the Child Care Initiative Project through June 30, 2023, to address areas underserved by child care providers, increase child care slots, and support providers who want to become licensed.
- \$10.6 million in funding through June 30, 2023 for the California Infant and Early Childhood Mental Health Consultation program to support the mental health needs of children, families, and child care providers.
- \$4.8 million General Fund to support infrastructure, planning, and initial design of a child care data system and information technology solution, referred to as California Supporting Providers and Reaching Kids (CalSPARK), as part of the Brilliant Beginnings data initiative to facilitate data-driven decisions, enhance family-provider experience, and streamline state administration of the programs.
- \$3.1 million in funding from the Preschool Development Grant Birth through Five Renewal from 2020 to 2023 to support the Brilliant Beginnings data initiative and the single verification hub.

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## UNIVERSAL TRANSITIONAL KINDERGARTEN

In alignment with the recommendations of the Master Plan, the 2021 Budget Act outlined an ambitious plan to provide universal access to state-funded preschool for all four-year-old children, and to significantly increase access to subsidized preschool for three-year-olds. The 2021 Budget prioritized parent choice; otherwise-eligible families may continue to access the federal Head Start program and State Preschool, in addition to transitional kindergarten, which will be available to all, regardless of income.

Pursuant to the 2021 Budget plan, the Budget proposes \$639.2 million General Fund to expand eligibility for transitional Kindergarten, from all children turning five-years-old between September 2 and December 2 to all children turning five-years-old between September 2 and February 2, beginning in the 2022-23 school year. These funds will increase the Proposition 98 Guarantee through the process of rebenching. Additionally, the Budget proposes \$383 million Proposition 98 General Fund to add an educator to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program.

## EARLY CHILDHOOD

The Budget also invests \$309 million so that the State Preschool Program better supports students with disabilities and dual language learners. These funds will support new requirements for State Preschool providers to: (1) serve at least 10 percent students with disabilities, and (2) provide additional supportive services for dual language learners. Additionally, all students participating in State Preschool will maintain continuous eligibility for 24 months (increased from 12 months) once eligibility is confirmed, children with an individualized education program will be categorically eligible to participate in State Preschool, and State Preschool providers that have served all eligible three- and four-year-olds in their service will be allowed to serve two-year-old children. Finally, the Budget proposes \$500 million one-time Proposition 98 General Fund to support the Inclusive Early Education Expansion Program, which funds infrastructure necessary to support general education and special education students in inclusive classrooms.

While transitional kindergarten is funded and provided through local educational agencies, the Administration encourages schools to consider partnering with community-based State Preschool providers and other community partners, as appropriate, to expand access to full-day preschool and care for their eligible students, to increase choice for parents, and to expand opportunities for the youngest learners to access a high-quality preschool program.

See the K-12 Education Chapter for more details.

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## REDUCING CHILDHOOD POVERTY

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### PASS-THROUGH OF CHILD SUPPORT COLLECTIONS FOR FORMERLY ASSISTED FAMILIES

Under current law, families formerly receiving state assistance (such as CalWORKs) do not receive the full "pass-through" of child support payments collected by the state. Instead, the collections are split between the federal government, state General Fund, and county general funds. The Budget would make statutory changes to fully pass through assigned arrears collections to families formerly assisted by CalWORKs as currently permitted by federal law. Providing these funds directly to families may help low-income families reduce the burden of high-cost debt and stabilize their financial position. Under this change, the Department of Child Support Services will waive its share of recoupment at a revenue loss of \$52.3 million General Fund in 2022-23 and \$104.6 million General Fund ongoing. Coupled with the waiver of the federal

government's recoupment, the estimated annual total pass through to formerly assisted families is \$187 million.

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## **YOUNG CHILD TAX CREDIT EXPANSIONS**

The 2019 Budget created the Young Child Tax Credit (YCTC) to help lift children out of poverty. In most cases, the credit provides \$1,000 to every household that otherwise qualifies for the Earned Income Tax Credit and has a child age 5 or younger. For the 2020 tax year, 420,000 taxpayers claimed this credit and received credits totaling \$390 million.

The Budget builds on the YCTC by (1) indexing the YCTC for inflation starting in the 2022 tax year and (2) expanding the YCTC to include households with zero earned income. See the Revenue Estimates Chapter for more details.

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## **CALWORKS GRANT INCREASE**

The CalWORKs program provides cash grants and services to eligible low-income families with at least one child in the home. The Budget projects a 7.1-percent increase to CalWORKs Maximum Aid Payment levels, with an estimated cost of \$200.7 million in 2022-23. These increased costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund.

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## **REDUCTION OF MEDI-CAL PREMIUMS**

The Budget includes \$53.2 million (\$18.9 million General Fund) in 2022-23 and \$89 million (\$31 million General Fund) annually to reduce Medi-Cal premiums for approximately 500,000 pregnant women, children, and disabled working adults. Currently, these beneficiaries have income that is marginally above the threshold for Medi-Cal, requiring them to pay monthly premiums. This proposal will reduce the financial burden for many Californians and minimize the disruption that occurs when families lose coverage and access to preventive services when they cannot afford monthly premiums.

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## OTHER HEALTH AND HUMAN SERVICES ADJUSTMENTS

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### MEDI-CAL PROVIDER EQUITY PAYMENTS

To promote patient-centered models of care and preventative care, the Budget includes \$400 million (\$200 million General Fund) one-time for provider payments focused on advancing equity and improving quality in children's preventive, maternity, and integrated behavioral health care. See the Health and Human Services Chapter for more details.

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### EXPANDING HOME VISITING SERVICES

Voluntary home visiting services for children aged 0-3 provide a range of supportive services to pregnant and newly parenting families in California. These services improve health outcomes in key areas ranging from low-birth weight and infant mortality to immunizations and language development. The Budget provides \$50 million ongoing General Fund for the Department of Public Health (CDPH) to expand the California Home Visiting Program and the California Black Infant Health Program, serving approximately 6,000 additional families over five years on top of 3,700 currently served by the Home Visiting Program and 1,650 served by the Black Infant Health Program.

The Budget proposes greater flexibility for the home visiting models offered to meet the diverse needs of families across the state, expands home visiting services to additional counties, and makes them accessible to families with the highest needs. Additionally, this proposal will support early literacy by including books and early literacy programming, provided by home visitors, and will be further supported by a \$350 million General Fund investment to recruit, train, and certify new community health workers.

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### EARLY LITERACY

The Budget includes \$10 million General Fund to expand early literacy efforts by developing a partnership between CDPH and First 5 California to administer a statewide program to provide multilingual books and early literacy programming for families with young children in collaboration with other state programs such as home visiting, child care, early childcare centers, and foster care.

These resources will augment more than \$700 million in K-12 education investments in early literacy. See the K-12 Education Chapter for more details.

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## IMPROVING SERVICES TO YOUNG CHILDREN WITH DISABILITIES

When young children receiving Early Intervention Services (pursuant to Part C of the federal Individuals with Disabilities Education Act (IDEA)) turn three, they are often eligible to receive school-age special education services from a local education agency (pursuant to Part B of IDEA). This process of transitioning from early start services (Part C) to school-age services (Part B) is often challenging for children and families. In order to improve early childhood services for children from birth through age five, including children transitioning to special education service at three or entering kindergarten at five who have or are at risk for an intellectual or developmental disability, the Budget includes \$849,000 General Fund for the California Department of Education (CDE) and \$65.5 million (\$45.1 million General Fund) in 2022-23 and \$82.5 million (\$55.8 million General Fund) ongoing for the Department of Developmental Services (DDS), including:

- \$849,000 General Fund and 6 positions to support CDE's transition process efforts.
- \$51 million (\$31.9 million General Fund) in 2022-23 and \$68.1 million (\$42.6 million General Fund) ongoing to reduce regional center service coordinator caseload ratios to 1:40 for children through age five. These investments will help increase participation of service coordinators in Individual Education Plan meetings, increase family visits from bi-annually to quarterly, and strengthen federal compliance with timely service delivery and transitions.
- \$10 million General Fund to promote inclusion in preschool of three- and four-year olds served by regional centers. Resources will support preschool efforts to improve accessibility of their programs. This will present families with an opportunity for their child to learn alongside children with different abilities.
- \$3.2 million (\$2.2 million General Fund) to establish IDEA Specialists at each regional center. The IDEA Specialists will provide expertise on IDEA services through technical support to both regional centers and local education agencies providing school-age services.
- \$1.2 million (\$1 million General Fund) to increase DDS resources to make improvements to the Early Start Program to drive toward inclusive services, help streamline intake processes, align systems, and increase interagency collaboration with CDE.

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# K-12 EDUCATION

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

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## CALIFORNIA FOR ALL KIDS

The last two years have created unprecedented challenges for schools, teachers, families, and children. The COVID-19 Pandemic has stretched the capacity of public schools like never before. While recognizing the challenge of this event, it is important to highlight the heroic efforts of students (who had to manage a swiftly changing environment and set of expectations and support), families (who oftentimes were concurrently balancing work, child care, and teaching), teachers (who were often balancing both in-person and remote instructional obligations—sometimes while being parents themselves), and school staff (who fed, counseled, coordinated, located, and generally supported students and families wherever they were).

The 2021 Budget Act provided substantial resources for schools to return to safe in-person instruction, learning recovery opportunities, and expanded learning time. A centerpiece of the Budget was the multi-year phase-in of universal Transitional

Kindergarten to provide access to free, high-quality, inclusive pre-Kindergarten for all children.

Additionally, the 2021 Budget provided a blueprint for re-envisioning public schools as local mainstays of whole child care and familial support, and included a package of historic investments in before and after school care, comprehensive nutrition services, access to physical and mental health care, and increased training and support for educators.

Effective implementation of this ambitious plan requires consistency and continued investment. This Budget reflects this principle; by proposing the highest per pupil funding ever and providing ongoing funding for existing core programs like the Local Control Funding Formula (LCFF), special education, transitional kindergarten, nutrition, and expanded learning. It also supports public school system fiscal stability by mitigating the impacts of long-term declining enrollment. Finally, it reflects the need to prepare for future challenges facing the state, including climate change and the evolving economic and workforce needs.

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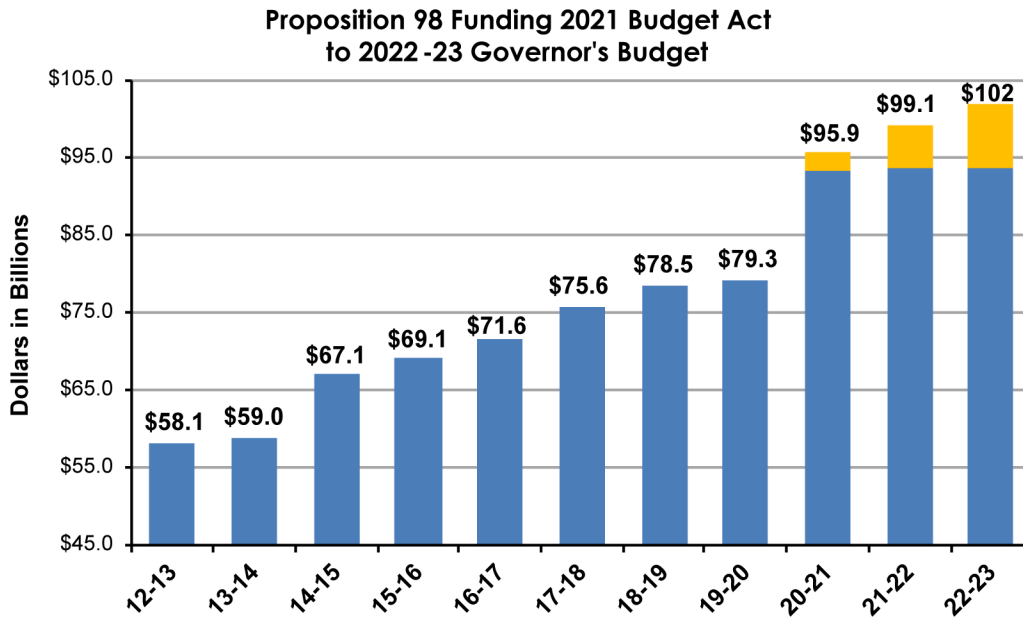
## PROPOSITION 98

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for K-12 schools and community colleges (collectively referred to as K-14 schools). 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 changes in civilian population and school attendance. The LCFF is the primary mechanism for distributing these funds to support all students attending K-12 public schools in California.

The upward revision of General Fund revenues has resulted in significant increases in the Guarantee. Proposition 98 funding for K-12 schools and community colleges for 2022-23 is \$102 billion—an increased investment of \$8.2 billion in schools and community colleges above the level funded in the 2021 Budget Act, and the highest level of state funding for K-14 schools.

The Guarantee continues to be in a Test 1 for all years 2020-21 through 2022-23. This means that the funding level of the Guarantee is equal to 38.02 percent of General Fund revenues, plus local property tax revenues. To accommodate enrollment increases related to the expansion of transitional kindergarten (as described in the Early Education section below), the Test 1 percentage is rebenchmarked to increase the

percentage of General Fund revenues due to the Guarantee, from 38.02 percent to approximately 38.4 percent.



The significant increase in revenues projected from 2020-21 through 2022-23, in addition to the rebenching of Proposition 98, results in a corresponding increase in resources for K-14 schools. Proposition 98 is estimated to be \$95.9 billion in 2020-21, \$99.1 billion in 2021-22, and \$102 billion in 2022-23, representing a three-year increase in the minimum Guarantee of \$16.1 billion over the level funded in the 2021 Budget Act.

The Budget includes total funding of \$119 billion (\$70.5 billion General Fund and \$48.5 billion other funds) for all K-12 education programs. K-12 per-pupil funding totals \$15,261 Proposition 98 General Fund—its highest level ever—and \$20,855 per pupil when accounting for all funding sources.

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## PROPOSITION 98 RAINY DAY FUND

The Budget includes 2020-21, 2021-22, and 2022-23 payments of \$3.1 billion, \$3.6 billion, and \$3.1 billion (respectively) into the Public School System Stabilization Account, for a balance of more than \$9.7 billion at the end of 2022-23. Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Account is equal to or greater than 3 percent of the total K-12 share of the Guarantee. The balance of \$6.7 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

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### **LOCAL CONTROL FUNDING FORMULA (LCFF)**

The Budget includes a LCFF cost-of-living adjustment of 5.33 percent—the highest cost-of-living adjustment since the Great Recession. This increase will result in \$3.3 billion in additional discretionary funds for local educational agencies. Additionally, local expenditure data indicate that a significant proportion of the approximately \$30 billion in one-time COVID-related federal funding provided to local educational agencies in the 2020-21 and 2021-22 fiscal years remains available for expenditure, indicating significant available cash for local educational agencies in 2022-23.

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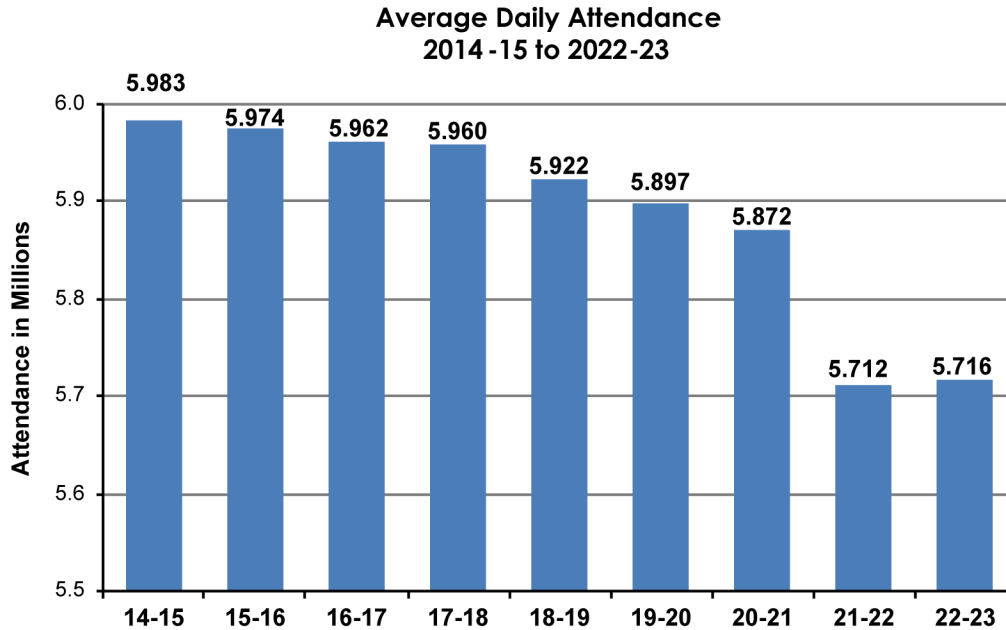
### **SCHOOL FISCAL STABILITY**

The Budget's historic levels of funding provide opportunity for schools to address students' needs, which are significant due to the COVID-19 Pandemic. Some local educational agencies are facing fiscal challenges associated with declining student enrollment and high absenteeism, which directly impact state and federal fund allocations. To support the fiscal stability of all local educational agencies, including those with a declining student population, the Budget proposes changes to the average daily attendance (ADA) component of the LCFF and the independent study program to help school districts better manage declining enrollment and simplify the collection of attendance in virtual instructional programs.

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### **DECLINING ENROLLMENT PROTECTIONS**

Demographic trends that existed prior to the COVID-19 Pandemic have been exacerbated over the last two years. This was the case with enrollment in K-12 public schools, where gradual multi-year birth rate declines had eroded the enrollment projections of school districts for several years. The pandemic saw reduced state in-migration, accelerated birth rate declines, and pushed parents to consider alternatives to their neighborhood public school. Intrastate migration has also impacted enrollment declines in some districts.



State funding for local educational agencies is dependent on ADA, which is based on student enrollment and reduced for absence rates. The greater of each school district's prior-year and current-year ADA is used to calculate its LCFF apportionment in a given year. For charter schools and county offices of education, only the current year ADA is used to calculate LCFF apportionment. In the event of significant drops in annual average daily attendance, this calculation does not provide local educational agencies with the ability to make gradual changes over a series of years to adjust instructional programming (although charter schools do have flexibilities on programmatic offerings not available to school districts). Instead, some school districts over the next few years will be faced with difficult choices to remain fiscally solvent.

To allow school districts to adjust to enrollment-related funding declines and minimize the impacts of a single-year drop in enrollment, the Budget amends the LCFF calculation to consider the greater of a school district's current year, prior year, or the average of three prior years' ADA. This formula change will help districts with significant declining enrollment and better serve remaining students. Additionally, the Administration intends to engage in outreach and discussions with interested parties throughout the spring to explore options for providing declining enrollment protections for charter schools. Ongoing costs associated with these policies are estimated to be \$1.2 billion Proposition 98 General Fund.

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### INDEPENDENT STUDY

In 2021-22, the state required that school districts offer families the option of in-person instruction as a condition of receiving state funding. However, the continuing pandemic meant that remote instruction through independent study was necessary to provide parent choice and options for learning during the COVID-19 Pandemic. To provide local educational agencies with a mechanism for counting instructional time during independent study (and therefore generate state funding), the state updated the independent study statute to allow local educational agencies to earn apportionment for non-classroom-based instruction.

While the Administration remains committed to in-person instruction, in 2022-23 independent study will continue to be an option for local educational agencies to count instructional time for student work completed remotely. Local educational agencies can choose between traditional independent study and course-based independent study to create quality short- and long-term remote instruction models that best serve the needs of their students. To streamline the administration of these programs, the Budget: (1) allows synchronous instruction to count for instructional time in traditional independent study, in addition to student work product; and (2) provides flexibility on the timeline for a local educational agency to collect a signed independent study plan.

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### EARLY EDUCATION

Access to high-quality, evidence-based early education can support and accelerate the learning of young children and provide pre-elementary students with the skills and tools needed to succeed in school. To this end, the state's Master Plan for Early Learning and Care provides recommendations for transforming the state's child care and early education systems. Specific to pre-kindergarten education programs, the Master Plan's recommendations include:

- Promoting school readiness by providing access to transitional kindergarten for all four-year-olds and to public preschool for all income-eligible three-year-olds, in full-inclusion settings.
- Improving quality of care by increasing access to full-day, full-year preschool programs, and enhancing educator competencies and providing affordable and accessible pathways for workforce advancement.

- Supporting equity by eliminating bias and increasing instructional supports through practices and training, with a focus on children with disabilities and dual language learners.
- Expanding early learning and care infrastructure.

In alignment with the Master Plan, the 2021 Budget Act outlined the plan to provide universal access to state-funded preschool for all four-year-old children, and to significantly increase access to subsidized preschool for three-year-olds. Specifically, the 2021 Budget stated the state's intent to expand transitional kindergarten over the next four years, becoming available to all four-year-old children in 2025-26; invested \$490 million in transitional kindergarten and State Preschool facilities expansion; allocated \$300 million to local educational agencies to plan for increased instruction to three- and four-year-olds and train teachers of young children; and provided \$130 million to increase access to the State Preschool Program. By investing in multiple programs, the 2021 Budget prioritized parent choice; otherwise-eligible families may continue to access the federal Head Start program and State Preschool, in addition to transitional kindergarten, which will be available to all, regardless of income.

Pursuant to the 2021 Budget plan, the Budget proposes \$639.2 million General Fund to expand eligibility for transitional kindergarten, from all children turning five-years-old between September 2 and December 2 to all children turning five-years-old between September 2 and February 2, beginning in the 2022-23 school year. These funds will increase the Proposition 98 Guarantee through the process of rebenching, as described earlier. Additionally, the Budget proposes \$383 million Proposition 98 General Fund to add one additional certificated or classified staff person to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program.

The Budget also re-envisioned State Preschool for families. While some families will choose to send their four-year-old to transitional kindergarten, others will have the choice to access State Preschool. The Budget invests \$197.8 million Proposition 98 General Fund and \$110.6 million General Fund to increase State Preschool Program adjustment factors for students with disabilities and dual language learners. These adjustment factor increases are intended to fund new requirements for State Preschool providers to: (1) serve at least 10 percent students with disabilities, and (2) provide additional supportive services for dual language learners. Additionally, all students participating in State Preschool will maintain continuous eligibility for 24 months (increased from 12 months) after eligibility is confirmed, children with an individualized education program will be categorically eligible to participate in State Preschool, and State

## K-12 EDUCATION

Preschool providers that have served all eligible three- and four-year-olds in their service will be allowed to serve two-year-old children. Finally, the Budget proposes \$500 million one-time Proposition 98 General Fund to support the Inclusive Early Education Expansion Program, which funds infrastructure necessary to support general education and special education students in inclusive classrooms.

While transitional kindergarten is funded and provided through local educational agencies, the Administration encourages schools to partner with community-based State Preschool providers and other community partners, as appropriate, to expand access to full-day preschool and care for their eligible students, to expand opportunities for the youngest learners to access a high-quality preschool program.

The investments described above are in addition to more than \$4.3 billion in resources being provided to early learning and child care programs over a four-year period (beginning in 2021-22), from the 2021 Budget Act. This multi-year allocation of resources augments provider reimbursement rates, increases program access, and invests in statewide care system infrastructure. As part of this multi-year plan, the Budget proposes \$166.2 million Proposition 98 General Fund to cover full-year costs of State Preschool rate increases that began January 1, 2022. Additional information about child care investments can be found in the Early Education Chapter.

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## EARLY LITERACY

Research indicates that students who are not reading well in elementary school are less likely to graduate high school. Preparing for literacy begins at birth, and the early years are even more critical for children who struggle to meet developmental milestones.

Since 2019, the Administration has invested \$92.7 million in research, direct services, and professional development to improve literacy instruction and supports for children with dyslexia and other learning disabilities. Additionally, the 2021 Budget Act allocated \$5 million one-time General Fund to provide books to families through the Women, Infant and Children (WIC) program. Operated by the California Department of Public Health, this program enables participating families to access books through the state's many WIC offices, which are located in communities across California.

When paired with historic funding for early education, the Expanded Learning Opportunities Program, and special education, these investments are significant. But the scale of the issue requires a more targeted initiative, with a focus on evidence-based practices that significantly improve literacy. Other states have had



success in increasing grade-level reading proficiency among young readers, and strategies such as expert literacy coaching at the school level, one-on-one tutoring with highly skilled reading specialists, and access to multi-lingual libraries have resulted in significant gains. To provide access to these effective supports to California's children/students, the Budget proposes the following:

- \$500 million one-time Proposition 98 General Fund, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and to offer one-on-one and small group intervention for struggling readers.
- \$200 million one-time Proposition 98 General Fund to establish a grant program to enable local educational agencies to create or expand multi-lingual school or classroom libraries offering culturally relevant texts to support reading instruction.
- \$10 million one-time General Fund for the Department of Public Health to partner with First 5 California on the Books for Children Program. More information on this initiative can be found in the Health and Human Services Chapter.
- \$2 million one-time General Fund to incorporate early identification for learning disabilities into the state's preschool assessment tools, including a process for follow-up by expert evaluators, and \$60 million one-time Proposition 98 General Fund to provide training for educators on effective use of these tools.

The Budget also proposes statutory language that clarifies that Expanded Learning Opportunities Program funds may be used to hire literacy tutors that would assist students as part of the program's enrichment activities.

When paired with funding for young children with disabilities and young dual language learners in the State Preschool Program, resources to support neuroscience research specific to dyslexia, increased funding for special education, and targeted interventions and supports for families with children ages 0 to 3 these investments provide a cohesive package designed to produce real gains on early literacy for every child in California.

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## EDUCATOR WORKFORCE

Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public K-12 schools is critical to the success of the entire system. This is especially true given current staffing shortages that have

## K-12 EDUCATION

been exacerbated by the COVID-19 Pandemic. The 2021 Budget Act included \$2.9 billion to accelerate the preparation and support the training and retention of well-prepared educators.

The Budget proposes \$54.4 million in a mix of Proposition 98 General Fund and General Fund to build upon the multi-year investments included in the 2021 Budget Act to support efforts to enhance schools' ability to hire qualified teachers and substitutes. Specifically, the Budget proposes:

- \$24 million one-time General Fund to waive certain teacher examination fees.
- \$12 million one-time General Fund to extend the waiver of select credentials fees.
- \$10 million one-time General Fund to support a competitive grant program that provides grants to public and private institutions to develop and implement integrated teacher preparation programs.
- \$5.2 million Proposition 98 General Fund and \$322,000 General Fund to re-establish the Personnel Management Assistance Teams to assist local educational agencies in improving hiring and recruitment practices.
- \$1.4 million General Fund to establish career counselors for prospective educators at the Commission on Teacher Credentialing (CTC).
- \$924,000 General Fund, of which \$161,000 is one-time, to support the CTC's administration of multiple grant programs and fee waivers.
- \$900,000 General Fund for the CTC to contract for public outreach to highlight the value and benefits of educational careers in California's prekindergarten through grade 12 schools.
- Extending statute authorizing any holder of a credential or permit issued by the CTC to serve in a substitute teaching assignment aligned with their authorization, including for staff vacancies, for up to 60 cumulative days for any one assignment.

These investments will be complemented by \$5 million one-time Proposition 98 General Fund for community college-university teacher credentialing collaboratives (see the Higher Education Chapter for additional information about this initiative).

## EXPANDED LEARNING OPPORTUNITIES PROGRAM

In addition to providing opportunities to address and prevent student learning challenges, expanded learning time and summer/intersessional enrichment are also important supports for working parents and families. Access to care and enrichment has become more difficult during the COVID-19 Pandemic, which has significantly affected the state's child care infrastructure. The 2021 Budget Act provided \$1 billion ongoing funds and \$754 million one-time Proposition 98 General Fund for the Expanded Learning Opportunities Program, which by 2025-26 will provide all students in low-income communities with no-cost access to nine hours of developmentally appropriate academics and enrichment activities per instructional day and for six weeks each summer. Additionally, all local educational agencies, regardless of community demographics, are encouraged to offer subsidized services to all students, using a fee schedule that considers family income and ability to pay.

The Budget proposes an additional \$3.4 billion ongoing Proposition 98 General Fund for the Expanded Learning Opportunities Program, increasing per pupil funding for the program and expanding the number of local educational agencies offering no-cost services. This brings total ongoing program funding to an historic before/after school investment of \$4.4 billion, with additional funds anticipated in future years. The Budget also proposes \$937 million one-time Proposition 98 General Fund to support Expanded Learning Opportunities Program infrastructure, with a focus on integrating arts and music programming into the enrichment options for students. Finally, the Budget continues one-time reimbursement rate increases (at a cost of \$148.7 million ongoing Proposition 98 General Fund) from the 2021 Budget Act for the After School Education and Safety and 21st Century Community Learning Centers programs.

While acknowledging that implementing a program of the size and scope of the Expanded Learning Opportunities Program can be challenging for local school districts, the Administration encourages schools to consider partnering with community-based providers to quickly scale up capacity. California has a sizable number of non-profit and other local providers of before/after school care and enrichment that have a history of providing high-quality expanded learning programs, and partnerships between these entities and local educational agencies can expedite services to the maximum number of students.

## SPECIAL EDUCATION

It is a priority of the Administration to address the significant achievement gap for children with disabilities. Many of California's children with disabilities are also English learners, come from low-income families, and/or are served by the foster care system, compounding equity challenges that have been exacerbated by the COVID-19 Pandemic. Over the last three years, the Administration has worked with the Legislature to augment special education funding by more than \$3.1 billion, including almost \$1 billion in ongoing Proposition 98 General Fund. Each funding augmentation was paired with policy changes intended to improve the quality and timeliness of services for children with disabilities.

Building on these investments, the Budget proposes an additional \$500 million ongoing Proposition 98 General Fund for the special education funding formula, paired with the following policy changes to further the state's commitment to improving special education instruction and services:

- To improve the ability of local educational agencies to project their special education funding allocations and undertake comprehensive program planning, amend the special education funding formula to calculate special education base funding allocations at the local educational agency level rather than the special education local plan area (SELPA) level.
- Consolidate two special education extraordinary cost pools into a single cost pool to simplify the current funding formula.
- Allocate Educationally-Related Mental Health Services funding directly to local educational agencies rather than to SELPAs.
- Develop a Special Education Addendum to the Local Control and Accountability Plan that will support inclusive planning and promote cohesion by linking special education and general education planning, so parents of students with disabilities have a defined role in the Local Control and Accountability Plan development process.
- Support efforts to develop comprehensive Individualized Education Programs (IEPs) by focusing a special education resource lead on IEP best practices, and establishing an expert panel to continue the work of creating a model IEP template.

- Establish an alternate diploma and a workgroup to explore alternative coursework options for students with disabilities to demonstrate completion of the state graduation requirements.

In addition to these resources and programmatic improvements, the Budget proposes \$849,000 General Fund and 6 positions to support the State Department of Education's efforts to strengthen the transition process of young children with disabilities from federal Part C services (provided by regional centers) to federal Part B services (provided by school districts). Children are required by federal law to transition between services provided by these two entities at age three. These resources will be paired with \$65.5 million in fiscal year 2022-23 that rises to \$82.5 million in fiscal year 2023-24 for the Department of Developmental Services and regional centers to strengthen the transition process (see the Health and Human Services Chapter for additional information about these initiatives). Finally, the Budget proposes statutory changes to support the continuity of services provided to young children with disabilities by enhancing coordination between the Departments and supporting parents' ability to access the resources and information needed to be active participants in the transition process.

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## COLLEGE AND CAREER PATHWAYS

So more Californians can participate in California's economic growth, the Budget includes a multi-pronged strategy to train workers to meet critical job needs to support California's economic growth. Promoting pathways in technology, healthcare, education, and climate-related fields allow students to advance seamlessly from high school to college and career and provide the workforce needed for economic growth.

High school students are more likely to pursue sustained post-secondary education and training if they can engage in training and preparation that interests them, believe that the education they are receiving personally benefits them, and can see a clear path to higher education and employment. By creating college and career pathways, where students can clearly see how obtaining various levels of college credits, credentials, and/or work/apprenticeship experience can result in various careers and levels of compensation, secondary and post-secondary schools can encourage educational persistence, especially when pathways are paired with the ability to earn college credits, micro-credentials, and work/apprenticeship experience beginning in high school.

## K-12 EDUCATION

To enhance and expand the offering of these educational pathways, the Budget proposes \$1.5 billion one-time Proposition 98 General Fund over four years to support the development of pathway programs focused on technology (including computer science, green technology, and engineering), health care, education (including early education), and climate-related fields. These programs are predicated on developing local partnerships that bring together school systems, higher education institutions, employers, and other relevant community stakeholders.

Additionally, the Budget proposes \$500 million one-time Proposition 98 General Fund, also available over four years, to strengthen and expand student access and participation in dual enrollment opportunities that are also coupled with student advising and support services. Dual enrollment allows high school students to take classes that both count towards high school graduation and earning college credit, with some students able to graduate high school with an associate's degree. These investments will be complemented by \$45 million in higher education funding for curricular pathways software and public-private partnerships for STEM, education, and health care career preparation (see the Higher Education Chapter for additional information about these initiatives).

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## TRANSPORTATION

School bus fleets are dominated by diesel combustion vehicles. These buses create pollution that harms the environment and are costly to operate. The cost of fuel and repairs necessary to maintain a diesel combustion system erode resources that could otherwise be used to support other aspects of school transportation programs.

The Budget proposes \$1.5 billion one-time Proposition 98 General Fund, available over three years, to support school transportation programs, with a focus on greening school bus fleets. Specifically, grants of at least \$500,000 would be available with priority for local educational agencies with high concentrations of low-income students, youth in foster care, and English language learners, as well as small and rural local educational agencies. For \$500,000, a local educational agency will be able to acquire an electric school bus, construct the bus's charging station, and support other local school bus transportation needs. These investments will result in ongoing savings to transportation programs that could be used to support other aspects of school transportation programs.

Additionally, the Budget proposes a workgroup to streamline the process of training and licensing new school bus drivers. The workgroup would consist of representatives

from the Department of Motor Vehicles, California Highway Patrol, Department of Education, and State Board of Education.

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## NUTRITION

Nutrition programs are a key component in achieving an effective education program. Research shows that child nutrition programs increase student attendance and improve their well-being. The implementation of universal meals will provide benefits to all children and reduce the stigma of free and reduced price meals. The Budget proposes \$596 million Proposition 98 General Fund, on top of \$54 million provided in the 2021 Budget Act, to fund universal access to subsidized school meals.

Beginning in the 2022-23 school year, all public schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility. Further, all schools eligible for the Community Eligibility Provision, the federal universal meals provision, will be required to apply for the program by June 30, 2022 (if they are not already participating) to reduce volatility in costs to the state and to maximize federal reimbursement for meals served. The state will then cover any remaining unreimbursed costs up to the combined state and federal free per-meal rate.

Additionally, the Budget proposes \$450 million one-time Proposition 98 General Fund, available over three years, to upgrade school kitchen infrastructure and equipment to incorporate more fresh, minimally processed California-grown foods in school meals. The Budget also includes \$3 million one-time Proposition 98 General Fund to support the School Breakfast and Summer Meal Start-Up and Expansion Grant Program. Both of these programs are complementary to the provision of school meals for all students as well as the Farm to School Program investments described below.

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## FARM TO SCHOOL PROGRAM

The use of local, minimally processed foods in school meals is both healthier for children and better for the environment, allowing students to establish healthy habits that will serve them well into adulthood. The 2021 Budget Act included \$60 million one-time General Fund over two years to support the California Farm to School Program, which connects local producers and school food buyers; increases food education opportunities in classrooms, gardens, and on farms; and engages schools and students with the agricultural community.

## K-12 EDUCATION

The Budget strengthens this investment by providing an additional \$30 million one-time General Fund to establish additional farm to school demonstration projects and \$3 million ongoing General Fund to expand the regional California Farm to School Network by adding 16 new positions at the California Department of Food and Agriculture. The network supports local food procurement and farm to school programs throughout the state.

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## K-12 SCHOOL FACILITIES

The Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, authorized \$7 billion in state General Obligation bonds to support K-12 school facilities construction. These funds support new construction, modernization, retrofitting, career technical education, and charter school facility projects. The Budget allocates the remaining Proposition 51 bond funds—approximately \$1.4 billion—to support school construction projects.

Additionally, because Proposition 51 bond authority is expected to be exhausted in 2022-23, the Budget proposes approximately \$1.3 billion one-time General Fund in 2022-23 and \$925 million one-time General Fund in 2023-24 to support new construction and modernization projects through the School Facility Program.

The Budget also includes \$30 million ongoing Proposition 98 General Fund to support eligible facilities costs for the Charter School Facility Grant Program. These funds can be used by eligible charter schools for costs associated with remodeling buildings, deferred maintenance, initial installation or extension of service systems and other built-in equipment, site improvements, and facility modifications to mitigate the spread of COVID-19.

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## OTHER K-12 BUDGET ADJUSTMENTS

Other significant adjustments include:

- **Local Property Tax Adjustments**—A decrease of \$127.8 million ongoing Proposition 98 General Fund for school districts and county offices of education in 2021-22, and a decrease of \$1.4 billion ongoing Proposition 98 General Fund for school districts and county offices of education in 2022-23, as a result of increased offsetting property taxes.



- **Cost-of-Living Adjustments**—An increase of \$295 million ongoing Proposition 98 General Fund to reflect a 5.33-percent cost-of-living adjustment for categorical programs that remain outside of the LCFF, including Special Education, Child Nutrition, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **Model Curricula**—An increase of \$14 million one-time Proposition 98 General Fund to support county offices of education in developing model curricula related to the Vietnamese American refugee experience, the Cambodian genocide, Hmong history and cultural studies, and Native American studies.
- **County Offices of Education**—An increase of \$11.5 million ongoing Proposition 98 General Fund to reflect a 5.33-percent cost-of-living adjustment and ADA changes applicable to the LCFF.
- **Agricultural Career Technical Education Incentive Grant**—An increase of \$2 million ongoing Proposition 98 General Fund to support an augmentation to the Agricultural Career Technical Education Incentive Grant program.
- **Instructional Quality Commission**—An increase of \$246,000 one-time non-Proposition 98 General Fund for the Instructional Quality Commission to continue its work on curriculum frameworks.

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# HIGHER EDUCATION

California's exceptional system of higher education—with its focus on access and affordability, equity, and innovation—makes it unique among all other states and plays a central role in the state's present and future economic success. California's institutions of higher education have helped position the state to address the numerous challenges presented by the COVID-19 Pandemic, shifts in the nature of work, and the impacts of climate change.

The 2021 Budget Act included significant investments in financial aid and supports to address student basic needs, reduce student housing costs, develop zero-textbook-cost degrees, and establish child savings accounts to reduce the overall cost of attendance. Further, the 2021 Budget Act also provided learning-aligned, long-term career development and training opportunities that support students' upward economic mobility.

The Governor's Budget builds upon these investments with multi-year compacts with the University of California (UC) and California State University (CSU) and a multi-year roadmap with the California Community Colleges (CCCs) that focus on shared priorities benefitting students. Shared priorities include focusing on closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing the predictability of student costs, increasing California resident undergraduate enrollment, improving faculty diversity, and better aligning curricula and student learning objectives with workforce needs. The shared emphasis on these high-priority areas will be critical in ensuring that public higher education continues to power California's path of sustainable and inclusive growth.

## HIGHER EDUCATION

The Budget proposes total funding of \$39.6 billion (\$26 billion General Fund and local property tax and \$13.6 billion other funds) for the three higher education segments and the California Student Aid Commission. The elevated levels of total funding in 2020-21 and 2021-22 in the figure below reflect the allocation of approximately \$2.7 billion (2020-21) and \$5.5 billion (2021-22) in one-time federal COVID relief funds to the state's public segments of higher education and the California Student Aid Commission. Although some of these funds remain available in 2022-23, they are displayed in the year in which they were received. The figure on Higher Education Expenditures displays additional detail about funding for higher education.

### Higher Education Expenditures (Dollars in Millions)

	2020-21 <sup>3/</sup>	2021-22 <sup>3/</sup>	2022-23	Change from 2021-22	
				Dollars	Percent
University of California					
Ongoing General Fund	3,465.3	4,011.0	4,318.5	\$307.5	7.7%
One-Time General Fund	8.7	741.8	295.0	-	-
Total Funds <sup>1/</sup>	\$9,247.8	\$11,328.3	\$10,437.8	-\$890.5	-7.9%
California State University					
Ongoing General Fund	4,025.6	4,597.4	4,983.2	\$385.8	8.4%
One-Time General Fund	15.2	981.4	234.4	-	-
Total Funds <sup>1/</sup>	\$8,291.5	\$10,471.8	\$8,453.6	-\$2,018.3	-19.3%
California Community Colleges					
General Fund & Property Taxes	11,897.9	12,158.4	12,718.3	\$559.9	4.6%
Total Funds	\$18,068.3	\$19,091.0	\$16,789.1	-\$2,301.8	-12.1%
California Student Aid Commission					
General Fund <sup>2/</sup>	2,000.0	2,689.4	3,457.3	\$767.9	28.6%
Total Funds	\$2,427.7	\$3,595.6	\$3,877.8	\$282.1	7.8%
<b>General Fund</b>	<b>\$21,412.7</b>	<b>\$25,179.4</b>	<b>\$26,006.7</b>	<b>\$827.3</b>	<b>3.3%</b>
<b>Total Funds</b>	<b>\$38,035.3</b>	<b>\$44,486.7</b>	<b>\$39,558.2</b>	<b>-\$4,928.5</b>	<b>-11.1%</b>

<sup>1/</sup> These totals include tuition and fee revenues and other funds the universities report as discretionary.

<sup>2/</sup> General Fund expenditures for the Cal Grant program are offset by reimbursements, including approximately \$400 million in federal Temporary Assistance for Needy Families (TANF) funds received through an agreement with the Department of Social Services.

<sup>3/</sup> 2020-21 Total Funds include federal Coronavirus Response and Relief Supplemental Appropriations Act funding provided directly to colleges and universities, and 2021-22 Total Funds include federal American Rescue Plan Act of 2021 funding provided directly to colleges and universities.

## MULTI-YEAR FRAMEWORK FOR HIGHER EDUCATION

The Administration worked with the UC, CSU, and the CCC Chancellor's Office to develop multi-year compacts and a roadmap that will provide sustained state investments in exchange for clear commitments from each segment to expand student

access, equity, and affordability and to create pathways for students to study and enter careers in health, education, climate action, and technology. Each compact/roadmap is a discrete agreement with the state; however, they are forged with the understanding that each segment must work toward aligned goals and achieve an increased level of intersegmental collaboration. These agreements will provide California students with more opportunities to transfer to four-year institutions and graduate within expected timeframes, in preparation for the jobs that will drive California's economy now and into the future.

The UC and CSU compacts build upon the segments' respective UC 2030 and Graduation Initiative 2025 goals. Over a five-year period, the compacts emphasize student-centered priorities including closing equity gaps, improving time-to-degree completion, reducing students' total cost of attendance, increasing predictability, increasing California resident undergraduate enrollment of both freshmen and transfer students, and better aligning curricula and student learning objectives with workforce needs.

Similarly, the roadmap for the CCC system builds upon the system's existing Vision for Success and focuses on student success by enhancing intersegmental collaboration to facilitate effective and timely transfer of CCC students to public and independent postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs.

To further align each segment's goals and the compacts/roadmap, the Administration is also establishing—at the recommendation of the Governor's Council for Post-Secondary Education—an overarching goal of achieving 70 percent postsecondary degree and certificate attainment among working-aged Californians by 2030.

The Budget includes funding equivalent to a five-percent increase in base General Fund resources annually over five years for UC and CSU, contingent on the ability of each segment to advance these shared goals, which are outlined in greater detail in the following sections. In the coming months, the Administration will continue to work with the segments to refine specific metrics for these goals and commitments, which will be shared as part of the May Revision.

## COLLEGE AFFORDABILITY

State support helps to keep the overall cost of attendance down for students attending California's postsecondary education systems. The 2021 Budget Act made significant investments to increase college affordability, including investments in learning-aligned employment opportunities for UC, CSU, and CCC students; education and training grants for displaced workers; funds to establish child savings accounts for low-income students in public secondary schools based on Local Control Funding Formula definitions; funds to develop zero-textbook-cost degrees; and numerous investments supporting student basic needs and emergency financial aid.

The 2021 Budget Act also expanded the Cal Grant financial aid entitlement to cover students taking a less traditional path to college by eliminating the age and time-out-of-high-school requirements for CCC students, including CCC students with dependent children. Last year, the Middle Class Scholarship was also revamped to focus on reducing students' total cost of attendance.

The 2022-23 Budget expands these investments in college affordability with the following:

- An increase of \$515 million ongoing General Fund, for a total of \$632 million ongoing General Fund, to support a modified version of the Middle Class Scholarship Program and help cover non-tuition costs for more families.
- An increase of \$300 million one-time General Fund to fulfill the \$500 million total commitment to support the Learning-Aligned Employment Program administered by the California Student Aid Commission.
- An increase of \$100 million ongoing Proposition 98 General Fund to support the community college Student Success Completion Grant Program, providing funds for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act.
- Modification of the Cal Grant B Dreamer Service Incentive Grant program to increase participant stipends from the equivalent of a \$10 hourly wage to the equivalent of a \$15 hourly wage, and to authorize any unexpended funds to be provided to UC and CSU to support their California Dream Loan programs.

The multi-year compacts with UC and CSU, and a multi-year roadmap with the CCC Chancellor's Office, are also focused on improving equity and outcomes, which can

increase student success while reducing total cost of attendance through timely degree completion.

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## STUDENT LOAN BORROWER ASSISTANCE

According to The Institute for College Access and Success, average student debt for bachelor's degree earners nationwide grew by approximately 56 percent from 2004 to 2019, from \$18,550 to \$28,950 when adjusted for inflation. Although student loans are an important postsecondary education financing mechanism for many students, it is crucial for prospective and current student loan borrowers to understand their loan options, and for borrowers to understand repayment options.

The Budget includes \$10 million one-time General Fund in 2022-23 to support the Department of Financial Protection and Innovation's outreach and education efforts to assist student loan borrowers.

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## CLIMATE INITIATIVES

Climate emergencies are increasing in both frequency and intensity, disproportionately impacting low-income individuals and communities of color. As detailed in the Climate Change chapter, the Budget proposes a wide-reaching set of investments to integrate climate solutions with equity and economic opportunity. To efficiently implement the state's climate agenda, California will need to continually generate new approaches to identifying and mitigating the impacts of climate change on the environment, public health, communities, and businesses, and to help current and future workers develop the skills needed for transitioning into a cleaner and more sustainable economy.

Recognizing the role of higher education in developing a more sustainable future, the Budget includes \$318 million one-time General Fund for five climate initiatives across the UC and CSU, with an emphasis on equity-focused research, job creation, and workforce development:

- \$100 million at the UC for matching applied research grants, \$50 million for regional incubators, and \$35 million for workforce development and training hubs.
- \$83 million to create the CSU Bakersfield Energy Innovation Center and \$50 million to support the CSU University Farms.

These initiatives will drive the types of research, entrepreneurship, and training that can help accelerate climate mitigation, develop a decarbonized economy, and support workers. When paired with the Budget's other climate-related proposals in housing, transportation, and healthcare, these investments facilitate California's ability to continue to be a leader in addressing climate issues while advancing equitable opportunities.

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## REWARDING CALIFORNIA EXCELLENCE AND INNOVATION

The state's public colleges and universities are home to a wide range of leading-edge research centers, technology-driven partnerships, and creative problem-solvers. Individuals and teams are constantly making great strides that help address many of California's biggest challenges by fostering climate resilience, social justice, and economic growth.

These innovators have an extraordinary impact and inspire the next generation of entrepreneurs. To that end, the Budget includes \$30 million one-time General Fund to establish the Golden State Awards program and provide up to 30 grants to innovative projects that are either based at or associated with a public college or university in California. The California Education Learning Lab, under the Governor's Office of Planning and Research, will oversee the grant-making process. A committee of 12 experts from diverse disciplines and sectors of society selected by the Governor, the Senate President pro Tempore, and the Assembly Speaker, will select the grant recipients. The resulting state-level public forum will elevate achievements from California innovators, recognizing today's innovators and inspiring future generations of California excellence.

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## CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.8 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2020-21, the CCCs awarded over 116,000 certificates and 201,000 degrees and transferred over 114,000 students to four-year institutions.



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## CCC ROADMAP TO CALIFORNIA'S FUTURE

The Administration and the CCC Chancellor's Office have developed a collaborative multi-year roadmap that focuses on equity and student success, enhancing the system's ability to prepare students for California's future. The roadmap builds upon existing efforts taken by colleges toward meeting the goals established in the CCC system's Vision for Success and establishes shared expectations of the community college system for fiscal year 2022-23 and beyond, including investing available Proposition 98 resources for the colleges to support these efforts and providing additional fiscal resources to the Chancellor's Office to better support the colleges in meeting these goals. The roadmap works in tandem with the UC and CSU compacts to increase transfer capacity and streamline transfer pathways between the segments.

Key goals and expectations in the roadmap include enhancing intersegmental and cross-sectoral collaboration for timely transfer of CCC students, increasing transfers to the state's four-year postsecondary institutions, improving time-to-degree and certificate completion, closing equity gaps, and better aligning the system with K-12 and workforce needs. Specifically, goals and expectations in the roadmap include:

- Improving educational outcomes for CCC students:
  - Increasing the percentage of CCC students who acquire associate degrees, credentials, certificates, and specific skill sets that prepare them for in-demand jobs by 20 percent by 2026.
  - Decreasing the median units to completion by 15 percent and establishing systemwide stretch goals regarding the number of students completing their educational program or transferring to a four-year institution within the minimum amount of time necessary.
  - Proportionally increase the number of CCC students transferring annually to a UC or CSU relative to enrollment growth at the UC and CSU.
  - Annually publishing the two-year associate degree graduation rates for all community colleges and the percentage of first-time students meeting sophomore standing when entering their second year, disaggregated to reflect underrepresented students and Pell Grant students to facilitate evaluations of equity gaps.

- Improving student success and advancing equity:
  - Improving systemwide graduation rates, transfer rates, and time to completion among traditionally underrepresented students and Pell Grant students such that they meet the average of all students by 2026.
  - Closing equity gaps between the types of students able to access a dual enrollment program.
- Increasing intersegmental collaboration to benefit students:
  - Fully participating in the implementation of the Cradle-to-Career Data System.
  - Supporting efforts for CCCs to adopt a common intersegmental learning management system.
  - Utilizing systemwide data collected for purposes of the Cradle-to-Career Data System, collaborating with the CSU and UC to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
  - Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
  - Increasing the percentage of K-12 students who graduate with 12 or more college units earned through dual enrollment by 15 percent.
  - Establishing a baseline for credit for prior learning offerings and increasing these offerings annually, in addition to launching 10 new direct-assessment competency based education programs.
  - Increasing the percentage of completing students who earn a living wage by 15 percent.
  - Within the aforementioned increases, focusing on establishing or expanding programs that address California's workforce needs in healthcare, climate action, education and early education.
  - Establishing coordinated educational pathways from high school through four-year institutions in the high-need fields of education, healthcare, technology, and climate action, including collaborating with UC and CSU to develop Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields. Dual enrollment opportunities should

ensure that CCC course credits earned by high school students are accepted for transfer credit and apply toward degree programs.

The 2022-23 Budget includes several investments intended to align with the roadmap:

- Building upon the 2021 Budget Act's expansion of the Cal Grant entitlement program, the Budget includes \$100 million ongoing Proposition 98 General Fund for students newly eligible for the Student Success Completion Grant due to expanded Cal Grant B and Cal Grant C eligibility for community college students.
- Building upon a \$10 million one-time Proposition 98 General Fund investment in the 2021 Budget Act to plan for and begin developing a common course numbering system throughout the CCCs, the Budget includes an increase of \$105 million one-time Proposition 98 General Fund to support the systemwide implementation of a common course numbering system pursuant to the provisions of Chapter 568, Statutes of 2021 (AB 1111).
- An increase of \$65 million one-time Proposition 98 General Fund for community colleges to implement the transfer reform provisions required by Chapter 566, Statutes of 2021 (AB 928).
- An increase of \$25 million one-time Proposition 98 General Fund to assist community colleges with the procurement and implementation of software that maps intersegmental curricular pathways to help students choose their pathway, facilitate streamlined transfer between segments, and reduce excess units taken on the path to degree or program completion.
- An increase of \$10 million ongoing Proposition 98 General Fund to support the sustainable implementation of Equal Employment Opportunity program best practices to diversify community college faculty, staff, and administrators.
- An increase of \$10 million ongoing Proposition 98 General Fund to augment resources provided to community college financial aid offices.
- An increase of \$10 million ongoing Proposition 98 General Fund to expand availability of foster youth support services offered by the NextUp program from 20 districts to 30 districts.
- An initial increase of \$1.4 million ongoing General Fund to support 9 new positions at the CCC Chancellor's Office in 2022-23, and an additional \$1.4 million ongoing General Fund to support 10 additional new positions in 2023-24. These new resources will aid the CCC Chancellor's Office in supporting curriculum-related reforms;

technology modernization efforts; and increased state operations capacity for data analysis, research, legal affairs, districts' fiscal health monitoring, and government relations. The Administration intends to work with the Chancellor's Office in consideration of additional state operations resources for inclusion in the May Revision.

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### **SUPPORTING STUDENT ENROLLMENT AND RETENTION**

The community colleges continue to see enrollment declines exacerbated by the COVID-19 Pandemic that diverge from enrollment patterns observed during prior economic recessions and highlight the unique challenges presented by the COVID-19 Pandemic. To build on an investment of \$120 million one-time Proposition 98 General Fund for student enrollment and retention in the 2021 Budget Act, the Budget includes an additional \$150 million one-time Proposition 98 General Fund to continue to support community college efforts and focused strategies to increase student retention rates and enrollment. Efforts include engaging with former students who may have withdrawn from college due to COVID-19, and connecting with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.

The disruptions to student learning caused by the COVID-19 Pandemic disproportionately affect many student populations regularly served by the CCC system, including non-native English speakers, first-generation college students, working learners, student parents, and re-entry students. Given these challenges, community college districts should strive to meet the needs of their diverse student populations: some may be best served by the flexibility offered by an online course format, while others may be better served by in-person instruction. It is the expectation of the Administration that community college districts aim to offer at least 50 percent of their lecture and laboratory course sections as in-person instruction for the 2022-23 academic year, provided the approach is consistent with student learning modality demand and public health guidelines in place at the time.

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### **CONTINUED IMPLEMENTATION OF THE STUDENT CENTERED FUNDING FORMULA**

The Administration continues to support the Student Centered Funding Formula (SCFF), which has provided fiscal stability for districts during the COVID-19 Pandemic, and continues to prioritize access and student success. As districts enter their fourth year of implementation of the SCFF, its hold harmless provision—which ensures that districts

receive the greater of the formula's core funding computation or their 2017-18 funding level annually adjusted by a cost-of-living adjustment (COLA)—is currently set to expire after 2024-25. To prevent fiscal declines between 2024-25 and 2025-26, the Budget proposes statute to create a funding floor for districts that allows all districts to transition to the core formula over time. Effectively, this allows funding rates to continue to increase by the statutory COLA, but removes its application to the hold harmless provision commencing with 2025-26 and permanently extends the revised hold harmless provision.

Further, the Administration supports the recommendation made by the Student Centered Funding Formula Oversight Committee to integrate an unduplicated first-generation student metric within the SCFF's supplemental allocation once a reliable and stable data source is available.

## OTHER BUDGET ADJUSTMENTS

- **CCC Apportionments**—An increase of \$409.4 million ongoing Proposition 98 General Fund to provide a 5.33-percent COLA for apportionments and \$24.9 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.
- **Deferred Maintenance**—An increase of \$387.6 million one-time Proposition 98 General Fund to support deferred maintenance and energy efficiency projects at community colleges, of which \$108.7 million is from 2022-23, \$182.1 million is from 2021-22, and \$96.8 million is from 2020-2021.
- **Part-Time Faculty Health Insurance**—To support community college part-time faculty, the Budget includes an increase of \$200 million ongoing Proposition 98 General Fund to augment the Part-Time Faculty Health Insurance Program to expand healthcare coverage provided to part-time faculty by community college districts.
- **Healthcare Vocational Education**—An increase of \$130 million one-time Proposition 98 General Fund, of which \$30 million is for 2022-23, \$50 million is for 2023-24, and \$50 million is for 2024-25, to support healthcare-focused vocational pathways for English language learners across all levels of English proficiency, through the Adult Education Program.
- **CCC Technology Modernization and Sensitive Data Protection**—An increase of \$100 million Proposition 98 General Fund, of which \$75 million is one-time and \$25 million is ongoing, to address modernization of CCC technology infrastructure, including sensitive data protection efforts at the community colleges.

- **Emergency Financial Assistance Grants for AB 540 Students**—An increase of \$20 million one-time Proposition 98 General Fund to support emergency student financial assistance grants to eligible AB 540 students.
- **Pathways Grant Program for High-Skilled Careers**—An increase of \$20 million one-time Proposition 98 General Fund for a grant program that incentivizes public-private partnerships that prepare students in grades 9 to 14 for the high-skill fields of education and early education; science, technology, engineering and mathematics (STEM); and healthcare.
- **CCC Teacher Credentialing Partnership Program**—An increase of \$5 million one-time Proposition 98 General Fund to support the CCC Teacher Credentialing Partnership Program.
- **African American Male Education Network and Development (A2MEND) Student Charters**—An increase of \$1.1 million ongoing Proposition 98 General Fund to support the expansion of A2MEND student charters to an increased number of community college districts.
- **Support for Umoja Program Study**—An increase of \$179,000 one-time Proposition 98 General Fund to support a study of the Umoja program practices that promote student success for African American students.
- **Local Property Tax Adjustment**—A decrease of \$230.5 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **CCC Facilities**—General Obligation bond funding of \$373 million one-time for the construction phase of 17 projects anticipated to complete design by spring 2023, and the working drawings phase of 1 project. This allocation represents the next installment of the \$2 billion available to CCCs under Proposition 51.

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## CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. Its 23 campuses enroll more than 477,000 students. In 2020-21, the CSU awarded more than 132,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs. The CSU strives to better fulfill its mission through the Graduation Initiative 2025, which aims to increase four-year graduation rates, increase two-year transfer graduation rates, and eliminate equity gaps. The CSU is an especially important institution for providing four-year education in

some of the most underserved regions of the state, including the Far North, the Central Valley, and the Inland Empire.

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## **SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT**

The Budget reflects a multi-year compact that provides substantial and sustained funding increases to CSU in exchange for commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$304.1 million in ongoing General Fund augmentations for the CSU, including \$211.1 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.

In addition, the Budget includes \$233 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center, to support equipment and facilities at the CSU University Farms, and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of CSU's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the CSU:
  - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 14,000 additional full-time students).
  - For this enrollment growth, maintaining—at minimum—a share of transfer student admissions at least consistent with existing transfer admissions practices.
- Improving student success and advancing equity:
  - Raising graduation rates to be within the top 25 percent of comparable national peer institutions by 2025, including by improving four-year first-time student graduation rates by 30 percent (9 percentage points) by 2025.
  - Eliminating gaps in graduation rates between Pell Grant and non-Pell Grant students, as well as underrepresented minority students and non-underrepresented minority students, by 2025.

## HIGHER EDUCATION

- Advancing systemwide and campus-level re-enrollment campaigns and establishing campus retention targets beginning in spring 2022.
- Expanding credit opportunities, particularly for underrepresented minority students and Pell Grant students, in intersession and summer session with the goal of closing gaps in credit accumulation.
- Providing every CSU student access to a real-time digital degree planner by June 2022.
- Increasing the affordability of a CSU education:
  - Reducing the cost of instructional materials by 50 percent by 2025, saving CSU students \$150 million annually.
  - Implementing strategies that increase the overall affordability of on-campus housing, such as including student housing as part of future capital campaigns.
- Increasing intersegmental collaboration to benefit students:
  - Fully participating in the implementation of the Cradle-to-Career data system.
  - Supporting efforts for CSU campuses to adopt a common intersegmental learning management system.
  - Collaborating with the UC and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
  - Supporting efforts to establish an integrated admissions platform common to UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
  - Increasing the number of students who enroll in STEM, Education and Early Education disciplines, and Social Work by 25 percent by 2026-27. The goal is to expand and support high-demand career pipelines for climate action, healthcare, social work, and education.
  - Establishing a goal to increase the number of Early Education degree pathways available to students by 2025 for applicable campuses.
  - Collaborating with the CCCs to develop educator (early, primary, and secondary), healthcare, technology, social work, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields, with an initial priority on Educator pathways.



- Collaborating with the CCCs to develop expanded pathways for high school students in the education, healthcare, technology, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and count toward CSU degree programs.
- Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Doubling opportunities for students who want research assistantships or internships—with an emphasis on underserved students—by 2025.
- Providing access to online course offerings:
  - Ensuring that by 2025 every student who wants to take online courses will be able to do so by increasing online course offerings above pre-pandemic levels.
  - Increasing concurrent student enrollment in online courses delivered by sister CSU campuses by a multiple of 10 by 2025 – from 500 to 5,000 enrollments.
  - Expanding digital tools to students to access learning material online so that every student has access to appropriate technology for online learning (e.g., CSUCCESS).

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## DETAILED BUDGET ADJUSTMENTS

### ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$211.1 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$81 million ongoing General Fund to support California resident undergraduate student enrollment growth of 9,434 full-time equivalent students in the 2022-23 academic year.
- **Foster Youth Supports**—An increase of \$12 million ongoing General Fund to increase support for foster youth students.

### ONE-TIME ADJUSTMENTS

- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at CSU campuses.
- **CSU Bakersfield Energy Innovation Center**—An increase of \$83 million one-time General Fund to support the construction of the CSU Bakersfield Energy Innovation Center.
- **University Farms**—An increase of \$50 million one-time General Fund for equipment and infrastructure improvements at CSU University Farms.

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## 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 ten campuses enroll approximately 290,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2020-21, the UC awarded more than 85,000 degrees, including more than 65,000 undergraduate degrees. In the 2021 calendar year, two UC faculty members received Nobel Prizes, bringing the total number of UC faculty and staff who have been awarded Nobel Prizes since 1934 to 70.

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### SIGNIFICANT INVESTMENTS AND MULTI-YEAR COMPACT

The Budget reflects a multi-year compact for substantial and sustained funding increases to UC, in exchange for clear commitments to expand student access, equity, and affordability, and to create pathways to high-demand career opportunities. The Budget includes \$307.3 million in ongoing General Fund augmentations for the UC, including \$200.5 million ongoing General Fund for a five-percent increase in base resources and ongoing General Fund resources for California resident undergraduate enrollment growth of 7,132 full-time equivalent students.

In addition, the Budget includes \$295 million one-time General Fund to expand climate-focused research, innovation and entrepreneurship, and workforce development and training; to advance dyslexia research; and for deferred maintenance and energy efficiency projects.

These investments, along with planned base resource growth of five percent annually through 2026-27, are provided in recognition of UC's commitment toward achieving the following goals through a multi-year compact with the Administration:

- Increasing access to the UC:
  - Beginning in 2023-24 and through 2026-27, increasing California resident undergraduate enrollment by approximately one percent per year (for a total of more than 7,000 additional full-time equivalent students), with a significant portion of the new enrollment growth occurring at the following campuses—UC Berkeley, UC Los Angeles, and UC San Diego.
  - Maintaining UC's existing systemwide goal to enroll one new California resident transfer student for every two new California resident freshmen.
  - Increasing graduate student enrollment by roughly 2,500 full-time equivalent students.
- Improving student success and advancing equity:
  - Improving systemwide undergraduate graduation rates, including an increase to 76 percent for the four-year freshman graduation rate and 70 percent for the two-year transfer graduation rate.
  - Eliminating gaps between overall four-year freshman graduation rates and those of underrepresented students by 2030, with a goal of reducing the gap by half by the end of the 2025-26 academic year.
- Increasing the affordability of a UC education:
  - Working to offer every UC undergraduate a pathway for debt-free education by 2030, with a goal to offer debt-free pathways to half of undergraduates by the 2025-26 academic year.
  - Setting goals for each campus to eliminate textbook costs for all lower-division undergraduate courses and a substantial portion of upper division and graduate courses.
  - Setting aside 45 percent of new revenue generated from undergraduate tuition and systemwide fee increases for financial aid.
  - Including student housing as part of ongoing capital campaigns.
- Increasing intersegmental collaboration to benefit students:
  - Fully participating in the implementation of the Cradle-to-Career Data System.

- Supporting efforts for UC undergraduate campuses to adopt a common intersegmental learning management system.
- Collaborating with the CSU and CCCs to utilize the CSU Student Success Dashboard, or a similar tool, to identify equity data trends that can be used to address equity gaps.
- Supporting efforts to establish an integrated admissions platform common to the UC, CSU, and CCCs.
- Supporting workforce preparedness and high-demand career pipelines:
  - Increasing the number of students graduating with degrees or credentials in STEM, and Education or Early Education disciplines, and academic doctoral degrees, by 25 percent by 2026-27. The goal is to support high-demand career pipelines for technology, climate action, healthcare, and education.
  - Collaborating with the CCCs to develop technology, educator, healthcare, and climate action Associate Degree for Transfer pathways and transfer pathways for transfer students interested in entering these fields.
  - Collaborating with the CCCs to develop expanded pathways for high school students in the technology, education, healthcare, and climate action fields and ensuring that dual enrollment course credits completed by high school students through the CCCs are accepted for transfer credit and apply toward UC degree programs.
  - Establishing a goal to enable all students to participate in at least one semester of undergraduate research, internships, and/or relevant on-campus or community service learning to expand efforts to integrate career-relevant knowledge and skills into the educational experience.
- Providing access to online course offerings:
  - Doubling the number of student credit hours generated through undergraduate online courses compared to a pre-pandemic baseline by 2030.

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## DETAILED BUDGET ADJUSTMENTS

### ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$200.5 million ongoing General Fund for operating costs.
- **Resident Undergraduate Enrollment Growth**—An increase of \$67.8 million ongoing General Fund to support California resident undergraduate student enrollment growth of 6,230 full-time equivalent students, and \$31 million ongoing General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses.
- **Foster Youth Supports**—An increase of \$6 million ongoing General Fund to increase support for foster youth students.
- **Firearm Research**—An increase of \$2 million ongoing General Fund to support research conducted by the University of California Firearm Violence Research Center.
- **Graduate Medical Education**—A decrease of \$582,000 ongoing General Fund to adjust the Proposition 56 revenue offset amount for a statewide grant program and maintain \$40 million ongoing for graduate medical residency slots.

### ONE-TIME ADJUSTMENTS

- **Climate Initiatives**—An increase of \$185 million one-time General Fund to support three complementary climate initiatives, including \$100 million for climate action research seed and matching grants available to researchers from the UC system and other institutions, \$50 million for regional climate innovation incubators, and \$35 million to establish climate workforce development and training hubs.
- **Deferred Maintenance and Energy Efficiency**—An increase of \$100 million one-time General Fund for deferred maintenance and energy efficiency projects at UC campuses.
- **Dyslexia Research**—An increase of \$10 million one-time General Fund to support the University of California San Francisco Dyslexia Center.

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## CALIFORNIA STUDENT AID COMMISSION

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

The Budget assumes total financial aid expenditures of \$3.8 billion, of which \$3.4 billion supports the Cal Grant Program and Middle Class Scholarship Program. In 2020-21, approximately 141,000 students received new Cal Grant awards, and approximately 232,000 students received renewal awards.

The state's Cal Grant entitlement program is estimated to provide over 502,000 financial aid awards to students who meet specified eligibility criteria in 2022-23, including more than 170,000 awards to CCC students newly eligible due to the entitlement expansion made in the 2021 Budget Act. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one of 13,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation.

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### SIGNIFICANT ADJUSTMENTS

- **Middle Class Scholarship**—An increase of \$515 million ongoing General Fund, for a combined total of \$632 million, to support a modified version of the Middle Class Scholarship Program that will focus resources toward reducing a student's total cost of attendance.
- **Learning-Aligned Employment Program**—An increase of \$300 million one-time General Fund for the Learning-Aligned Employment program, which provides a two-year total of \$500 million when combined with funds provided to establish the program in the 2021 Budget Act.
- **Cash for College Program**—An increase of \$500,000 one-time General Fund to expand and supplement existing Cash for College Regional Coordinating Organizations that offer technical assistance to help complete college financial aid applications.

- **Financial Aid Programs**—An increase of \$479,000 ongoing General Fund for 5 positions at the California Student Aid Commission to support financial aid programs.
- **Cal Grant Program Adjustments**—A decrease of \$43.8 million one-time General Fund in 2021-22 and an increase of \$143.8 million ongoing General Fund in 2022-23 to reflect:
  - Revised estimates of the number of new and renewal Cal Grant awardees in 2021-22 and 2022-23.
  - The impact of the UC's recently adopted cohort-based tuition model, which increases Cal Grant tuition and fee award amounts for some UC students beginning in the 2022-23 academic year.

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## SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare College Savings Trust Program (ScholarShare 529), the California Memorial Scholarship Program (CMS), and the California Kids Investment and Development Savings Program (CaKIDS).

The CaKIDS program funds college savings accounts targeted to low-income and underrepresented public school students, in addition to establishing college savings accounts for all newborns. The 2021 Budget Act provided approximately \$1.9 billion in one-time federal and state funds to establish college savings accounts for all current low-income public school students in grades 1-12 in 2021-22, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

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## SIGNIFICANT ADJUSTMENTS

- **Future CaKIDS Cohorts**—Approximately \$170 million ongoing General Fund to establish college savings accounts for incoming first-grade cohorts of low-income public school students, as defined for purposes of the Local Control Funding Formula, with supplemental investments for foster youth and homeless students enrolled in a public school.

- **CalKIDS Implementation**—An increase of \$5 million one-time General Fund for CalKIDS participant notification and marketing costs, and \$238,000 ongoing General Fund to support 2 additional staff for CalKIDS.
- **Financial Literacy**—An increase of \$5 million ongoing General Fund for financial literacy outreach efforts that will inform families of the long-term benefits of savings associated with CalKIDS.

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## STUDENT HOUSING

The 2021 Budget Act established the Higher Education Student Housing Grant program to provide one-time grants for CCCs, CSU, and UC to construct student housing or to acquire and renovate commercial properties into student housing for low-income students. The goal of the program is to expand the availability of affordable student housing, thereby relieving one of the largest financial pressures students face and supporting timely degree completion among California students.

The 2021 Budget Act also appropriated \$500 million one-time General Fund for the Higher Education Student Housing Grant program in 2021-22, of which up to \$25 million is available for CCC planning grants for student housing. The Department of Finance received 114 applications totaling approximately \$3.2 billion from CCCs, CSU, and UC in the initial application filing round. By March 1, Finance will provide the Joint Legislative Budget Committee a list of projects proposed to be funded with the 2021-22 appropriation. The funds available in 2021-22 will be appropriated for specific projects and planning grants to be identified in subsequent legislation.

The Budget provides \$750 million one-time General Fund for the second installment of a planned \$2 billion one-time General Fund appropriation over a three-year period.

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## HASTINGS COLLEGE OF THE LAW

Hastings College of the Law is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2020-21, UC Hastings enrolled 944 full-time equivalent students. Of these, 813 were Juris Doctor students.



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## SIGNIFICANT ADJUSTMENTS

- Base Growth—An increase of \$2 million ongoing General Fund to support operating costs.

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## CALIFORNIA STATE LIBRARY

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

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## SIGNIFICANT ADJUSTMENTS

- Digitization of Significant Materials—An increase of \$12.8 million one-time General Fund and \$1.2 million ongoing General Fund for 9 positions, equipment, and other resources to support the digitization of historically and culturally significant materials, improved cataloging of library collections, and specialized digital concierge services for state agencies.
- Online Job Training and Workforce Development—An increase of \$8.8 million one-time General Fund to support two additional years of free online job training and educational upskilling programs available through local public libraries.
- Lunch at the Library—An increase of \$5 million ongoing General Fund and 2 positions to expand the number of library jurisdictions providing summer meal programs for students in low-income communities.
- Building Rental Costs—An increase of \$2.2 million ongoing General Fund for increased building rental expenses at the Library and Courts II building.

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## OFFICE OF PLANNING AND RESEARCH

The Governor's Office of Planning and Research serves as the Administration's staff for long-range planning and research, and constitutes the state's comprehensive planning agency.

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## **SIGNIFICANT ADJUSTMENTS**

- Golden State Awards—\$30 million one-time General Fund for the California Education Learning Lab to establish and support the Golden State Awards Program.
- Carnegie Science Grant—\$20 million one-time General Fund to support a grant to Carnegie Science for the Pasadena Climate Research Hub facility.
- California Education Learning Lab Restoration—An increase of \$2 million ongoing General Fund to restore the 2020 Budget Act reduction to the California Education Learning Lab's grant pool.
- Individualized Adaptive Learning—\$1 million ongoing General Fund for the California Education Learning Lab to establish an open educational resources platform offering free and responsive homework modules in STEM.

# ECONOMIC GROWTH, JOB CREATION, AND EXPANDED OPPORTUNITY

California is home to innovative industries that have fundamentally changed the way we live and communicate. It is the place where the spark of an idea can transform the world and create substantial economic opportunity.

Harnessing California's innovative spirit, the Governor's Budget encourages the development of climate solutions that will prepare and protect the state's communities, create high-paying jobs, and spur economic growth. The Budget supports small businesses—the drivers of economic growth that have created two-thirds of new jobs and employ half of all private-sector employees—with hundreds of millions of dollars in much needed relief at this critical point in the state's economic recovery. The Budget also includes programs to train workers in fields critical to California's future. Through these investments, even more Californians can participate in California's economic growth.

The COVID-19 Pandemic triggered the deepest recession since the Great Depression. While the pandemic took an unprecedented economic toll, the recovery has been swift, with California gross domestic product (GDP) returning back to its pre-pandemic level in the first quarter of 2021. During the Great Recession, California real GDP took more than three times as long to recover from a contraction that was about half as deep. The state has added back 1.9 million jobs between May 2020 and November 2021, about 70 percent of the total jobs lost in March and April 2020 during the

pandemic peak, and the state is now projected to recover twice as fast as during the Great Recession.

Much of this remarkable rebound was made possible by state and federal actions to support individuals and small businesses through the initial period of economic distress and the subsequent economic recovery. Among these actions:

- The state and federal government supported renters and homeowners with eviction moratoria that helped to avoid major disruptions in the housing market. This was in addition to federal emergency rental assistance and mortgage relief programs, which provided direct mortgage and rental assistance to help keep Californians housed.
- The state supported millions of Californians through the billions of dollars allocated to two Golden State stimulus programs and the Golden State grant program, cushioning them from the worst effects of the COVID-19 Recession.
- The state provided billions of dollars to support small businesses hit hardest by the pandemic through the California Small Business COVID-19 Relief Grant Program.
- The state provided targeted support to California businesses through new grant programs such as the California Microbusiness COVID-19 Relief Grant Program and California Venues Grant Program.
- The state provided nearly \$120 million one-time General Fund in 2020-21 to offer fee waivers to individuals (including barbers, cosmetologists, and manicurists) and smaller entities (including restaurants and bars) disproportionately impacted by health and safety restrictions imposed in response to the COVID-19 Pandemic. Licensees of the Board of Barbering and Cosmetology are receiving relief from annual license renewals over a two-year renewal period. Restaurants, bars, and other specified licensees of the Department of Alcoholic Beverage Control are eligible for up to two fee waivers from March 2021 through February 2023.
- The state extended tax payment deadlines and paused the imposition of penalties for many taxpayers.
- The state conformed its tax law to the federal treatment of Paycheck Protection Program (PPP) forgiven loans, allowing most of the hundreds of thousands of small businesses in California that received a loan to avoid paying tax on that income.
- The state maintained the 2019 Budget Act's Earned Income Tax Credit (EITC) expansion that more than doubled the credit and created the Young Child Tax

Credit, and expanded the EITC to certain filers that use an Individual Taxpayer Identification Number (ITIN).

- The state expanded the \$800 minimum franchise tax waiver to all businesses to support small business creation and innovation.
- The federal government extended Unemployment Insurance benefits, providing additional time for individuals to regain employment. In addition, the federal government established pandemic benefit programs for workers not covered under traditional unemployment insurance.

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## ECONOMIC GROWTH AND JOB CREATION

The Budget proposes new investments to further support economic growth and opportunity for all Californians and positions the state as a global leader in innovation and solutions to both mitigate and adapt to the changing climate. Critical to the state's future are programs to train workers in fields needed for California's future so that even more Californians can participate in the state's economic growth.

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## ELIMINATION OF THE LIMITS ON USAGE OF NET OPERATING LOSSES (NOLs) AND TAX CREDITS FOR THE 2022 TAX YEAR

In anticipation of a large structural deficit, the 2020 Budget Act temporarily limited the use of NOLs and business tax credits, including the Research and Development (R&D) credit, from 2020 through 2022. The revenue picture has since improved dramatically. Accordingly, the Budget proposes to restore these NOLs and credits one year earlier than planned at a cost of \$5.5 billion in 2022-23.

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## NEW TAX CREDITS TO ENCOURAGE CLIMATE INNOVATION

As discussed in the Climate Change Chapter, the Budget includes significant investments to support the state's climate goals. In addition to these investments, the Budget proposes two new credits that will help California transition to a more resilient climate future.

The first is a new credit for companies investing in activities and technologies that mitigate climate change and are headquartered in California. This Innovation Headquarters Credit builds on the success of and is in addition to the existing R&D credit, will be administered by the Franchise Tax Board, will be in place from 2022

through 2024, and will be designed to target a revenue loss of roughly \$250 million per year for three years.

The Budget also includes a new tax credit for those that opt in to develop green energy technologies—totaling \$100 million per year for three years. This credit will fund pre-development costs for new technologies such as: electric vehicle manufacturing and infrastructure; geothermal, lithium extraction, and battery manufacturing; long-duration storage; addressing methane emissions; and hydrogen technologies to reduce the use of natural gas. The credit will be awarded by a newly created clean energy board at the Governor's Office of Business and Economic Development (GO-Biz). So Californians can share more broadly in the gains from these innovations, these credits will be structured so that if the business becomes profitable, a share of profits will be repaid to the state.

In addition, as mentioned in the Climate Change Chapter, the state also plans to support the development of naturally occurring resources of lithium—a critical component of advanced battery technology—to improve the state's ability to store renewable energy while creating high-paying jobs and generating benefits for surrounding communities and all Californians. The Administration is also exploring opportunities to collaborate with the United States Department of Energy Loan Program Office to support projects and technologies that focus on mitigating climate change in disadvantaged communities.

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### **ELECTIVE PASS-THROUGH ENTITY TAX: STATUTORY CHANGES**

The 2021 Budget Act included an elective tax and credit program designed to help certain business owners in California fully deduct on their federal tax returns the California taxes they pay on pass-through business income. This program was designed in response to the \$10,000 limit on the deductibility of state and local taxes that was adopted as part of the federal Tax Cut and Jobs Act of 2017. Current state law, however, includes two limitations that prevent California businesses from fully realizing the benefit of the tax and credit program. First, the credit is not allowed to reduce tax owed below the taxpayer's tentative minimum tax (TMT). The safeguards provided by the TMT are not needed with this credit because tax on the income has already been paid at the business entity level.

Second, taxpayers who own their share of a business through a disregarded entity, such as a single-member Limited Liability Company, cannot participate in this tax and credit program. To remedy this, the Budget proposes statutory changes to remove the TMT

limitation on the use of the elective pass-through entity tax credit against personal income taxes and allow businesses owned by individuals using a disregarded entity to participate in the program.

These changes will allow more California business owners, particularly smaller business owners, to regain at least a portion of the deductibility of their California taxes. Due to the uncertainty of the timing and magnitude of fiscal effects associated with the pass-through entity tax, the Budget does not reflect a revenue change for these proposals, although the pass-through entity tax is still expected to result in a modest net revenue gain over multiple fiscal years. These changes should be enacted in time to assist businesses with their 2021 tax liabilities before the March 15, 2022 tax filing and payment deadline for pass-through business entities.

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## **SMALL BUSINESS INVESTMENTS**

Small businesses are job creators, innovators, and are key to the fabric of the state's diverse communities. The Budget includes significant investments to support the state's small businesses, including tax relief for businesses impacted by the pandemic, fee waivers for new businesses to encourage business growth, additional funding to bolster existing grant programs and technical assistance centers, and new programs to support entrepreneurs.

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## **TAX RELIEF FOR CALIFORNIA BUSINESSES IMPACTED BY THE PANDEMIC**

Chapter 17, Statutes of 2021 (AB 80) provided tax relief to most California businesses that had their loans forgiven under the federal PPP. Specifically, it conformed California's tax treatment of the forgiven loans to the federal tax treatment so those forgiven loans were not taxed. After the federal PPP, the federal government also provided grants to some specific industries that were harmed by the pandemic.

The federal Restaurant Revitalization Fund was established as part of the American Rescue Plan Act to provide grants to help restaurants and other eligible businesses stay open. The federal Shuttered Venue Operators Grant program was also established to provide assistance to venue owners forced to close their doors due to the pandemic. The Budget generally conforms California's tax treatment of these grants to the federal treatment: exempting the grant amount from taxable income and allowing normal deductibility for the expenses related to those grants. The Administration notes that these changes should be made in time to assist businesses with their 2021 tax liabilities before the March 15, 2022 tax filing and payment deadline. These proposals

reduce revenues by \$130 million in 2021-22 and \$144 million in 2022-23 and will result in nearly \$500 million total revenue loss over several years.

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### **STATE SMALL BUSINESS CREDIT INITIATIVE**

The American Rescue Plan Act of 2021 included \$10 billion to reauthorize the State Small Business Credit Initiative (SSBCI), initially created in 2010, to strengthen state programs that support financing of small businesses. In 2010, California received \$168 million from the SSBCI, with the funds split equally between the California Infrastructure and Economic Development Bank (IBank) and the State Treasurer's Office. California operated three of the five SSBCI authorized programs: the California Capital Access Program for Small Business, California Capital Access Program Collateral Support at California Pollution Control Finance Authority, and the Small Business Loan Guarantee Program that is now administered by IBank.

In November 2021, the U.S. Treasury Department released policy guidelines for SSBCI and indicated that California is set to receive \$1.2 billion. The IBank and the State Treasurer's Office intend to again split the allocation evenly, providing each department with approximately \$591 million. The current expenditure plan allocates \$1 billion to the existing programs referenced above, and \$200 million to establish a Venture Capital program at IBank. The Venture Capital program will be directed toward: (1) underrepresented venture capital managers, (2) underserved entrepreneurs and business owners, (3) geographic areas that are socio-economically disadvantaged or that receive limited venture capital funding, and (4) climate equity and climate justice.

IBank and the State Treasurer's Office initiated the initial SSBCI application on December 10, 2021. The final application that includes detailed information about how the state will spend the funds is due by February 11, 2022.

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### **ONGOING SUPPORT FOR SMALL BUSINESSES**

GO-Biz serves as the state's leader for job growth, economic development, and business assistance efforts. The California Office of the Small Business Advocate (CalOSBA), within GO-Biz, specifically supports small businesses and innovative startups to allow them to better navigate resources, programs, and regulations, and serves as the voice of small businesses by representing their views and interests across the state.



In December 2020, CalOSBA launched the California Small Business COVID-19 Relief Grant Program to administer grants of up to \$25,000 to eligible small businesses and nonprofits. A total of \$4 billion (\$2.5 billion General Fund and \$1.5 billion federal funds) has been allocated for this program. There have been nine rounds of grants, including two rounds exclusively for nonprofit cultural institutions. As of December 2021, over 308,700 small businesses received grants at an average grant amount of \$11,000. Awards are still ongoing for rounds seven, eight, and nine and will continue until all funds have been exhausted.

Due to the high demand for the program, approximately 150,000 applications remain unfunded. The Budget includes a total of \$150 million General Fund in 2022-23 to capture any small businesses that did not receive a grant. Of this total amount, \$20 million will be reallocated from the undersubscribed nonprofit cultural institution grants, and an additional investment of \$130 million will cover the remaining amount.

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### **CALIFORNIA INNOVATION HUBS AND ENTREPRENEURSHIP GRANTS**

The 2021 Budget Act included \$2.5 million one-time General Fund to relaunch the California Innovation Hub program to establish 10 iHubs to focus on diversity, equity, and inclusion in the state's technology and science-based startup community. The program, housed in GO-Biz, encourages regions to build upon their existing or emerging innovation resources and local industry concentrations to create activity iHubs, promote technology transfer, and assist nascent businesses with layered support and partnerships. This program also serves as a bridge between local innovation ecosystems and state technical assistance, resources, and networks to support the success of the program.

The Budget proposes statutory changes to reestablish the iHub program as the Accelerate CA: Inclusive Innovation Hubs program to focus on inclusive economic growth. The Budget includes an additional \$20 million General Fund over four years to: (1) expand the number of Hubs from 10 to 13 regions across the state, and (2) establish the Entrepreneurship Fund to provide grants of up to \$100,000 per business for five new businesses incubated at each of the Hubs. These grants will encourage science and technology-based business creation in traditionally underserved communities.

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### **SMALL BUSINESS TECHNICAL ASSISTANCE PROGRAMS**

Small business technical assistance centers are funded by federal and private partners to operate small business centers throughout the state. These centers provide

one-on-one, confidential consulting and training to help small businesses and entrepreneurs start, expand and facilitate investment, and create jobs in California. The 2018 Budget Act included \$17 million General Fund annually for five years to establish the Technical Assistance Expansion Program (TAEP) to provide grants to expand consulting and training services provided by existing and new centers, including satellite offices. This funding has been allocated to over 80 technical assistance centers for expansion of their business consulting and training services to historically underserved business groups, including women, minority, and veteran-owned businesses and businesses in low-wealth, rural, and disaster-impacted communities.

Since its inception, TAEP has been oversubscribed. The Budget includes \$6 million General Fund in 2022-23 to bolster TAEP to handle increased demand, and \$23 million ongoing General Fund to permanently support the Program. In addition, the Budget includes \$3 million ongoing General Fund beginning in 2023-24 to support the continuation of the Capital Infusion Program, which supports one-on-one business consulting provided by the Small Business Development Center Network to assist small businesses in accessing capital.

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### **FEE WAIVERS FOR NEW BUSINESSES**

Various documents are required to be filed with the Secretary of State when forming a business in California. The necessary document filings are accompanied by filing fees of \$100 for a corporation and \$70 for a limited liability company or limited partnership. The Budget includes \$39.8 million one-time General Fund to waive these filing fees on a one-time basis for all new businesses registering with the Secretary of State from July 1, 2022 through June 30, 2023, to encourage business growth in California.

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### **GRANTS FOR SMALL BUSINESSES VICTIMIZED BY RETAIL THEFT**

As referenced in the Criminal Justice Chapter, the Budget includes proposals to bolster state and local law enforcement efforts to reduce and prevent organized retail theft and support affected small businesses. As part of this effort, the Budget includes \$20 million one-time General Fund for grants to small businesses that have suffered damages in retail theft incidents to assist with repairing or replacing infrastructure to resume business operations. These grants will be administered by GO-Biz.

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## CALIFORNIA TOURISM RECOVERY

California's travel and hospitality industry is one of the largest economic forces in the state. The pandemic has disproportionately affected travel and tourism more than any other industry; as a result, almost half of all leisure and hospitality workers lost their jobs during the height of the pandemic. The California Office of Tourism, within GO-Biz, works in close coordination with Visit California to promote California as a premier travel destination. The Budget includes \$45 million one-time General Fund to support strategic media recovery campaigns that will help continue the recovery of the California travel and tourism industry.

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## IMMIGRANT INTEGRATION AND TALENT

The Budget includes \$11.6 million General Fund in 2022-23, and \$500,000 annually thereafter, for GO-Biz to support statewide coordination for immigrant integration and propel innovation including through enhanced services for immigrant communities at the state and local level, and supports for economic development activities, including at the California-Mexico border. These proposals include competitive grants to local governments, additional resources and translations for business development, professional licenses and online services. The Budget also invests in innovative and evidence-based practices that increase immigrant participation in the labor market and in quality jobs. See the General Government and Statewide Issues Chapter and the Labor and Workforce Development Chapter for more information.

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## WORKFORCE TRAINING AND OPPORTUNITY

With many Californians still struggling due to economic inequalities exacerbated by the COVID-19 Pandemic, the state's workforce efforts to support pathways to quality jobs are more critical than ever. Over the past three years, the Administration has sought to transform the way the state serves the people of California through investments that leverage a broad coalition of partners in workforce training and community planning, while also bolstering the state's capacity to provide supportive services for workers facing displacement. So more Californians can participate in California's economic growth, the Budget includes a multipronged strategy to train workers for jobs critical to California's economic growth and meet growing demands for teachers and health care workers.

These investments start in the K-12 school system with a \$1.5 billion Proposition 98 General Fund effort to support the development of college and career pathways focused on education, health care, technology, and climate-related fields. Promoting pathways that allow students to move seamlessly from high school to college and career will improve the number of students who pursue and achieve post secondary education and training.

In addition, the Budget invests \$1.7 billion over three years in care economy workforce development—across both the Labor Agency and California Health and Human Services Agency—that will create more innovative and accessible opportunities to recruit, train, and hire and will advance an ethnically and culturally inclusive health and human services workforce, with improved diversity and higher wages.

Building upon last year's multi-billion-dollar investment in teacher preparation, retention, and training, the Budget waives certain teacher examination fees and encourages the development of new teacher preparation programs to address the state's shortage of qualified teachers.

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### **CLIMATE CHANGE AND WORKFORCE**

The Budget also includes multiple workforce investments with a focus on climate change, including \$35 million General Fund to the University of California to create regional workforce development and training hubs focused on climate change; \$30 million General Fund over two years to the California Community Colleges to train, develop, and certify forestry professionals; and \$60 million General Fund over three years for the California Workforce Development Board's Low Carbon Economy Workforce grant program to support workforce development programs that align with strategies in the state's Climate Change Scoping Plan.

Last year, \$600 million was allocated to the Community Economic Resilience Fund for regional strategies that support economic and workforce transitions caused by climate change and other factors. The Budget complements this effort with \$450 million General Fund over three years starting in 2023-24 to stabilize local governments as local economies adjust, \$215 million General Fund over two years to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs, and \$50 million General Fund to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.

For more information on the state's workforce investments, see the Labor and Workforce Development Chapter.

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## INFRASTRUCTURE

The Budget builds on last year's historic infrastructure investments with an additional \$20 billion to accelerate the transition to zero-emission vehicles, modernize the state's transportation system, spur clean energy innovation, advance the state's housing goals, reduce wildfire risk to communities, and support drought resilience and response. Furthermore, California expects to receive approximately \$14 billion of additional funding from the federal Infrastructure Investment and Jobs Act over the next five years, with potentially billions more in additional formula funding and competitive grant opportunities still to be determined.

Infrastructure investments have a powerful multiplier effect: they enhance accessibility and facilitate trade, improve mobility, generate greater employment opportunities, and boost overall economic productivity.

For additional information, see the Infrastructure and Transportation Chapters.

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# CLIMATE CHANGE

California has a unique opportunity to build on our history of innovation, economic growth and policy driven by science to lead in adapting to and mitigating climate change. We can simultaneously confront the climate crisis and build a more resilient, just, and equitable future for all communities.

Integrating climate solutions with equity and economic opportunity can transform every aspect of how Californians live in their communities. The Governor's Budget reflects the need for urgent and comprehensive action across government and our economy. Record-breaking heat waves, a vanishing Sierra snowpack and life-threatening historic wildfires demonstrate that climate emergencies are growing with frequency and intensity in California, which demand action. The Budget proposes a climate and opportunity agenda to deliver community resilience, affordable housing, and expanded access to health care and education while advancing equity and expanding the number of Californians that share in the state's economic growth. Communities that have suffered disproportionately from pollution will be at the forefront of these solutions.

Building on the state's history of climate leadership and the historic \$15 billion climate resilience investments in the 2021 Budget Act, the Budget includes an additional \$22.5 billion one-time from various fund sources over five years to advance the state's Climate and Opportunity Budget and provide equitable climate solutions to prepare and protect communities.

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## CLIMATE ON THE MOVE

Responsible for more than half of the state's climate emissions, the transportation sector generates air pollution, with a disproportionate impact in low-income and underrepresented communities. The Budget's climate investments will deliver opportunities for affected communities, accelerating job-creating clean technologies, advancing environmental justice, and reducing emissions from the transportation system.

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### ZERO-EMISSION VEHICLE (ZEV) ACCELERATION

The 2021 Budget Act committed \$3.9 billion towards ZEV acceleration through 2023-24. It included market-changing investments—ranging from cleaning up drayage trucks, transit, and school buses to accelerating equitable electrification of passenger vehicles, e-bikes and rail—coupled with infrastructure and incentives for in-state manufacturing.

The Budget invests an additional \$6.1 billion (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) one-time over five years, with a focus on communities that are most impacted, bringing the total investment to \$10 billion over six years to decarbonize California's most polluting sector and improve public health. The Budget proposes targeted investments in disadvantaged and low-income communities, including tribal communities, to increase access to the benefits of clean transportation and more than doubles the money targeted for heavy-duty market acceleration.

Significant investments include:

- **Low-Income Zero-Emission Vehicles and Infrastructure**—\$256 million for low-income consumer purchases, and \$900 million to expand affordable and convenient ZEV infrastructure access in low-income neighborhoods. These investments will focus on planning and deploying a range of charging options to support communities, including grid-friendly high-power fast chargers and at-home charging.
- **Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure**—\$935 million to add 1,000 zero-emission short-haul (drayage) trucks and 1,700 zero-emission transit buses; \$1.5 billion Proposition 98 to support school transportation programs, including advancing electric school buses in a coordinated effort between educational, air pollution, and energy agencies; \$1.1 billion for zero-emission trucks, buses, and



off-road equipment and fueling infrastructure; and \$400 million to enable port electrification.

- **Zero-Emission Mobility**—\$419 million to support sustainable community-based transportation equity projects that increase access to zero-emission mobility in low-income communities. This includes supporting clean mobility options, sustainable transportation and equity projects, and plans that have already been developed by communities that address mobility. These locally driven projects continue to be a direct response to critical mobility needs identified by community-based organizations and residents working on the front lines to lift up priority populations.
- **Emerging Opportunities**—\$200 million to invest in demonstration and pilot projects in high carbon-emitting sectors, such as maritime, aviation, rail, and other off-road applications, as well as support for vehicle grid integration at scale. These investments will help maintain California's role as the hub of ZEV market creation and innovation, creating economic development opportunities, while accelerating zero-emission solutions in hardest-to-reach segments of the transportation system.

#### Zero-Emission Vehicle Investments

(Dollars in Millions)

Investment Category	Program	2021 ZEV Package Multi-Year Investment	2022 ZEV Package Multi-Year Investment	ZEV Package Totals
Passenger Vehicles	Clean Vehicle Rebate Project	\$525	\$0	\$525
	Clean Cars 4 All & Other Equity Projects	\$400	\$256	\$656
	ZEV Fueling Infrastructure Grants	\$300	\$600	\$900
	Equitable At-home Charging	\$0	\$300	\$300
Big ZEVs	Drayage Trucks & Infrastructure	\$470	\$475	\$945
	Drayage Trucks & Infrastructure Pilot Project	\$65	\$0	\$65
	Transit Buses & Infrastructure	\$290	\$460	\$750
	School Buses & Infrastructure	\$450	\$1,500	\$1,950
	Clean Trucks, Buses and Off-Road Equipment	\$700	\$1,100	\$1,800
	Ports	\$0	\$400	\$400
	Near-Zero Heavy Duty Trucks	\$45	\$0	\$45
Other	ZEV Consumer Awareness	\$5	\$0	\$5
	ZEV Manufacturing Grants	\$250	\$0	\$250
	Community-Based Plans, Projects and Support / Sustainable Community Strategies	\$0	\$419	\$419
	Emerging Opportunities	\$0	\$200	\$200
	Transportation Package ZEV	\$407	\$383	\$790
<b>Totals</b>		<b>\$3,907</b>	<b>\$6,093</b>	<b>\$10,000</b>

### TRANSPORTATION

Alongside the investments in zero-emission vehicles and infrastructure, the Budget includes \$9.1 billion one-time General Fund and Bond funds over two years for transportation programs and projects that align with climate goals, advance public health and equity, and improve access to opportunity; further, the state will be competitively positioned to pursue significant federal investments from the Infrastructure Investment and Jobs Act. These investments will create thousands of jobs, accelerate new investments to modernize existing transportation options, and support clean transportation projects that address climate change and equity. Significant investments include:

- **Active Transportation**—\$750 million General Fund for projects to transform the state's active transportation networks, improve equity, and support carbon-free transportation options, including funding for: Active Transportation Program projects, the Reconnecting Communities: Highways to Boulevards Pilot Program, and bicycle and pedestrian safety projects.
- **High-Speed Rail and Transit**—\$4.2 billion Proposition 1A bond funds for High-Speed Rail, \$3.25 billion General Fund for statewide, regional and local transit and rail projects, and \$500 million General Fund for high-priority rail safety improvements.
- **Climate Adaption**—\$400 million General Fund for climate adaptation projects that support climate resiliency and reduce infrastructure risk.

See the Transportation Chapter for additional detail.

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### CLEAN ENERGY

Combating the climate crisis will require a diverse portfolio of new clean energy technologies to be developed and deployed as quickly as possible. California will need to pursue a range of solutions to meet climate goals and help meet the increased electricity demand from electrification of its transportation and building sectors; improve grid reliability and resilience; promote and support energy equity across California including in tribal, low-income, and underrepresented communities; and equitably transition towards low- and zero-carbon energy appliances and generation.

To address the scale and urgency of California's changing energy needs, the Budget includes \$2 billion (\$2.035 billion General Fund over two years, \$1.5 million Energy Resources Programs Account in 2022-23, \$2.6 million Public Utilities Commission Utilities

Reimbursement Account ongoing) for a Clean Energy Investment Plan that will spur additional innovation and deployment of clean energy technologies in the energy system. The Budget focuses on fostering and deploying technologies to address key energy needs for diverse and reliable sources of electric power, and the decarbonization of buildings, agriculture, and industry by scaling up new technologies designed to drive down consumer costs. Significant investments include:

- **Long Duration Storage**—\$380 million General Fund over two years to invest in long duration storage projects throughout the state to support grid reliability. This investment will help with resilience in the face of emergencies, including wildfires, and provide a decarbonized complement to intermittent renewables, which will provide the state with additional energy storage options during periods of low renewable power availability.
- **Green Hydrogen**—\$100 million General Fund in 2022-23 to advance the use and production of green hydrogen, in which electricity is used to split water into oxygen and hydrogen. Green hydrogen is critical to the decarbonization of California's economy and achieving carbon neutrality.
- **Industrial Decarbonization**—\$210 million General Fund over two years to accelerate industrial sector decarbonization. There are over 40,000 industrial facilities in California, employing over 1.2 million people. This funding will provide a grant program for the purchase and deployment of commercially available advanced technologies and equipment to decarbonize this sector while focusing on reducing criteria pollutants in disadvantaged communities.
- **Food Production Investment**—\$85 million General Fund in 2022-23 to accelerate the adoption of energy technologies at California food production facilities. Grants will be provided to California food producers to install energy efficiency and renewable energy technologies that will reduce operating costs, as well as climate emissions.
- **Offshore Wind Infrastructure**—\$45 million General Fund in 2022-23 to create the Offshore Wind Energy Deployment Facility Improvement Program, which will invest in activities to advance the capabilities of deploying offshore wind energy in federal waters off California in the areas of facility planning and development.
- **Oroville Pump Storage**—\$240 million General Fund over two years to build a temperature management project to address temperature issues at the Oroville Dam that will allow a pump-storage project to operate at greater capacity for the benefit of the statewide electrical grid.

- **Energy Modeling to Support California's Energy Transition**—\$7 million General Fund in 2022-23 to support improvements to energy modeling activities, such as electricity system models to determine what types of electricity generation resources need to be built to meet state clean energy goals while maintaining reliability. Updating these models to reflect climate change impacts will improve state energy planning and policy development.
- **Equitable Building Decarbonization**—Older buildings with minimal insulation, air gaps, and non-existent or low-performing space heating and cooling are not equipped to adequately withstand extreme heat and protect occupants. Funding for this purpose will be prioritized for California's most vulnerable residents. The Budget includes \$962.4 million General Fund over two years for critical investments, including:
  - \$622.4 million General Fund over two years for a statewide low-income direct-install building retrofit program, including funding for replacement of fossil fuel appliances with electric appliances, energy-efficient lighting, and building insulation and sealing.
  - \$300 million General Fund over two years for consumer rebates for building upgrades, such as replacement of fossil fuel equipment with electric appliances.
  - \$40 million General Fund over two years to accelerate the adoption of ultra-low-global warming potential refrigerants.

The chart below summarizes these investments.

**Energy Package**

(Dollars in Millions)

Department	Program	Fiscal Year 2022-23	Fiscal Year 2023-24	Two-Year Total
California Energy Commission	Incentives for Long Duration Storage Projects	\$140	\$240	\$380
	Green Hydrogen Grants for Green Electrolytic Hydrogen	\$100		\$100
	Industrial Decarbonization	\$110	\$100	\$210
	Food Production Investment Program	\$85		\$85
	Equitable Building Decarbonization	\$322.6	\$599.8	\$922.4
	Offshore Wind Infrastructure	\$45		\$45
	Energy Modeling to Support California's Energy Transition	\$7		\$7
Air Resources Board	Equitable Building Decarbonization - Accelerating Adoption of Ultra-Low Global Warming Potential Refrigerants	\$20	\$20	\$40
Department of Water Resources	Oroville Pump Storage	\$100	\$140	\$240
Various	Resources to Support Offshore Wind Generation and Energy Reliability	\$8.2	\$1.5	\$9.7
<b>Total</b>		<b>\$937.8</b>	<b>\$1,101.3</b>	<b>\$2,039.1</b>

**CLEAN ENERGY LOAN PROGRAM**

The Administration is exploring opportunities, in coordination with the U.S. Department of Energy Loan Program Office, to provide pre-development financing for projects and technologies that focus on mitigating climate change in disadvantaged communities—geographic areas in which private capital has not adequately invested. Through mechanisms such as loan guarantees, first loss programs, and direct loans, the Administration will support the growth in California of emerging technologies and industries that need further development for the state to meet its climate goals. These loans will be structured so that if businesses become profitable, a share of benefit from these projects can be shared with Californians. These technologies and industries include electric vehicle supply chain development and manufacturing, virtual power plants, geothermal energy production, and lithium extraction.

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## LITHIUM VALLEY DEVELOPMENT

Lithium is becoming an increasingly critical resource as the state—and the world—moves toward a clean energy future to tackle the climate crisis. This metal is a crucial component of batteries needed to power electric vehicles, enable a 100-percent clean electric grid, and move the state's homes and industries away from fossil fuels.

California has abundant untapped lithium reserves, including in geothermal brine more than a mile underground near the Salton Sea. The state is poised to become a global leader in the deployment of new, environmentally sound technologies that can coproduce lithium with renewable electricity from geothermal power plants in the Imperial Valley. Experts estimate the region could satisfy more than one-third of today's global lithium demand. Building out a world-class battery manufacturing ecosystem in tandem with lithium production and processing would also increase economic opportunity in the Salton Sea region, delivering quality jobs and community benefits to the region.

Through economic development incentives for the clean energy sector, the Administration proposes a robust infrastructure that will:

- Provide incentives to advance the clean energy market in California.
- Provide Californians a share of the benefit from these projects.
- Develop labor standards that deliver community benefits, economic development, and labor opportunities.
- Provide a model in the clean energy sector that can guide state engagement in other opportunity areas, such as offshore wind, with a focus on supporting California's clean energy goals, maintaining high environmental and labor standards, and engaging proactively with affected stakeholders and communities, for real and lasting benefits for Californians.

## EXPEDITED PERMITTING AND ROYALTIES

Throughout the spring, the Administration will work with the Legislature, the Lithium Valley Commission, and county and community partners to develop a model for revenue sharing and a fund that benefits Californians. By regulating lithium extraction the state will work with industry and community members to provide high paying jobs

and expanded economic opportunity to the Salton Sea community. California will also work to oversee long-term environmental protection and community benefits.

The state can provide certainty and accountability in permitting, community benefits, and labor protections. The Administration will work with the Legislature, with input from the Lithium Valley Commission, to simplify permitting for geothermal facilities and lithium extraction in the Salton Sea area while maintaining high environmental standards that protect the surrounding communities, and incorporating public participation and community engagement. Additionally, the state will require strict timelines for permits thus providing some certainty to developers.

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## SUSTAINABLE COMMUNITIES

The state is committed to building sustainable and equitable communities by creating and preserving housing in areas that are closer to neighborhood-serving amenities. Building housing in these locations supports the reduction of climate emissions and helps reduce the exposure of low-income Californians to the impacts of the climate crisis. To that end, the Budget invests \$1 billion General Fund in housing development that also furthers the state's climate goals. These investments include:

- **Infill Infrastructure Grant Program**—\$500 million General Fund over two years to prioritize housing production on prime infill parcels in downtown-oriented areas, including brownfields.
- **Affordable Housing and Sustainable Communities**—\$300 million General Fund over two years to support land-use, housing, transportation, and land preservation projects for infill and compact development that reduce climate pollution.
- **State Excess Sites Development**—\$100 million General Fund over two years to expand affordable housing development and adaptive reuse opportunities on state excess land sites.
- **Adaptive Reuse**—\$100 million General Fund over two years for adaptive reuse incentive grants. These grants will help remove cost impediments to adaptive reuse (e.g., structural improvements, plumbing/electrical design, exiting) and help accelerate residential conversions, with a priority on projects located in downtown-oriented areas.

See the Housing and Homelessness Chapter for additional detail.

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## CLIMATE HEALTH

Climate change affects the health of every Californian, but some communities experience disproportionate public health impacts from climate change more than others. The Budget includes key investments to integrate and elevate health and equity into California's climate agenda. Significant investments include:

- **Climate and Health Resilience Planning**—\$25 million one-time General Fund for a grant program to bolster the actions of local health jurisdictions and develop regional Climate and Health Resilience Plans.
- **Climate, Health and Disease Monitoring**—\$10 million ongoing General Fund to establish a monitoring program to track emerging or intensified climate-sensitive health impacts and diseases.
- **Community Health Workers**—\$350 million one-time General Fund to recruit, train, and certify 25,000 new community health workers by 2025, in areas such as climate health, homelessness, and dementia.
- **Community Air Monitoring**—\$30 million one-time Greenhouse Gas Reduction Fund to deploy local, real-time pollution monitoring, including climate, air and toxic emissions, in disadvantaged communities across the state.

See the Health and Human Services Chapter and the Labor and Workforce Development Chapter for additional detail.

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## CLIMATE SCHOOLS AND RESEARCH

California's K-12 and higher education systems are critical in meeting the state's ambitious climate goals. The Budget includes funding to develop career pathways for students to enter technology and climate-related fields, and also makes significant investments in research that will support the next generation of innovations to address climate change, and serve as catalysts for expanded opportunity for all Californians. Finally, the Budget includes infrastructure investments in K-12 and higher education that decarbonize these systems, reducing emissions, improving health of students, and lowering costs over the long term.

Investing in research to address climate change:



- \$185 million one-time General Fund for climate initiatives at the University of California, including \$100 million for climate research grants, \$50 million for regional climate innovation incubators, and \$35 million for climate workforce development and training hubs.
- \$20 million one-time General Fund for a grant to Carnegie Science to support the Pasadena Climate Research Hub facility, which will house approximately 200 researchers focused on climate resilience.
- \$83 million one-time General Fund to support construction of the California State University (CSU) Bakersfield Energy Innovation Center.

Climate resilient infrastructure for K-12 schools and universities:

- \$1.5 billion one-time Proposition 98 to support greening K-12 school transportation, including electric school buses, as part of the broader acceleration of ZEVs.
- \$50 million one-time General Fund to support equipment and facilities upgrades at the CSU University Farms, which provide hands-on experience for career preparation in climate resilience, regenerative agriculture, animal welfare, food processing, and water and natural resources management.
- \$30 million one-time and \$3 million ongoing General Fund to continue supporting and expanding the Farm to School Program's investments to improve the health and well-being of California schoolchildren through integrated nutrition education and healthy food access.

For additional information on these investments, please see the K-12 Education and the Higher Education Chapters.

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## CLIMATE JOBS AND OPPORTUNITY

In addition to the significant investments outlined above, the Budget expands workforce training opportunities in climate-related fields so more Californians can participate in the state's economic growth. These investments will reduce harmful emissions in California's communities, and will support workers transitioning to new climate jobs and opportunities. The Budget includes \$465 million one-time General Fund over three years to continue expanding workforce strategies to reach its climate goals:

- **Oil and Gas Well Capping**—\$200 million one-time General Fund over two years to plug orphan or idle wells, decommission attendant facilities, and complete associated environmental remediation.
- **Well-Capping Workforce Pilot for Displaced Oil and Gas Workers**—\$15 million one-time General Fund to support a workforce training pilot to train displaced oil and gas workers in remediating legacy oil infrastructure, as the state aims to establish California as the leader in both well remediation activity and workforce training.
- **Displaced Oil and Gas Worker Pilot Fund**—\$50 million one-time General Fund for a pilot support fund to address the needs of oil and gas workers facing displacement.
- **Goods Movement Workforce Training Facility**—\$110 million General Fund over three years for a Goods Movement Training Center in Southern California.
- **Low Carbon Economy Workforce**—\$60 million General Fund in total over three years to restart the California Workforce Development Board's Low Carbon Economy Workforce grant program.
- **Wildfire and Forest Resilience Workforce Development**—\$30 million one-time General Fund over two years to support community colleges and vocational training programs to train, develop, and certify forestry professionals and expand the workforce available to support the implementation of forest health and fuel reduction projects.

See the Labor and Workforce Development Chapter for additional detail.

Building on California's global climate leadership, the Budget encourages the development of innovations that will preserve and protect communities from climate change, create high-paying jobs, and spur economic growth. The Budget includes two tax credits that support the state's climate goals:

- **Innovation Headquarters Credit**—\$250 million General Fund per year for three years for companies headquartered in California that are working to mitigate climate change.
- **Credit for Green Energy Technologies**—\$100 million General Fund per year for three years to develop green energy technologies. This credit would be structured to allow taxpayers to opt-in, so that if the business becomes profitable, a share of the profits will be repaid to the state.

For additional information on these investments, please see the Economic Growth, Job Creation, and Expanded Opportunity Chapter.

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## CLIMATE RESILIENCE

Building on the over \$15 billion multi-year climate resilience investments in the 2021 Budget, the Budget advances programs to protect communities from the imminent climate threats of wildfire and drought, while implementing budget priorities on extreme heat, nature-based solutions, sea-level rise, and community resilience.

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### WILDFIRE AND FOREST RESILIENCE

The ongoing impacts of climate change on California's wildlands continue to create critically dry fuel conditions and longer, more severe fire seasons. The state experienced 4 of the largest 20 wildfires in its history in 2021.

The 2021 early action package and 2021 Budget Act included a combined \$1.5 billion one-time investment to restore the state's wildfire resilience by increasing the pace and scale of forest and fuel management practices.

The Budget includes an additional \$1.2 billion (\$800 million General Fund and \$400 million Greenhouse Gas Reduction Fund) one-time over two years for a total \$2.7 billion investment over four years for a comprehensive wildfire and forest resilience strategy to advance critical investments in forest health and fire protection to continue to reduce the risk of catastrophic wildfires. This includes funding to support resilient forest and landscapes; wildfire fuel breaks; community hardening; regional and tribal capacity; science-based management; and economic development of the forest sector.

See the Emergency Response Chapter for additional detail.

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### DROUGHT RESILIENCE AND RESPONSE

While recent storms have brought needed rain and snowfall, California remains at risk of a continued serious state of drought with near-record low reservoir storage and negative impacts on fish and wildlife. After two dry years, reservoir storage is markedly below 2019 levels, underscoring the need for ongoing water conservation. State agencies have mobilized to prepare for the possibility of a third consecutive dry year. The Governor first declared a regional drought emergency in April 2021 followed by an

extension of the drought emergency statewide in July. The State Water Resources Control Board, Department of Water Resources, and Department of Fish and Wildlife have since taken additional steps to protect drinking water supplies, prevent salinity intrusion, and minimize harm to fisheries and the environment.

Tribal, low-income and underrepresented communities are disproportionately impacted by drought. Small water systems in low-income communities are among the hardest hit, and the state is still providing hauled or bottled water to eight jurisdictions experiencing supply outages in counties from Tulare to Los Angeles. The state will continue to invest in innovative drought preparedness and response to make the most of the state's water supplies. From water recycling to groundwater replenishment projects, the state is creating and implementing new solutions to respond to this new, unpredictable hydrology.

The 2021 Budget included a historic investment of \$5.2 billion over three years to advance water resilience and drought response. This investment provides immediate assistance to struggling communities and prepares for more severe, climate-induced drought and flood conditions in the long term.

The Budget builds on this investment by including an additional \$750 million one-time General Fund to support drought resilience and response. Significant investments include:

- **Water Conservation Programs**—\$180 million for grants to large urban and small water suppliers to improve water efficiency, address leaks, reduce demand, provide water use efficiency-related mapping and training, support turf replacement, and maintain a drought vulnerability tool. These investments advance water conservation as Californians work to achieve the Governor's 15-percent voluntary water conservation target and as local water districts adapt to forthcoming efficiency standards.
- **Urban and Small Community Drought Relief**—\$145 million for local emergency drought assistance and grants to local water agencies facing loss of water supplies.
- **Fish and Wildlife Protection**—\$75 million to mitigate immediate drought damage to fish and wildlife resources and build resilience of natural systems.
- **Multibenefit Land Repurposing**—\$40 million to increase regional capacity to repurpose irrigated agricultural land to reduce reliance on groundwater while providing community health, economic well-being, water supply, habitat, renewable energy, and climate benefits.

- **Groundwater Recharge**—\$30 million to provide grants to water districts to fund planning, engineering, water availability analyses, and construction for groundwater recharge projects.
- **On-Farm Water Conservation**—\$20 million to bolster the State Water Efficiency and Enhancement Program, which provides grants to implement irrigation systems that save water on agricultural operations.
- **Technical Assistance and Drought Relief for Small Farmers**—\$10 million to provide mobile irrigation labs, land use mapping and imagery, irrigation education, and direct assistance to small farmers and ranchers who have experienced water cost increases of more than 50 percent.
- **Drought Contingency**—\$250 million as a drought contingency set aside to be allocated as part of the spring budget process, when additional water data will be available to inform additional drought needs.

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## NATURE-BASED SOLUTIONS, EXTREME HEAT, COASTAL RESILIENCE, AND COMMUNITY RESILIENCE

The 2021 Budget included \$3.7 billion one-time General Fund over three years for investments that support multi-benefit and nature-based solutions, address impacts of extreme heat, build ocean and coastal resilience, advance environmental justice, and deliver community resilience and capacity where resources are most needed. The Budget includes approximately \$2.1 billion General Fund in 2022-23, associated with the second year of investments.

### EXTREME HEAT

Every corner of the state will be impacted in years and decades to come by higher average temperatures and more frequent and severe heat waves. Extreme heat threatens public health and safety, economic prosperity, and communities and natural systems. It also poses profoundly disproportionate consequences for the most vulnerable populations, including tribal nations, low-income neighborhoods, communities of color, and older and disabled adults.

The 2021 Budget committed \$800 million one-time General Fund over three years to reduce urgent risks and build long-term resilience to the impacts of extreme heat across California. The Budget includes approximately \$175 million in 2022-23 associated with the second year of investments including:

- **Urban and Community Forestry and Urban Greening**—\$100 million to cool communities through nature-based solutions, such as expanding tree canopy and green infrastructure projects.
- **Community Resilience and Heat Program**—\$25 million to reduce the impacts of extreme heat and the urban heat island effect.
- **Community Resilience Centers Program**—\$25 million to support vulnerable residents experiencing extreme heat, wildfires, power outages, flooding, and other emergency situations brought about by the climate crisis.
- **Low-Income Weatherization Program**—\$25 million to accelerate energy efficient upgrades in low-income households through, for example, accelerated deployment of air conditioning heat pumps and low global warming potential refrigerants in communities particularly vulnerable to heat.

The 2021 Budget also included \$300 million General Fund over two years to support the implementation of the state's updated Extreme Heat Action Plan. The Administration has released a draft plan, which will inform both the final plan and the detailed budget proposal forthcoming in the spring.

Based on public input on the draft plan, the Administration is considering the following major funding streams:

- Cooling schools in heat-vulnerable communities.
- Building a climate smart workforce through training partnerships, and apprenticeships in jobs and careers that address extreme heat such as construction, urban forestry, building weatherization, and climate smart management of schoolyards.
- Protecting vulnerable populations through targeted education for employers and employees, increased enforcement before and during heat events, and enhanced review and tracing systems.
- Increasing public awareness to reduce risks posed by extreme heat.

### NATURE-BASED SOLUTIONS

California's natural and working lands—forests, wetlands, croplands, grasslands, deserts, and other landscapes—help sustain the state's communities and economy. They are also essential to combating the climate crisis and preserving California's

world-renowned biodiversity. Nature-based solutions buffer state residents from climate threats, strengthen and protect cultural connections to the environment, sequester carbon, sustain rivers and water supplies, protect fish and wildlife, and provide for outdoor experiences.

California is committed to the goal of conserving 30 percent of the state's lands and coastal waters by 2030 (30x30). California's 30x30 initiative is part of an international movement to conserve natural areas across the planet to protect biodiversity, expand equitable access to nature and its benefits, combat climate change, and build resilience to climate impacts.

The 2021 Budget committed \$1.4 billion one-time General Fund over three years for multi-benefit nature-based solutions. The Budget includes approximately \$382 million in 2022-23 associated with the second year of investments. These investments are supporting:

- Immediate drought response for communities and fish and wildlife and strengthened long-term water resilience for natural systems.
- Improved resilience of the state's forests and wildlands to withstand long-term climate threats, protection for wildfire-vulnerable communities, and reduced near-term wildfire risks.
- A range of multi-benefit and nature-based solutions that deliver on Executive Order N-82-20 to combat climate change, expand outdoor access, and protect biodiversity.
- Community greening initiatives that support the state's climate goals and equity goals.
- Scaled support for climate smart agriculture planning and practices.
- Protection for the ocean and California's coasts through restoration projects and improved community planning.
- Community economic resilience funding that creates economic opportunity in nature-based sectors such as agriculture, forestry, and climate restoration.

The 2021 Budget also included \$768 million one-time General Fund over two years to support implementation of the state's Natural and Working Lands Climate Smart Strategy and 30x30 Pathways strategy. The Administration has released drafts of these strategies and will incorporate public input into the final documents and proposed budget that will be forthcoming in the spring.

## CLIMATE CHANGE

Based on public input to inform the state's Natural and Working Lands Climate Smart Strategy and 30x30 Pathways document, the Administration may invest these set-aside funds in five major funding streams that:

- Scale support for forest, desert, and oak woodland conservation; wetland and riparian restoration; and rangeland, grazing land and grassland protection through projects that expand equitable access to nature, protect biodiversity, and deliver climate benefits on the state's natural and working lands.
- Catalyze regional action through expanded technical assistance and capacity building.
- Increase workforce development and training opportunities through the California Conservation Corps, local conservation corps, tribal conservation corps, and expanded environmental literacy.
- Partner with California Native American tribes to implement shared nature-based solutions.
- Support additional strategic investments to drive implementation of the Natural and Working Lands Climate Smart Strategy and Pathways to 30x30 document.

## COASTAL RESILIENCE

The 2021 Budget included \$612 million one-time General Fund over three years to build resilience for California's coastal and ocean ecosystems, communities, cultural resources, and critical infrastructure from sea level rise, flooding and other climate-driven impacts. Of this amount, the Budget includes \$400 million associated with the second year of investments including:

- **Coastal Protection and Adaptation**—\$350 million for coastal wetland protection and restoration, and projects that build coastal resilience.
- **Ocean Protection**—\$50 million for projects that protect and restore healthy ocean and coastal ecosystems, including estuarine and kelp forest habitat, the state's system of marine protected areas, and to build climate-ready fisheries.

## COMMUNITY RESILIENCE

The 2021 Budget included \$819 million one-time General Fund over three years for investments that align economic resilience with the state's climate goals, empower tribal and vulnerable communities, and support the leadership capacity of tribal,



regional and local governments and stakeholders. Of this amount, the Budget includes \$325 million associated with the second year of investments that include but is not limited to:

- **Transformative Climate Communities Program**—\$165 million to support catalytic projects that serve as a model for equitable, community-driven infrastructure investments in the most disadvantaged communities of California.
- **Regional Climate Collaboratives and Resilience**—\$135 million to provide direct investment in communities through capacity building grants, tribal, local and regional adaptation planning, and implementation of resilience projects.
- **California Climate Action Corps**—\$4.7 million ongoing to empower Californians to take climate action through service positions, volunteer opportunities, or individual action.

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## CLIMATE SMART AGRICULTURE

The 2021 Budget Act included \$1.1 billion (\$863 million General Fund and \$238 million special funds) one-time over two years in climate smart agriculture investments that support the agriculture sector and create a healthy, resilient, and equitable food system by supporting long-term sustainability and resilience and addressing economic recovery and high-road job growth.

The Budget includes \$417 million associated with the second year of these investments to provide critical support for farmers and ranchers as they continue to work towards the state's climate goals and support the state's youth in establishing lifelong healthy eating habits and experiential learning about agriculture, nutrition, and climate for youth. Significant investments include, but are not limited to:

- **Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER)**—\$150 million to provide funding that supports the replacement of equipment used in agricultural operations.
- **Healthy Soils Program**—\$85 million to provide grants for on-farm conservation management practices designed to sequester carbon within the soil.
- **Livestock Methane Reduction**—\$48 million for livestock methane reduction programs.
- **Climate Catalyst Fund**—\$25 million to support Climate Smart Agriculture loans.

- **Technical Assistance and Conservation Management Plans**—\$22 million to fund technical assistance grants for the development of conservation plans, carbon sequestration plans, and transition to organic plans to focus on carbon and water actions.
- **Pollinator Habitat Program**—\$15 million for implementation of pollinator habitat and forage on working lands in partnership with private landowners and federal, state, and local entities.

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## CIRCULAR ECONOMY

Building the circular economy will help California combat climate change and move to a carbon neutral future by reducing methane pollution and plastic waste. The 2021 Budget Act included \$270 million (\$130 million General Fund and \$140 million special funds) one-time over two years to support a circular economy that recognizes waste as a resource, shifting the state's focus to a more resilient and renewable economy in California. The Budget includes \$65 million associated with the second year of these investments to support implementation of goals to reduce short-lived climate pollutants, including advancing organic waste infrastructure, edible food recovery, and non-organic waste recycling. Successfully building California's circular economy will require innovative solutions in California that reduce use of natural resources, bring new remanufacturing industries and jobs to the state, and enhance the ability of Californians to recycle.

# NATURAL RESOURCES

The Natural Resources Agency consists of 27 departments, boards, commissions and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Governor's Budget includes total funding of \$11.2 billion (\$8.8 billion General Fund, \$1.8 billion special funds, \$610.8 million bond funds) for the programs included in this Agency.

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## DEPARTMENT OF PARKS AND RECREATION

The Administration is committed to advancing the Outdoors for All Initiative by enabling safe, equitable, and enjoyable access to parks, open spaces, natural resources, and recreational amenities for all Californians. California's state parks offer a place of health and respite as state residents continue to deal with the stresses that the COVID-19 Pandemic has placed on their daily lives. California State Parks' unique mission is to balance the preservation of natural and cultural resources while providing high-quality recreation for all Californians to have equitable access to parks to nurture lifelong experiences.

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## ADVANCING OUTDOORS FOR ALL

The Budget includes \$756.9 million for the Department of Parks and Recreation and builds upon last year's investments through the Outdoors for All Initiative.

Significant adjustments:

- **California Cultural and Art Installation in Parks Program**—\$50 million one-time General Fund for art installations to enhance interpretive efforts in state parks and local parks. The Department will work with the California Arts Council to build art installations that tell the story of California's valuable cultural and historical heritage and resources (see the General Government and Statewide Issues Chapter for more information on investments in the arts).
- **State Parks Infrastructure Funding**—\$50 million one-time General Fund for future State Parks infrastructure projects to increase equitable access to state parks, improve visitor experiences, and build recreational opportunities to foster community connections and remove barriers to park access.
- **State Parks Tribal Lands Acknowledgement, Interpretation, and Exhibit Improvements**—\$9.8 million one-time General Fund to support California Native Americans' engagement and interpretation in state parks. Tribal land acknowledgments will be addressed through signage and improved interpretation to connect the public with tribal history and contemporary experiences. These improvements will bring forward California Native American voices throughout state parks.

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## LIBERTY CANYON WILDLIFE CORRIDOR

The Liberty Canyon wildlife bridge project is a partnership with Santa Monica Mountains Conservancy, California Department of Transportation (Caltrans), Mountains Recreation and Conservation Authority, National Park Service, and the National Wildlife Federation to construct a vegetated wildlife-only bridge over the U.S. Highway 101. This will include a tunnel for passage over Agoura Road for wildlife movement, and reconnect severed ecosystems and habitat, particularly for mountain lion viability. The collaborative biodiversity and road safety project will establish a safe movement corridor for multiple species between the Santa Monica Mountains and mountain ranges to the north. Funding for the first phase of construction over the freeway is already secured, with significant private donations and resource bond grants.

The Budget includes \$10 million one-time General Fund for the Santa Monica Mountains Conservancy to secure funding to complete the tunnel phase of the crossing project over the Agoura Road frontage road.

# ENVIRONMENTAL PROTECTION

The California Environmental Protection Agency's programs promote the state's economy in a sustainable manner by addressing climate change, enhancing environmental quality, promoting environmental justice, and protecting public health.

The Secretary coordinates the state's regulatory programs and promotes fair and consistent enforcement of environmental law. The Governor's Budget includes \$6 billion (\$1.2 billion General Fund, \$4.4 billion special funds, \$372 million federal funds, and \$14.5 million bond funds) for programs included in this Agency.

The Administration's climate resilience efforts are discussed in the Climate Change Chapter and Five-Year Infrastructure Plan.

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## ADVANCING EQUITY AND ENVIRONMENTAL JUSTICE

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### AIR RESOURCES BOARD

The Budget includes \$946 million Greenhouse Gas Reduction Fund for the following activities that address climate change and promote equity:

- **Zero-Emission Vehicles**—\$676 million as part of a \$6.1 billion multi-year investment to expand zero-emission vehicle adoption (with a focus on low-income consumers) and advance equitable clean mobility options. This builds on the \$3.9 billion

multi-year investments in the 2021 Budget Act, for a total of \$10 billion over six years. For additional details, see the Climate Change Chapter.

- **Community Air Protection Program (AB 617)**—\$240 million to support the Community Air Protection Program, which reduces emissions in communities with disproportionate exposure to air pollution through targeted air monitoring and community emissions reduction programs. This funding will provide grants to community-based organizations, implementation funding for local air districts, and incentives for cleaner vehicles and equipment.
- **Expanding Monitoring in Disadvantaged Communities**—\$30 million to deploy local and real-time pollution monitoring, including climate, air, and toxic emissions, in disadvantaged communities across the state.

The Budget includes \$7.6 million Air Pollution Control Fund for the Air Resources Board to continue implementing the Heavy-Duty Vehicle Inspection and Maintenance Program (i.e., a "smog check" for heavy-duty trucks), as required in Chapter 298, Statutes of 2019 (SB 210). These resources are necessary to support initial program implementation, enforcement, database development, outreach, a call center, referee testing, and the purchase of Portable Emission Acquisition Systems and Automated License Plate Readers. The new regulatory program is critical to protecting disadvantaged communities that are often most impacted by harmful emissions from heavy duty vehicles.

The Budget also includes \$1.8 million Air Pollution Control Fund ongoing and four positions to establish the new Office of Racial Equity (Office) at the Air Resources Board. The Office will help coordinate, integrate, and implement racial equity into policy development, with an initial focus on research, incentive programs, regulations, air quality planning, and climate change. Finally, the Office will help develop trainings for staff to engage communities and advance racial equity.

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### OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

The Budget includes \$1.3 million ongoing for the Office of Environmental Health Hazard Assessment (OEHHA) to advance racial equity and environmental justice through science, data, and research including:

- **Advancing Racial Equity and Environmental Justice in OEHHA's Scientific Activities**—\$565,000 ongoing General Fund and two positions to create a new racial

equity and environmental justice program. The program would formulate strategies, policies, and technical assessments to advance racial equity in OEHHA's scientific activities, including quantitative risk-assessment methods.

- **Strengthening CalEnviroScreen**—\$370,000 ongoing funding from multiple fund sources and two positions to support the tracking of changes in community pollution burden using information from the CalEnviroScreen mapping tool. CalEnviroScreen assigns cumulative scores to communities based on indicators such as environmental pollution exposure, health, and socioeconomic vulnerability. Analyzing changes over time can provide information on the effectiveness of the state's programs in addressing environmental justice.
- **Biomonitoring in Community Air Protection Program (AB 617) Communities**—\$350,000 ongoing Greenhouse Gas Reduction Fund for targeted biomonitoring studies in communities disproportionately impacted by air pollution. Contract funding will allow OEHHA to serve these diverse communities by applying biomonitoring to directly measure air pollution exposures in community members over time, increase understanding of the potential health risks they face, and support the design of effective strategies to reduce exposures.

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## SAFE AND SUSTAINABLE PEST MANAGEMENT

As part of its mission, the Department of Pesticide and Regulation is working to accelerate the transition to safer, more sustainable pest management practices that protect human health and the environment. This transition includes a focus on the effectiveness of pest management in maintaining public safety, supporting food production, and protecting California's natural resources, with an emphasis on broad compliance efforts. Enhanced enforcement of the state's pesticide use laws and regulations will further improve the health of communities across the state, including workers, and protect the environment.

To advance this transition, the Department convened the sustainable pest management work group in March 2021 to develop a roadmap of recommendations and measurable goals. The 2021 Budget Act allocated \$36.5 million over two years to bolster existing scientific and grant programs that promote safer, more sustainable pest management practices across the state, enhance environmental monitoring activities, and continue to strengthen the Department's enforcement and community engagement activities. This included funding for a study to identify future options for a

tiered mill assessment on pesticide sales that provides sustainable long-term funding and to support safer, more sustainable pest management practices.

The Budget builds on this investment and includes \$882,000 Department of Pesticide Regulation Fund to investigate and enforce pesticide residue and use violations, as well as statutory changes to better achieve compliance with regulatory requirements and local implementation of statewide pesticide use enforcement priorities.

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## DEPARTMENT OF TOXIC SUBSTANCES CONTROL

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### PROTECTING CALIFORNIA'S COMMUNITIES, PUBLIC HEALTH, AND THE ENVIRONMENT

Last year, the Administration and the Legislature approved historic reforms for the Department of Toxic Substances Control (DTSC), alongside a significant investment to begin cleanup of the hundreds of thousands of contaminated sites around the state.

The Budget builds upon that work by providing resources for DTSC to increase protection of California's most vulnerable communities. The Budget includes a total of \$49.5 million (various special funds) in 2022-23 and \$50.8 million (various special funds) ongoing to address areas identified in the DTSC workload analysis as high risk.

These resources will protect vulnerable communities by strengthening enforcement activities (including increased inspections and investigations) and supporting the local California Unified Program Agencies. It will also support critical work to validate that household products are manufactured using safer chemicals. Finally, ongoing resources will continue the newly established site discovery and investigation programs to accelerate cleanup of contaminated properties and support for DTSC's legal enforcement actions that hold polluters accountable.

DTSC also continues to address significant issues facing environmental justice communities, most recently identifying a need to strengthen the regulatory structure for the metal shredding industry. DTSC issued a report in August 2021 documenting the hazards caused by the metal shredding industry and subsequently initiated emergency regulatory action. DTSC anticipates additional proposals for oversight of this industry in the future.



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## **CLEANUP IN AFFECTED COMMUNITIES**

The 2021 Budget Act provided \$500 million General Fund over three years to fund DTSC's Cleanup in Vulnerable Communities Initiative, which includes the Equitable Community Revitalization Grant program, the new Site Investigation and Enforcement Program, and a Technical Assistance Grant Program. Approximately 7,500 sites have already been identified for potential cleanup, and these sites will be prioritized based on pollution burden, adverse socio-economic conditions, and proximity to sensitive uses, such as residences, day care centers, senior centers, and schools. DTSC has initiated an electronic application process to facilitate grant application submission, has conducted extensive outreach to potential grant applicants, and is now providing application assistance to people in affected communities.

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## **EXIDE LEAD-ACID BATTERY FACILITY**

The 2021 Budget Act included \$322.4 million General Fund over three years to clean residential properties with lead contamination from the former Exide battery facility in Vernon. DTSC has already expended \$31.4 million to clean up 3,200 properties. DTSC estimates sampling up to 1,200 properties and cleaning up to 800 properties in 2022 with the additional \$291 million for residential cleanup.

The state continues to monitor the progress of the facility closure, which is being conducted by a trustee pursuant to court order with financial assurance trust funds. The 2021 Budget Act provided an additional \$132 million General Fund to advance site safety, maintenance, and cleanup activities at the facility once the trust funds budgeted for cleanup are fully expended. DTSC continues to pursue additional litigation to recoup the state's costs in cleaning up this site.

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# HEALTH AND HUMAN SERVICES

The Health and Human Services Agency (CalHHS) oversees departments and state entities that provide health and social services to the most vulnerable and at-risk Californians while providing public health services to all Californians. CalHHS is leading the response to the COVID-19 Pandemic along with the Governor's Office of Emergency Services. The Governor's Budget includes \$217.5 billion (\$64.7 billion General Fund and \$152.7 billion other funds) for all health and human services programs in 2022-23.

The COVID-19 Pandemic continues to have a significant impact on the programs under CalHHS and the Budget reflects updated estimates to support ongoing response efforts, including expanding vaccinations, testing and supporting hospitals.

The 2021 Budget Act provided unprecedented investments to improve the lives of all Californians, with a focus on the state's most vulnerable communities. This included significant investments for the continuum of behavioral health treatment resources, transformation of the system for providing behavioral health services to children and youth, expansion and rehabilitation of adult and senior care facilities, expansions of Medi-Cal eligibility to older adults regardless of immigration status, more home and community-based services, and a commitment to increasing subsidized child care by over 145,000 slots.

The Budget continues advancing the health and well-being of all Californians by building upon the significant investments made in 2021-22. The proposed investments will improve the state's ability to serve the whole person, and advance the goal that

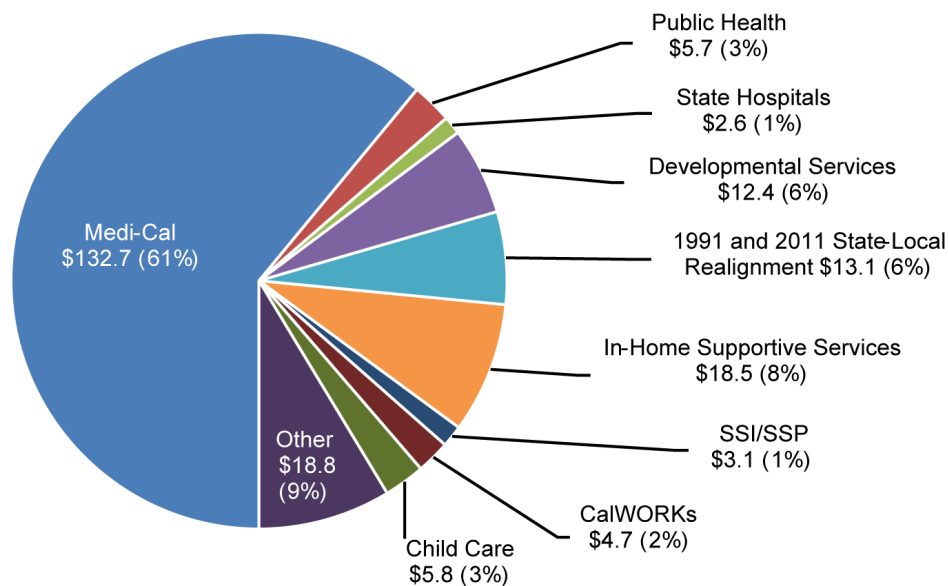
## HEALTH AND HUMAN SERVICES

health care, housing, and social needs are considered together, rather than through the lens of separate funding streams or programs. Budget proposals that address the needs of those with serious mental illness, those who are justice-involved, as well as immigrants, children, and aging populations, will improve the lives of California's most vulnerable residents while addressing underlying inequities in society.

In addition to the substantial investments in health and human services programs described in this chapter, the Budget includes a \$1.5 billion investment in workforce development that will build a well-trained health and human services workforce as an economic driver for low-income communities. See the Labor and Workforce Development Chapter for more details.

### Health and Human Services Proposed 2022 -23 Funding <sup>1/</sup> All Funds

(Dollars in Billions)



<sup>1/</sup>Totals \$217.5 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$20.3 billion and excludes \$2,520,000 in Proposition 98 funding in the Department of Developmental Services and Department of Social Services budgets and county funds that do not flow through the state budget.

Note: Numbers may not add due to rounding.

**Major Health and Human Services Program Caseloads**

	2021-22 Revised	2022-23 Estimate	Change
Medi-Cal	14,608,700	14,178,200	-430,500
California Children's Services (CCS) <sup>1/</sup>	9,311	11,678	2,367
CalWORKs	354,883	398,561	43,678
CalFresh	2,724,954	2,854,321	129,367
SSI/SSP (support for aged, blind, and disabled)	1,137,933	1,109,436	-28,497
Child Welfare Services <sup>2/</sup>	104,666	103,108	-1,558
Foster Care	53,083	52,912	-171
Adoption Assistance	86,326	86,329	3
In-Home Supportive Services	583,083	598,835	15,752
Regional Centers	386,431	407,634	21,203
State Hospitals <sup>3/</sup>	6,731	7,141	410
Developmental Centers <sup>4/</sup>	322	322	0
Vocational Rehabilitation	110,557	110,557	0

<sup>1/</sup> Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS beneficiaries.

<sup>2/</sup> 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.

<sup>3/</sup> Represents the year-end population at State Hospitals, county Jail-Based Competency Treatment programs, and Kern Admission, Evaluation and Stabilization center.

<sup>4/</sup> Represents the year-end population.

## HEALTH CARE AFFORDABILITY AND EXPANDING AVAILABILITY OF SERVICES FOR ALL CALIFORNIANS

Improving the affordability of health coverage and availability of health care will benefit millions of Californians. The State has taken many actions over the last several years to improve health care affordability—such as expanding Covered California premium subsidies for the middle class; expanding access to Medi-Cal to children, young adults, and older adults regardless of immigration status; and expanding coverage for preventive services, such as screening for adverse childhood experiences and for dementia. CalHHS has also convened the Healthy California for All Commission, which is exploring strategies to unify and simplify health care financing and improve the affordability of high quality, accessible, and equitable care for all. To sustain affordable access to health care, the state must also address the underlying cost drivers of health care.

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## **OFFICE OF HEALTH CARE AFFORDABILITY**

The Administration will move forward to establish an Office of Health Care Affordability, housed within the Department of Health Care Access and Information, to address underlying cost drivers and improve the affordability of health coverage, benefiting millions of working Californians. The Office will be charged with increasing transparency on cost and quality, developing cost targets for the health care industry, enforcing compliance through financial penalties, and improving market oversight of transactions that may adversely impact market competition, prices, quality, access, and the total cost of care. In addition to lowering the rate of cost growth, the Office will promote health care workforce stability and innovation, report on the quality of care and equity in services on the entire health care system, advance payment models that reward high-quality, cost-efficient care, and promote investments in primary care and behavioral health. The Budget reappropriates funding for the Office that was originally included in the 2021 Budget Act and proposes statutory changes for its establishment.

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## **COVERED CALIFORNIA**

The 2019 Budget Act authorized \$1.5 billion for a state-supported premium subsidy at Covered California to provide additional subsidies to low-income consumers and create new subsidies for middle-income consumers who were not eligible for federal subsidies at the time. Because the federal American Rescue Plan Act provides significantly expanded federal subsidies through 2022, they have taken the place of the state subsidies, resulting in savings to the state. As required by Chapter 21, Statutes of 2021 (AB 128) and Chapter 143, Statutes of 2021 (AB 133), \$333.4 million from the General Fund that would have been used for state subsidies was deposited into a reserve fund to be used for future affordability programs. Covered California has developed a report (as required by AB 133) on options to reduce out-of-pocket expenses for consumers. The Administration will work with the Legislature, Covered California, and stakeholders on options to further improve affordability and access to health care coverage, while considering the role that potential federal legislation may play in determining the ongoing level of federal subsidies available through Covered California.

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## **REDUCING THE COST OF INSULIN**

The insulin market has long epitomized the high cost in the pharmaceutical industry. The Administration will continue to work on plans to increase the availability of insulin that is

priced at a fraction of current market prices, which often exceed \$300 per vial. A potential partnership with a contract manufacturer of insulin could position the state to find drug affordability solutions as it lays the groundwork for future collaborations on other high-priority drugs, securing more consistent and reliable supply chains, and advancing a Healthy California for All where cost is not a barrier to essential medicines.

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## EXPANSION OF MEDI-CAL TO ALL INCOME-ELIGIBLE CALIFORNIANS

Over the last decade, the Medi-Cal program has significantly expanded and changed, due in large part to the implementation of the federal Patient Protection and Affordable Care Act and California's expansions of Medi-Cal coverage to children, young adults, and older adults age 50 and over regardless of immigration status. The Budget builds on those expansions and includes \$819.3 million (\$613.5 million General Fund) in 2023-24 and \$2.7 billion (\$2.2 billion General Fund) annually at full implementation, inclusive of In-Home Supportive Services (IHSS) costs, to expand full-scope eligibility to all income-eligible adults aged 26 through 49 regardless of immigration status. Beginning no sooner than January 1, 2024, Medi-Cal will be available to all income-eligible Californians.

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## REPRODUCTIVE HEALTH

To protect the right to safe and accessible reproductive health care services, the Administration will undertake a number of actions to maintain and improve availability of these essential services.

- **Increasing Flexibilities**—The Medi-Cal program provides comprehensive family planning and reproductive health services. To increase flexibility for Medi-Cal providers to provide clinically appropriate medication abortion services, the Department of Health Care Services (DHCS) will modify its existing billing requirements to remove requirements for in-person follow up visits and ultrasounds, if not clinically indicated.
- **Family Planning, Access, Care and Treatment (PACT) HPV Vaccine Coverage**—The Budget includes \$8 million (\$4.6 million General Fund) in 2022-23 and ongoing to add the human papillomavirus vaccine as a covered benefit under the Family PACT program, effective July 1, 2022.
- **Clinical Infrastructure**—To support California's clinical infrastructure of reproductive health care services, the Budget includes one-time funding of \$20 million General

Fund within the Department of Health Care Access and Information to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services.

- **Capital Infrastructure**—The Budget includes one-time funding of \$20 million in grant funding to the Department of Health Care Access and Information to assist reproductive health care facilities in securing their physical and information technology infrastructure and to enhance facility security.
- **Covered California Subsidies**—The Budget includes \$20 million General Fund in 2022-23 for Covered California to support the One-Dollar Premium Subsidy program which subsidizes the cost of Covered California consumers for health plans due to federal policy concerning abortion coverage.

The Administration will work with the Legislature to reduce barriers to accessing abortion and abortion related services through managed care plans.

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## ADDRESSING THE BEHAVIORAL HEALTH NEEDS OF CALIFORNIA'S MOST VULNERABLE

The COVID-19 Pandemic has exacerbated behavioral health challenges—mental health and substance use disorder—and placed significant demands on the existing system of care. Workforce shortages have widened the inequities across the system, worsened by the pandemic. In California, consistent with trends in the rest of the nation, overdose deaths have risen as well as suicidal ideation and hospitalization for self-harming behavior. In addition to the new proposals described below the state is also implementing the California Advancing and Innovation Medi-Cal waiver that will further expand behavioral health services.

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### BEHAVIORAL HEALTH CRISIS CARE CONTINUUM

The Administration's vision to transform the behavioral health system resulted in significant investments in the 2021 Budget Act that support generational change to reimagine the children and youth behavioral health system, investments in facilities, and investments in Medi-Cal to increase timely access to care using a "no wrong door" approach (whereby a beneficiary can enroll in Medi-Cal in a number of different places) for mental health and substance use disorder services.



In 2022, CalHHS will develop a plan to support connections between prevention efforts like hotlines and peer support services, 9-8-8 mental health crisis call centers, and mobile crisis response at the local level. The Budget includes \$7.5 million General Fund (\$6 million ongoing) for the California Governor's Office of Emergency Services to advance implementation of the 9-8-8 call system and support call handling equipment so existing crisis hotline centers have the needed resources to process additional 9-8-8 calls and coordinate and transfer calls with no loss of information between the 9-8-8 and 911 systems. See the Emergency Response Chapter for more details.

In addition, the Budget includes \$1.5 billion General Fund over two years for additional housing supports to those with behavioral health needs, as well as \$1.7 billion in Care Economy Workforce investments, including funding to recruit and train 25,000 new community health workers as well as additional psychiatric providers. (See the Housing and Homelessness and Labor and Workforce Development Chapters for more details.) The Budget also includes \$10 million to administer a competitive grant program to prevent and treat depression, as part of the California Initiative to Advance Precision Medicine. See the General Government and Statewide Issues Chapter for more details.

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## FELONY INCOMPETENT TO STAND TRIAL WAITLIST SOLUTIONS

Like many states, California is home to thousands of vulnerable and ill individuals who, as a result of limited community-based and early intervention treatment, decompensate to a point where engagement and treatment is difficult. Many of these Californians with the most severe behavioral health conditions, become fixed in a cycle of untreated mental illness, homelessness, and incarceration. Criminal defendants who are unable to understand criminal proceedings or assist counsel in their defense are determined by a court to be Incompetent to Stand Trial (IST). If charged with a felony, they can be committed to the Department of State Hospitals (DSH) to provide clinical and medical services with the goal of restoring their competency and enabling them to return to court to resume their criminal proceedings. Although this budget proposal and recent prior budget acts make significant investments that will build up behavioral health infrastructure in communities, a current lack of community behavioral health services has led to a rapidly growing number of individuals found IST and referred to DSH.

In June 2021, an appellate court affirmed the order in *Stiavetti v. Clendenin* requiring DSH to commence substantive competency restoration services for all ISTs committed to DSH within 28 days of receipt of the commitment packet from the court. Court orders and penalties regarding ISTs could cost California as much as one billion dollars

annually based on the State of Washington's experience. Despite increasing bed capacity, decreasing the average length of stay, and implementing county-based treatment programs, the increasing number of county IST referrals has resulted in a large waitlist and long wait times for defendants pending placement to DSH. Furthermore, the impacts of the COVID-19 Pandemic and necessary infection control measures put in place in DSH facilities resulted in slower admissions and reduced capacity for the treatment of felony ISTs at DSH. In the fall of 2021, DSH convened an IST Workgroup to identify actionable solutions to address the increasing number of individuals with serious mental illness who are deemed IST on felony charges.

Informed by the deliberations of the Workgroup, the Budget reflects spending of \$93 million General Fund in 2021-22 (including funds previously appropriated for Workgroup solutions and redirected funds) and \$571 million General Fund in 2022-23 and ongoing (including funds previously appropriated for Workgroup solutions, redirected funds and new funding). These funds will provide for:

- **Early Stabilization and Community Care Coordination** to provide immediate solutions to support access to treatment for the nearly 1,700 individuals currently found IST on felony charges and waiting in jail, and to reduce the flow of new incoming referrals. This includes funding for:
  - Early access to medication stabilization teams to encourage substantive treatment in jail settings,
  - Statewide funding for medication support, and
  - DSH case management teams to coordinate IST care with counties and other community providers.
- **Expand Diversion and Community-Based Restoration Capacity** to increase IST treatment alternatives by investing in the community infrastructure required to support the felony IST population. This includes funding for:
  - Infrastructure to increase the number of community residential beds dedicated to DSH Diversion and Community-Based Restoration programs,
  - Augmented funding for counties to expand DSH Diversion and Community-Based Restoration,
  - Supporting county partnerships for entities impacted by felony IST community placements, and
  - Workforce development support for counties and community providers.

These investments support the goal of providing care in the least restrictive, community-based settings while maintaining public safety. In order to encourage the expansion of community care that does not create unintended incentives that drive additional IST referrals, the state will implement a growth cap on IST referrals that will include a county cost sharing methodology if the growth cap is exceeded.

The ability of the state to address the IST waitlist is directly impacted by the Lanterman Petris Short (LPS) Conservatorship census at DSH facilities exceeding current contracted levels with counties and LPS patients being held longer than their treatment plan requires. Welfare and Institutions Code section 4147, which established the IST Solutions Workgroup, provides that if insufficient progress is made in addressing the waitlist, CalHHS may discontinue the admission of new LPS patients, establish LPS reduction targets for counties, and charge counties that do not achieve reductions 150 percent of the current bed rate for LPS patients.

The coordinated behavioral health investments made as part of the 2021 Budget Act and the Budget will support county efforts to serve individuals at risk of becoming IST upstream, before they become involved in the criminal justice system—including investments in the Behavioral Health Continuum Infrastructure Program and the proposed \$1.5 billion General Fund over two years in housing options for those with behavioral health conditions.

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## **MEDI-CAL COMMUNITY-BASED MOBILE CRISIS SERVICES**

The American Rescue Plan Act of 2021 authorizes 85-percent federal matching funds for a Medicaid mobile crisis response services benefit, available for 12 quarters during a five-year period starting April 1, 2022. DHCS will add multi-disciplinary mobile response services for crises related to mental health and substance use disorders as a new Medi-Cal benefit, as soon as January 1, 2023. Providing community-based mobile crisis services will help reduce the impact of untreated behavioral health conditions on emergency departments and psychiatric facilities, by providing a system for triaging and referring people to services in the community. Over the five-year period authorized by the Act, total costs of this new benefit are projected to be \$1.4 billion (\$335 million General Fund). This benefit builds on the \$205 million and other funds the 2021 Budget Act provided to counties for infrastructure development in preparation for the implementation of the mobile crisis benefit.

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## OPIOID RESPONSE

Deaths related to synthetic opioids and psychostimulants with abuse potential have increased, while prescription opioid-related overdoses have decreased over time due to successful interventions addressing prescribing patterns. Illicit synthetic opioids (primarily fentanyl and fentanyl analogs) and psychostimulants with abuse potential (such as methamphetamine and cocaine) have become increasingly available in the drug supply.

In response to this growing problem, the Budget includes \$96 million General Fund in 2022-23 and \$61 million ongoing General Fund for the Medication Assisted Treatment (MAT) Expansion Project. Additional MAT resources would be targeted towards expanding the Naloxone Distribution Project, supporting 100 new MAT access points statewide, expanding MAT in county jails, and increasing MAT services within state-licensed facilities.

In addition, the Budget includes one-time \$86 million opioid settlement funds which will be dedicated to a public awareness campaign targeted towards youth opioids education and awareness and fentanyl risk education (\$50 million) and improving the state's ability to collect and analyze data on opioid overdose trends (\$5 million) for the Department of Public Health, provider training on opioid treatment (\$26 million) for the Department of Health Care Access and Information, and distributing naloxone to homeless service providers (\$5 million) for the Department of Health Care Services.

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## SUPPORT FOR CALIFORNIA'S AGING POPULATION

In the 2021 Budget Act, the state made substantial investments in response to the Governor's Master Plan for Aging and Alzheimer's Task Force recommendations to prepare for more Californians living longer and to advance inclusive, equitable communities for all ages and abilities. By 2030, the population of Californians over age 60 is projected to be greater than under 18 for the first time ever, and record numbers of people will live to be 100. This shift in California's population is changing family life, communities and the economy, with new opportunities and challenges. To further the Administration's goals, the Budget includes additional investments to support the state's aging population.

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## REFORMING NURSING FACILITY FINANCING

Currently, the state provides annual cost-based increases and quality incentive payments to skilled nursing facilities, funded partly by a Quality Assurance Fee equivalent to 6-percent of facility revenues. The resulting revenue draws down additional federal funding to support nursing facility payments. The existing framework, authorized initially in 2004 and last extended in 2020, sunsets on December 31, 2022. The Budget proposes to reform the funding framework to move from a primarily cost-based methodology to one that incentivizes value and quality. The intent of these reforms is to further enable nursing facilities to invest in quality and patient care while assuring the long-term financial viability of these essential Medi-Cal providers.

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## EXPANDING THE ALZHEIMER'S HEALTHY BRAIN INITIATIVE

The Budget includes \$10 million one-time General Fund to continue support for the existing Alzheimer's Healthy Brain Initiative grantees in six local health jurisdictions and expand to up to six additional local health jurisdictions to support activities consistent with the U.S. Centers for Disease Control and Prevention and Alzheimer's Association Healthy Brain Initiative State and Local Public Health Partnership to Address Dementia: The 2018-2023 Road Map, a public-private partnership to promote brain health, better care for people with cognitive impairment, increase attention to caregivers, and build public health capacity.

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## IMPLEMENTING THE MASTER PLAN FOR AGING

The Budget also makes a range of targeted investments to propel age-, disability-, and dementia-friendly communities statewide, including:

- **Master Plan for Aging**—The Budget includes \$2.1 million (\$1.8 million General Fund) to bolster the Master Plan for Aging's Data Dashboard to drive outcomes and sustain public engagement for statewide initiatives through the Department of Aging, and strengthen civic engagement policies and programs in the California Commission on Aging.
- **Health Care Access for Working Disabled People**—\$1.5 million General Fund ongoing to reduce Medi-Cal premiums for working adults with disabilities to continue progress on California's goals to expand access to health care and increase the affordability of home care.

- **Intergenerational Volunteering and Community Engagement**—The Budget includes funding for various volunteer programs across the state including one-time \$10 million General Fund for programs to engage older adults in volunteer service. See the General Government and Statewide Issues Chapter for more details.
- **Inclusive and Equitable Employment**—\$7.6 million for an expanded California Leads as an Employer initiative through the California Department of Human Resources to continuously recruit and support a state workforce that reflects all of California, which includes renewed efforts to employ Californians with disabilities. See the General Government and Statewide Issues Chapter, Transforming Government Operations Section for more details.
- **Protecting and Empowering At-Risk Aging and Disabled Populations**—California is increasing investments in serving the growing number of older and disabled adults with more complex needs, across a range of specialized services. The Budget includes the following:
  - \$10.6 million General Fund annually for three years to continue the Returning Home Well Program to provide transitional housing to parolees at risk of housing insecurity or homelessness. Approximately 25 percent of the parole population is 50 years or older.
  - A new position to coordinate best practices with county Public Conservator agencies serving people with probate conservatorships at the California Department of Aging.
  - A new position focused on supporting aging individuals with developmental disabilities and their families at the California Department of Developmental Services.

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## DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates that a range of basic services be included in the program and the state provides additional optional benefits. The Department also oversees county-operated community mental health and substance use disorder programs, the California Children's Services and the Primary and Rural Health Programs.

The Medi-Cal budget is \$123.8 billion (\$26.8 billion General Fund) in 2021-22 and \$132.7 billion (\$34.9 billion General Fund) in 2022-23. The Governor's Budget assumes that caseload will increase by approximately 8.3 percent from 2020-21 to 2021-22 and decrease by 3 percent from 2021-22 to 2022-23. Medi-Cal is projected to cover approximately 14.2 million Californians in 2022-23, over one-third of the state's population.

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## **CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL (CALAIM)**

CalAIM is a framework that encompasses a broad-based delivery system, program, and payment reform across the Medi-Cal program. CalAIM recognizes the opportunity to move the whole-person care approach that integrates health care and other social determinants of health, to a statewide level, with a clear focus on improving health and reducing health disparities and inequities, including improving and expanding behavioral health care. Updates to the Department's Section 1115 CalAIM demonstration and Section 1915(b) waiver (which the federal government recently approved), along with related contractual and Medi-Cal State Plan changes, will enable California to execute the CalAIM initiative, providing benefits to certain high-need, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal beneficiaries and other low-income individuals in the state.

The Budget includes \$1.2 billion (\$435.5 million General Fund) in 2021-22, \$2.8 billion (\$982.6 million General Fund) in 2022-23, \$2.4 billion (\$876.4 million General Fund) in 2023-24, and \$1.6 billion (\$500 million General Fund) in 2024-25 for CalAIM. CalAIM initiatives being implemented in 2022-23 include mandatory enrollment into managed care of beneficiaries eligible for both Medi-Cal and Medicare; the requirement that all managed care plans cover long-term care; the provision of a targeted set of Medicaid services to eligible justice-involved populations prior to release; and the Providing Access and Transforming Health (PATH) initiative to further the successful implementation of CalAIM.

Incarcerated individuals leaving correctional facilities are at high-risk of poor outcomes due to high rates of mental illness, substance use disorders, complex medical conditions, and potential social needs such as housing insecurity, unemployment, and inadequate social connections. CalAIM proposes to improve outcomes for this population by mandating a county pre-release Medi-Cal application process for incarcerated individuals, allowing Medi-Cal reimbursement for services in the 90-day time period prior to release, and to encourage a facilitated referral and linkage ("warm

hand-off") to behavioral health services, both to providers in managed care networks and to county behavioral health departments.

PATH includes the following programs and initiatives:

- Justice-involved start-up funds to build on the successful work conducted under Whole Person Care pilots. This PATH program will build statewide capacity and expand access to necessary pre-release and post-release services under CalAIM.
- Support for implementation of Enhanced Care Management and Community Supports, including Whole Person Care services and transition to managed care; technical assistance; collaborative planning; and capacity and infrastructure transition, expansion, and development funding for providers, community-based organizations, and counties.

An additional goal of CalAIM is to develop a new Foster Care Model of Care. To address the complex medical and behavioral health needs of foster youth, and to build on the Continuum of Care Reforms, the Administration intends to work with stakeholders in the budget year to develop a new model of care. DHCS and the Department of Social Services will center this effort on establishing an accountability framework across systems, advancing equity, and integrating services and care.

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### **PROPOSITION 56 PROVIDER PAYMENTS**

Proposition 56 funds various supplemental payment programs including the Family Planning, Access, Care and Treatment program, women's health services, dental and physician services, developmental and trauma screenings, non-emergency medical transportation, and others. Proposition 56 revenues continue to decline as the rate of tobacco use declines. In 2022-23, Medi-Cal supplemental payments funded by Proposition 56 are projected to exceed revenues by \$176 million. To maintain the enhanced level of reimbursement, the Budget includes \$176 million General Fund to support reduced Proposition 56 revenue.

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### **ELIMINATION OF CERTAIN AB 97 PROVIDER RATE REDUCTIONS**

AB 97 (Chapter 3, Statutes of 2011) required DHCS to reduce most Medi-Cal provider payments by 10 percent, with limited exceptions. Since that time, certain AB 97 provider payment reductions have been rescinded. The Budget proposes to rescind the AB 97 provider rate reductions for eight provider types based on COVID-19 Pandemic impacts



and the Department's quality and equity goals—nurses of all types, alternative birthing centers, audiologists and hearing aid dispensers, respiratory care providers, select durable medical equipment providers, chronic dialysis clinics, non-emergency medical transportation providers, and emergency medical air transportation providers. The Budget includes fee-for-service costs of \$20.2 million (\$9 million General Fund) in 2022-23 and \$24 million (\$10.7 million General Fund) annually thereafter for elimination of these rate reductions.

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## MEDI-CAL PROVIDER EQUITY PAYMENTS

During the COVID-19 Public Health Emergency, there has been a significant decline in utilization of preventive care and routine care for chronic conditions. In addition, the disparate impacts of COVID-19 on communities of color and other disadvantaged Californians underscore the existing disparities in our health care system. To promote patient-centered models of care, the Budget includes one-time \$400 million (\$200 million General Fund) for provider payments focused on advancing equity and improving quality in children's preventive, maternity, and integrated behavioral health care.

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## PUBLIC HOSPITAL FINANCING REFORM

To further the standardization of the Medi-Cal program and move towards a more streamlined financing system, the Administration proposes to work with the public hospital systems in 2022-23 to reform Medi-Cal payments for public hospitals. The goal of these payment reforms is to drive system transformation to provide person-centered care, reduce administrative burden, and focus on integration, quality, outcomes, and value.

Other Significant Adjustments:

- **2021-22 Budget**—The Budget reflects lower Medi-Cal expenditures of approximately \$1.1 billion General Fund in 2021-22 compared with the 2021 Budget Act. The decrease is due primarily to projected savings associated with continued enhanced FMAP through the end of the fiscal year versus the assumed calendar year, and shifts in funding for the Behavioral Health Continuum Infrastructure Program and Children and Youth Behavioral Health Initiative. These reduced General Fund costs are partially offset by increased costs associated with COVID-19 caseload and state-only claiming adjustments.

- **Year-Over-Year**—The Budget projects Medi-Cal expenditures of \$34.9 billion General Fund in 2022-23, an increase of \$8 billion General Fund compared with the revised 2021-22 expenditures. A majority of the increase is attributable to enhanced FMAP assumed to no longer be available in 2022-23, other COVID-19 related impacts, funding shifts and second year funding for the Behavioral Health Continuum Infrastructure Program and the Children and Youth Behavioral Health Initiative, funding for housing supports for those with behavioral health needs, and state-only claiming adjustments.
- **Medi-Cal Caseload Impacts**—The Budget projects an average monthly caseload of 14.6 million beneficiaries in 2021-22 and 14.2 million in 2022-23, and includes \$10.5 billion total funds (\$2.9 billion General Fund) in 2021-22 and \$10 billion total funds (\$2.8 billion General Fund) in 2022-23 for caseload attributable to the COVID-19 Pandemic. Caseload is projected to peak at 15.2 million in July 2022, driven by the assumed federal continuous coverage requirement related to the COVID-19 Public Health Emergency.
- **Additional COVID-19 Impacts**—The Budget includes costs of \$3.1 billion total funds (\$2.9 billion General Fund savings) in 2021-22 and \$1.1 billion total funds (\$498.6 million General Fund savings) in 2022-23 for COVID-19 impacts (excluding caseload), such as enhanced FMAP savings, COVID-19 testing in schools, and federal waiver flexibilities.
- **State-Only Claiming Adjustment**—The Budget includes \$728.3 million General Fund in 2021-22 and \$1.5 billion General Fund in 2022-23 for retroactive and ongoing dental, pharmacy, managed care, and behavioral health costs associated with state-only populations.
- **Medi-Cal for Older Adults Regardless of Immigration Status**—The Budget includes \$54 million (\$43.1 million General Fund) in 2021-22 and \$660.9 million (\$567.1 million General Fund) in 2022-23 for the full year cost of expanding full-scope Medi-Cal to older adults age 50 and older regardless of immigration status effective May 1, 2022 (inclusive of IHSS costs). This policy change was included in the 2021 Budget Act.
- **Medi-Cal Assets for Older and Disabled Adults**—The Budget includes \$200.7 million (\$93.4 million General Fund) in 2022-23 to phase in the elimination of the Medi-Cal asset limit no sooner than January 1, 2022 (inclusive of IHSS costs). The asset limit will be fully eliminated no sooner than January 1, 2024 with an annual cost of \$434.7 million (\$201.3 million General Fund) ongoing. This policy change was included in the 2021 Budget Act.

- **Extension of Adverse Childhood Experiences (ACES) Provider Training**—The Budget includes one-time \$135.1 million (\$67.6 million Mental Health Services Fund, remainder is federal funds), over a three-year period to extend Medi-Cal provider training for ACEs screenings.
- **County Eligibility Redeterminations Funding**—The Budget includes \$73 million total funds (\$36.5 million General Fund) in each of 2021-22 and 2022-23 for counties to resume annual redeterminations of Medi-Cal beneficiaries.
- **Indian Health Program Grant Restoration**—The Budget includes one-time \$12 million General Fund to restore grant funding for Tribal Health Programs, which provide health care services to American Indian populations, both on tribal land and in urban areas, and operate in designated Health Professional Shortage Areas. This funding will promote the retention of the health care workforce that serves these programs and decrease the health disparities experienced by American Indians.
- **Reduction of Medi-Cal Premiums**—To increase access to health care services, the Administration proposes to reduce the financial burden of paying for health care coverage for approximately 500,000 Medi-Cal enrollees who pay monthly premiums for coverage. The Budget includes \$53.2 million (\$18.9 million General Fund) in 2022-23 and \$89 million (\$31 million General Fund) annually to reduce premiums for beneficiaries, including pregnant women, children, and disabled working adults, whose income is marginally above the threshold for no cost Medi-Cal. See the Early Childhood Chapter for more details.
- **Sunset of Child Health and Disability Prevention Program**—The Administration proposes to sunset the Child Health and Disability Prevention Program (CHDP) effective July 1, 2023 to advance CalAIM's goal of streamlining the Medi-Cal program. As part of this proposal, DHCS will implement the Children's Presumptive Eligibility Program to replace the CHDP Gateway to allow applicable Medi-Cal providers to enroll children into Medi-Cal through the presumptive eligibility process.
- **Dental Managed Care**—The Administration proposes to extend dental managed care contracts and reprocure new contracts no sooner than January 1, 2024.

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## DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS),

Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, Disability Determination Services, and child care and nutrition. The Budget includes \$40.7 billion (\$16.1 billion General Fund) for DSS programs in 2022-23.

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### CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS

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

Total TANF expenditures are \$8.5 billion (state, local, and federal funds) in 2022-23. The amount budgeted includes \$6.6 billion for CalWORKs program expenditures and \$2 billion in other programs. Other programs include expenditures for Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services. The average monthly CalWORKs caseload is estimated to be 398,000 families in 2022-23.

Significant Adjustment:

- **CalWORKs Grant Increase**—The Budget projects a 7.1-percent increase to CalWORKs Maximum Aid Payment levels. See the Early Childhood Chapter for more details.

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### IN-HOME SUPPORTIVE SERVICES

The IHSS program provides domestic and related services such as housework, meal preparation, and personal care services to eligible low-income individuals with disabilities, including children, adults, and seniors. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The Budget includes \$18.5 billion (\$6.5 billion General Fund) for the IHSS program in 2022-23. Average monthly caseload in this program is estimated to be 599,000 recipients in 2022-23. Due to the \$15-per-hour state minimum wage, effective January 1, 2022, the Governor's Budget includes \$192 million General Fund in 2021-22

and \$399 million in 2022-23 to reflect increased minimum wage costs in the IHSS program.

Significant Adjustment:

- **IHSS Permanent Back-up Provider System**—The Budget includes \$24.8 million (\$11.2 million General Fund) ongoing to establish a permanent back-up provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergencies.

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

The federal SSI program provides a monthly cash benefit to individuals with disabilities, including children, adults, and seniors who meet the program's income and resource requirements. In California, the SSI payment is augmented with an SSP grant. These cash grants help recipients meet their 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 individuals who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes \$3.1 billion General Fund in 2022-23 for the SSI/SSP program. The average monthly caseload in this program is estimated to be 1.1 million recipients in 2022-23. A 5.9-percent federal SSI cost-of-living adjustment and 24-percent SSP increase took effect on January 1, 2022, bringing the maximum SSI/SSP grant levels to \$1,040 per month for individuals and \$1,766 per month for couples. CAPI benefits are equivalent to SSI/SSP benefits.

Significant Adjustment:

- **SSP Increase**—The Budget assumes an additional SSP increase of 24 percent, effective January 1, 2024, resulting in an estimated \$296 million General Fund in 2023-24 and \$593 million ongoing, and would fully restore SSP monthly payments for both individuals and couples to pre-Great Recession levels. The increase is projected to bring maximum SSI/SSP grant levels to \$1,123 per month for individuals and \$1,940 per month for couples in 2024.

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## CHILDREN'S PROGRAMS

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare system provides a continuum of services to children who are either at risk of or have suffered abuse and neglect. Program success is measured in terms of improving the safety, permanence, and well-being of children and families served. The Budget includes \$665.8 million General Fund in 2022-23 for services to children and families in these programs. When federal and 1991 and 2011 Realignment funds are included, total funding for children's programs is in excess of \$8.5 billion in 2022-23.

Significant Adjustments:

- **Former Foster Youth Tax Credit**—The Budget proposes a refundable \$1,000 tax credit for young adults aged 18 through 25 who were former foster youth at age 13 or older. See the Revenue Estimates Chapter for more details.
- **Foster Youth Independence Pilot Program**—The Budget includes \$1 million one-time General Fund, available over two years, for county child welfare agencies to provide case management and support services for former foster youth utilizing federal housing choice vouchers in the Foster Youth Independence Pilot Program.
- **Family Finding and Engagement**—The Budget includes \$1 million (\$750,000 General Fund) ongoing for the Department to provide additional technical assistance and training to counties in meeting the need for children in foster care and unaccompanied minors to be connected to permanent family.
- **Resource Family Approval (RFA) Applications**—The Budget includes \$6.1 million (\$4.4 million General Fund) one-time, available over three years, for county child welfare agencies to address RFA applications that have pending or probationary approval for more than 90 days.
- **Helpline for California Parents and Youth**—The Budget includes \$4.7 million one-time General Fund, available over three years, to continue operation of a helpline for parents and youth. The helpline is a statewide triage and support system, established during the COVID-19 Pandemic, that helps deliver services to children, families, and caregivers by phone and online.

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## CHILD CARE

The Budget continues to support historic investments in child care and development programs included in the 2021 Budget Act. Child care and nutrition programs were transferred from the Department of Education to DSS, effective July 1, 2021, and the Administration will continue to build on key recommendations from the Master Plan for Early Learning and Care to transform the state's child care system. See the Early Childhood Chapter for more details.

Other Significant Adjustments:

- **California Food Assistance Program (CFAP) Expansion**—The Budget includes \$35.2 million General Fund for planning purposes, increasing to \$113.4 million General Fund annually in 2025-26, to expand the CFAP program to Californians age 55 and older regardless of immigration status, based on statute included with the 2021 Budget Act.
- **Food Bank Resources**—The Budget includes \$50 million one-time General Fund for the CalFood program to mitigate increases in food needs among low-income and food-insecure populations throughout the state.
- **Pass-Through of Child Support Collections for Formerly Assisted Families**—Under current law, families formerly receiving state assistance (such as CalWORKs) do not receive the full "pass-through" of child support payments collected by the state. The Budget would waive the state's share of recoupment, resulting in a total estimated pass-through to formerly assisted families of \$187 million annually. See the Early Childhood Chapter for more details.

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## DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities a variety of services, as an entitlement, that allow them to live and work independently or in supported environments. This Budget builds on historic DDS investments made in the 2021 Budget Act, including an estimated \$1.2 billion General Fund by 2025-26 to fully implement service provider rate reform, and prioritizes system stability, workforce development, service access and equity, and outcome-based initiatives that are grounded in person-centered principles. The Budget includes \$12.4 billion (\$7.5 billion General Fund) and estimates that approximately 408,000 individuals will receive services by the end of 2022-23.

### Significant Adjustments:

- **Early Start: Part C to B Transitions**—\$65.5 million (\$45.1 million General Fund) to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). This funding supports service coordinator-to-child caseload ratios, supports to preschools to increase inclusion of children served by regional centers, establishment of IDEA specialists at each regional center, and resources to facilitate interagency coordination. See the Early Childhood Chapter for more details.
- **Communications Assessments for Individuals Who Are Deaf+**—\$15 million (\$9 million General Fund) one-time funding to support communication assessments that will be used in developing individual program plans to improve services for individuals with intellectual and developmental disabilities who are deaf (Deaf+).
- **Work Activity Programs: New Service Model**—\$8.3 million (\$5 million General Fund) to establish a service model pilot program focused on expanding employment opportunities for individuals with intellectual and/or developmental disabilities who are currently served through Work Activity Programs or are recent high school graduates.

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## DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health (DPH) is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$5.7 billion (\$1.7 billion General Fund) in 2022-23 for the Department.

The COVID-19 Pandemic is the largest and most pervasive public health emergency in recent history. During recent decades, California has addressed smaller-scale outbreaks and threats, such as H1N1 influenza, Zika, Ebola, West Nile Virus, Measles, and Valley Fever. While each of these has led DPH to modify and refine its preparedness planning, the magnitude of the COVID-19 Pandemic has been unprecedented. No part of the state—whether by geography, by ethnicity, or by age—has been untouched.

During the COVID-19 Pandemic, federal support—including Federal Emergency Management Agency (FEMA) public assistance, Coronavirus Relief Funds, and various federal grants—has increased spending on public health response efforts by billions of dollars. In addition, the recently enacted American Rescue Plan Act of 2021 provides over \$1 billion to state and local public health efforts.



The chart below details approximately \$5 billion in selected federal grants that have flowed to the state and local governments to address critical public health needs. Local governments, who are key partners in these efforts, have received nearly \$2.8 billion in direct support from three of the largest grant awards. These funds generally are available over multiple fiscal years.

#### Selected Federal Public Health Grants Since March 2020

Grant	Recipient	Award Amount (In Millions)
Epidemiology and Laboratory Capacity Grants	State	\$213
Epidemiology and Laboratory Capacity Grants, Local Share	Los Angeles County	\$291
Epidemiology and Laboratory Capacity Grants, Local Share	State Allocation to Local	\$286
Epidemiology and Laboratory Capacity Grants	State	\$509
Epidemiology and Laboratory Capacity Grants	Los Angeles County	\$578
Epidemiology and Laboratory Capacity Grants	State Allocation to Local	\$1,188
Vaccine Preparedness Grants	State	\$179
Vaccine Preparedness Grants	State Allocation to Local	\$179
School Testing Grants	Los Angeles County	\$302
	<b>TOTAL STATE</b>	<b>\$900</b>
	<b>TOTAL LOCAL (INCLUDING LA)</b>	<b>\$2,823</b>
	<b>TOTAL</b>	<b>\$3,723</b>
<b>Other Health-Related American Rescue Plan Act Grants</b>		
Grant	Recipient	Award Amount (In Millions)
School Testing Grants	State	\$888
Vaccine Preparedness Grants	State	\$179
Vaccine Preparedness Grants	State Allocation to Local	\$179
	<b>GRAND TOTAL</b>	<b>\$4,968</b>

## COVID-19 BUDGET ESTIMATE

Since the 2021 Budget Act was finalized there have been significant developments in the COVID-19 Pandemic, including new variants, Delta and Omicron, expanded vaccine approvals for children and youth, and boosters for the adult population. To continue the state's efforts through the Spring, the Budget reflects an additional \$1.2 billion for COVID-19 related expenditures including resources for testing and laboratory functions, vaccinations, contact tracing, medical surge staffing and state operations support. The Administration proposes early action to continue these efforts. Increased costs in 2021-22 reflect additional costs in all expenditure categories related to the continued COVID-19 response. The Budget reflects \$1.2 billion in projected costs in 2022-23 across the same expenditure categories.

The Administration will continuously evaluate DPH and local government spending of various federal COVID-19 grants. To the extent that federal resources, including prior

year unspent carryover funds, go unspent or are unlikely to be expended during the federal grant timeframe, DPH may reallocate these resources to meet the entire budget year need. See the Pandemic Response and Federal Assistance Chapter for more information.

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### **FURTHER ENHANCING PUBLIC HEALTH AND SOCIAL DETERMINANTS OF HEALTH**

The COVID-19 Pandemic has underscored the need for investment at DPH and at local health jurisdictions (LHJs) to respond to the needs of Californians during public health emergencies. As a result, the 2021 Budget Act included \$300 million ongoing General Fund, beginning in 2022-23, for investments in public health infrastructure. To determine where resources are needed most critically, DPH convened the Future of Public Health Workgroup. The Workgroup brought together local health executives, health officers, administrators, and administration leadership to provide an assessment of current and future trends, to consider public health system initiatives that might be needed to address recent challenges, and to prepare the state of California and its residents for a healthier future.

The Workgroup's extensive review informed the DPH state operations and local assistance spending plans.

### **STATE OPERATIONS FUNDING**

The Budget includes \$100 million General Fund annually for DPH to strengthen statewide public health infrastructure and complement local funding so that state and local governments can collaboratively work together to improve the health of all Californians. Key investment areas include:

- Establishing an Office of Policy and Planning to conduct strategic planning and execution to address current and emerging threats to public health.
- Increasing resources for emergency preparedness by building on the all-hazards approach to improve capability.
- Increasing resources to support the expansion of the health care workforce to create sufficient capacity and upskill the current workforce to meet the new demands on the system.
- Enhancing communication and public education to effectively disseminate communications across a variety of channels, as well as to combat disinformation.

- Directing efforts towards community health improvement/population health management to improve physical and mental health by addressing health behaviors and a broad range of health factors, reducing health disparities, and focusing on community-wide prevention and resiliency.
- Supporting an overarching goal of creating an organizational culture that is centered on health equity, accountability and continuous quality improvement, with a focus on establishing clear and quantifiable performance targets for these public health initiatives.

The information technology (IT) and data systems created and modified during the pandemic are key components underpinning the public health infrastructure investments noted above. These IT systems are critical and essential for DPH and LHJs to effectively track and gather data on COVID-19 and other infectious diseases, perform contact tracing to minimize disease spread, efficiently administer life-saving vaccines, rapidly perform COVID-19 tests, and deploy personnel in all areas of the pandemic response.

In addition to the \$300 million spending plan for LHJs and DPH, the Budget includes \$235.2 million to maintain and operate those technology and data platforms and applications in 2022-23, both for the ongoing COVID-19 response and other potential disease outbreaks.

### LOCAL ASSISTANCE FUNDING

The Budget includes \$200 million General Fund annually for LHJs to enhance their public health infrastructure. The intent is to drive collaboration across counties and leverage resources collectively in order to gain economies of scale. LHJs will receive a minimum base allocation of \$350,000, which is based on an LHJs' population-based share (50 percent), Race Ethnicity index (25 percent) and the Poverty Index (25 percent). DPH has collaborated with local partners to develop key metrics, minimum requirements for use of the funds, and reporting requirements. While LHJs may have more individualized investment areas of focus to meet their local community needs, additional resources should broadly include the following elements:

- **Workforce Expansion**—To strengthen local public health department staffing and to fortify priority areas identified during the pandemic.
- **Data Collection and Integration**—To standardize the collection and integration of data to develop actionable information that can guide local decision-making.

- **Community Partnerships**—To expand local partnerships with health care delivery systems and community-based organizations, including faith-based organizations, in order to marshal all resources to drive system change.

### **DIRECTING NON-PROFIT HOSPITAL COMMUNITY BENEFIT FUNDING TO COMMUNITY-BASED ORGANIZATIONS**

State and federal community benefit laws require non-profit hospitals, which are exempt from most federal, state, and local taxes, to provide community benefits. Non-profit hospitals create Community Benefit Plans, which provide a description of the activities that the hospital has undertaken in order to address identified community needs within its mission and financial capacity. Current law does not prescribe a required level of community benefit to be provided by non-profit hospitals or direct how community benefits should be allocated.

Community-based organizations play a key role in addressing the social determinants of health and may be based in a sector other than health (including housing security, food security, economic stability, schools and childcare, community violence and hate crimes, youth criminal justice, transportation, environment and environmental justice, and community capacity building) which bring additional skills, perspectives, and community connections to public health interventions. The state intends to leverage this expertise to advance equity and reduce disparities in health outcomes.

To promote additional investment in community-based organizations that are focused on public health efforts, the Administration proposes to require non-profit hospitals demonstrate how they are making investments in local health efforts, specifically community-based organizations that address the social determinants of health. Additionally, the Administration proposes statutory changes that direct that 25-percent of a non-profit hospital's community benefit dollars go to these efforts, while giving the Department of Health Care Access and Information enforcement authority over these requirements.

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### **MIGRATION AND BORDER COMMUNITIES**

Since 2019, California has supported temporary shelter and support services for migrants and asylum seekers released from federal immigration custody in border communities. The state has expanded humanitarian efforts and support to border communities through testing, temporary shelter, vaccines and coordination for safe onward travel as migrants continue with their immigration proceedings in the United States. In April 2021,

\$360 million General Fund was provided from the Disaster Response Emergency Operations Account to Public Health to administer emergency response activities at the border, including but not limited to sheltering migrants, testing, and isolation/quarantine services. The Budget provides \$74 million General Fund to DPH to support continued COVID-19 Pandemic response and humanitarian efforts for newly arrived migrants and local border communities. See the General Government and Statewide Issues Chapter for more details.

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## CLIMATE CHANGE IMPACTS ON PUBLIC HEALTH

Climate change affects every Californian, but some communities and individuals experience worse health impacts from the crisis than others. People with existing health conditions, people who are homeless or inadequately housed, outdoor workers, certain communities of color, immigrants, the very young or elderly, pregnant people, people with disabilities, those who have low incomes, and those who are socially isolated face disproportionate risk of harm from climate impacts.

The Budget includes three initiatives in CalHHS departments to combat impacts of climate change:

- **Climate and Health Resilience Planning Grant Program**—\$25 million one-time General Fund for a grant program to bolster the actions of LHJs to more effectively mount responses to climate change-imposed health risks. Grant funds would be used for LHJs to coordinate with organizations (community-based organizations, faith-based organizations, non-profit organizations, and local governments) to develop regional Climate and Health Resilience Plans.
- **Establish a Climate and Health Surveillance Program**—\$10 million ongoing General Fund to establish a surveillance program to link public health and health care data sources, in order to create real-time notification for local public health jurisdictions, providers, and patients for emerging or intensified climate-sensitive diseases.
- **Community Health Workers**—\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025 in areas such as climate health, homelessness, and dementia to meet the goal of a more ethnically and culturally inclusive workforce by 2025. See the Labor and Workforce Development Chapter for more details.

See the Climate Change Chapter for more information on the Administration's initiatives to combat climate change.

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## OTHER PUBLIC HEALTH

Significant Adjustments:

- **Expanding Home Visiting Services**—\$50 million ongoing General Fund to expand the California Home Visiting Program and the California Black Infant Health Program. See the Early Childhood Chapter for more details.
- **Early Literacy**—\$10 million General Fund to expand early literacy efforts by providing multilingual books to young children and early literacy programming for families with young children. See the Early Childhood Chapter for more details.
- **Public Health IT Systems**—130 positions and \$235.2 million General Fund in 2022-23, 140 positions and \$156.1 million General Fund in 2023-24, and 140 positions and \$61.8 million General Fund in 2024-25 and ongoing to DPH to maintain and operate IT platforms and applications stood up during the COVID-19 Pandemic and that are required to support public health services statewide.

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## DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals (DSH) administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The Budget includes \$2.6 billion (\$2.4 billion General Fund) in 2022-23 for support of the Department. The patient population is expected to reach 8,064 by the end of 2022-23, including patients receiving competency treatment in jail-based settings and community-based settings.

Significant Adjustments:

- **Incompetent to Stand Trial Solutions Workgroup**—The Budget includes statutory language authorizing the Department of Finance to augment DSH's budget by an additional \$350 million General Fund, building on the \$175 million already available in 2022-23 authorized by the 2021 Budget Act for the purposes of implementing solutions identified by the Incompetent to Stand Trial (IST) Workgroup to address the IST patient waitlist. See Felony Incompetent to Stand Trial Waitlist Solutions section above for more information.
- **Electronic Health Records (EHR) Phase 3**—The Budget includes \$2.4 million General Fund in 2022-23, \$19.8 million General Fund in 2023-24, \$20.8 million General Fund in

2024-25 and \$8.2 million General Fund in 2025-26 and ongoing to prepare for and support operation of the enterprise Continuum EHR project.

- **COVID-19 Impacts**—The Budget includes \$64.6 million General Fund in 2022-23 related to direct response costs to continue responding to and mitigating the impacts of the COVID-19 Pandemic.

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## DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

The Budget includes an additional \$310.5 million General Fund in 2022-23 for the Department of Health Care Access and Information (HCAI). HCAI collects data and disseminates information about California's healthcare infrastructure and publishes information about healthcare outcomes; promotes an improved healthcare workforce with loan and scholarship programs; monitors the construction, renovation, and seismic safety of hospitals and skilled nursing facilities; and provides loan insurance to assist the capital needs of California's non-profit healthcare facilities.

Significant Adjustments:

- **Care Economy: Workforce for a Healthy California for All**—\$1 billion one-time General Fund over three years to HCAI to strengthen and expand the state's health and human services workforce. See the Labor and Workforce Development Chapter for more information.
- **Clinical Infrastructure: Reproductive Health Care**—\$20 million one-time General Fund to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services. See the Reproductive Health section above and the Labor and Workforce Development Chapter for more details.
- **Capital Infrastructure: Reproductive Health Care**—\$20 million one-time General Fund to assist reproductive health care facilities in securing their physical and information technology infrastructure and to enhance facility security. For more detail, see the Reproductive Health section above.
- **Office of Health Care Affordability**—Reappropriation of \$30 million General Fund for HCAI to create the Office of Health Care Affordability, which was originally included in the 2021 Budget Act. See the Health Care Affordability section above for more information.

- **Community Benefit Funding for Community-Based Organizations (CBOs)**—The Administration proposes statutory changes to direct 25 percent of non-profit hospitals' community benefit dollars to CBOs and gives HCAI enforcement authority over these requirements. See the Directing Non-Profit Hospital Community Benefit Funding to Community-Based Organizations section above for more detail.

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## 1991 AND 2011 REALIGNMENT

Realignment shifted administrative and fiscal responsibility to counties for a variety of programs, along with a dedicated source of funding. 1991 Realignment provides funding for social and health programs and 2011 Realignment provides funding for local public safety programs. Additionally, both 1991 and 2011 Realignment provide funding for mental health and child welfare programs. The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees. These fund sources are projected to increase by 6.4 percent from 2020-21 to 2021-22 and by 3.9 percent from 2021-22 to 2022-23.



## 1991 Realignment Estimate at 2022 Governor's Budget

(Dollars in Thousands)

Amount	2020-21 State Fiscal Year						Totals
	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$2,860	\$2,296,188	\$-	\$440,789	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,017,203	216,223	-	185,798	290,884	2,073,493
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,020,063</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$626,588</b>	<b>\$393,803</b>	<b>\$5,658,297</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$10,839	\$62,193	\$113,784	\$115,314	\$-	\$148,661	\$450,791
Caseload Subaccount	-	-	(113,784)	-	-	-	(113,784)
General Growth Subaccount	(10,839)	(62,193)	-	(115,314)	-	(148,661)	(337,007)
Vehicle License Fee Growth Account	4,280	53,748	-	104,743	-	128,475	291,246
<b>Subtotal Growth</b>	<b>\$15,119</b>	<b>\$115,941</b>	<b>\$113,784</b>	<b>\$220,057</b>	<b>\$-</b>	<b>\$277,136</b>	<b>\$742,037</b>
<b>Total Realignment 2020-21<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,136,005</b>	<b>\$2,626,195</b>	<b>\$220,057</b>	<b>\$626,588</b>	<b>\$670,939</b>	<b>\$6,400,334</b>
Change From 2021 Enactment	\$-	\$26,047	\$4,196	\$93,894	\$20,242	\$110,646	\$255,024
<b>2021-22 State Fiscal Year</b>							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$85,621	\$2,409,972	\$115,314	\$420,222	\$251,580	\$4,035,595
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,138,789</b>	<b>\$2,622,604</b>	<b>\$212,212</b>	<b>\$602,934</b>	<b>\$663,976</b>	<b>\$6,361,066</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$44,618	\$125,329	\$90,504	\$-	\$106,652	\$367,103
Caseload Subaccount	-	-	(125,329)	-	-	-	(125,329)
General Growth Subaccount	-	(44,618)	-	(90,504)	-	(106,652)	(241,774)
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$44,618</b>	<b>\$125,329</b>	<b>\$90,504</b>	<b>\$-</b>	<b>\$106,652</b>	<b>\$367,103</b>
<b>Total Realignment 2021-22<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,183,407</b>	<b>\$2,747,933</b>	<b>\$302,716</b>	<b>\$602,934</b>	<b>\$770,627</b>	<b>\$6,728,169</b>
Change From 2021 Enactment	\$-	\$47,598	(19,354)	\$131,035	\$-	\$156,695	\$315,975
<b>2022-23 State Fiscal Year</b>							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$137,542	\$2,535,301	\$205,818	\$412,919	\$358,231	\$4,402,698
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,190,710</b>	<b>\$2,747,933</b>	<b>\$302,716</b>	<b>\$595,631</b>	<b>\$770,627</b>	<b>\$6,728,169</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$16,465	\$75,530	\$33,398	\$-	\$39,356	\$164,749
Caseload Subaccount	-	-	(75,530)	-	-	-	(75,530)
General Growth Subaccount	-	(16,465)	-	(33,398)	-	(39,356)	(89,219)
Vehicle License Fee Growth Account	-	13,354	-	27,088	-	31,921	72,363
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$29,819</b>	<b>\$75,530</b>	<b>\$60,485</b>	<b>\$-</b>	<b>\$71,277</b>	<b>\$237,112</b>
<b>Total Realignment 2022-23<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,220,529</b>	<b>\$2,823,463</b>	<b>\$363,202</b>	<b>\$595,631</b>	<b>\$841,905</b>	<b>\$6,965,281</b>

<sup>1/</sup>Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

## 2011 Realignment Estimate at 2022 Governor's Budget

(Dollars in Millions)

	2020-21		2021-22		2022-23	
	2020-21	Growth	2021-22	Growth	2022-23	Growth
<b>Law Enforcement Services</b>	<b>\$2,633.8</b>		<b>\$2,936.5</b>		<b>\$3,160.0</b>	
Trial Court Security Subaccount	567.0	30.3	597.3	22.4	619.6	13.5
Enhancing Law Enforcement Activities Subaccount	489.9	242.4	489.9	268.0	489.9	297.3
Community Corrections Subaccount	1,366.0	227.0	1,593.0	167.7	1,760.6	101.5
District Attorney and Public Defender Subaccount	41.6	15.1	56.7	11.2	67.9	6.8
Juvenile Justice Subaccount	169.4	30.3	199.6	22.4	222.0	13.5
Youthful Offender Block Grant Special Account	(160.0)	-	(188.6)	-	(209.7)	-
Juvenile Reentry Grant Special Account	(9.3)	-	(11.0)	-	(12.3)	-
<b>Growth, Law Enforcement Services</b>		<b>545.0</b>		<b>491.6</b>		<b>432.5</b>
<b>Mental Health</b>	<b>1,120.6</b>	28.1	<b>1,120.6</b>	20.8	<b>1,120.6</b>	12.6
<b>Support Services</b>	<b>3,885.6</b>		<b>4,419.5</b>		<b>4,814.0</b>	
Protective Services Subaccount	2,397.2	252.9	2,650.1	186.8	2,837.0	113.0
Behavioral Health Subaccount	1,488.4	281.0	1,769.4	207.6	1,977.0	125.6
Women and Children's Residential Treatment Services	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>562.1</b>		<b>415.2</b>		<b>251.2</b>
<b>Account Total and Growth</b>	<b>\$8,747.0</b>		<b>\$9,383.4</b>		<b>\$9,778.3</b>	
<b>Revenue</b>						
1.0625% Sales Tax	8,002.7		8,612.5		8,985.1	
General Fund Backfill	12.0		12.9		6.0	
Motor Vehicle License Fee	732.3		757.9		787.2	
<b>Revenue Total</b>	<b>\$8,747.0</b>		<b>\$9,383.4</b>		<b>\$9,778.3</b>	

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).

# HOUSING AND HOMELESSNESS

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## HOUSING

California's housing shortage is one of the most daunting challenges facing the state. To address this need, the 2021 Budget Act supported affordable housing production and also provided relief for struggling renters and homeowners affected by the pandemic. The state rapidly launched a federally funded emergency rental assistance program for more than 100,000 low-income households. Additionally, the state deployed new programs for homeowner forbearance relief, housing counseling, expanded local and regional planning grants to prepare for the upcoming Regional Housing Needs Allocation (RHNA) cycle, and provided additional resources to build and preserve affordable housing.

### RECENT ACTIONS AND INVESTMENTS

Through the RHNA process, the state is setting ambitious housing targets for every region in the state. In early 2022, the Department of Housing and Community Development (HCD) plans to release the Statewide Housing Plan identifying the number of new units local governments are required to build between now and 2030, which is based on these RHNA targets.

In order to increase housing options, every community must continue to remove barriers and follow new land-use laws. So California stays on track to meet its housing goals, the state will remain focused on accountability—first by stepping in with technical

assistance to local governments, and then with enforcement measures. The goal is to ensure local governments are planning and permitting the housing needed to meet their legally-required targets.

In anticipation of these increased housing targets, the 2021 Budget Act included a \$10.3 billion housing package, providing significant resources to: increase mixed-income construction loans and infill infrastructure grants, provide local government planning grants and continued technical assistance, establish new programs for innovative housing development on state excess lands, provide down payment assistance for first-time homebuyers, assist with foreclosure prevention, provide preservation loans and grants, and provide developer loans for affordable housing acquisition and preservation. The 2021 Budget also included statutory changes to bolster production through the RHNA process. In addition to the housing investments noted above, the state has also provided funding for homeowners mortgage counseling, mortgage assistance, and renter legal aid.

The state also leveraged federal funds to make one-time investments to further plan, produce, and preserve the state's long-term affordable housing stock. This included: expanded grants to finance accessory dwelling unit construction, loans and grants to preserve affordable housing units at risk of converting to market-rate housing, funding to help shovel-ready projects proceed to construction in lieu of waiting for state tax credits, brownfield remediation and local matching grants to scale up excess lands development, and regional grants to facilitate transformative smart housing development.

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## EQUITABLE HOUSING PRODUCTION AND CLIMATE RESILIENCY

California's housing and climate goals must be intertwined. The state is committed to developing and preserving housing in areas closer to neighborhood-serving amenities. Building housing in these locations supports the reduction of greenhouse gas (GHG) emissions and reduces the exposure of low-income Californians to the impacts of climate change.

Currently, California lacks enough affordable housing options near the places where most Californians need to be every day—jobs, schools, and services. This lack of housing results in both economic and societal costs, including longer commutes, fewer opportunities for alternative forms of transportation like walking and bicycling, and higher GHG emissions. Building housing within or adjacent to existing communities and the infrastructure that supports them will help lower-income households that were

struggling even before the pandemic. The state also remains focused on affordability and reducing segregation.

Overall, this approach also protects the state's natural and working lands, and reduces exposure to hazards that are often present in the wildland-urban interface, such as wildfire, flooding, and other climate-related impacts.

## **PARTNERSHIPS WITH LOCAL GOVERNMENTS**

If California is to be successful in building more downtown-oriented housing, local governments will need to continue partnering on solutions. Too often, it is the infill development proposals that are not successful in the local approval process. The result is that the state does not achieve the greenhouse gas reductions needed to meet climate goals, and housing development is pushed out to areas further from jobs and services, which exacerbates climate problems.

In partnership with local governments, the Administration will work to identify land across California that is well situated for diverse, new downtown-oriented housing types—from single family to large multi-story buildings—most of which could take advantage of existing or forthcoming infill housing funding and/or streamlining in these areas. Areas for accelerated development will be identified throughout the state near downtowns and main streets in urban, suburban, and rural communities.

Over the past several years, dozens of state laws and funding programs have been passed, providing tools for local governments to expedite housing development, especially in areas within or adjacent to existing urbanized areas. These tools can reduce the time it takes to permit and build housing, which helps reduce the cost of development and can encourage building in places that are near the types of amenities that support household affordability and healthy communities. The Administration will look for additional streamlining opportunities to support housing development in places that are close to jobs, schools, transit, services, and other daily destinations.

Identifying these locations will help cities and counties plan for and reach their legally mandated housing and climate goals. State housing programs already focus on proximity to transit and amenities as a means to increase affordable housing supply. The Budget builds on those successes by providing that all 58 counties have a pathway to achieve their housing and climate goals.

### HOUSING AS A CLIMATE STRATEGY

To continue the momentum of previous investments and foster a comprehensive and integrated climate and housing planning framework, the Budget proposes \$1 billion one-time General Fund over two years, primarily focused on accelerated development in downtown-oriented areas across California. This investment will foster targeted development in infill areas and create sustainable and affordable housing, as well as fund state tax credit and bond financing programs, as follows:

- **Infill Infrastructure Grant Program**—\$500 million one-time General Fund (\$225 million in 2022-23, and \$275 million in 2023-24) for the Infill Infrastructure Grant program, which prioritizes prime infill parcels in downtown-oriented areas and brownfields.
- **Affordable Housing and Sustainable Communities**—\$300 million one-time General Fund (\$75 million in 2022-23, and \$225 million in 2023-24) for the Affordable Housing and Sustainable Communities program to support land-use, housing, transportation, and land preservation projects for infill and compact development that reduce greenhouse gas emissions. This supplements the existing annual Cap and Trade auction proceeds available for this program.
- **State Excess Sites Development**—\$100 million one-time General Fund (\$25 million in 2022-23, and \$75 million in 2023-24) to expand affordable housing development and adaptive reuse opportunities on state excess land sites. This will leverage state land as an asset to expedite housing opportunities by offering low-cost, long-term ground leases in exchange for affordable and mixed-income housing.
- **Adaptive Reuse**—\$100 million one-time General Fund (\$50 million in 2022-23, and \$50 million in 2023-24) for adaptive reuse incentive grants. These grants will help remove cost impediments to adaptive reuse (e.g., structural improvements, plumbing/electrical design, exiting) and help accelerate residential conversions, with a priority on projects located in downtown-oriented areas. These per-unit grants will be paired with other HCD awards to remove impediments in delivering adaptive reuse projects.

### INCREASING AFFORDABLE HOUSING OPTIONS

In addition to another allocation of \$500 million in Low-Income Housing Tax Credits, the Budget also includes an additional \$500 million one-time General Fund over two years to increase affordable housing options and help local governments meet their RHNA goals, as follows:

- **Mixed-Income Housing**—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the California Housing Finance Agency to provide loans to developers for mixed-income rental housing, specifically for households with incomes between 30 percent and 120 percent of the Area Median Income.
- **Portfolio Reinvestment Program**—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the Portfolio Reinvestment Program to further preserve targeted units in downtown-oriented areas and continue increasing the state's affordable housing stock.
- **Mobilehome Park Rehabilitation and Resident Ownership Program**—\$100 million one-time General Fund (\$25 million in 2022-23, and \$75 million in 2023-24) for HCD's Mobilehome Park Rehabilitation and Resident Ownership Program. These funds will finance the preservation and development of affordable mobilehome parks, assisting one of the communities disproportionately and negatively impacted by the state's affordability and climate challenges.

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## HOMELESSNESS

The 2021 Budget Act included a historic \$12 billion over two years to address homelessness—creating new units and treatment beds for individuals exiting homelessness and supporting local government efforts. These investments expanded the work accomplished through Project Roomkey and Homekey, which provided shelter to avoid COVID-19 exposure for over 50,000 homeless Californians and created 6,000 new homes for Californians exiting homelessness. The 2021 Budget Act expanded the Homekey effort to include the Behavioral Health Continuum Infrastructure Program and Community Care Expansion, which will provide additional homes and treatment beds when fully implemented over the next several years. The Budget reflects \$5.8 billion for 2022-23 included in the 2021 Budget Act.

While long-term housing solutions are being rapidly deployed through Homekey and other programs, the resources in the Budget are focused on the immediate need to quickly rehouse unsheltered individuals as new units come online. The Budget proposes an additional \$2 billion over the next two years to expand access to housing for vulnerable populations with complex behavioral health conditions and people living in encampments and complements the funding included in the 2021 Budget.

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## HOUSING SUPPORTS TO INDIVIDUALS WITH BEHAVIORAL HEALTH NEEDS

Many Californians experiencing homelessness also have a serious mental illness. While \$5.8 billion for Homekey in the 2021 Budget Act provided an unprecedented investment in long-term housing and treatment solutions for people experiencing unsheltered homelessness who have serious behavioral health conditions, there is a need for immediate bridge solutions as these new units come online.

The Budget includes an additional \$1.5 billion General Fund over two years in dedicated resources to address immediate housing and treatment needs. Funding will be administered through DHCS' Behavioral Health Continuum Infrastructure Program and can be used to purchase and install tiny homes and to provide time-limited operational supports in these tiny homes or in other bridge housing settings including existing assisted living settings.

County governments and Medi-Cal managed care must improve coordination to better serve people with acute behavioral health challenges and those needing housing, treatment, and services, including medication, peer and family supports. Strategies within the recently approved California Advancing and Innovating Medi-Cal (CalAIM) federal waiver will help with this, including coordinating pre-release and post release services for incarcerated individuals. The Budget also proposes a new multi-disciplinary mobile crisis services benefit to Medi-Cal.

The Administration will also develop a strategy that addresses the stabilization and treatment of this extremely vulnerable population of Californians with the most severe and untreated behavioral health conditions. The strategy will provide community-based care aimed at preventing institutionalization and incarceration. In designing effective and sustainable treatment programs for these individuals, a connection to safe and supportive housing is a critical priority.

A lack of community behavioral health services has also led to a rapidly growing number of individuals found Incompetent to Stand Trial (IST). Informed by the deliberations of the IST Workgroup, the Budget includes spending of \$93 million General Fund in 2021-22 and \$571 million General Fund ongoing. These funds will support both early stabilization and community care coordination and the expansion of diversion and community-based restoration capacity. For more information, see the Health and Human Services Chapter.



## **ENCAMPMENTS AND UNSHELTERED SETTINGS**

The Budget prioritizes funding to reduce the number of people who live in public spaces not intended for human habitation in communities throughout the state, including under or along freeway overpasses and vacant lots.

Building on the \$50 million of Encampment Resolution Grants to local jurisdictions that will be awarded in Spring 2022, the Budget includes an additional \$500 million one-time General Fund to deploy a substantially expanded program for jurisdictions to invest in short- and long-term rehousing strategies for people experiencing homelessness in encampments around the state.

## **TRANSITIONAL HOUSING FOR JUSTICE INVOLVED INDIVIDUALS**

The Budget includes \$10.6 million General Fund annually for three years to continue the Returning Home Well Program, which provides transitional housing services to individuals who would otherwise be at risk of being unhoused at the time of their release. This program, initiated during the COVID-19 Pandemic, has served nearly 5,300 individuals to date. For more information, see the Criminal Justice Chapter.

## **STRENGTHENING ACCOUNTABILITY FOR IMPACT**

The California Interagency Council on Homelessness (Cal-ICH), formerly named the Homeless Coordinating and Financing Council, is responsible for advancing California's coordinated response to the homelessness crisis and for holding local jurisdictions accountable for effectively expending state homelessness resources. Cal-ICH is comprised of directors and agency secretaries from various state departments. The Secretary of the Business, Consumer Services and Housing Agency and the Secretary of the California Health and Human Services Agency serve as co-chairs of Cal-ICH. Leadership from these two agencies is responsible for implementing cohesive, integrated approaches to administering state resources through existing programs and budget investments.

Local governments are required to submit local homeless action plans to Cal-ICH as a condition of receiving funding through the Homeless Housing and Assistance Program. This \$2 billion one-time General Fund, multi-year, flexible grant program is available to counties, large cities, and Continuums of Care. Cal-ICH will work with local grantees on their accountability plans so that local governments begin taking immediate steps towards implementation.

### **TOTAL HOUSING AND HOMELESSNESS INVESTMENTS**

The Budget reflects the Administration's commitment to equitably build more affordable housing for Californians and expand access to housing for vulnerable populations, including individuals with complex behavioral health conditions and people living in unsheltered settings. In total, the Budget includes \$9 billion for housing resources and \$8 billion for homelessness resources in 2022-23, as detailed below.

**2022-23 Affordable Housing Funding at Governor's Budget**  
(Dollars in Millions)

Department	Program	Total Funding
Department of Housing and Community Development <sup>1/</sup>	Veterans and Affordable Housing Bond Act Programs (Prop 1)	\$431.9
	No Place Like Home Program	\$400.0
	Building Homes and Jobs Fund Programs (SB 2)	\$233.8
	Federal Funded Programs for Housing	\$228.0 <sup>2/</sup>
	Infill Infrastructure Grant Program	\$225.0 <sup>3/</sup>
	Veterans Housing and Homelessness Prevention	\$75.0
	Affordable Housing and Sustainable Communities Program (General Fund)	\$75.0 <sup>3/</sup>
	Adaptive Reuse	\$50.0 <sup>3/</sup>
	Portfolio Reinvestment Program (Preservation) (General Fund)	\$50.0 <sup>3/</sup>
	Various	\$13.0
	State Excess Sites (General Fund)	\$25.0 <sup>3/</sup>
	Mobilehome Park Rehabilitation and Resident Ownership Program (General Fund)	\$25.0 <sup>3/</sup>
	Office of Migrant Services	\$5.6
California Housing Finance Agency <sup>4/</sup>	Single Family First Mortgage Lending	\$2,500.0
	Homeowner Assistance Fund (American Rescue Plan Act)	\$1,055.0
	Multifamily Conduit Lending	\$1,300.0
	Multifamily Permanent Lending	\$350.0
	Single Family Down Payment Assistance/Homebuyer Assistance	\$140.0 <sup>5/</sup>
Mixed-Income Housing Program	\$93.4 <sup>3/</sup>	
Tax Credit Allocation Committee	Low Income Housing Tax Credits (State)	\$606.6 <sup>6/</sup>
	Low Income Housing Tax Credits (Federal)	\$458.6 <sup>7/</sup>
	Farmworker Housing Assistance Tax Credits	\$4.6
Strategic Growth Council	Affordable Housing and Sustainable Communities (GGRF)	\$389.0 <sup>8/</sup>
Department of Veterans Affairs	CalVet Farm and Home Loan Program (Prop 1)	\$150.0
Judicial Council	Legal Assistance for Renters and Homeowners	\$40.0
Office of Emergency Services	Domestic Violence Housing First Program	\$23.0
	Transitional Housing Program	\$17.0
	Specialized Emergency Housing	\$10.0
	Domestic Violence Assistance, Equality in Prevention and Services, Human Trafficking Victim Assistance, North American Domestic Violence and Sexual Assault	- <sup>9/</sup>
California Department of Corrections and Rehabilitation	Returning Home Well	\$10.6
	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	- <sup>9/</sup>
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	\$5.0
	Housing Plus Program	\$1.0
	HIV Care Program	- <sup>9/</sup>
California Community Colleges		<sup>10/</sup>
California State University	Higher Education Student Housing Grant Program	\$750.0
University of California		
<b>Total</b>		<b>\$8,991.1</b>

1/ Notwithstanding multiyear or continuous appropriations, these estimates depict HCD's appropriations for the 2022-23 Governor's Budget.

2/ This amount reflects programs that receive federal funds, such as the Community Development Block Grant program.

3/ Note the Governor's Budget proposes an outyear appropriation for this program in 2023-24.

4/ CalHFA is self-supporting and its single family and conduit lending programs do not rely on the state General Fund. Funding estimates are based on lending activities from 2020-21, market demand for homeownership, available program resources, volume cap allocation, and multifamily lending pipeline projections.

5/ This program receives no General Fund allocation and is continuously financed based on market demand. This estimate is based on last year's lending activities and market demand for the first mortgage homeownership product.

6/ This includes \$500 million state tax credits proposed to be allocated in the 2022-23 Governor's Budget.

7/ This represents the estimated 9 percent and 4 percent tax credits available in 2022 and the remaining 9 percent federal disaster credits from 2021.

8/ The Affordable Housing and Sustainable Communities program amount reflects 20 percent of projected Cap and Trade revenues.

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

10/ The 2022-23 Governor's Budget funds for the Higher Education Student Housing Grant Program represent the second year of a total \$2 billion investment planned over a three-year period. The 2021 Budget Act provided \$500 million for this purpose to increase availability of affordable student housing.

**2022-23 Homelessness Funding at Governor's Budget**  
(Dollars in Millions)

Department	Program	Total Funding
Department of Housing and Community Development	Continued Homekey Acquisitions	\$1,300.0
	Federal Funded Programs for Homelessness	\$43.0 <sup>1/</sup>
	Foster Youth Housing Navigators	\$5.0
	Transitional Housing Program	\$17.0
California Interagency Council on Homelessness	Flexible Aid	\$1,000.0
	Homeless Landscape Assessment	\$0.6
	Encampment Resolution Efforts	\$500.3
Office of Emergency Services	Various Homeless Youth Programs	\$1.0
	Youth Emergency Telephone Network	\$0.6
Department of Social Services	CalWORKS Housing Support Program	\$285.0
	Housing and Disability Advocacy Program	\$175.0
	Bringing Families Home	\$92.5
	Home Safe Program	\$92.5
Department of Health Care Services	Behavioral Health Continuum Infrastructure Program	\$1,724.7 <sup>2/</sup>
	Behavioral Health Bridge Housing	\$1,500.0 <sup>3/</sup>
	Community Based Residential Continuum Pilots for Vulnerable, Aging and Disabled Populations	\$287.2 <sup>4/</sup>
	Housing and Homelessness Incentive Program	\$644.2 <sup>4/</sup>
	Project for Assistance in the Transition from Homelessness	\$8.8
Department of State Hospitals	Acute Bed Capacity Expansion	\$88.5 <sup>5/</sup>
	Community-Based Restoration (CBR)	\$78.4 <sup>5/</sup>
Department of Transportation	Encampment Relocation Coordinators and Homeless Services Liaisons	\$2.7
	Clean California - additional Hazardous Material Removal	\$25.0
	Hazardous Material Removal at Encampments	\$20.6
California Community Colleges	Basic Needs Funding - Student Hunger and Homelessness Programs	\$30.0 <sup>6/</sup>
	Rapid Rehousing	\$9.0 <sup>6/</sup>
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 <sup>6/</sup>
	Rapid Rehousing	\$6.5 <sup>6/</sup>
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 <sup>6/</sup>
	Rapid Rehousing	\$3.5 <sup>6/</sup>
<b>Total</b>		<b>\$7,971.6</b>

1/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant and the National Housing Trust Fund programs.

2/ Of the \$2.2 billion total funds over 2021-22 and 2022-23, \$1.7 billion is General Fund and \$530 million is CFRF. 2022-23 includes \$277.5 million carried over from 2021-22.

3/ The proposal includes \$1 billion General Fund in 2022-23 and \$500 million General Fund in 2023-24.

4/ Both of these programs are part of the Home and Community-Based Services Spending Plan. The Community Based Residential Continuum Pilots targets various populations, including the homelessness population.

5/ The state provides a number of wrap-around supportive services through these programs, which cannot be separated from the balance of the program's general budget.

6/ These Basic Needs funding programs support basic needs partnerships for low-income students facing housing or food insecurity. These amounts exclude basic needs funding provided in the 2021-22 Budget Act to address student mental health. Program funding reflected for UC Basic Needs and UC/CSU/CCC Rapid Rehousing was provided on an ongoing basis in the 2019 Budget Act.

# PANDEMIC RESPONSE AND FEDERAL ASSISTANCE

Since the onset of the COVID-19 Pandemic in March 2020, the state has led a science-based response to slow community transmission and save lives by maintaining transmission reduction measures, such as vaccinations and booster shots, testing, contact tracing, and requiring masks in indoor locations. As 2022 begins, the state is experiencing another surge in coronavirus cases—fueled by the Omicron variant, the fastest spreading strain of the coronavirus seen to date—which is again straining health care workers and hospital capacity.

Since the 2021 Budget Act, there have been significant developments in the response to the COVID-19 Pandemic, including the approval of vaccines for children, booster shots, and increased availability of testing options and locations. However, given the current surge in cases, current-year costs are projected to exceed amounts authorized in the 2021 Budget. To maintain and expand these mitigation efforts, the Administration is seeking early action by the Legislature to allocate \$1.4 billion to continue critical efforts to slow community transmission and save lives. These funds will increase vaccination rates, expand testing, and support hospital surge staffing.

Chapter 13, Statutes of 2021 (SB 95) required employers to provide COVID-19 Supplemental Paid Sick Leave to covered employees through September 30, 2021. The recent surge of COVID-19 cases and increased community transmission is negatively impacting workplaces and employees. Given the current state of the pandemic, and new developments and science learned since the passage of SB 95, new legislation is

needed to modify the previous COVID-19 Supplemental Paid Sick Leave policy in an appropriate manner to ensure the safety of the state's workforce.

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## **ACCELERATED VACCINE DISTRIBUTION**

As of late December 2021, California had delivered 63.9 million vaccine doses and 9.3 million booster doses—including over 14.3 million doses in the state's hardest-hit communities. However, work continues as millions of Californians have yet to be vaccinated. The data and science clearly demonstrate vaccines are highly effective at preventing serious illness and death from COVID-19. It is imperative that the state continue its efforts to increase the rate of vaccination, especially in the hardest-hit communities.

The state continues a multilingual, multicultural public education and community outreach campaign, which includes direct appointment assistance with trusted messengers from more than 480 community-based organizations and ethnic media. In addition, the state is offering in-home vaccinations and testing; free transportation to vaccination appointments; and mobile sites in partnership with places of worship, employers, and other community locations.

The state is also conducting "Get Out the Vaccine" door-knocking and canvassing to assist in arranging vaccinations, implementing the Medi-Cal COVID-19 Vaccination Incentive Program to improve vaccine access, and providing support and coordination with businesses, school districts, and local health departments. By November 2021, the Vaccinate ALL 58 campaign had directly assisted more than 3.4 million individuals by answering questions and promoting vaccination, and provided more than 1 million individuals with appointment assistance through community-based organizations and trusted messengers in communities facing the greatest barriers to vaccination.

An additional \$399 million in 2021-22 and \$182 million in 2022-23 is proposed for vaccine distribution and administration.

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## **EXPANDING COMMUNITY TESTING AVAILABILITY**

California identified its first Omicron case on December 1, 2021. Since then, the state expanded hours and capacity at existing testing sites and distributed 4 million antigen tests to local health departments, community clinics, and other entities. The state has also expanded its support for school-based antigen testing by securing and distributing more than 10 million antigen tests to county offices of education and schools. Further,

in partnership with health plans, hospitals, and community based organizations, the state will leverage its purchasing power and distribution capacity to supplement testing efforts to support critical workplaces, first responders, and others.

The COVID-19 Testing Task Force continues to support public health by improving accessibility, equity, timeliness, and sustainability of testing. The Department of Public Health (DPH) continues to operate the Valencia Branch Laboratory, which processes roughly 40,000 tests on peak days, supporting testing for schools, state employees, local and state government entities, businesses and more. The Budget proposes an additional \$214 million in 2021-22 to maintain and expand testing operations. The Budget also proposes \$362 million for continued testing efforts in 2022-23.

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## **SUPPORTING HOSPITALS AND EXPANDING MEDICAL SURGE STAFFING**

Given the demand for medical surge staff and vaccine administrators, the Budget proposes an augmentation of \$478 million for surge staffing in the current year, in addition to the \$61 million appropriated in the 2021 Budget Act, and \$124 million in the budget year. In the face of the rapidly spreading Omicron variant and increasing hospitalizations, these additional resources will support the demand for the hospital system and health care professionals. DPH and the Emergency Medical Services Authority will continue to work with counties to review staffing needs and provide the necessary resources.

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## **ADDITIONAL RESPONSE EFFORTS**

Significant response efforts to slow the spread of the virus and save lives continue in the state's institutional settings—prisons and state hospitals. The Budget also continues support for expanded contact tracing and efforts to protect public health at the California-Mexico border. The Budget reflects increased expenditures of \$339 million in 2021-22 and \$582 million 2022-23 for these and other activities.

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## **EXPANDING PUBLIC HEALTH CAPACITY**

To permanently expand the state's ability to protect public health and address social determinants of health, the Budget includes \$300 million General Fund for DPH and local health jurisdictions. The Budget also includes major ongoing investments to

modernize public health data systems that have been critical during the COVID-19 Pandemic. In addition, the state continues to invest in information technology systems to track and gather data on COVID-19 and vaccines. Additional details regarding these investments are provided in the Health and Human Services Chapter.

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### **FUNDING EMERGENCY RESPONSE DIRECT EXPENDITURES**

To minimize the net General Fund impact of direct COVID-19 Pandemic emergency response costs, the Administration continues to maximize the use of various federal funds, including the Coronavirus Relief Fund, the State Fiscal Recovery Fund, and the Federal Emergency Management Agency (FEMA) Public Assistance Program. FEMA has extended the 100-percent FEMA reimbursement of COVID-19 emergency response costs through April 1, 2022. The process to compile, submit, and receive funding from FEMA is lengthy for most disasters. Given the national scale and scope of the response effort, this process is expected to be even more protracted and FEMA approval is uncertain in some areas.

The 2021 Budget Act provided \$1.7 billion to various departments to continue COVID-19 response activities. However, the extent and duration of direct response activities have exceeded earlier assumptions. Specifically, direct response cost estimates for 2021-22 have grown to \$3.2 billion, or \$1.4 billion above the level authorized in the 2021 Budget Act, with 2022-23 costs now estimated at approximately \$1.3 billion. (These amounts are inclusive of the vaccine, testing, and other costs described in this chapter.) The following chart summarizes the activities requiring additional funding in 2021-22 and proposed funding levels for 2022-23.



**COVID-19 Direct Response Budgeted and Proposed Costs**

COVID-19 Direct Response Activities	2021 Budget Act <sup>1/</sup>	2021-22 Proposed Funding Over 2021 Budget Act	2022-23 Proposed Funding
<b>California Department of Corrections and Rehabilitation</b>	<b>\$410,486,000</b>	<b>\$205,547,000</b>	<b>\$424,669,000</b>
Hospital and Medical Surge	\$29,245,000	\$0	\$10,905,000
State Response Operations	\$82,767,000	\$0	\$32,154,000
Statewide Testing	\$198,440,000	\$205,547,000	\$380,109,000
Vaccine Distribution and Administration <sup>2/</sup>	\$2,500,000	\$0	\$1,501,000
Temporary Suspension of Prison Intake	\$97,534,000	\$0	\$0
<b>California Department of Public Health</b>	<b>\$904,931,000</b>	<b>\$1,224,710,000</b>	<b>\$760,750,000</b>
Contact Tracing	\$2,408,000	\$18,182,000	\$18,284,000
Hospital and Medical Surge	\$60,849,000	\$478,482,000	\$124,309,000
State Response Operations	\$96,276,000	\$115,327,000	\$0
Statewide Testing	\$625,163,000	\$213,587,000	\$361,934,000
Vaccine Distribution and Administration	\$120,235,000	\$399,132,000	\$182,323,000
Vulnerable Populations and Other Support Services <sup>3/</sup>	\$0	\$0	\$73,900,000
<b>Department of State Hospitals</b>	<b>\$69,208,000</b>	<b>\$0</b>	<b>\$64,600,000</b>
State Response Operations	\$54,828,000	\$0	\$50,600,000
Statewide Testing	\$14,380,000	\$0	\$14,000,000
<b>Other Departments</b>	<b>\$360,798,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$1,745,423,000</b>	<b>\$1,430,257,000</b>	<b>\$1,250,019,000</b>

<sup>1/</sup> Includes Control Section 11.91 transfers.

<sup>2/</sup> The 2021 Budget Act did not specifically identify an amount for vaccine distribution and administration for the California Department of Corrections and Rehabilitation (CDCR). Estimated costs for vaccine-related activities were reflected in the broader state response operations assumptions. CDCR currently estimates it will expend \$2.5 million for this purpose in 2021-22, which will be absorbed within existing resources.

<sup>3/</sup> 2022-23 figure includes funding for Emergency Medical Services Agency for response efforts at the border.

The total direct COVID-19 emergency response costs incurred in the 2019-20 and 2020-21 fiscal years are approximately \$9.5 billion as summarized in the following chart. From 2019-20 through 2022-23, direct emergency response costs are estimated to be \$13.9 billion. The Administration will reassess direct response cost estimates as a part of the May Revision.

**COVID-19 Direct Response Costs**

Cost Category	2019-20 Actual Costs	2020-21 Actual Costs	Total Actual Costs
<b>State Response Operations</b>	<b>\$289,880,000</b>	<b>\$1,392,922,000</b>	<b>\$1,682,802,000</b>
State Hospitals	\$6,199,000	\$52,641,000	\$58,840,000
Testing	\$813,000	\$20,996,000	\$21,809,000
Surge Capacity (Norwalk)	\$0	\$2,460,000	\$2,460,000
Other Staffing and Operational Costs	\$5,386,000	\$29,185,000	\$34,571,000
National Guard	\$6,474,000	\$42,222,000	\$48,696,000
Corrections and Rehabilitation	\$151,877,000	\$984,979,000	\$1,136,856,000
Community Supervision	\$2,971,000	\$21,775,000	\$24,746,000
Temporary Suspension of Prison Intake	\$31,215,000	\$176,827,000	\$208,042,000
Reentry Housing	\$0	\$15,183,000	\$15,183,000
Project Hope (CDCR)	\$0	\$478,000	\$478,000
Project Hope (DGS)	\$0	\$1,440,000	\$1,440,000
Personal Protective Equipment	\$23,330,000	\$18,837,000	\$42,167,000
Medical Surge/Tents	\$1,198,000	\$154,600,000	\$155,798,000
Testing (Employee)	\$2,518,000	\$270,738,000	\$273,256,000
Testing (Inmate)	\$6,101,000	\$128,909,000	\$135,010,000
Cleaning	\$20,740,000	\$27,624,000	\$48,364,000
Other Staffing and Operational Costs	\$63,804,000	\$168,568,000	\$232,372,000
Other State Agency Response Operations Costs	\$125,330,000	\$313,080,000	\$438,410,000
<b>Procurements</b>	<b>\$1,020,239,000</b>	<b>\$1,891,365,000</b>	<b>\$2,911,604,000</b>
OES Masks Contract (Global Healthcare Product Solutions, LLC)	\$411,693,000	\$508,906,000	\$920,599,000
DGS and Other Procurements	\$608,546,000	\$1,382,459,000	\$1,991,005,000
<b>Hospital and Medical Surge (to support 5,000 beds)</b>	<b>\$91,520,000</b>	<b>\$1,140,389,000</b>	<b>\$1,231,909,000</b>
Staffing Costs	\$36,404,000	\$1,054,536,000	\$1,090,940,000
Facilities and Operating Costs	\$55,116,000	\$85,853,000	\$140,969,000
<b>Hotels for Health Care Workers/Support Staff</b>	<b>\$45,404,000</b>	<b>\$208,702,000</b>	<b>\$254,106,000</b>
<b>Housing for the Harvest</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$175,000</b>
<b>Vulnerable Populations and Other Support Services</b>	<b>\$438,766,000</b>	<b>\$814,202,000</b>	<b>\$1,252,968,000</b>
Project Roomkey	\$150,000,000	\$62,000,000	\$212,000,000
Food Banks (includes funding for diapers)	\$25,000,000	\$162,948,000	\$187,948,000
Immigrant Services	\$63,300,000	\$3,637,000	\$66,937,000
Support for Small Businesses	\$0	\$536,688,000	\$536,688,000
Great Plates Delivered	\$3,816,000	\$15,276,000	\$19,092,000
Other Program Allocations	\$196,650,000	\$33,653,000	\$230,303,000
<b>Statewide Testing</b>	<b>\$77,922,000</b>	<b>\$1,181,505,000</b>	<b>\$1,259,427,000</b>
PerkinElmer	\$0	\$695,590,000	\$695,590,000
Logistics Health, Inc. (Optum)	\$53,211,000	\$304,472,000	\$357,683,000
Other Statewide Testing	\$24,711,000	\$181,443,000	\$206,154,000
<b>Contact Tracing</b>	<b>\$14,924,000</b>	<b>\$243,399,000</b>	<b>\$258,323,000</b>
Operating Costs	\$10,404,000	\$94,306,000	\$104,710,000
Departmental Staff Redirection Costs	\$4,520,000	\$149,093,000	\$153,613,000
<b>Vaccine Distribution and Administration</b>	<b>\$1,560,000</b>	<b>\$507,490,000</b>	<b>\$509,050,000</b>
Supporting Vaccine Mega Sites and Management of the Statewide Provider Network	\$0	\$273,500,000	\$273,500,000
Administering the Statewide Provider Network	\$1,560,000	\$181,075,000	\$182,635,000
Departmental Staff Redirection Costs	\$0	\$18,339,000	\$18,339,000
Media Campaign	\$0	\$34,576,000	\$34,576,000
<b>Community Engagement</b>	<b>\$28,000</b>	<b>\$117,475,000</b>	<b>\$117,503,000</b>
<b>Totals</b>	<b>\$1,980,243,000</b>	<b>\$7,497,624,000</b>	<b>\$9,477,867,000</b>

## FEDERAL RELIEF

To address the direct and indirect effects of COVID-19, the federal government enacted six stimulus bills (not including the Infrastructure Investment and Jobs Act). Together, these funds are helping to pay for emergency response, testing and contact tracing, health care, and vaccinations. In some cases, these funds continue to directly support the unemployed and K-12 schools. Families and individuals have also benefited from expansions of the federal Child Tax Credit, Earned Income Tax Credit, and partial tax exemptions on unemployment benefits, as well as expanded financial assistance for health coverage. Combined with direct payments and other assistance to individuals and families, hospitals and medical providers, businesses, higher education institutions and college students, local housing authorities, airports, farmers, and local government, California and its economy are benefiting from over \$657 billion provided through these bills as summarized in the chart below.

**Summary of Estimated Federal Stimulus Funds to California**  
(Dollars in Thousands)

Federal Bill and Description	To/Through State	Direct Stimulus	Total
<b>Preparedness and Response (HR 6074, March 2020):</b> Provided emergency funding for public health and health care.	\$86,504	\$1,539,951	\$1,626,455
<b>Families First (HR 6201, March 2020):</b> Provided food assistance and addressed diagnostic testing costs, expanded paid and family sick leave, and increased the federal match share for some state programs.	26,566,900	7,216,933	33,783,833
<b>Coronavirus Aid, Relief, and Economic Security (HR 748, March 2020):</b> Broadened assistance to include states, local governments, education, child care and families. Provided economic impact payments, unemployment insurance enhancements, and assistance for small businesses, farmers, airports, and transit agencies.	168,786,307	85,516,588	254,302,895
<b>Paycheck Protection/Health Care (HR 266, April 2020):</b> Provided funding to small businesses, hospitals, and health centers to expand testing and contact tracing to support reopening businesses and the economy.	500,105	74,251,808	74,751,913
<b>Coronavirus Response and Relief (HR 133, December 2020):</b> Provided funding for rental and utility assistance, funeral expenses, food assistance, farmers, airports, transit agencies, and state highways. Included additional unemployment benefits and economic impact payments. Additional funding provided for health care providers, testing, and vaccine distribution.	33,110,071	63,563,546	96,673,617
<b>American Rescue Plan Act (HR 1319, March 2021):</b> Provided additional relief to state and local governments, funding for vaccine distribution, behavioral health, education, child care, housing, and transit. Continued enhanced unemployment benefits and provided economic assistance through tax credits as well as relief for small businesses.	90,123,067	106,074,926	196,197,993
<b>Totals</b>	<b>\$319,172,954</b>	<b>\$338,163,752</b>	<b>\$657,336,706</b>

The 2021 Budget Act established a new unit within the Department of Finance (Finance) to track the award and expenditure of federal stimulus funds. Finance will oversee the use of the Coronavirus State Fiscal Recovery Funds (summarized below) and establish a framework for data collection, reporting, and analysis of these funds based on predefined outcome measures. Additionally, Finance will identify opportunities to standardize and streamline accounting and reporting policies and processes to improve the recovery of federal disaster relief funds from FEMA.

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### **CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

California received \$27 billion in State Fiscal Recovery Funds (SFRF) from the American Rescue Plan Act of 2021 to respond to the COVID-19 public health emergency and its negative economic impacts, replace lost revenue, and to make investments in water, sewer, and broadband infrastructure.

States that lost revenue due to the pandemic, as calculated pursuant to interim U.S. Treasury regulations, are permitted to use an amount of SFRF equivalent to their lost revenue to fund government services. At the 2021 Budget Act, Finance estimated the state's revenue loss to be \$9.2 billion. As of the Budget, Finance re-evaluated the methodology to calculate California's revenue loss and now estimates the revenue loss to be \$11.2 billion, or about \$2 billion more than the 2021 Budget Act estimate.

To maximize funding flexibility and streamline federal reporting activities, the Administration proposes shifting \$1.8 billion of programs funded by the SFRF to either the General Fund or other state funds. This proposal results in no net General Fund costs, since this shift would be offset with a like amount of savings resulting from the additional \$2 billion in revenue replacement funding. The proposal also will not change total funding levels for any of the impacted programs. The chart below summarizes the SFRF funding plan and the proposed shifts in fund source.

**Revised Allocation of \$27 Billion Coronavirus State Fiscal Recovery Fund**

(Dollars in Millions)

Coronavirus State Fiscal Recovery Fund Allocations	2021 Budget Act Funding Amount	2022-23 Governor's Budget	Difference <sup>1/</sup>
<b>Address Public Health Impacts</b>	<b>\$1,804.8</b>	<b>\$1,188.7</b>	<b>-\$616.1</b>
COVID-19 Direct Response Costs	\$724.8	\$208.7	-\$516.1
Behavioral Health Continuum Infrastructure Program	\$530.0	\$530.0	\$0.0
Community Care Expansion	\$450.0	\$450.0	\$0.0
Mental Health Student Services Partnership Grant Program <sup>2/</sup>	\$100.0	\$0.0	-\$100.0
<b>Address Negative Economic Impacts</b>	<b>\$12,224.8</b>	<b>\$11,004.8</b>	<b>-\$1,220.0</b>
Address Increased Homelessness and Housing Shortages	\$4,876.0	\$4,876.0	\$0.0
Relief for Unpaid Water and Energy Utility Bills and Arrearages	\$2,000.0	\$2,000.0	\$0.0
Child Savings Accounts to Address Equity Gap and Increase Opportunities for Higher Education	\$1,777.9	\$1,407.9	-\$370.0
Small Business Grants	\$1,500.0	\$1,500.0	\$0.0
Community Economic Resilience	\$600.0	\$0.0	-\$600.0
Training and Education Support for Displaced Workers	\$472.5	\$472.5	\$0.0
Economic Support for Ports	\$250.0	\$0.0	-\$250.0
Emergency Financial Aid for Community College Students	\$250.0	\$250.0	\$0.0
Youth Workforce Development	\$185.0	\$185.0	\$0.0
Californians for All College Service Program	\$127.5	\$127.5	\$0.0
Revitalize California Tourism	\$95.0	\$95.0	\$0.0
Legal Aid for Renters	\$80.0	\$80.0	\$0.0
Federal Tracking, Accountability, and Cost Recovery	\$10.9	\$10.9	\$0.0
<b>Replace Lost State Revenue</b>	<b>\$9,196.3</b>	<b>\$11,032.4</b>	<b>\$1,836.1</b>
<b>Broadband Infrastructure, Access, and Affordability</b>	<b>\$3,772.4</b>	<b>\$3,772.4</b>	<b>\$0.0</b>
<b>Reserve for Accountability and Oversight</b>	<b>\$18.6</b>	<b>\$18.6</b>	<b>\$0.0</b>
<b>Total</b>	<b>\$27,017.0</b>	<b>\$27,017.0</b>	<b>\$0.0</b>

<sup>1/</sup> The Governor's Budget proposes to shift \$1.8 billion in programs funded by the State Fiscal Recovery Fund to either the General Fund or other state funds to maximize funding flexibility and streamline federal reporting activities.

<sup>2/</sup> Of the \$1.8 billion in funding shifts, \$100 million for youth behavioral health grants will be funded from the Mental Health Services Fund (MHSF). Other MHSF programs totaling \$100 million would in turn be funded with General Fund.

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# EMERGENCY RESPONSE

In 2021, Californians endured some of the most challenging emergencies in state history, including the COVID-19 Pandemic and catastrophic wildfires.

Climate change continues to intensify and lengthen the fire season in California. The state has experienced unprecedented wildfire activity over the past several years, with increases in the number and severity of wildfires. The state experienced 4 of the 20 largest wildfires in its history in 2021.

Accordingly, the Governor's Budget builds on recent investments to continue to enhance the state's ability to prepare for, and respond to, future disasters and protect vulnerable communities.

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## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection (CAL FIRE) provides resource management and wildland fire protection services covering 31 million acres. It operates 234 fire stations and also staffs local fire departments when funded entirely by local governments. CAL FIRE also contracts with six counties within the state to provide wildland fire protection services. The Budget includes \$3.7 billion (\$2.7 billion General Fund) and 10,049.5 positions for CAL FIRE.

In recent years, the state has made strategic investments to bolster CAL FIRE's firefighting capabilities in light of the wildfire crisis. These investments have included

adding more firefighters for surge capacity and relief, adding CAL FIRE, California Conservations Corps (CCC), and California National Guard hand crews, and enhancing technology using fire prediction tools and new helicopters.

However, the ongoing impact of climate change on California's wildlands continue to drive critically dry fuel conditions and longer, more severe fire seasons. The Budget makes further investments to enhance CAL FIRE's fire prevention and suppression capacity.

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### **SUPPORTING CALIFORNIA FIREFIGHTERS**

Over the past decade alone, firefighters from state, federal, tribal, and local governments have battled and endured 14 of the 20 largest wildfires in the state's history. The dedication and duty of California's firefighters made sure that no civilian lives were lost as a result of wildfires in 2021. Heroic stands saved countless communities from destruction, including the towns of Chester, Hayfork, and Markleeville.

In recognition of the heavy toll of successive exhausting wildfire seasons, the Budget sets aside an additional \$400 million General Fund on an ongoing basis to improve the health and wellness of CAL FIRE firefighters. The Administration will engage with representatives from firefighter associations on the specific details of a proposal that would appropriately staff CAL FIRE to meet the demands of wildland firefighting in a changing climate.

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### **WILDFIRE AND FOREST RESILIENCE STRATEGY**

In 2021, over 8,000 wildfires burned over 2.5 million acres across the state, devastating communities, displacing tens of thousands of Californians, and sending harmful smoke across the country. Driven by climate change and a century-old legacy of fire suppression, wildfires continue to intensify. The Dixie and Caldor fires marked the first time wildfires burned from the valley foothills, over the granite crest of the Sierra Nevada mountain range, and into the Great Basin. Recent wildfires have burned at high intensity through critical watersheds, creating a long-term risk to California's natural water infrastructure. Despite these extreme wildfire events, wildfire and forest resilience investments, such as fuel breaks, landscape-scale thinning projects, and defensible space, helped firefighters protect homes and communities.

In 2021, the Administration and Legislature approved a \$1.5 billion investment in a comprehensive wildfire and forest resilience strategy, including \$536 million as part of an



early action package designed to start critical projects before the upcoming fire season and launch several new programs.

To address the scale and urgency of the state's wildfire risks, the Budget proposes an additional \$1.2 billion over two years as part of a total \$2.7 billion four-year investment to support critical wildfire resilience programs to increase the pace and scale of forest health activities and decrease fire risk.

- **Resilient Forests and Landscapes**—\$482 million to enhance wildfire resilience across California's diverse landscapes by thinning forests, replanting trees, expanding grazing, and utilizing prescribed fire, which will also improve biodiversity, watershed health, carbon sequestration, air quality, and recreation. Programs include a forest health grant program, a direct investment for tribes, support for small landowners to sustainably manage their forest lands, and funding for fire resilience on state landholdings.
- **Reforestation**—\$100 million to help recover critical watersheds burned in catastrophic wildfires. Given the concentration of high intensity fires across critical state watersheds, this targeted investment will support post-fire watershed recovery projects and expand reforestation infrastructure like nursery capacity, seed harvesting, and workforce development. Recovering these watersheds is critical to state investments in wildfire resilience activities and projects.
- **Wildfire Fuel Breaks**—\$382 million for CAL FIRE and the CCC to complete strategic fuel breaks projects over the next several years. Fire prevention grant funds will enable local communities to develop their own fire safety projects.
- **Community Hardening**—\$44 million for the California Governor's Office of Emergency Services (Cal OES), CAL FIRE, and the UC Fire Advisors program to improve defensible space and retrofits to “harden” homes and communities against wildfire ignitions. The Budget supports educational programs that will help homeowners make these improvements on their homes and properties. This includes the UC Fire Advisors program, expanding defensible space inspectors, delivering wildfire resilience efforts, and expanding a pilot program to directly support retrofits on homes of low-income Californians. The Administration will also explore leveraging grant opportunities with the federal government to expand home hardening efforts.
- **Regional Investments**—\$110 million for targeted regional investments that will include technical support to develop cross-jurisdictional regional plans, identify projects, and support project implementation. Partnering with the Regional Forest and Fire Capacity Program, key conservancies anchor these regional strategies.

**Wildfire & Forest Resilience Expenditure Plan**  
(Dollars in Millions)

Investment Category	Department	Program	Early Action 2020-21	2021-22	Governor's Budget (Multi-year Funding)	Total
Resilient Forests and Landscapes	CAL FIRE	Forest Health Program	\$155	\$160	\$240	\$555
		Forest Improvement Program for Small Landowners	\$10	\$40	\$25	\$75
		Forest Legacy	\$6	\$10	\$33	\$49
		Nursery	\$2	\$9	\$4	\$15
		Urban Forestry	\$10	\$20	\$30	\$60
		Tribal Engagement	\$1	\$19	\$20	\$40
	Various	Post-Fire Reforestation and Regeneration	-	-	\$100	\$100
		Stewardship of State-Owned Land	\$30	\$145	\$130	\$305
Wildfire Fuel Breaks	CAL FIRE	CAL FIRE Unit Fire Prevention Projects	\$10	\$40	\$40	\$90
		Fire Prevention Grants	\$123	\$120	\$232	\$475
		Prescribed Fire and Hand Crews & Contract Counties	\$15	\$49	\$70	\$134
	California Conservation Corps	Fuel Reduction Crews	-	\$20	\$40	\$60
		Residential Centers	-	\$7	-	\$7
Community Hardening	Cal OES & CAL FIRE	Home Hardening	\$25	-	\$25	\$50
	CAL FIRE	Defensible Space Inspectors	\$2	\$13	\$10	\$25
	CAL FIRE & University of California	Land Use Planning and Public Education Outreach	-	\$7	\$9	\$16
Regional Capacity	Department of Conservation	Regional Forest Capacity	\$50	\$60	\$40	\$150
	Conservancies	Project Implementation in High- Risk Regions	\$69	\$139	\$70	\$278
Science-Based Management	CAL FIRE	State Demonstration Forests	-	-	\$10	\$10
		Monitoring and Research	\$3	\$20	\$15	\$38
		Prescribed Fire Liability Pilot	-	\$20	-	\$20
		Interagency Forest Data Hub	-	\$10	-	\$10
	Natural Resources Agency	LiDAR Remote Sensing	-	\$25	\$5	\$30
	Air Resources Board and Water Board	Prescribed Fire and Water Permitting	-	\$4	\$8	\$12
Economic Development of the Forest Sector	IBank	Climate Catalyst Fund	\$16	\$33	-	\$49
		Workforce Training	\$6	\$18	\$30	\$54
	CAL FIRE	Transportation Grants for Woody Material	-	-	\$10	\$10
		Office of Planning and Research	Market Development	\$3	-	\$4
<b>Total</b>			<b>\$536</b>	<b>\$988</b>	<b>\$1,200</b>	<b>\$2,724</b>

- **Science-Based Management**—\$38 million to support rigorous monitoring and robust scientific inquiry necessary to achieve effective, long-term forest health and restoration in a dynamic environment of high-severity wildfire and climate change. Investing in remote sensing, research, and science-based monitoring will enable the state to effectively build wildfire and forest resilience in the face of climate change.
- **Forest Sector Economic Stimulus**—\$44 million to expand the wood product supply chain and workforce preparedness in the wildfire resilience sector. Both thinning before a fire and removing dead trees after fires has inundated California's capacity to process woody material. There is an array of technology available to support these efforts to help the state meet its carbon goals. To help avoid the accumulation of woody slash piles, state investments will target market barriers including expanding pilots to deliver woody feedstock supply agreements and offset the transportation cost of removing woody material from the forests. Investments in growing the workforce through the CCC and expanding community college and vocational training programs will expand access to existing forest management jobs, as well as the growing wood products industry.

The Budget also includes \$12.6 million General Fund (\$9.9 million ongoing) and 33 positions for the implementation of Chapters 225, 375, 382, and 387, Statutes of 2021 (AB 9, AB 642, SB 63, and SB 456), an interconnected package of legislation aimed at limiting the threat of catastrophic wildfires and improve forest health. These investments focus primarily on implementation of the Wildfire and Forest Resilience Action Plan, identifying areas of the state as moderate and high fire hazard severity zones, and enhanced coordination with regional and local fire mitigation planning.

In addition, the Budget proposes \$1.8 million General Fund (\$1.7 million ongoing) and 7 positions for the implementation of Chapter 239, Statutes of 2021 (SB 109). This legislation established the Office of Wildfire Technology Research and Development within CAL FIRE to test and provide advice on emerging wildfire mitigation technology.

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## **FIREFIGHTING SURGE CAPACITY**

The Budget includes \$248.4 million for additional wildland fire aviation assets, fire engines, fire suppression ground equipment, and fire crews to enhance CAL FIRE's firefighting surge capabilities.

- **Exclusive Use Type 1 Helitankers**—\$45 million General Fund annually for three years to secure ten additional helicopters. CAL FIRE operates 12 state-owned firefighting helicopters, and 1 firefighting helicopter under contract with San Diego County, located strategically at 11 helitack bases across California. This proposal will augment the aviation fleet with ten additional heavy helicopters, available across California, and each capable of dropping 1,000-2,000 gallons of water at a time, while awaiting the arrival of federal C-130 air tankers beginning in 2023.
- **CAL FIRE Fire Hawk Helicopters**—\$99 million General Fund in 2022-23 and \$11.7 million ongoing to purchase four additional helicopters to support 24/7 operations of the enhanced helicopter fleet. California continues to invest in the acquisition and delivery of twelve S70i Fire Hawk helicopters, with 8 of 12 currently in California. These larger helicopters have the capability to drop up to 1,000 gallons of water at a time and operate at night, which can significantly slow advancing wildfires. The acquisition of four additional helicopters will provide additional aircraft availability to help maintain 24/7 flight operations during critical fire weather conditions when frontline helicopters are due for maintenance.
- **Surge Equipment: Fire Engines and Bulldozers**—\$35.8 million General Fund in 2022-23 and \$2.8 million ongoing for surge capacity dozers and fire engines. CAL FIRE operates 356 frontline fire engines and 59 bulldozers across the state. This equipment requires regular maintenance and can have unexpected mechanical breakdowns. This proposal will add two surge engines per unit and contract county, and ten additional bulldozers, to provide additional resources that can be staffed during critical fire conditions and resource drawdown.
- **Additional Fire Crews**—\$68.6 million General Fund in 2022-23, \$81.3 million ongoing, and 33 positions to convert 16 existing seasonal CCC and California National Guard crews to year-round availability and add 20 new permanent fire crews to the statewide system. This investment increases the overall number of permanent hand crews available to (1) respond to wildfires throughout the year, (2) implement high-priority fuel reduction projects to protect communities from wildfire, and (3) participate in prescribed fire projects to achieve more resilient landscapes. This package builds upon existing partnerships and will partially offset the projected loss of Department of Corrections and Rehabilitation inmate crews.

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## CRITICAL INFRASTRUCTURE IMPROVEMENTS

The Budget includes \$175.2 million (\$119.7 million General Fund and \$55.5 million Public Buildings Construction Fund) as part of a planned \$1.1 billion (\$429.5 million General

Fund and \$671 million Public Buildings Construction Fund) over the next five years for the continuation and addition of critical major capital outlay projects statewide, including but not limited to, the replacement of aging fire stations, unit headquarters, and communication facilities, and the replacement of helitack bases and improvements to air attack bases to accommodate CAL FIRE's new helicopter fleet and C-130 aircraft deployment plans. See the 2022-23 Five-Year Infrastructure Plan for additional detail.

## OFFICE OF EMERGENCY SERVICES

The state is responsible for mitigating the effects of disasters and for protecting Californians' lives and property. Cal OES serves as the state's leadership hub during all major emergencies and disasters. This includes responding, directing, and coordinating state and federal resources and mutual aid assets across all regions to support the diverse communities across the state.

Cal OES also supports local jurisdictions and communities through planning and preparedness activities, training, and facilitating the immediate response to an emergency through the longer-term recovery phase. During this process, Cal OES serves as the state's overall coordinator and agent to secure federal government resources through the Federal Emergency Management Agency. The Budget includes \$2 billion (\$541.1 million General Fund) and 1,507.2 positions for Cal OES.

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## STRENGTHENING CALIFORNIA'S EMERGENCY RESPONSE CAPACITY AND CAPABILITIES

The Budget includes \$61.9 million (\$61.6 million General Fund) and 83 positions to address the more frequent, complicated, and often simultaneous emergencies and disasters involving numerous counties and regions across the state.

- **Modernizing All Hazard Response and Mutual Aid System Through Technology**—\$30 million and 31 positions (\$5.6 million and 20 positions for CAL FIRE) to establish the Fire Integrated Real-time Intelligence System (FIRIS) program to increase the real-time information and situational awareness available to the state and California's mutual aid system responders and managers on all hazards events, including wildfires. FIRIS will utilize a combination of aircraft, high-definition real-time video, and data analysis dispatched throughout the state to provide nearly instantaneous, accurate visual situation awareness that informs public safety and emergency management operational and tactical decisions. Early detection

and rapid intelligence allows for the strategic and efficient allocation of resources before, during, and after disaster incidents, and a more effective response to reduce loss of life and property. The intelligence gathered will also provide data and support to the Wildfire Forecast and Threat Intelligence Integration Center, as established through SB 209 (Chapter 405, Statutes of 2019).

- **Enhancing the Fire and Rescue Mutual Aid Fire Fleet**—\$11.2 million General Fund in 2022-23, \$10.9 million ongoing, and 11 positions to enhance the California State Fire and Rescue Mutual Aid System's fire fleet. The Cal OES Fire and Rescue Division provides federal, state, and local firefighting and rescue surge capacity. Given the severity and increased frequency of wildfires in California, the potential for earthquakes, floods, mud and debris flows, and hazardous materials incidents, these resources will enhance the capacity of the mutual aid system to meet the demands of the state's disaster response entities.
- **Providing Resources for Mission Tasking**—\$10 million ongoing General Fund to provide funding to state entities for costs incurred as a result of mission tasking for incidents not covered under a Governor's proclaimed state of emergency.
- **Addressing Heightened Risks Through Enhanced Partnerships**—\$5.8 million (\$5.5 million General Fund) and 20 positions to enhance Cal OES's regional response capacity and key partnerships with local governments and other local stakeholders. Regional disaster response and recovery capacity have been stretched thin by more frequent and higher intensity disasters. These resources will increase disaster resilience capacity based on each region's unique needs.
- **Expand Disaster Logistics Capabilities**—\$4.9 million ongoing General Fund and 21 positions to improve Cal OES's core operations and effectiveness, foster quality improvement projects, and enhance emergency response capabilities.

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## EMERGENCY PREPAREDNESS INFRASTRUCTURE

The Budget also contains strategic improvements to emergency preparedness infrastructure, including ongoing support for the earthquake early warning system.

- **California Earthquake Early Warning System**—\$17.1 million ongoing General Fund to support education and outreach, operations, and research and development of the California Earthquake Early Warning Program. This funding will allow the state to increase its earthquake sensor density in the rural parts of Northern California and the Sierra Nevada Microwave Telemetry project as well as offer grants to

community-based organizations to educate socially isolated groups and other underserved communities. Cal OES will also undertake new research in the use of Frequency Modulation radio frequencies, television broadcasting networks, and crowd sourcing for expanded ways to alert the public when a significant earthquake occurs.

- **Cal OES Emergency Operations Centers and Security Improvements**—\$11.6 million General Fund to complete design and construction for a renovated State Operations Center (SOC) at the Cal OES facility in Sacramento and enhanced site security renovations. These investments are part of a total of \$77.5 million General Fund over the next five years for Cal OES that also includes the construction of a new Southern California Regional Operations Center. The relocation and construction of the new facility will allow for efficiencies in the provision of services to residents of Southern California, and will provide a critical back-up location for coordination of statewide emergency operations should the SOC in Sacramento become inoperable for any reason. See the 2022-23 Five-Year Infrastructure Plan for additional detail.

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## PUBLIC SAFETY COMMUNICATIONS

Public Safety Communications, within Cal OES, is responsible for the design, installation, maintenance, and repair of statewide emergency and public safety communication systems.

- **Implementing a 9-8-8 Behavioral/Mental Health Crisis Hotline**—\$7.5 million General Fund (\$6 million ongoing) and 10 positions to implement a new federally mandated 9-8-8 call system to increase the ease and accessibility for those experiencing a behavioral or mental health crisis. Those who dial 9-8-8 will be directed to 1 of the 13 existing Lifeline Call Centers across the state. These centers already provide immediate assistance with mental distress, and the additional funding will assist those needing services to receive help more efficiently. The Budget includes funding for call handling equipment so existing crisis hotline centers have the resources needed to process additional 9-8-8 calls and coordinate and transfer calls with no loss of information between the 9-8-8 and 9-1-1 systems. In 2022, the California Health and Human Services Agency will develop a plan to support connections between prevention efforts like warm-lines and peer support services, 9-8-8 mental health crisis call centers, and mobile crisis response at the local level.

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# JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, the Habeas Corpus Resource Center, and the Judicial Council. The trial courts are funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Governor's Budget includes total funding of \$4.9 billion (\$3 billion General Fund and \$1.9 billion other funds) in 2022-23 for the Judicial Branch, of which \$2.8 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

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## **TRIAL COURT INVESTMENTS TO EXPAND ACCESS TO JUSTICE**

The Budget continues the Administration's commitment to expanding access to justice by investing an additional \$255.5 million ongoing General Fund in the trial courts.

The Budget includes \$84.2 million ongoing General Fund for an overall 3.8 percent increase in funding. In addition, the Budget includes \$100 million ongoing General Fund for trial court operations to be allocated by the Judicial Council to promote fiscal equity among the trial courts.

To further expand access to justice by addressing judicial workload needs, the Budget includes \$42.6 million General Fund in 2022-23 and \$42.3 million ongoing for 23 additional superior court judgeships, including associated security costs. The judges will be allocated based on the Judicial Council's 2020 Judicial Needs Assessment. With this

augmentation, the Judicial Branch will be fully funded to fill all judgeships authorized under law.

The Budget also includes \$28.7 million ongoing General Fund for trial court employee health benefit and retirement costs. The state began consistently funding the increased retirement health benefit and retirement costs for the trial courts in 2014-15.

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### **IMPROVING ACCESS TO JUSTICE THROUGH INNOVATION**

The Chief Justice's Access 3D Framework and her Commission on the Future of California's Court System has recommended expanding the use of new technology in the courts to improve access to justice and to better serve Californians. The COVID-19 Pandemic forced many operational changes to the courts due to public health orders. The use of technology innovations, such as tools supporting remote proceedings, were critical to maintaining access to justice for Californians during the COVID-19 Pandemic when normal court operations were disrupted. Consequently, the 2020 Budget Act included investments of \$25 million General Fund in 2020-21 and 2021-22 for modernizing court operations.

The Budget expands on these efforts by providing \$34.7 million General Fund in 2022-23, increasing to \$40.3 million in 2025-26 and ongoing, for information technology initiatives, including the following:

- Creation of the Judicial Branch Information Security Office to improve cyber security;
- Modernization of the Appellate and Supreme Court IT systems, including updating electronic filing and case management systems; and
- Ongoing support for branch-wide and trial court initiatives that began in the 2020 Budget Act.

These investments will also support initiatives that promote public access to digital records and court proceedings by expanding electronic case filings, digitizing court documents, enabling online dispute resolutions, and enhancing remote proceedings.

In addition, the Budget includes \$33.2 million General Fund in 2022-23 and 2023-24 and \$1.6 million ongoing to implement and support remote access to courtroom proceedings pursuant to Chapter 526, Statutes of 2021 (AB 716). Specifically, these

resources will be used to provide a publicly accessible audio stream for every courthouse in the state.

The Budget also includes \$15 million General Fund in 2022-23 and \$3.8 million ongoing to implement a data and information framework to enable timely and accurate data collection from trial and appellate courts. This investment will enhance the ability of all three branches of government to assess court programs and resource needs.

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## REDUCING CIVIL ASSESSMENT FEES FOR ALL CALIFORNIANS

In past decades, the state substantially increased fines, fees, assessments, and surcharges levied on individuals convicted of criminal offenses to generate funding for specific state and local programs and services. The Judicial Council estimates these fines and fees generated nearly \$1 billion in revenue in 2020-21.

Recognizing the financial hardship these increased fines and fees have created for Californians, the following fine and fee reforms have been enacted to provide relief:

- The 2021 Budget Act expanded a pilot program statewide to allow indigent and low-income individuals to apply online to have their fines and fees from traffic and non-traffic infractions reduced in accordance with their ability to pay.
- Chapter 257, Statutes of 2021 (AB 177) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees to recover the administrative costs related to collection of restitution, among other fees, commencing January 1, 2022.
- Chapter 92, Statutes of 2020 (AB 1869) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees imposed to recover costs related to providing public defense and probation supervision.

In continuation of the Administration's efforts to provide financial relief for individuals from the imposition of fines and fees, the Budget includes statutory changes to reduce civil assessment fees by half, from a maximum of \$300 to \$150. Under existing law, courts can impose these fees on anyone charged with a traffic, misdemeanor, or felony offense who, after notice, fails to appear in court or pay a court fine. The civil assessment is a tool the state and the courts use to hold individuals accountable when they do not comply and now the ability to pay program can reduce the fine and fee burden for indigent individuals. Nevertheless, the current fee is too high and can be

reduced to help all Californians. The Budget includes \$50 million ongoing General Fund to backfill the resulting loss in revenue for trial courts.

### Significant Adjustments

The Budget also includes the following General Fund investments for the Judicial Branch:

- **Trial Court Trust Fund Revenue Backfill**—\$117.8 million ongoing to continue backfilling the Trial Court Trust Fund for a decline in revenues expected in 2022-23.
- **State Court Facilities Construction Fund (SCFCF) Backfill**—\$40 million one-time to backfill the SCFCF and maintain existing service levels. The SCFCF, which covers a range of costs including facility modifications, repairs, and debt service, has a structural deficit due to a decline in fine and fee revenues.
- **Trial Court Facility Modifications**—\$15.4 million ongoing for critical building repairs in the trial courts.
- **AB 177 Trial Court Backfill**—\$13.4 million ongoing to backfill the estimated loss of revenue for trial courts from the criminal fees that were eliminated by Chapter 257, Statutes of 2021 (AB 177).
- **Courts of Appeal Court-Appointed Counsel**—\$8.3 million ongoing to increase compensation for court-appointed attorneys to account for inflationary cost pressures, allowing for retention of existing attorneys and for the continued recruitment of new attorneys to provide quality representation for low-income individuals on appeal.
- **Electronic Filing for Restraining Orders**—\$2.6 million in 2022-23 and \$1.7 million ongoing to implement and support electronic filing interfaces for domestic violence restraining orders, domestic violence temporary restraining orders, and gun violence restraining orders for all trial courts as required by Chapter 681, Statutes of 2021 (AB 887) and Chapter 686, Statutes of 2021 (SB 538).
- **Probate Conservatorship Report**—\$1.3 million one-time for the Judicial Council to complete a comprehensive study of probate conservatorships and develop recommendations pursuant to Chapter 417, Statutes of 2021 (AB 1194).

# CRIMINAL JUSTICE

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## DEPARTMENT OF CORRECTIONS AND REHABILITATION

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most serious and violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. The Department strives to facilitate the successful reintegration of the individuals in its care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs. The Governor's Budget includes total funding of \$14.2 billion (\$13.8 billion General Fund and \$364.4 million other funds) for CDCR in 2022-23.

The COVID-19 Pandemic has affected every aspect of prison operations, and the state has taken swift action to mitigate the spread of the virus. These actions have significantly impacted current population projections. The average daily adult incarcerated population for 2021-22 is now projected to be 104,554, a decrease of 2 percent from spring projections. In comparison, on February 26, 2020, the adult incarcerated population was 123,105 and as of December 15, 2021, the population was 99,699—a difference of 23,406 or 19 percent. Current projections show the adult incarcerated population is temporarily trending upward and is expected to increase by 8,310 individuals between 2021-22 and 2022-23, primarily because CDCR has resumed intake of individuals sentenced to prison but who remain in county jails awaiting transfer

to state prison. The population is projected to resume long-term downward trends to 100,361 in 2024-25.

The 2021 Budget Act projected an overall parolee average daily population of 48,269 in 2021-22. The average daily parolee population is projected to decrease by 5,306 to 42,963 in 2022-23, a decrease of 11 percent from spring projections. The parole population is projected to decline to 38,284 by June 30, 2026.

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### **COVID-19 UPDATE**

In December 2020, CDCR reported as many as 10,600 active incarcerated adult COVID-19 cases and 3,250 active staff COVID-19 cases in its adult institutions. The number of active COVID-19 cases across CDCR's prison system decreased significantly throughout 2021. In early December, the number of active cases began increasing—as of December 31, 2021, CDCR reported 634 incarcerated adult cases and 1,101 staff cases in its adult institutions. Given the recent increase in cases and the ongoing risks posed by the pandemic within the prison environment, the Department will continue focused efforts and emergency actions to mitigate the impacts of COVID-19.

To protect the safety and wellness of the incarcerated population and staff, CDCR has continued to require regular system-wide COVID-19 testing, the use of masks and other personal protective equipment, observance of physical distancing protocols, and application of enhanced cleaning and sanitation services. Consistent with its “Roadmap to Reopening” Plan, CDCR has worked diligently to facilitate a safe, phased return to regular prison operations, including restoring access to family visitation and rehabilitative programming.

CDCR has continued to prioritize the roll-out of COVID-19 vaccines to combat the impacts of the virus and prevent and mitigate further community spread. Increasing vaccination rates for the incarcerated population and staff continues to be a primary focus, and CDCR has implemented a number of measures and strategies designed to achieve this goal.

CDCR expended an estimated \$1.1 billion in 2019-20 and 2020-21 to support COVID-19 prevention, mitigation, and response activities. The 2021 Budget Act included \$408 million for CDCR to continue these actions, and CDCR currently estimates it will spend an additional \$205.5 million for these purposes in 2021-22 (total of \$613.5 million). Given COVID-19 will continue to impact prison operations for the foreseeable future, the Budget includes \$424.7 million one-time General Fund in 2022-23 to enable CDCR to continue responding to and mitigating the impacts of the pandemic.

## INCREASED INTAKE TO STATE PRISONS

In March 2020, the state halted intake of incarcerated persons from county jails to reduce the risk of COVID-19 entering the state prison system. CDCR resumed intake on a limited basis in August 2020, although public health conditions subsequently necessitated halting intake again in November. Since January 2021, CDCR has resumed intake while maintaining precautions including requiring testing and symptom screening prior to intake. The Department has also instituted a required quarantine of all new arrivals for a minimum of ten days in its reception centers. At the height of the pandemic, counties held 10,755 incarcerated persons on behalf of the state. As of the beginning of December 2021, 725 incarcerated individuals remained in county jails awaiting transfer to state prison, and it is currently estimated that the backlog will be cleared by January 2022.

The state has provided \$243.9 million General Fund to counties for holding incarcerated persons on behalf of the state, reflecting payments for individuals held in county jails between March 2020 and August 2021. Current projections suggest a total of approximately \$20 million in additional reimbursements will be issued in 2021-22 as the backlog is reduced and then eliminated.

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## PRISON CAPACITY, CLOSURE, AND TRANSFORMATION

The adult prison population has steadily declined over many years, presenting opportunities for CDCR to eliminate its reliance on contract prison capacity. CDCR terminated its final remaining contract to house incarcerated persons out-of-state in June 2019. In addition, CDCR terminated its final in-state contract correctional facility in May 2021. In total, the termination of these contracts has saved the state hundreds of millions of dollars in annual expenditures. Consistent with the 2021 Budget Act, the Department closed Deuel Vocational Institution in Tracy in September 2021, achieving savings of \$150.3 million General Fund annually beginning in 2022-23.

On April 13, 2021, CDCR announced its intent to close a second prison, the California Correctional Center (CCC) in Susanville, as well as minimum security portions of the California Correctional Institution and California Training Facility, by June 30, 2022. On September 27, 2021, CDCR closed 567 and 500 minimum security beds at the California Correctional Institution and California Training Facility, respectively. As of December 15, 2021, the incarcerated population at CCC was 1,702. The closure of CCC is estimated to result in annual savings of \$122 million.

On July 28, 2021, the City of Susanville filed litigation in the Lassen County Superior Court challenging the closure of CCC, and a preliminary injunction was issued in September 2021, prohibiting CDCR from taking any action to further the closure of CCC. The injunction remains in effect and the process of closing is currently on hold.

### **REPURPOSE CONDEMNED HOUSING**

In March 2020, CDCR began the Condemned Inmate Transfer Pilot Program, which allows eligible incarcerated persons in condemned housing to transfer out of condemned housing to other designated institutions and facilities that provide additional job placement opportunities.

As of December 17, 2021, 83 condemned individuals had transferred out of condemned housing at San Quentin and an additional 16 are in process to move by January 30, 2022. CDCR will draft regulations to make this program permanent. As these transfers continue, and the housing units are vacated, CDCR is presented with the opportunity for a new use for this space. The Budget includes \$1.5 million one-time General Fund to engage in a consulting contract to repurpose the condemned housing areas.

### **TRANSFORMING VALLEY STATE PRISON**

The 2021 Budget Act included \$13.7 million General Fund in 2021-22, and \$3 million ongoing, to transform and create a rehabilitative environment within Valley State Prison (VSP) that better prepares people for release and life outside of the institution. These funds will expand programming and support facility improvements at VSP, guided by the Norway model. CDCR is leveraging these resources to establish two new baccalaureate degree programs, ramp up new vocational and career technical training opportunities, and purchase additional laptops that will be rolled out to support literacy development. CDCR is also in the process of utilizing these funds to construct two new modular buildings that will accommodate additional educational and rehabilitative programming. VSP will serve as a pilot for re-envisioning and transforming the state's correctional system.

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### **PROMOTING REHABILITATION AND REENTRY**

The Administration is committed to increasing access to rehabilitative and reentry programs with the goal of improving post-release outcomes for incarcerated individuals and reducing recidivism. CDCR's academic, vocational, and rehabilitative programs are integral to preparing incarcerated individuals to successfully reenter their



communities following their release from prison. The Budget includes targeted resources to further enhance these programs with the goal of improving public safety through rehabilitation.

### **RETURNING HOME WELL**

One of the many challenges formerly incarcerated individuals face upon reentry is finding housing. This challenge is particularly acute for individuals who did not have stable housing prior to entering prison. The inability to secure housing can impede successful community reintegration upon release and can lead to increased recidivism.

CDCR established the Returning Home Well Program during the pandemic to provide emergency transitional housing services to individuals who would otherwise be at risk of being unhoused at the time of their release. As of November 2021, the Returning Home Well Program had served 5,293 individuals.

While this program was initiated in response to the pandemic, the need for emergency transitional housing for parolees will remain after the public health crisis subsides. The Budget includes \$10.6 million General Fund annually for three years for the Returning Home Well Program. These resources will support continuation of the program while providing the opportunity to assess the ongoing needs of the released population.

### **EXPANDING HIGHER EDUCATION OPPORTUNITIES**

CDCR offers a variety of educational programs to incarcerated individuals to further their educational attainment and reduce recidivism following release. These programs include Adult Basic Education, secondary education (high school diploma or equivalency), and career technical education. CDCR has also expanded its community college programs in partnership with the California Community Colleges and now offers these programs at 33 of 34 institutions. These programs are not currently offered at the California Health Care Facility given the specific treatment and programming needs of its incarcerated population. CDCR served 6,246 community college students during the spring 2021 semester.

To increase access to additional educational opportunities, the Budget includes \$5 million General Fund in 2022-23, and \$4.7 million ongoing, to permanently fund Bachelor's Degree Programs at seven institutions in collaboration with the California State University system. These programs will be available to students upon successful completion of their community college programs and will enable them to further prepare to enter the workforce and find gainful employment upon their release from prison.

## **TATTOO REMOVAL PROGRAM**

Tattoos often present an obstacle to formerly incarcerated individuals seeking to reintegrate into society. The Prison Industry Authority currently operates tattoo removal programs, but these programs are limited in scope and additional resources are needed to expand availability.

The Budget includes \$567,000 General Fund in 2022-23 and \$1.1 million through 2025-26 to provide tattoo removal services to incarcerated persons preparing for release or leaving prison gangs. This funding will enable the Department to expand tattoo removal services to all adult institutions and serve approximately 1,400 individuals annually.

## **REHABILITATIVE PROGRAMMING ADMINISTRATIVE SUPPORT**

CDCR offers several types of programs that provide credit-earning opportunities, including health and education learning options. As the Department expands these opportunities, CDCR needs additional administrative resources to support program delivery and credit tracking.

The California Correctional Health Care Services' (CCHCS) treatment model is based on the principle that every patient should be an active partner in their own health. One way in which CCHCS puts this principle into practice is by operating Nursing Led Therapeutic Groups, which provide incarcerated individuals with standardized education on medical conditions, positive health behaviors, and methods to improve patient health and wellness. CCHCS plans to run more than 1,300 groups at 19 institutions in 2022-23.

In response to Proposition 57, the Public Safety and Rehabilitation Act of 2016, CDCR revised the ways in which credits could be earned, and adopted new methods for incarcerated individuals to earn credits for completion of certain rehabilitative and educational programs. Rehabilitative Achievement Credits were part of this new system where individuals could participate in Inmate Activity Groups, which consist of self-help programs designed to promote rehabilitation or positive behavior change. CDCR implemented this program relying on self-help sponsor volunteers to operate the Inmate Activity Groups. However, CDCR has substantially expanded these groups in recent years and there are no longer enough volunteers to support the increased volume.

Administrative staff coordinate groups, arrange program availability, and provide opportunities to earn credits. Consequently, the Budget includes \$3.9 million General

Fund in 2022-23 and \$4.6 million ongoing to provide administrative support for the operation of these important rehabilitative services.

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## **TEMPORARY MODIFIED WORK ASSIGNMENTS**

The Budget includes \$9.5 million ongoing General Fund to continue providing modified work assignment posts for staff with medical conditions to provide them opportunities to continue working, or return to work earlier than would otherwise be possible. This program was established in the 2020 Budget Act with temporary resources and these ongoing funds will continue the Administration's commitment to the health and wellness of its correctional staff and continue promoting the recruitment and retention of a diverse workforce.

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## **IMPROVING TECHNOLOGY INFRASTRUCTURE**

### **CELLULAR INTERDICTION**

Currently, CDCR uses technology called the Managed Access System to block contraband cell phone usage within its prisons. Cell phones pose a threat to the safety of incarcerated persons, staff, and the public as they can enable criminal activities both inside and outside the prison including contraband distribution, gang activity, fraud, and identity theft. However, this system's effectiveness will diminish over time if it is not updated to adapt to evolving cellular technology.

The Budget includes \$12.6 million General Fund (of a total \$52.7 million one-time funding through 2025-26, and an additional \$2.4 million ongoing) to establish an Enhanced Managed Access System at all institutions. This funding builds on resources provided in the 2021 Budget Act, which continued the use of the existing Managed Access System at 18 institutions. The enhanced technology will stop calls and texts, including on newer technologies such as 5G networks, which the existing system does not cover.

### **CONTINUED EXPANSION OF VIDEO SURVEILLANCE SYSTEMS**

Audio-visual surveillance is integral to CDCR's ability to monitor activity within its institutions and maintain a safe environment for staff and the incarcerated population. The 2020 and 2021 Budget Acts included resources for CDCR to install new fixed video camera systems at ten institutions and deploy body-worn cameras at six institutions. CDCR has deployed body-worn cameras at all six institutions, and completed installation of new fixed camera systems at six institutions. CDCR will be working to

complete remaining fixed camera projects through the remainder of the 2021-22 fiscal year.

The Budget includes \$80.3 million General Fund in 2022-23, and \$7.6 million ongoing, to install fixed camera systems at ten additional institutions and deploy body-worn cameras at four additional institutions—including three high-security prisons and one female institution. In addition, the Budget includes \$19.5 million General Fund in 2022-23, and \$1.4 million ongoing, for CDCR to procure new technology to support implementation of the new camera systems and to enable the Department to more effectively manage and store data and information.

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### **STAFF MISCONDUCT AND DISCIPLINARY PROCESS IMPROVEMENTS**

Over the past year, CDCR worked to improve and enhance the process by which it handles complaints filed by incarcerated individuals that include allegations of staff misconduct, with the goal of increasing accountability and transparency and responding to concerns raised by stakeholders. CDCR will begin implementation of the new process using a phased approach starting in January 2022, with the goal of rolling the new process out to all institutions during the course of 2022-23.

Under the new process, CDCR will establish a Centralized Screening Team within its Office of Internal Affairs (OIA), which will be responsible for reviewing all complaints made by incarcerated individuals and third parties to make sure they are routed to the appropriate entity for further review depending on the contents of the complaint. Additionally, OIA will conduct formal investigations into a greater number of complaints based on a clearly defined list of allegation categories created by CDCR in collaboration with various stakeholders. The Budget includes \$5.3 million General Fund in 2021-22, \$35.6 million in 2022-23, and \$34.2 million ongoing for CDCR to support successful implementation of the improved process, which includes resources to stand up the new Centralized Screening Team, address anticipated increases in investigatory workload, and provide legal counsel to inform investigations and manage discipline-related processes.

The Office of Inspector General (OIG) will provide oversight and monitoring of CDCR's new staff complaint process. The Budget includes \$2.3 million General Fund in 2022-23, and \$3.6 million ongoing, which will enable the OIG to review a portion of the complaints filed by incarcerated persons to determine if the new CDCR Centralized Screening Team is routing complaints involving allegations of staff misconduct for the

appropriate level of review, and to monitor a portion of the staff misconduct investigations handled by CDCR's OIA.

In addition, the Budget includes \$6.2 million General Fund in 2022-23, growing to \$11.8 million in 2024-25, to support the Department's ability to conduct thorough investigations within the context of its existing Central Intake process and to strengthen its disciplinary procedures.

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## **INCARCERATED PATIENT MEDICAL CARE AND MENTAL HEALTH SERVICES**

The Budget includes \$3.8 billion General Fund in 2022-23 for health care programs, which provide incarcerated individuals with access to mental health, medical, and dental care services that are consistent with the standards and scope of care appropriate within a custodial environment.

In 2005, a federal court established a receivership to oversee prison medical care. To date, the Receiver has transitioned oversight of 19 institutions back to the state.

The state is committed to the delivery of mental health services to the population, with continued efforts to provide proper staffing for those who require the highest level of care.

## **INTEGRATED SUBSTANCE USE DISORDER TREATMENT PROGRAM**

The rate of substance use disorders among the incarcerated population is significantly higher compared to the general public. To address the unique needs of the incarcerated population, the 2019 Budget Act included resources for CDCR and CCHCS to implement the Integrated Substance Use Disorder Treatment (ISUDT) Program. This program was designed on a whole person care delivery model and structured to provide an interconnected series of treatments and interventions to help incarcerated individuals with substance use disorders.

Since the ISUDT Program was implemented in January 2020, nearly 14,000 patients have been provided access to medication-assisted treatment (MAT) and approximately 5,700 patients received cognitive behavioral interventions.

The Budget includes \$126.6 million General Fund in 2022-23, and \$162.5 million ongoing, to expand the ISUDT Program and enhance the Department's ability to treat individuals with substance use disorders. These resources will enable CDCR to serve an increasing number of program participants with MAT annually and make other

targeted enhancements, including increasing patient screening and adding an aftercare component for individuals who complete the core ISUDT programming.

Additionally, the Budget includes \$10.4 million ongoing (\$5.2 million General Fund and \$5.2 million in reimbursement authority) for the Department to implement California Advancing and Innovating Medi-Cal (CalAIM) services and supports for justice-involved individuals, as required by statute. The Budget also reflects a shift of approximately \$5.5 million in 2022-23, growing to \$25.6 million ongoing, from the General Fund to reimbursements in recognition of increased federal funding for health care services that is anticipated to become available to the state under CalAIM.

### **MEDICAL INSPECTIONS BY THE OFFICE OF THE INSPECTOR GENERAL**

The OIG is responsible for periodically reviewing and reporting on the delivery of medical care provided to individuals incarcerated in CDCR. The Budget includes \$3.3 million General Fund annually for three years to support additional OIG staff to complete medical inspections at the institutions. These resources will reduce the full medical inspection cycle from approximately 36 months to 24 months. The Budget also includes \$589,000 ongoing General Fund for additional editors to facilitate timelier medical inspection reports and a Nursing Supervisor position to support general unit operations.

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### **FACILITY AND INFRASTRUCTURE IMPROVEMENTS**

Maintaining facility infrastructure is essential to the health, safety, and rehabilitative goals for those who live and work in state prisons.

#### **ROOF REPLACEMENT**

The Budget includes \$2 million General Fund in 2022-23 and \$71 million in 2023-24 for roof replacement projects at California Institution for Men and California Medical Facility as part of a multi-year plan to replace aging and deteriorating roofs across the state prison system. CDCR has a phased schedule for statewide institution roof replacements that prioritizes prisons housing significant high-risk medical populations and individuals with disabilities. With this Budget, 14 institutions will have received one-time funding for major roof replacement and repair projects, and 11 institutions remain scheduled for future roof replacement and repair projects over the next 6 years.

## ACCESSIBILITY IMPROVEMENTS

In response to a federal class action lawsuit (*Armstrong v. Newsom*), the Department commissioned a survey in 2011 to identify infrastructure improvements needed to make its prison facilities accessible to individuals with disabilities. While CDCR has completed projects that have substantially improved access, further upgrades are necessary. As such, the Budget includes \$22.2 million one-time General Fund for accessibility improvements for individuals with disabilities at the California Institution for Men; California Institution for Women; California State Prison, Los Angeles County; and Richard J. Donovan Correctional Facility.

Beyond the physical facility repairs, the Budget also includes \$2.6 million General Fund in 2022-23 and \$2.7 million ongoing for staff to manage the increasing workload associated with maintaining compliance with *Armstrong* mandates and providing support to disabled individuals, such as fulfilling requests for reasonable accommodations, which have increased as the population ages.

As construction needs have increased over the years, projects have also increased in scope. To keep pace with the increase in the number and scale of projects handled by general contractors and CDCR's Inmate/Ward Labor Program, the Budget includes \$1.1 million ongoing in reimbursement authority to provide administrative staff at field offices to support the construction projects.

## UTILITIES AND WASTE DISPOSAL FUNDING

Utilities and waste removal are basic components of operating CDCR's institutions. The methodology used to budget for these expenses has not kept pace with rising costs, resulting in annual budget shortfalls.

Therefore, the Budget includes \$22.2 million ongoing General Fund to align resources with actual expenditures. The updated methodology establishes a baseline of funding using a three-year average of expenditures and a Consumer Price Index adjustment, which will be applied annually. This change will establish more stable and accurate funding based on current expenditures.

## JANITORIAL SERVICES

Since 2013, CCHCS has contracted with the California Prison Industry Authority (CalPIA) to provide healthcare-grade janitorial services at prisons statewide. The existing contract will expire on June 30, 2022. The Budget includes \$8.6 million General Fund in 2022-23 and \$10.5 million ongoing to renew the contract based on updated cost

estimates. The contract also updates the custodian staff supervision ratios to provide additional staff supervisors.

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### **DIVISION OF JUVENILE JUSTICE**

Consistent with Chapter 337, Statutes of 2020 (SB 823), the Division of Juvenile Justice (DJJ) ceased intake of new youth on July 1, 2021, with limited exceptions. However, DJJ took a number of precautions to protect youth and prevent the spread of COVID-19, which resulted in the intermittent pausing and staggering of intake. In June 2021, there was a backlog of approximately 100 youth awaiting transfer to DJJ at the county level. Accordingly, the DJJ youth population is expected to increase slightly in 2021-22, reaching a total of 657 youth as compared to the 2021 Budget Act estimate of 613 youth. However, DJJ projects the backlog will be eliminated by January 2022, and the youth population is expected to decline thereafter, decreasing to 544 youth in 2022-23. Consistent with Chapter 18, Statutes of 2021 (SB 92), DJJ is scheduled to close on June 30, 2023.

DJJ is currently experiencing various challenges with regard to recruiting and retaining staff. The Administration plans to engage with the relevant stakeholders early in 2022 to identify solutions to address these challenges given the important role these positions play in supporting DJJ operations and the delivery of rehabilitative programming and treatment to youth housed at DJJ.

### **UPGRADING LOCAL JUVENILE FACILITY INFRASTRUCTURE**

Upon the closure of DJJ, counties will be responsible for serving all justice-involved youth across the juvenile justice continuum. In 2020-21, to facilitate the realignment of youth from the state to counties, the Board of State and Community Corrections (BSCC) allocated \$9.6 million in one-time funds for the Regional Youth Programs and Facilities Grant Program as authorized by SB 823. These funds were available to counties for infrastructure-related needs and improvements to assist counties in the development of a local continuum of care. However, additional investment is needed to help counties prepare to serve and provide treatment to realigned youth.

The Budget includes \$100 million one-time General Fund for grants to be administered by the BSCC to support improvements to county-operated juvenile facilities to make these locations more conducive to serving justice-involved youth with a wide range of needs, with a focus on supporting trauma-informed care, restorative justice, and rehabilitative programming.



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## LOCAL PUBLIC SAFETY

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### PUBLIC SAFETY INITIATIVES

Personal safety is one of the most basic needs—and expectations—for all Californians. The Budget includes investments to support a multifaceted strategy to crack down on organized retail theft and get guns and drugs off of streets.

#### CRACKING DOWN ON ORGANIZED RETAIL THEFT AND OTHER CRIMES

The Budget includes a total of \$356 million General Fund over three years, including \$132 million in 2022-23, for the following proposals that bolster local law enforcement efforts to crack down on organized retail theft and other crimes, and support affected small businesses:

- \$85 million annually through 2024-25 in competitive grants for local law enforcement to combat organized retail crime so Californians and small businesses across the state can feel safe. Under the program, which will be administered by the BSCC, police departments, county sheriffs, and probation departments will receive funding to enforce theft-related laws, including participating in California Highway Patrol (CHP) task forces, increasing presence at retail locations, supporting increased diversion and supervision of people that commit retail theft, and training law enforcement personnel on identifying and combating retail theft. Priority will be given to localities that have seen the greatest increases in theft-related crimes and that do not already have a retail task force presence.
- \$10 million annually through 2024-25 for competitive grants to local District Attorneys to create dedicated retail theft prosecution teams. These grants will support District Attorneys employing vertical prosecution, whereby one prosecutor handles every part of the trial process, from arraignment to sentencing. Benefits of vertical prosecution include greater consistency throughout the case and the opportunity for prosecutors to develop a unique understanding of an entire case and specific expertise. These grants, administered by the BSCC, will prioritize localities involved in retail task forces and that have dedicated task force attorneys.
- \$6 million in 2022-23 to provide a total of \$15 million annually for CHP to expand and make permanent its Organized Retail Theft Taskforce. This unit will work with local law enforcement to crack down on organized theft in the Bay Area, Sacramento, San Joaquin Valley, Los Angeles, and San Diego regions.

- \$6 million annually through 2024-25 and \$500,000 ongoing for the Department of Justice (DOJ) to support regional task forces combating organized retail theft and to prosecute retail theft cases that span multiple jurisdictions. Resources will support investigations, legal prosecutions, and data analytics for coordinated efforts against retail theft.
- \$5 million for the DOJ to continue leading anti-crime task forces around the state, including High Impact Investigation Teams, Los Angeles interagency efforts, and task forces to combat human trafficking and gangs.

The Budget also contains \$20 million one-time for grants to small businesses that have been the victim of retail theft, or that have suffered damage caused during retail theft incidents, to assist with repairing or replacing infrastructure to resume business operations.

### **GETTING GUNS AND DRUGS OFF THE STREET**

The Budget includes \$25 million one-time General Fund to establish a competitive grant program to support local gun buyback programs. This statewide effort will not only provide opportunities for the safe disposal of firearms, but will also serve to promote awareness about gun and youth violence.

The Budget also includes \$20 million one-time General Fund to expand the Military Department's existing drug interdiction efforts supporting the four High Intensity Drug Trafficking Areas in California. This will amplify the Military Department's focus on drug-trafficking transnational criminal organizations throughout the state.

Additionally, the Budget includes an increase of \$2 million ongoing General Fund to support research conducted by the Firearm Violence Research Center at the University of California, Davis. The firearms market is evolving rapidly and traditional firearm investigations are increasingly undermined by non-traditional means of acquiring illicit firearms, such as privately-owned three-dimensional printers. There is more need than ever for new scientific research and evidence to inform policies that are adaptive to this changing landscape.

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### **VARIOUS ADJUSTMENTS**

**Proposition 47 Savings**—In November 2014, voters passed Proposition 47, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to

petition for resentencing. Proposition 47 established a fund to invest savings from reduced prison utilization to prevention and support community programs.

The Department of Finance estimates net General Fund savings of \$147.3 million in 2022-23. This is an increase of \$31.1 million over 2021-22, due to the inclusion of savings associated with the closure of Deuel Vocational Institution in Tracy in September 2021. These funds will be allocated according to the formula specified in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services. This additional funding will bring the total allocated for these programs to approximately \$555 million General Fund since the passage of Proposition 47.

**Post Release Community Supervision**—The Budget includes \$23.2 million one-time General Fund for county probation departments to supervise the temporary increase in the average daily population of individuals on Post Release Community Supervision (PRCS) as a result of the implementation of Proposition 57. This is a decrease of \$400,000 when compared to last year's Proposition 57 funding, attributable to fewer releases of incarcerated individuals than had been projected in spring 2021.

**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 contains \$115 million one-time General Fund to support the incentive program.

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## VICTIM SERVICES

Crime victims and their families bear significant physical, emotional, and financial burdens. The Budget reflects the Administration's continuing commitment to both assist crime victims and their families in recovering from such traumas, and to proactively make strategic investments to protect those who face a high risk of victimization by including the following proposals:

- **Increased Federal Authority and Benefit Limit Adjustment**—The Budget includes an additional \$7 million ongoing Federal Trust Fund to reflect the Federal Victims of Crime Act reimbursement rate increase from 60 percent to 75 percent. The additional federal funding will be used, in part, to support an increase in benefit

limits for crime scene cleanup costs (from \$1,000 to \$1,700), funeral/burial costs (from \$7,500 to \$12,800), and relocation claims (from \$2,000 to \$3,400) to adjust for inflation since these limits were set in 2000.

- **Erroneous Conviction Compensation**—The Budget includes \$7 million ongoing General Fund and statutory changes to provide resources and an expedited process for compensating individuals who have been erroneously convicted of a crime.
- **Erroneous Conviction Claims Program (SB 446)**—The Budget also includes \$535,000 General Fund in 2022-23 and \$471,000 ongoing to process compensation for individuals erroneously convicted of a crime in cases where a court did not provide a finding of factual innocence, pursuant to Chapter 490, Statutes of 2021 (SB 446).
- **Office of Victim and Survivor Rights and Services (OVSRS)**—The Budget includes position authority for six additional staff to support CDCR's OVSRS Unit. These staff provide services to victims, support restitution collection and distribution, and assist with locating and notifying victims for whom restitution has been collected.

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## DEPARTMENT OF JUSTICE

As chief law officer of the state, the Attorney General has the responsibility to see that the laws of California are uniformly and adequately enforced. This responsibility is fulfilled through the diverse programs of the Department of Justice (DOJ). The Department provides legal services on behalf of the people of California; serves as legal counsel to state agencies; provides oversight, enforcement, education, and regulation of California's firearms laws; provides evaluation and analysis of physical evidence; and supports the data needs of California's criminal justice community. The Budget includes total funding of approximately \$1.2 billion, including \$433 million General Fund, to support DOJ.

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### BUREAU OF FIREARMS

The Bureau of Firearms regulates the manufacture, sale, ownership, safety training, and transfer of firearms. In recent years, several laws have been enacted that affect the purchase and ownership of a firearm in California, thereby increasing the Bureau's workload. The Budget continues the Administration's commitment to keep guns out of the hands of dangerous individuals by including the following significant investments:

- **Firearm Information Technology Modernization**—\$5.2 million one-time Dealer Record of Sale (DROS) Special Account to continue the planning and development phase of combining and modernizing existing firearms tracking systems. DOJ currently tracks firearms using 11 unique information technology databases that are antiquated, costly to update, and inefficient at gathering data. This builds upon the \$2.4 million one-time DROS Special Account in the 2020 Budget Act for the modernization of the systems.
- **Firearm Transfers**—\$2.3 million (\$6,000 General Fund and \$2.3 million DROS Special Account) in 2022-23, increasing to \$3.5 million in 2023-24, and \$973,000 ongoing, to implement modifications to DOJ's firearms databases to align with firearm transfer laws pursuant to Chapter 250, Statutes of 2021 (SB 715).
- **Firearm Precursor Parts**—\$223,000 ongoing General Fund to support accelerated implementation and ongoing workload associated with tracking the sale, possession, and transfer of precursor parts in California, pursuant to Chapter 730, Statutes of 2019 (AB 879). Given the increased risk to public safety associated with illegal possession of firearms constructed through precursor parts kits ("ghost guns"), Chapter 29, Statutes of 2020 (SB 118) accelerated the implementation timeline of AB 879 by three years. These resources build upon the \$5.9 million General Fund in 2020-21 and \$8.3 million in 2021-22 provided by the 2020 Budget Act to track the sale of firearm precursor parts.
- **Firearms Tracing**—\$327,000 General Fund in 2022-23, and \$306,000 ongoing, to analyze and report information submitted by local law enforcement agencies to DOJ related to firearms that were illegally possessed, used in a crime, or suspected of being used in a crime pursuant to Chapter 683, Statutes of 2021 (AB 1191).

## SIGNIFICANT ADJUSTMENTS

In addition to the augmentations noted above, the Budget includes the following additional significant adjustments to DOJ's budget:

- **Police Officer Use of Force**—\$2.3 million General Fund in 2022-23, and \$1.6 million ongoing, to investigate officer-involved shootings that result in the death of an unarmed civilian pursuant to Chapter 326, Statutes of 2020 (AB 1506). These resources will support DOJ's ability to physically appear and respond to an event to determine whether it requires a full investigation pursuant to AB 1506. This builds upon \$15.6 million ongoing to implement AB 1506 provided in the 2021 Budget Act.

- **Peace Officer Release of Records**—\$7.4 million (\$3.4 million General Fund) in 2022-23 and \$6.5 million (\$2.7 million General Fund) ongoing to prepare records pertaining to police officer conduct for public disclosure pursuant to Chapter 402, Statutes of 2021 (SB 16).
- **Law Enforcement Misconduct**—\$1.3 million General Fund in 2022-23 and \$1.2 million ongoing to respond to additional investigations that fall within the expanded definition of “law enforcement gangs,” pursuant to Chapter 408, Statutes of 2021 (AB 958).
- **Bureau of Forensic Services**—\$46.4 million one-time General Fund to backfill a decline in fine and fee revenues to the DNA ID Fund. The backfill is needed to maintain current service levels to process forensic evidence for local jurisdictions.
- **Various Criminal Resentencing Efforts**—Overall, the Budget includes augmentations of \$4.8 million General Fund to implement recently enacted legislation pertaining to criminal resentencing. Specifically, the Budget includes \$396,000 in 2022-23 and \$382,000 ongoing to provide legal response to appeals when criminal resentencing is denied, or a defendant claims error occurred in resentencing, pursuant to Chapter 719, Statutes of 2021 (AB 1540); \$3.6 million in 2022-23 and \$3.5 million ongoing to address an increase in resentencing and vacatur appeals pursuant to Chapter 551, Statutes of 2021 (SB 775); and \$794,000 in 2022-23 and \$768,000 in 2023-24 to address increased resentencing hearings pertaining to initial sentence enhancements pursuant to Chapter 728, Statutes of 2021 (SB 483).
- **Reproductive Health Care Services**—\$879,000 General Fund in 2022-23 and \$671,000 ongoing to implement new data reporting requirements, prepare an annual report that details anti-reproductive healthcare rights violations and criminal offenses, and provide legal guidance to state and local entities pursuant to Chapter 191, Statutes of 2021 (AB 1356).

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## COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING

The Commission on Peace Officer Standards and Training (POST) has a long history of establishing selection and training standards. The Budget now includes resources to enable POST to hold peace officers accountable for serious misconduct as well as to emphasize wellness programs for a broad range of law enforcement professionals:

- **Implementation of SB 2**—The Budget includes \$22.7 million General Fund in 2022-23, and \$20.6 million ongoing, for POST to support implementation of

Chapter 409, Statutes of 2021 (SB 2). SB 2 authorized POST to suspend, revoke, or cancel any peace officer certifications under specified conditions. Among other things, SB 2 created the Peace Officer Standards Accountability Division within POST to review and conduct investigations into incidents of serious misconduct that may provide grounds for suspension or revocation of a peace officer's certification.

- **Officer Wellness**—The Budget includes \$5 million one-time General Fund in 2022-23, to be spent over three years, to support the physical, mental, and emotional health of local law enforcement personnel through sustainable wellness programs, training, and research.

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# LABOR AND WORKFORCE DEVELOPMENT

Californians continue to struggle as a result of the economic impacts of the COVID-19 Pandemic. Over the past three years, the Administration has worked on solutions to address the state's workforce challenges—many predating the COVID-19 Pandemic but exacerbated by it—including inequality, economic mobility, and the changing role of technology and climate change necessitating new skills for future jobs.

With the goal of creating 500,000 earn-and-learn and apprenticeship opportunities by 2029, California's workforce strategy continues to support pathways to quality jobs so that more Californians can share in the state's economic growth. For example, since 2019 over 90,000 new apprentices have registered in state-approved programs. Additional earn-and-learn pathways target industries continuing to be affected by COVID-19, growth industries in the clean energy economy, jobs emerging from cutting-edge technological advances, and the critical care economy roles needed to care for an aging and diverse population. Through investments in high-road training pathways, informed by industry demand and worker needs, through pre-apprenticeship, apprenticeship, and high quality earn-and-learn programs, the state's higher education and workforce systems are building the state's future workforce and creating economic opportunities, especially for individuals and communities historically left behind.

The Governor's Budget continues the commitment to create pathways that strengthen the skills, knowledge, and experience of California's diverse workforce. Recent investments include:

- **Workforce Training and Support**—\$500 million one-time General Fund over a two-year period for college students at the public segments of higher education to explore career pathways through learning-aligned employment opportunities. In addition, \$472.5 million one-time federal funds and \$27.5 million one-time General Fund was provided in the 2021 Budget Act that enables displaced workers to receive grants for education and training programs to facilitate their ability to reskill or upskill into new careers; as well as \$907 million one-time federal and special funds for retaining and building the network of home and community-based service providers.
- **Community Investment**—\$600 million to foster strategic planning for communities to map out the development of sustainable and equitable regional economic and workforce strategies. The 2021 Budget Act also provided \$250 million to support collaboration among regional workforce partners and K-12 and higher education systems to streamline occupational pathways that address regional needs and lead to high-paying, in-demand careers.
- **Expanded Training Capacity**—Targeted investments in High Road Training Partnerships in emerging sectors, housing apprenticeships, new community health and primary care programs, and a total of \$2.9 billion supporting educator initiatives to recruit and train teachers and expand pipelines toward the state's most pressing workforce needs.

The Budget continues to build on this foundation and includes over \$2 billion over three years, with a focus on three sectors: climate, the care economy, and education.

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## CLIMATE AND CLEAN ENERGY ECONOMY

The state's efforts to tackle the climate crisis will create economic and workforce development opportunities in the clean energy economy in communities across the state. The Budget directs investments to expand opportunities and create high-quality jobs, while advancing a healthy and more equitable California. Importantly, the Budget acknowledges the challenges facing workers in industries most affected by the state's response to climate change—especially those in the fossil fuel industry. The Budget provides near-term opportunity pathways and support, and supports longer-term initiatives like the Community Economic Resilience Fund that will develop sustainable regional economic strategies. The Budget includes \$550 million over three years to expand climate workforce strategies.

- **Oil and Gas Well Capping**—\$200 million General Fund over two years for the Department of Conservation to plug orphan or idle wells, decommission attendant facilities, and complete associated environmental remediation. There are more than 100,000 oil wells in California, thousands of which have not produced oil in decades. These wells contribute harmful emissions that affect nearby communities, and an estimated 5,000 wells have no solvent owner to hold responsible for remediation costs. Properly sealing these wells (called “plugging and abandoning”) is critical to protecting the health of Californians, and will be increasingly important as more wells cease production in the coming years as the state reduces its dependency on fossil fuels.
- **Well-Capping Workforce Pilot for Displaced Oil and Gas Workers**—\$15 million one-time General Fund to support a workforce training pilot to train displaced oil and gas workers in remediating legacy oil infrastructure. Through both the \$200 million for well capping described above and by taking aggressive efforts to secure the maximum allowable funding from the federal infrastructure bill, the state aims to establish California as the leader in both well remediation activity and workforce training to provide these workers with a way to transition into quality jobs.
- **Displaced Oil and Gas Worker Pilot Fund**—\$50 million one-time General Fund for a pilot support fund to address the needs of oil and gas workers facing displacement. This proposed pilot investment is designed to provide financial stipends that complement the state’s existing unemployment services to minimize disruptions to the livelihoods of impacted workers and their families.
- **Low Carbon Economy Program**—\$60 million General Fund in total over three years, to restart the California Workforce Development Board’s Low Carbon Economy Workforce grant program. This High Road Training Partnership model is designed to: 1) address the critical needs emerging as that industry or sector faces the challenges of climate change and environmental sustainability; 2) increase the capacity of firms and workers to adapt and compete in a carbon-constrained economy; and 3) help California communities prosper by creating accessible local pathways into safer, healthier, and more highly skilled jobs.
- **Wildfire and Forest Resilience Workforce Development**—\$30 million one-time General Fund over two years to support grants to community colleges to train, develop, and certify forestry professionals and expand the workforce available to support the implementation of forest health and fuel reduction projects.
- **University of California Climate-Focused Incubators and Workforce Development and Training Hubs**—As part of a total investment of \$185 million one-time General

Fund for UC climate initiatives, the Budget includes \$50 million to support regional climate-focused incubators and competitive grants to incentivize and expand climate innovation and entrepreneurship, and \$35 million to support establishment of regional climate-focused workforce development and training hubs to reskill, upskill, and expand California's climate resiliency workforce.

- **Goods Movement Workforce Training Facility**—\$110 million General Fund in total over three years for a Goods Movement Training Center in southern California, to support workforce resilience in the face of supply chain disruption and accelerate the deployment of zero emission equipment and technologies. For more information, see the Transportation Chapter.

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### EXPANDING THE CARE ECONOMY WORKFORCE

The Budget includes a one-time \$1.7 billion investment over three years in care economy workforce development—across both the Labor and Workforce Development Agency (Labor Agency) and California Health and Human Services Agency (CalHHS)—that will create more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce, with improved diversity, wages, and health equity outcomes.

The Care Economy investments will be jointly coordinated by the Labor Agency and CalHHS through the CalHHS/Health Care Access and Information (HCAI) Health Workforce Education and Training Council. These specific investments include:

- **Community Health Workers**—\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025, in partnership with the Department of Health Care Access and Information and the Department of Health Care Services, with specialty certifications in areas that include climate health, homelessness, and dementia.
- **High Road Training Partnerships**—\$340 million General Fund for training and career advancement programs for people with barriers to employment, in alignment with the Workforce Council for Healthcare Training priorities. Funding supports collaborations and training programs among community-based organizations, local workforce boards, labor unions, educational institutions, and employers to build partnerships and pathways into family-sustaining healthcare jobs.
- **Comprehensive Nursing Initiative**—\$270 million General Fund to increase the number of registered nurses, licensed vocational nurses, certified nursing assistants,

certified nurse midwives, certified medical assistants, family nurse practitioners, and other health professions.

- **Expanding Social Workers**—\$210 million General Fund to support social work training programs and provide stipends and scholarships to create a new pipeline for diverse social workers who cannot otherwise afford the financial or time investment required to complete full-time programs.
- **English Language Learners Health Careers**—\$130 million one-time Proposition 98 General Fund through the Adult Education program to support, healthcare-focused vocational pathways for English language learners at multiple levels of English proficiency, to increase language and cultural diversity in these settings.
- **Psychiatric Resident Program**—\$120 million General Fund to create training positions for psychiatric residents, psychiatric mental health nurse practitioners, psychology interns/fellows, and psychiatric nurses. Increasing on-site training programs will assist in building the workforce while also serving as an active recruitment pool for advancement within the health and human services workforce, leading to promotional pathways and increased salaries.
- **Healthcare Workforce Advancement Fund**—\$90 million General Fund for the Employment Training Panel to support job entry and career advancement for entry-level and other workers in health and human service settings, with \$40 million intended for social worker training.
- **Multilingual Health Initiatives**—\$60 million General Fund to expand scholarships and loan repayment programs in healthcare and social work for multilingual applicants, with the goal of increasing language and cultural competencies throughout the care workforce.
- **Emergency Medical Services Corps**—\$60 million General Fund to expand Emergency Medical Technicians, in partnership with local public health systems and their contracted emergency medical providers.
- **Opioid Treatment**—\$26 million to train providers to build out the substance use disorder (SUD) workforce with a focus on opioid treatment. Funding will be used to increase the number of licensed clinicians, including providers focused on addiction. Funding will also provide supportive employment services to people with SUD issues to transition them into ongoing employment.
- **Clinical Infrastructure: Reproductive Health**—\$20 million one-time General Fund to support clinical infrastructure for reproductive health care services by providing scholarships and loan repayments, administered by the Department of Health Care

Access and Information, to a variety of health care providers who commit to providing reproductive health care services.

- **Indian Health Program Grant Restoration**—The Budget includes \$12 million one-time General Fund for Tribal Health Programs. This funding will promote the retention of the health care workforce that serves these programs and decrease the health disparities experienced by Native Americans. Please see the Health and Human Services Chapter for more details.
- **Workforce Council for Healthcare Training**—\$3 million General Fund to leverage the Department of Health Care Access and Information's Health Workforce Education and Training Council to research healthcare shortages and support research on best practices and strategies to build a diverse, culturally competent workforce to build the health care workforce.

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### EXPANDING EDUCATION WORKFORCE TRAINING

The Budget includes \$54.4 million in combined Proposition 98 General Fund and General Fund to build upon multi-year investments in the 2021 Budget Act to support immediate efforts to enhance schools' ability to hire qualified teachers and substitutes. This investment builds upon significant multi-year teacher pipeline investments included in the 2021 Budget Act, including investments available over a five-year period that total more than \$2.9 billion. See the K-12 Education Chapter for more information on the Educator Workforce.

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### IMMIGRANT WORKFORCE

Immigrants bolster California's workforce across industries and are essential to a competitive and diverse labor force that meets existing and future needs. A California for All approach recognizes the skills and expertise of immigrants and creates pathways into good jobs.

The Budget invests in innovative and evidence-based practices that increase immigrant participation in the labor market and in quality jobs, which in turn supports more stable communities, increased income and business tax revenue, and increased educational attainment and employment success for immigrant families and their children. These investments will work alongside other investments to utilize the talent and innovation of immigrant Californians to meet critical gaps for the states' economy and further equity,

including for the care economy and more. See the General Government and Statewide Issues Chapter for more information on Immigration: Innovation and Inclusion.

The Budget includes \$60 million one-time General Fund under the Labor Agency for these purposes, including:

- **Integrated Education and Training**—\$30 million to the Employment Development Department's Workforce Services Branch to expand the English Language Learner pilots in the Integrated Education and Training programs to 15 sites across the state. These programs will combine contextualized English language instruction with vocational skills training for in-demand occupations.
- **Workforce Literacy**—\$20 million for the Employment Training Panel to expand workplace literacy training in contextualized English, digital skills, and technical skills training for incumbent workers. This will enable employers to build skilled workforces and increase employee retention and provide pathways to higher wages and better jobs for immigrants.
- **California Youth Leadership Program Language Justice Pathway**—\$10 million to expand earn-and-learn community change career pathways for community college students through the California Youth Leadership Corps, a new statewide partnership between the Labor Agency, the Community Learning Partnership, selected California community colleges, local nonprofit organizations, and community partners.

## PAY EQUITY AND WORKFORCE RIGHTS

Workforce equity, including pay equity, is strengthened by initiatives that make laws and protections more accessible to workers. The Budget includes \$1.4 million in ongoing General Fund investments to improve awareness of workplace rights and enforcement against those that violate labor laws.

- **Pay Equity Data**—\$716,000 ongoing General Fund and 4 positions for the Department of Fair Employment and Housing to focus on collecting and analyzing pay data.
- **Reaching Every Californian Outreach Campaign**—\$650,000 ongoing General Fund for the Department of Industrial Relations to provide outreach and education to expand the Reaching Every Californian outreach campaign to inform workers of their rights.

In addition, state government is strengthening its efforts to attract and retain a world-class workforce that reflects all of California's diversity, through an initiative to advance equity and inclusion, led by the California Department of Human Resources.

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### THE PANDEMIC'S IMPACT ON UNEMPLOYMENT INSURANCE

The Employment Development Department (EDD) faced extraordinary challenges during the COVID-19 Pandemic—with the state's unemployment rate rising from 4.3 percent in February 2020, to 16 percent by April 2020. To help address the processing of unemployment claims and improve customer service, the 2021 Budget Act invested \$387.3 million General Fund over two years towards acute challenges and long-term planning to improve EDD. In the near term, EDD acquired contracts to address deferred workloads and hired staff for in-person Unemployment Insurance (UI) assistance. These resources allowed EDD to begin longer-term planning to implement direct deposit options for UI benefits and to incorporate the lessons of the pandemic and findings of the EDD Strike Team and California State Auditor into the Benefits System Modernization Project. EDD anticipates an update to its Benefits Systems Modernization plans in the spring of 2022.

### ADDRESSING CHALLENGES

The Budget includes \$133.9 million (\$121.2 million General Fund) in limited-term resources to continue supporting the Department's development of IT systems, improve service for claimants, and protect the state from fraud, while EDD identifies longer-term plans. These funds are necessary as federal funding to support the administration of benefits will decline as the claims decline. These investments include:

- **Continuing Vendor Contracts**—\$96.3 million (\$86 million General Fund) in 2022-23 and \$45.1 million (\$36.8 million General Fund) for 2023-24 and 2024-25 to continue benefit service contracts that include essential document upload services, claims review, testing consultants for EDD products, as well as fraud prevention services.
- **Information Technology Branch Technology Modernization**—\$23.5 million General Fund and 122 positions for three years to maintain and improve benefit system usability to better serve claimants and remain hardened against fraud.
- **Cybersecurity Resources**—\$9.4 million General Fund for three years to support cybersecurity and prevention efforts to improve the security and integrity of EDD IT systems, which hold tax data and other personal information.



- **Unemployment Insurance Command Center**—\$2.1 million General Fund and 10 positions for three years for a UI Command Center that centralizes UI branch management, supports UI data analytics, and enhances training to improve customer service.

## UNEMPLOYMENT INSURANCE DEBT

In 2020, the federal government allowed states to borrow federal funds to pay regular UI benefits. The state's UI Trust Fund, which went insolvent in March 2020, borrowed significant sums of money to pay benefits and now owes over \$19.4 billion to the federal government. The debt is anticipated to have substantial costs to the state and the state's employers over the coming years. To assist the state and employers with this out-year pressure, the Budget proposes:

- **UI Debt Payment**—\$3 billion General Fund over two years (\$1 billion in 2022-23, and \$2 billion General Fund in 2023-24) to pay down a portion of the UI debt. So long as the UI trust fund is insolvent, state employers, beginning in 2023, will begin to see federal tax credit reductions of 0.3 percent per year until the fund returns to solvency. To reduce this debt and defray future liabilities owed by the state and employers, these payments will accelerate the timeline for the debt's payoff and, in doing so, reduce future taxes paid against the state's employers and reduce the amount the state pays on the debt's interest payments.
- **UI Interest**—\$470.1 million one-time General Fund to pay the forecasted UI interest payment, which will accrue over the full federal fiscal year and come due in September 2022.

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# TRANSPORTATION

Transportation is the state's largest source of greenhouse gas emissions—accounting for more than 50 percent of emissions when including the production and deployment of fuels—and contributes to unhealthy air quality, particularly in disadvantaged communities. Moving to a multi-modal zero-emission transportation future delivers climate and health benefits, and creates a foundation for the development of sustainable communities.

The Climate Action Plan for Transportation Infrastructure (CAPTI), released in July 2021, details how the state proposes to invest billions of dollars to combat and adapt to climate change while supporting public health, safety, and equity. Expanding on last year's investments in the transportation system, the Governor's Budget proposes almost \$15 billion for transportation programs and projects that align with climate goals, advance public health and equity, and competitively position the state to pursue significant federal investment through the Infrastructure Investment and Jobs Act (IIJA) and other federal funding programs by leveraging funding from state and local sources.

More specifically, these investments:

- Reduce millions of metric tons of carbon dioxide from the environment.
- Advance projects statewide to improve rail and transit connectivity between state and local/regional services—including advancement of the nation's first truly high-speed rail project.

## TRANSPORTATION

- Enhance safety and access for bicyclists and pedestrians, and target critical highway/rail grade separations and grade crossing improvements on key corridors throughout the state to reduce fatalities and injuries on the transportation system.
- Support climate resiliency and reduce risks from climate impacts.
- Remove barriers and connect disadvantaged communities, increasing access to opportunity.
- Deliver transportation projects that support the development of compact or infill housing to help California meet its housing goals.
- Move the state away from fossil fuel-based technologies and toward cleaner transportation technologies, including zero-emission vehicles and clean infrastructure.

### **SB 1 IMPLEMENTATION**

In addition, the Department of Transportation (Caltrans) continues to use the substantial increase in transportation revenues provided through SB 1 to address the backlog of maintenance and repairs on the state highway system. As California continues its recovery from the COVID-19 Pandemic, transportation revenues are rebounding, and Caltrans has accelerated repair and maintenance projects on the state's primary highway assets. Through a continued focus on "fix it first" projects, Caltrans continues to meet SB 1 performance goals.

The state is on track to reach the SB 1 statutory goal of having 98 percent of pavement and 90 percent of culverts in good or fair condition by 2027. Also, the state is on pace to meet the goal of repairing at least 500 additional bridges. Since its implementation in 2017, SB 1 funding has led to the following accomplishments:

- 8,000 lane miles of pavement and 998 bridges repaired.
- Lane miles repaired—prior to SB 1, 1,400 miles per year; since SB 1, 2,000 miles per year.
- 249 bridges repaired per year (as compared to 114 bridges per year prior to SB 1)
- 188,000 linear feet per year in culverts repaired (as compared to 23,000 linear feet per year prior to SB 1).
- An increase in Traffic Management System elements—from 59 percent in "good" condition to 79 percent in "good" condition.

## FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT

The federal IIJA provides a significant investment in the nation's infrastructure, authorizing over \$500 billion for transportation over five years. The IIJA provides a \$200 billion augmentation to existing and new transportation programs for highway, transit, highway safety, motor carrier, research, hazardous materials, and rail programs.

Under this measure, California is estimated to receive almost \$40 billion of formula-based transportation funding for the following programs over the next five years:

- Existing surface transportation, safety, and highway performance apportioned programs.
- A new bridge replacement, rehabilitation, preservation, protection, and construction program.
- A new program that will support the expansion of an electric vehicle (EV) charging network.
- A new program to advance transportation infrastructure solutions that reduce greenhouse gas emissions.
- A new program to help states improve resiliency of transportation infrastructure.
- Improving public transportation options across the state, with increased formula funding for transit.

The Budget includes an increase to base Federal Highway Administration transportation funding levels for California of \$1.8 billion in 2021-22 and \$1.9 billion 2022-23. In addition, Federal Transit Administration base transit funding will increase by \$385 million in 2021-22 and \$423 million in 2022-23. This funding will flow directly to local transit authorities and does not require any state budget changes. California is also anticipating a \$14.2 million annual increase to the National Highway Traffic Safety Administration grant program, administered by the Office of Traffic Safety. The additional funds will help address traffic fatalities and serious injuries on California roads.

In addition to new formula-based funding, the IIJA includes over \$100 billion in new competitive grants or augmentations to existing grant programs nationwide over five years for a variety of highway, safety, transit, rail, energy, and other activities. The state is uniquely positioned to take advantage of these funds based on its clean transportation leadership and ongoing funding commitments. With close alignment with

federal policy priorities on climate, equity, and safety, and the enactment of funding programs like Cap and Trade and SB 1, the state is ready to leverage state dollars to match and maximize the federal investment.

### STATE TRANSPORTATION INFRASTRUCTURE PACKAGE

The Budget proposes investing an additional \$9.1 billion in the transportation system and other related zero-emission vehicle (ZEV) efforts (see the Climate Change Chapter for additional ZEV details). The transportation infrastructure package focuses on increasing mobility options for Californians through rail, transit and active transportation projects, equity-related investments to reconnect communities, and enhanced safety projects.

This funding is comprised of the following investments in the transportation system:

- **High-Speed Rail**—\$4.2 billion to complete electrified high-speed rail construction in the Central Valley, perform advance work for service between Merced and Bakersfield, and complete advance planning and project design for the entire project. This is in addition to the funds available for this program in Cap and Trade.
- **Statewide Transit and Rail Projects**—\$2 billion to invest in high-priority transit and rail infrastructure projects. These projects will improve rail and transit connectivity between state and local/regional services, including projects on shared corridor routes.
- **Southern California Transit and Rail Projects**—\$1.25 billion to deliver local and regional projects focusing on mobility and greenhouse gas reduction.
- **Active Transportation and Projects to Connect Communities**—\$750 million to transform the state's active transportation networks, improve equity, and support carbon-free transportation options, including:
  - \$500 million for Active Transportation Program projects, which encourage increased use of active modes of transportation such as walking and biking, and increase the safety and mobility of non-motorized users.
  - \$150 million to establish the Reconnecting Communities: Highways to Boulevards Pilot Program, which will improve equity and remove transportation barriers by investing in the conversion of key underutilized highways into multi-modal corridors that serve existing residents by developing affordable housing and complete streets features in disadvantaged communities.

- \$100 million for bicycle and pedestrian safety projects, allocated through the Highway Safety Improvement Program, to reduce severe injuries and fatalities of vulnerable road users.
- **High Priority Grade Separation Projects**—\$500 million to support critical safety improvements throughout the state.
- **Climate Adaptation Projects**—\$400 million for state and local climate adaptation projects that support climate resiliency and reduce risks from climate impacts.

## SUPPLY CHAIN RESILIENCE AND PORT INFRASTRUCTURE INVESTMENTS

In response to global disruptions to the goods movement supply chain, the state is taking near- and long-term actions to alleviate congestion at California ports, which are critical to the regional, state, and national economies. In partnership with the Federal Administration, the state has taken steps to strengthen the resilience of California's and the nation's supply chain. In October, the Governor issued Executive Order N-19-21, which directed state agencies to identify additional ways to alleviate congestion at California ports and expanded efforts to ease supply chain issues by engaging stakeholders to discuss challenges created by record demand for imported goods and capacity issues.

In addition to challenges at the ports, California and the nation are facing commercial truck driver shortages, further disrupting the supply chain. The Department of Motor Vehicles (DMV) has implemented measures to mitigate the commercial truck driver shortage and keep goods moving quickly between California's largest ports and major distribution centers.

While the state has already taken several actions to mitigate supply chain disruptions, additional investments are necessary to support supply chain resiliency and transform the way California moves goods and people in a way that reduces greenhouse gas emissions and considers environmental impacts to communities.

The Budget proposes \$2.3 billion for supply chain investments, including \$1.2 billion for port, freight, and goods movement infrastructure and \$1.1 billion for other related areas such as workforce training and ZEV equipment and infrastructure related to the supply chain. This funding will improve supply chain resiliency and will be used to leverage federal funding. This can also support the U.S. Department of Transportation federal financing Emerging Projects Agreement with the California State Transportation Agency (CalSTA) and other discretionary programs made available through the IJJA, in a

## TRANSPORTATION

manner consistent with CAPTI goals. This proposal includes the following General Fund investments:

- **Port Infrastructure and Goods Movement**—\$1.2 billion for port-related high-priority projects that increase goods movement capacity on rail and roadways serving ports and at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
- **Zero-Emission Equipment and Infrastructure**—\$875 million for zero-emission port equipment, short-haul (drayage) trucks, and infrastructure. See the Climate Change Chapter for additional details.
- **Workforce Training**—\$110 million for a training campus, to support workforce resilience in the face of supply chain disruption and accelerate the deployment of zero emission equipment and technologies. See the Labor and Workforce Development Chapter for additional details.
- **Commercial Driver's Licenses**—\$40 million to enhance California's capacity to issue Commercial Driver's Licenses.
- **Operational and Process Improvements**—\$30 million for the Governor's Office of Business and Economic Development to provide funding for operational and process improvements at the ports. This could include enhancing the movement of goods and improving data interconnectivity between the ports to enable efficient cargo movement, reduce congestion, and create opportunities to increase cargo volume by promoting and building supply chain efficiency.

## CLEAN CALIFORNIA INITIATIVE

Launched in 2020-21, the Clean California initiative invests \$1.1 billion over three fiscal years for state and local governments to clean up trash and debris statewide, beautify community gateways and public areas along highways, streets and roads while providing jobs to thousands of Californians. The Budget proposes \$100 million General Fund to continue the Clean California Local Grant Program into 2023-24, which provides grants to cities, counties, transit agencies, tribal governments and other government agencies to beautify their communities and remove trash and debris.

## RELIEF TO CALIFORNIA CONSUMERS

In an effort to potentially lower the price of gasoline and diesel fuel and provide some relief to consumers, the Budget proposes to forego the annual inflation adjustment to the per gallon fuel excise tax rate scheduled to occur on July 1, 2022.



The annual inflation adjustment will be resumed by 2023-24 with flexibility to delay the adjustment should economic conditions warrant it. This pause is expected to decrease fuel tax revenues by \$523 million in 2022-23 based on an estimated 5.6-percent inflation rate.

The Administration will also examine the potential to backfill the local share of reduced revenues on a one-time basis with State Highway Account funds.

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# GENERAL GOVERNMENT AND STATEWIDE ISSUES

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

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## TRANSFORMING GOVERNMENT OPERATIONS

In 2019, the Administration set out to transform government services through improvements in service delivery and technology investments. Since then, the COVID-19 Pandemic has forced systemic changes to government operations, including the expansion of telework strategies, reconfiguring office space, reducing leased space, promoting flexible work schedules for employees, and reducing disparities and promoting equity and inclusion in the workplace. The 2021 Budget Act reflected a 5 percent savings in base state operations through efficiencies. As the state continues to modernize government services in an online environment, additional work must be done to ensure state operations can keep pace. Reengineering business processes and innovative thinking can lead to operational efficiencies and improved operations that transform the way the state conducts business.

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## GOVERNMENT EXCELLENCE AND TRANSFORMATION

The Governor's Budget provides \$665,000 ongoing General Fund and 4 positions to establish the Government Excellence and Transformation Center (Center) under the

Government Operations Agency (GovOps). The Center will work with state departments to develop and implement innovative pilot projects, which can be scaled across state government to improve statewide operations. The Center will use these pilots and other projects to build a repository of best practices and case studies of successful projects to improve future state operations.

### **STATEWIDE TELEWORK**

The COVID-19 Pandemic forced most state departments and agencies into emergency telework. The Administration continues to support the adoption and continued use of telework, when appropriate, through efforts led by GovOps, Department of General Services (DGS), California Department of Human Resources (CalHR), Office of Digital Innovation, and California Department of Technology (CDT). These efforts include the continued support of telework resources for departments, the adoption of statewide telework policies, and the requirement that drafts of departmental telework policies be submitted to DGS for review by January 31, 2022. The state's use of a hybrid workforce furthers government efficiency by enabling reductions in office footprints and the need for travel, in addition to allowing more flexibility for employers, larger potential candidate pools for telework eligible classifications, and building resiliency in the event of future emergencies. The Administration intends to pursue opportunities to support departments, collect data, and validate policy compliance.

### **STATE LEASED OFFICE SPACE**

In support of the Administration's goal of leveraging telework strategies to improve government efficiency, DGS is working to reduce the state's leased portfolio of office space. In total, state agencies lease approximately 23.2 million total square feet, of which approximately 14.4 million square feet is office space. While DGS has prioritized working with its largest leasing clients, the department is working with 24 state agencies across 86 individual leases to consolidate space. This effort has resulted in 767,000 square feet of office space relinquished, equating to an annual savings of approximately \$22.5 million.

Over the next three years, DGS is projecting a 20-percent overall space reduction in the state's leased office space portfolio, which will realize approximately \$84.7 million in annual savings.

### **TECHNOLOGY MODERNIZATION AND STABILIZATION**

CDT continues to lead several efforts and collaborate with departments to improve the way Californians interact with government entities and ensure essential services are not

interrupted. The 2021 Budget Act included \$25 million one-time General Fund for Technology Modernization Funding, which provides initial funding to departments to develop innovative technology solutions. Proposals from state entities were evaluated through the use of an online portal. The selected proposals will proceed to a short-term discovery effort to conduct market research, identify potential solutions, and develop a project plan. These proposals will be awarded funding to implement solutions aimed at improving the efficiency and effectiveness of state entities. The first round of projects is expected to begin in early 2022.

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## CALIFORNIA LEADS AS AN EMPLOYER

The State of California, as a large employer, has a responsibility to serve all Californians by upholding the principles and practices of merit, respect, dignity, and equity through the recruitment, retention, and promotion of a workforce that reflects California's diversity. To become an employer of choice, the state must act as a model for public and private employers by providing a working environment free from bias and harassment; addressing gender and racial pay equity; and promoting opportunity for all.

In September 2019, the Governor convened Secretaries, Undersecretaries, Directors, and Chief Deputy Directors to reflect and learn ways to create a more inclusive, respectful, and equitable workplace. Forum attendees volunteered to participate in four task forces addressing the following topics: Sexual Harassment and Discrimination Prevention and Response, Diversity and Inclusion, Public Safety Diversity, and Racial and Gender Pay Equity. These task forces were overseen by GovOps with assistance from the CalHR, State Personnel Board, and Department of Finance (Finance).

Recommendations from the task forces shape a vision of a more inclusive and diverse workforce; with core reforms to how the state recruits, onboards, develops, manages, and retains talent. This initiative represents the first of a multi-year approach to begin implementing the California Leads recommendations.

To employ a workforce that reflects all of California's diversity in race, ethnicity, gender, sexuality, gender identity, disability, and age, the Budget includes \$7.6 million (\$6.3 million General Fund) in 2022-23 and \$6.8 million (\$5.5 million General Fund) ongoing and 43 positions for CalHR to implement recommendations by the California Leads as an Employer Taskforce. The recommendations will advance diversity, pay equity, and inclusion in the state's workforce through:

- The implementation of processes that reduce implicit bias in the hiring process.

- Improvements to the accessibility of the CalCareers online portal, which will allow for greater ease of use by both candidates and hiring managers.
- Better data collection and analysis, which will help the state to better understand workforce needs and inform future recruiting efforts and testing processes.
- Establish California as an employer of choice to attract and retain top talent, including adopting employment goals through a Diversity, Equity, and Inclusion (DEI) business strategy. DEI is largely directed department-by-department and dependent on resources. Creating a statewide Diversity, Equity and Inclusion Strategic Plan is the first step towards accomplishing this goal.
- Establish an Equal Employment Opportunity Academy and a Statewide Apprenticeship Program to directly support state employees and departments in improving hiring and human resource practices throughout civil service.

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### **CALIFORNIA STATE PAYROLL SYSTEM**

The California State Payroll System (CSPS) Project will modernize the human resource management and payroll system used by state government employees to provide accurate and timely personnel and payroll services with quality customer service. CSPS is a highly complex and large undertaking for the state. It is a joint effort managed by the State Controller's Office (SCO) and CalHR, with involvement and oversight from Finance, CDT, and GovOps. This project requires support from all departments, and to that end, departments are discouraged from engaging in projects or information technology systems that are duplicative of the planned functionality of this project.

The project's objectives include enabling greater employee and manager self-service functionality, such as online view capabilities for payroll, employment history, and tax information. It will also provide a user-friendly interface for all human resource and payroll transaction specialists who input and interact with the system daily.

The Budget includes \$97.8 million one-time funding (\$58.7 million General Fund) and 33 positions for SCO in 2022-23; \$6.8 million one-time funding (\$4.1 million General Fund) and 40 positions in 2023-24; and \$6.7 million ongoing funding (\$4.0 million General Fund) and 39 positions in 2024-25. The Budget also includes \$3.4 million General Fund and 15 positions for CalHR in 2022-23, \$3.3 million General Fund in 2023-24 to 2024-25, and \$2.6 million General Fund in 2025-26 and ongoing. These resources will allow SCO and CalHR to transition to the implementation phase of the project.

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## STATE PROCUREMENT INITIATIVES

The State of California can be a force for equity, economic recovery, and innovation, as well as an attractive business partner by making its procurement policies and processes simpler, faster, and more user-friendly for buyers and vendor partners. DGS recently identified that over the past four years, approximately 90 percent of the state's contracts reported in the state's Financial Information System, representing more than \$100 billion in expenditures, have gone to California-based businesses supporting the local business community and helping to keep Californians employed. In fiscal year 2020-21, approximately \$30 billion in expenditures will go to California-based businesses. Moving forward, DGS will continue to support these businesses, with a focus on increasing small business participation in the state contracting process, improving equity, and achieving diversity in the state's supplier base.

Additionally, to further innovation in state government operations and improve the interaction between Californians and state agencies, DGS has expanded the scope of services offered on its centralized procurement vehicle for digital transformation, "the Technology, Digital and Data Consulting master services agreement" to include data, design, and digital consulting roles. This expansion increases the state's partnerships with the technology sector to support the ways in which Californians interact with government through data and information technology.

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## BROADBAND IMPLEMENTATION

The 2021 Budget provided \$6 billion over three years as part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians.

The 2021 Budget included \$3.25 billion State Fiscal Recovery Fund to CDT for the purpose of building an open-access middle-mile network in unserved and underserved areas of California. Estimates produced by CDT, the California Department of Transportation (Caltrans) and the California Public Utilities Commission (CPUC) indicate a need for approximately 8,100 miles of middle-mile broadband infrastructure for unserved and underserved communities. CDT will continue to build and develop the statewide open-access middle-mile broadband network in collaboration with the third-party administrator and Caltrans as CPUC recommends additional locations for middle-mile buildout.

To complement the middle-mile network, the 2021 Budget also provided \$2 billion over three years for CPUC to build last-mile infrastructure to provide Californians with access to high-speed broadband service, and \$750 million for a Loan Loss Reserve Fund to support costs related to the financing of local broadband infrastructure development. CPUC anticipates making new last-mile project grants available in 2022 utilizing both state funding from the California Advanced Services Fund and federal funds.

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### **EMPLOYEE COMPENSATION AND COLLECTIVE BARGAINING**

The Budget includes \$770.5 million (\$377.8 million General Fund) for increased employee compensation, health care costs for active state employees, and retiree health care prefunding contributions for active employees. Included in these costs are collectively bargained salary and benefit increases resulting from contract and side letter negotiations. Funding is also included for 2023 calendar year increases in health care and dental premiums and enrollment.

The Administration will begin negotiations with six bargaining units representing attorneys and administrative law judges, firefighters, engineers, scientists, stationary engineers, and psychiatric technicians, whose contracts or side letter agreements are expired or will expire in summer 2022.

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### **PAYING DOWN UNFUNDED PENSION LIABILITIES**

The Budget includes significant funding to maintain the fiscal health of the state's retirement systems and pay down the state's share of unfunded liabilities within the California Public Employees Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS). In recent years, the state has enacted reforms to public pension law under the Public Employees' Pension Reform Act of 2013, developed and implemented a funding strategy to pay down CalSTRS' unfunded liability, and made numerous supplemental pension payments to CalPERS and CalSTRS to further eliminate the state's share of unfunded liability. In addition to the state's required annual contributions, from 2017-18 through 2021-22, the state has made supplemental pension payments of \$12.7 billion to CalPERS and CalSTRS, with the goal of improving the funded status of both systems and reducing the state's long-term retirement obligations.



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## STATE EMPLOYEES' RETIREMENT CONTRIBUTIONS

The Budget includes \$8.4 billion (\$4.7 billion General Fund) for the statutorily required annual state contribution to CalPERS for the state plan. This is a \$1.7 billion net increase as compared to 2021-22 and reflects the end of the \$2.5 billion pension payment to the state's unfunded liabilities over the fiscal years 2019-20 to 2021-22, the payroll impact of the Personal Leave Program 2020 termination, and gains resulting from CalPERS' 21.3 percent investment return in 2020-21. Included in these contributions are \$756 million General Fund for California State University retirement costs.

The Budget reflects \$3.5 billion in constitutionally required Proposition 2 debt repayment funding to further reduce the state's CalPERS unfunded liability. This proposed change will result in a minimum additional \$7 billion in estimated savings to the state over the next three decades. Based on current revenue projections, an additional \$6 billion in Proposition 2 funding is planned to be paid to CalPERS over fiscal years 2023-24 to 2025-26.

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## TEACHERS' RETIREMENT CONTRIBUTIONS

The Budget also includes \$3.7 billion General Fund for the statutorily required annual state contribution to CalSTRS. This is a roughly \$156 million reduction from the 2021 Budget Act due to the removal of a one-time \$174 million General Fund payment in 2021-22 to offset the statutory reduction in the state's contribution in 2020-21. Due to CalSTRS' historic 27.2-percent investment return for 2020-21, and subsequent projections that the state's share of CalSTRS' unfunded actuarial obligation will be eliminated by 2024-25, the CalSTRS Board is not expected to increase the state contribution rate for the Defined Benefit Plan in 2022-23 above the current 6.3 percent rate.

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## STATE HEALTH CARE BENEFITS

Through the collective bargaining process, the state's 21 employee bargaining units and related excluded and exempt employees have agreed to prefund retiree health benefits. As a result, more than \$5.2 billion is currently set aside in the prefunding trust fund to pay for future retiree health benefits. The Budget includes \$365 million in one-time Proposition 2 funding for the employer's share of General Fund prefunding contributions to pay for future retiree health benefits, which has an estimated \$95.1 billion unfunded liability to be paid down by 2046. By the end of 2022-33, the trust fund balance will approach \$7.3 billion in assets.

The State Retirement and Health Care Contributions figure 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 Retirement and Health Care Contributions**<sup>1/ 2/ 3/</sup>  
(Dollars in Millions)

	CalPERS	CSU CalPERS	CalSTRS	JRS	JRS II	LRS <sup>5/</sup>	Active Health & Dental <sup>6/</sup>	Retiree Health & Dental	CSU Retiree Health	Employer OPEB Prefunding <sup>7/</sup>
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 <sup>8/</sup>
2017-18	5,188	661	2,790	199	80	1	3,192	1,695	285	189
2018-19	5,506	683	3,082	194	84	1	3,255	1,759	313	394
2019-20	5,946	716	3,323	242	91	1	3,371	1,844	326	562
2020-21	4,925	680	3,428 <sup>4/</sup>	225	84	1	3,398	1,938	339	600
2021-22	6,090	675	3,858	194	89	1	3,617	2,114	373	1,292 <sup>9/</sup>
2022-23 <sup>10/</sup>	7,678	756	3,706	208	89	1	3,931	2,584	455	735

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

<sup>2/</sup> The chart does not reflect the following pension payments: \$6 billion supplemental payment to CalPERS in 2017-18 authorized by Chapter 50, Statutes of 2017 (SB 84), additional payments to CalPERS and CalSTRS authorized in Chapter 33, Statutes of 2019 (SB 90), Chapter 859, Statutes of 2019 (AB 118), and Chapter 78, Statutes of 2021 (AB 138), and Proposition 2 payments to CalPERS proposed in the 2022-23 Governor's Budget.

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

<sup>4/</sup> As part of the 2020 Budget Act, the Teachers' Retirement Board's statutory authority to adjust the state contribution rate for fiscal year 2020-21 was suspended. The amount shown excludes the additional \$297 million in supplemental pension payment from Proposition 2 debt payment funding authorized in the Budget.

<sup>5/</sup> The state continues to make employer contributions to the Legislators' Retirement System. CalPERS reported the estimated 2021-22 contribution amount is \$87,680.

<sup>6/</sup> These amounts include health, dental, and vision contributions for employees within state civil service, the Judicial and Legislative Branches, and the California State University (CSU).

<sup>7/</sup> Amount reflects the employer contribution to pay down the Other Post-Employment Benefits (OPEB) unfunded liability.

<sup>8/</sup> Amount includes a one-time prefunding contribution of \$240 million pursuant to Chapter 2, Statutes of 2016 (AB 133).

<sup>9/</sup> Amount includes \$616 million to help ensure full funding by 2046, which is provided by the employer on behalf of the employees, based on the actuarial liability for each bargaining unit, since employee prefunding contributions were suspended in 2020-21 due to the Personal Leave Program 2020.

<sup>10/</sup> Estimated as of the 2022-23 Governor's Budget, contributions sourced from the General Fund are estimated to be \$3,989 million for CalPERS, \$756 million for CSU CalPERS, \$1,845.9 million for Active Health and Dental, and \$365 million for OPEB Prefunding. Fiscal year 2022-23 contributions to CalSTRS, JRS, JRS II, LRS, and Retiree Health & Dental (including CSU) are all General Fund costs.

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## INVESTMENT IN THE ARTS

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### CALIFORNIA ARTS COUNCIL

The California Arts Council's mission is strengthening arts, culture, and creative expression as the tools to cultivate a better California for all. The Arts Council administers grants and programs to support the state's arts and cultural communities through the development of partnerships with the public and private sectors to enhance the cultural, educational, social, and economic growth of California. The Arts Council supports local arts infrastructure and programming statewide through grants, programs, and services.

### SUPPORT FOR CULTURAL DISTRICTS

The Budget includes \$30 million one-time General Fund, to be spent over three years, to support 14 existing cultural districts. Funding will also expand the cultural districts program to support traditionally underserved communities that reflect the geographic and racial diversity of the state, and enable the Arts Council to provide technical assistance.

### CALIFORNIA POET LAUREATE AND YOUTH POET LAUREATE

The Budget includes \$173,000 ongoing General Fund to support the California Poet Laureate and California Youth Poet Laureate. This funding will also enable the Arts Council to provide outreach and technical assistance to all 58 counties for literary arts programs, including the Poet Laureate, Youth Poet Laureate, and the Poetry Out Loud programs.

### STATE PARKS PARTNERSHIP

The Budget includes \$50 million one-time General Fund for the California Department of Parks and Recreation to create new California Cultural and Art Installations in the Parks Program for state and local parks. Art installations will reflect local cultural heritages, connect the public to natural resources of state and local parks, and provide contemporary experiences to visitors (see the Natural Resources Chapter for more information).

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## DEPARTMENT OF CONSUMER AFFAIRS

The Department of Consumer Affairs within the Business, Consumer Services, and Housing Agency protects the public through the licensing and regulation of businesses and professional categories. The Department consists of 37 licensing programs that issue approximately 3.4 million licenses, certificates, registrations and permits in more than 250 business and professional categories, including doctors, nurses, contractors, private security companies, and private postsecondary institutions. The Department protects California consumers by investigating and prosecuting complaints, as well as helps consumers learn how to protect themselves from scams and unqualified individuals.

The Medical Board of California protects health care consumers through oversight, enforcement, and licensure of doctors. The Administration is committed to working in partnership with the Legislature on statutory reforms to prevent doctors who have lost their license for sexual misconduct from becoming licensed to practice medicine again. To continue to meet the Board's mission of consumer protection, it will be essential to address the Board's fee structure, which will enable the Board and staff to make operational improvements and other changes that enhance the Board's ability to take disciplinary action against licensees when appropriate.

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## CANNABIS

On July 12, 2021, the functions and positions of the Bureau of Cannabis Control, the Department of Food and Agriculture's CalCannabis Cultivation Licensing Division, and the Department of Public Health's Manufactured Cannabis Safety Branch were consolidated into a new stand-alone Department of Cannabis Control within the Business, Consumer Services, and Housing Agency by Chapter 70, Statutes of 2021 (AB 141, Committee on Budget). By creating one entity, this consolidation centralized and streamlined regulatory oversight and began the process of simplifying participation in the legal market. To build on this effort to support the successful and safe operation of cannabis businesses in California, the Budget includes \$13.6 million Cannabis Tax Fund in 2022-23 to fund the following proposals for the Department of Cannabis Control:

- **Unified Licensing System**—\$5.5 million to begin the planning process for a single licensing system for all license types, and to begin the process of transitioning a portion of the existing licensing data to support the eventual transition of all data into a unified system. To prioritize stability during consolidation, the Department has

maintained the three legacy licensing systems. This early effort in support of a unified system for all license types will continue simplifying and streamlining participation in the legal market and collect, analyze, and share licensing-related data to support the administration of cannabis requirements.

- **Data Warehouse**—\$2 million to develop a data warehouse to store and query Department data, appropriate processes and procedures to maintain data integrity, and data displays and visualizations for the Department's website. This investment will enable the Department to analyze and share licensing and compliance data with state partners and public stakeholders, help inform the development of policies related to the state's regulatory framework, and support external decision making by stakeholders such as licensees and local governments.
- **Consumer Awareness Campaign**—\$6.1 million to launch a multi-year consumer education and awareness campaign. A key tenant of the cannabis framework is consumer safety and awareness. As the cannabis market continues to expand, and as illegal cannabis activity remains persistent, it is important that the public have access to information on how to identify licensed, legal operators and products. Further, it is also critical that consumers understand what products are safe, the benefits of purchasing from the legal market, and the potential public safety and health threats of purchasing from the illegal market.

The Administration intends to further develop a grant program this spring that will aid local governments in, at a minimum, opening up legal retail access to consumers. Further, the Administration supports cannabis tax reform and plans to work with the Legislature to make modifications to California's cannabis tax policy to help stabilize the market; better support California's small licensed operators; and strengthen compliance with state law.

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## UPDATED ALLOCATION OF THE CANNABIS TAX FUND

Proposition 64 specifies the allocation of resources in the Cannabis Tax Fund, which are continuously appropriated. Pursuant to Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related

activities. The Budget estimates \$594.9 million will be available for these purposes in 2022-23, and the structure of these allocations is unchanged from 2021-22:

- **Education, prevention, and treatment of youth substance use disorders and school retention**—60 percent (\$356.9 million)
- **Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation**—20 percent (\$119 million)
- **Public safety-related activities**—20 percent (\$119 million)

These figures reflect a decrease of \$34.2 million compared to the allocation estimates in the 2021 Budget Act.

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## OFFICE OF PLANNING AND RESEARCH

The Office of Planning and Research (OPR) assists the Governor and the Administration in policy development and legislative analysis. OPR formulates long-range state goals and policies to address four key areas: land use and planning, climate risk and resilience, sustainable economic development, and targeted long-range research needs. The Budget includes total funding of \$1 billion, including \$564.8 million General Fund, for OPR.

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## OFFICE OF COMMUNITY PARTNERSHIPS AND STRATEGIC COMMUNICATIONS

The Budget includes \$65 million ongoing General Fund to create the Office of Community Partnerships and Strategic Communications to formalize and leverage the infrastructure and work of the Census 2020 and COVID-19 public awareness and community engagement campaigns. The Office will be established within OPR and will manage the state's highest priority public awareness and community outreach campaigns.

In managing these select efforts, the office will develop and execute the public awareness and outreach strategy, working in partnership with the respective state agencies who will serve as subject matter experts. The Office will work with local community-based organizations (CBOs) and other partners statewide to engage Californians experiencing the greatest health and social inequities with culturally competent and relevant information to improve the quality of their lives and livelihoods.

Specifically, the Office will share resources that the State has to offer, including funding opportunities and programs that support community needs or interests; help CBOs obtain information from state departments; and share community insights with relevant state departments.

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## **CALIFORNIA VOLUNTEERS**

As the State Service Commission for California, California Volunteers manages programs and initiatives aimed at increasing the number of Californians engaged in public service and volunteering. California Volunteers supports AmeriCorps members serving statewide in programs that address critical community needs in education, public safety, public health, and the environment. The Budget includes significant investments for California Volunteers to expand service and volunteer opportunities for all Californians.

## **FOSTER GRANDPARENT AND SENIOR VOLUNTEERING PROGRAMS**

The Budget includes \$10 million one-time General Fund for volunteer programs to engage older adults in volunteer service that benefits schools, families, and communities across the State. These programs support the goals established by California's 10-year Master Plan for Aging, and are national models that demonstrate the power, value, and success of older adult volunteerism. The Foster Grandparent Program pairs older adult volunteers with children of all ages for intergenerational mentoring, tutoring, and connections. The Senior Companion Volunteer Program makes peer-to-peer connections between older adults to prevent isolation and provide assistance in independent living.

## **BUILDING NEIGHBOR-TO-NEIGHBOR NETWORKS IN CALIFORNIA**

The Budget includes \$10 million ongoing General Fund to expand California's existing volunteer infrastructure and bolster the statewide Neighbor-to-Neighbor initiative to recruit, train, equip, and organize neighbors to address community needs. This program builds on the community mobilization and connections that resulted from the pandemic. This effort seeks to ingrain this service model in communities, allowing it to be expanded and scaled across California.

## **CALIFORNIA CLIMATE ACTION CORPS**

The Budget permanently continues funding for the California Climate Action Corps Program at its existing funding level of \$4.7 million, which was originally budgeted to

decline to \$823,000 ongoing beginning in 2024-25. These resources will support the mission of empowering Californians to take meaningful actions to protect their communities against the harshest impacts of climate change. This first-in-the-nation program will continue to engage Fellows and communities throughout the state to engage in climate action whether through service positions, volunteer opportunities, or individual action.

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### **CALIFORNIA INITIATIVE TO ADVANCE PRECISION MEDICINE**

The California Initiative to Advance Precision Medicine (CIAPM) supports collaborative research and partnerships between the state, researchers, patients, and communities to advance a holistic perspective of physical and mental well-being.

#### **PRECISION MEDICINE AND DEPRESSION RESEARCH IN BEHAVIORAL HEALTH SETTINGS**

The Budget includes \$10 million one-time General Fund for a competitive grant program to support precision medicine-based approaches to preventing, diagnosing, and treating depression. Grant recipients will use the principles of precision medicine to harness the power of computational analytics, next-generation genetic sequencing, and data sharing and aggregation to provide interventions that are tailored to a specific patient.

#### **EQUITABLE INCLUSION IN BIOMEDICAL RESEARCH**

The Budget includes \$9.3 million one-time General Fund to increase participation in biomedical research to better reflect California's diversity. CIAPM will lead an interagency collaboration to develop best practices, create promotional materials, and host events to raise awareness and increase participation among underrepresented communities in research studies.

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### **IMMIGRANT INTEGRATION AND INCLUSION**

Generations of immigrants from across the globe have shaped California's history and progress. Immigration and the shared international border with Mexico are part of California's identity and are essential to our economic success and future.

Today, immigrants comprise 27 percent of the population and a third of the entire labor force, while half of all children in California have at least one immigrant parent. Immigrants strengthen the state's workforce across industries, and the southern border



region is home to immigrants, binational communities, and the busiest land port of entry in the Western Hemisphere, demonstrating the strength and dynamism of a diverse workforce and integrated economies across international borders.

Immigrants and their descendants bring new ideas, perspectives and cultural assets that shape and power California and our nation. Immigrants, whether they arrived to seek safety or opportunity, have been integral to California's identity and growth for multiple generations.

Recognizing this history, California has shaped a blueprint for the nation of inclusive policies, including improved access to government programs and services and tailoring efforts to the needs of vulnerable immigrants including education, workers' rights, entrepreneurship, family services, and immigration services.

The Budget includes proposed investments to support a spectrum of immigrant talent and entrepreneurship, including youth, college students, limited English proficient workers and those pursuing professional licenses and entrepreneurship.

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## BORDER COMMUNITIES

California and Mexico share 140 miles of border along a region home to many residents who cross the border daily for school, family and business. The vibrancy of the border and safe cross-border movement of people and goods are essential for California and complementary regional economies. The Budget includes the following investments to support southern border communities and economies, along with additional immigration proposals for integration and workforce development that advance regional and statewide success:

- **Migration & Border Communities**—\$74 million one-time General Fund to the California Department of Public Health to support continued COVID-19 Pandemic response and humanitarian efforts, including but not limited to, temporary sheltering, testing, vaccines, and support services for newly arrived migrants. Through these ongoing efforts, California has advanced a national model that protects the health and well-being of arriving migrants and our border communities in partnership with local governments and nonprofit community organizations. See the Health and Human Services Chapter for more information.
- **Export Training Network**—\$2 million one-time General Fund to the Governor's Office of Business and Economic Development (GO-Biz) to support the statewide

expansion of the export training network, overseen by the International Affairs and Trade Unit within GO-Biz, which develops programs and curriculum aimed at underserved business owners, including immigrant entrepreneurs and small business operators. Funding will be targeted regionally, including in the border region.

- **Trade Missions**—\$150,000 ongoing General Fund to GO-Biz to implement four to five virtual or hybrid trade missions in the California-Mexico border region to advance the border region's strategic industries, enabling cross-border economic growth and development. The California-Mexico border region, commonly referred to as the Cali Baja Bi-National Mega-Region or CaliBaja, has a strong and diverse industrial center with plenty of opportunity for cross-border economic activity.

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## IMMIGRANT INTEGRATION AND TALENT

The Budget includes \$9.5 million General Fund in 2022-23, and \$350,000 annually thereafter, for GO-Biz to build on the integration policies through statewide coordination, enhanced service provision for immigrant communities at the state and local level, and supports for economic development activities.

- **Grants for Local Government**—\$8.7 million one-time for competitive grants to local governments to build trust with immigrant residents and help immigrant populations navigate state and local services. This funding would help cities and counties seed and deploy best practices in immigrant support services with state-provided technical assistance.
- **Business Quick Start and Navigational Guides**—\$600,000 in 2022-23, and \$200,000 annually thereafter, to expand the number and availability of Business Quick Start Guides, develop navigational guides regarding the professional licensing process for immigrants, and provide additional translations for these resources and online services.
- **Immigrant-Focused Position**—\$150,000 ongoing for one position at GO-Biz to support statewide immigrant integration convening and coordination in collaboration with existing positions across state government.

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## OTHER SIGNIFICANT INVESTMENTS TO SUPPORT IMMIGRANT COMMUNITIES

The Budget includes other important investments for California's immigrant communities, complementing those described above and include:

- **Integrated Education and Training**—\$30 million one-time General Fund to the Employment Development Department's Workforce Services Branch to expand the English Language Learner pilots in the Integrated Education and Training programs.
- **Workforce Literacy**—\$20 million one-time General Fund for the Employment Training Panel to expand workplace literacy training in contextualized English, digital skills, and technical skills training for incumbent workers.
- **California Youth Leadership Program Language Justice Pathway**—\$10 million one-time General Fund to expand learn-and-earn community change career pathways for community college students, including immigrant youth.
- **California's Care Economy**—\$1.7 billion to maximize a diverse and culturally competent workforce, improve job quality, increase career opportunities, and advance health equity. This investment is needed to meet existing and future needs for a healthy California for all. See the Labor and Workforce Development Chapter and Health and Human Services Chapter for more information.

The Budget also includes additional investments to achieve nearly universal eligibility for health coverage and expand access to food assistance for vulnerable older adults, regardless of immigration status. See the Health and Human Services Chapter for more information.

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# INFRASTRUCTURE

In 2021, historic infrastructure investments were made at both the state and federal levels. These investments will make the state more resilient to climate change, expand access to broadband for all Californians, improve the affordability of housing, and enhance the state's transportation system for the 21st century.

The Governor's Budget builds on the historic infrastructure investments with an additional \$20 billion to accelerate the transition to zero-emission vehicles, modernize the state's transportation system, spur clean energy innovation, advance the state's housing goals, reduce wildfire risk to communities, and support drought resilience and response. Furthermore, California will receive an estimated \$14 billion of additional funding from the federal Infrastructure Investment and Jobs Act over the next five years, with potentially billions more in additional formula funding allocations and competitive grant opportunities still to be determined.

See the 2022 Five-Year Infrastructure Plan for more details.

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## HISTORIC INVESTMENTS IN 2021

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### FEDERAL INFRASTRUCTURE INVESTMENT AND JOBS ACT

The federal Infrastructure Investment and Jobs Act (IIJA) makes investments across several key categories which will be distributed to/through the state directly to local government entities, or directly to households in California over a five-year period.

Many IIJA grants build upon existing programs California has established, from transportation to water infrastructure, which will facilitate efficient implementation of this unprecedented amount of funding.

Based on pre-existing formula allocations, the Administration currently estimates that California will receive roughly \$14 billion in new formula funding above existing funding levels to/through the state over the five-year period, as shown in the chart. In addition to this amount, there are additional formula funding allocations that have not yet been determined that California will receive, such as those for electric grid resiliency, energy efficiency, and cybersecurity improvements.

**Federal Infrastructure Investment and Jobs Act  
5-year Total for New Formula Funding To/Thru the State**  
(Dollars in Millions)

Category	Intended Use	5-year Total Formula Funding To/Thru State
<b>Transportation*</b>	Federal-aid highway apportioned programs, bridge replacement and repair, and improvements to public transit and the state's electric vehicle charging network	\$9,868
<b>Clean Water and Drinking Water</b>	Improve local water infrastructure	\$3,725
<b>Weatherization and Energy Assistance Programs</b>	Weatherization assistance and energy efficiency programs	\$136
<b>Broadband</b>	Expand statewide broadband coverage	\$100
<b>Cybersecurity</b>	Cybersecurity grants to state and local governments	\$39
<b>TOTAL</b>		<b>\$13,868</b>

*\* The \$9.8 billion amount for transportation reflects federal highway formula funds that flow through the state. This funding represents both new formula programs and augmentations to existing formula programs. This figure does not include \$2.4 billion in federal transit formula funds that flow to recipients in the state, but not through the state.*

Beyond the formula funding grants, California will compete for a share of tens of billions of dollars in competitive grant opportunities available nationwide over the next five years. Although the allocation timeline and guidance for the implementation of these funds is still forthcoming, the Administration is working proactively to identify the new funding opportunities in the IIJA, and is coordinating across departments to best position the state to secure competitive grants. Recognizing that the application and award timelines for tens of billions of dollars worth of IIJA funding have not yet been clearly designated by the federal government, the Administration is seeking administrative flexibility so matching fund requirements for unanticipated formula or

competitive programs can be provided in a timely manner to bolster the state's competitiveness when applying for these programs.

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## CLIMATE RESILIENCE

The 2021 Budget included approximately \$15.1 billion (\$13.1 billion General Fund) over three years to support various climate resilience and natural resources investments, including:

- **Wildfire and Forest Resilience**—\$988 million (\$758 million General Fund) in 2021-22 for a broad set of investments that support a statewide strategy on forest health and fire prevention including but not limited to, funding to create resilient wildlands, support wildfire fuel breaks, advance science-based management and streamlined permitting, and support community hardening. This builds on the \$536 million included in the 2021 early action package that was designed to start critical projects before the 2021 fire season and launch several new programs.
- **Water and Drought Resilience**—\$5.2 billion (\$4.7 billion General Fund) over three years to support immediate drought response and long-term water resilience, including funding to support drought response; drinking water, wastewater, and water supply reliability; water recycling and groundwater clean-up; flood management; restoration of natural areas and ecosystems; Salton Sea; groundwater sustainability; water conveyance; and water and habitat improvement for environmental flows.
- **Climate Resilience**—\$3.7 billion General Fund over three years to support investments that address the state's multi-faceted climate risks, including funding to support multi-benefit and nature-based solutions, address impacts of extreme heat, build ocean and coastal resilience, and deliver community resilience and capacity where resources are most needed.
- **Zero-Emission Vehicles**—\$3.9 billion (\$2.9 billion General Fund) over three years for investments in zero-emission vehicles and infrastructure to accelerate the state's progress toward meeting its climate and transportation goals established in Executive Order N-79-20 and advance California's Zero-Emission Vehicle Market Development Strategy.
- **Sustainable Agriculture**—\$1.1 billion (\$863 million General Fund) over two years for sustainable agriculture investments that support the agriculture sector and create a healthy, resilient, and equitable food system; support climate smart agriculture to

further long term sustainability and resilience; and promote economic recovery and high-road job growth.

- **Circular Economy**—\$270 million (\$130 million General Fund) over two years to support a circular economy that recognizes waste as a resource, shifting the state's focus to a more resilient and renewable economy. These funds will support implementation of goals to reduce short-lived climate pollutants, including advancing organic waste infrastructure, edible food recovery, and composting opportunities; and supporting other non-organic recycling opportunities.

Collectively, these investments will help protect Californians and critical habitats from the impacts of climate change. The Budget includes approximately \$4.3 billion in 2022-23 associated with the second year of investments from these 2021 Budget packages. See the Climate Change Chapter for additional detail.

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## BROADBAND

The 2021 Budget provided \$6 billion over three years as part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians.

The 2021 Budget Act included \$3.25 billion State Fiscal Recovery Fund to the California Department of Technology (CDT) for the purpose of building an open-access middle-mile network in unserved and underserved areas of California. Estimates produced by CDT, the Department of Transportation (Caltrans), and the California Public Utilities Commission (CPUC) indicate a need for approximately 8,100 miles of middle-mile broadband infrastructure for unserved and underserved communities.

- In November 2021, CDT announced the selection of 18 initial projects identified by the CPUC to begin building the open-access middle-mile network. The initial list of locations was developed by CPUC and the third-party administrator (TPA), and included public comment.
- In December 2021, CPUC provided updated mapping information to CDT, including updated data for unserved communities and public comment received by CPUC.
- CDT will continue to build and develop the statewide open-access middle-mile broadband network in collaboration with the TPA and Caltrans as CPUC recommends additional locations for middle-mile buildout.



To complement the middle-mile network, the 2021 Budget provided \$2 billion over three years for CPUC to build last-mile infrastructure to provide Californians with access to high-speed broadband service, and \$750 million for a Loan Loss Reserve Fund to support costs related to the financing of local broadband infrastructure development. CPUC anticipates making new last-mile project grants available in 2022 utilizing both state funding from the California Advanced Services Fund and federal funds. CPUC also anticipates releasing a staff proposal related to the Loan Loss Reserve Fund in the first quarter of 2022.

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## HOUSING

The 2021 Budget provided \$10.3 billion across several departments to promote and maintain stable housing, including funding focused on aligning housing investments with more affordable housing built near jobs, services, and transit. This investment, among other things, expanded the availability of low-income housing tax credits; increased funding available for mixed-income construction loans and infill infrastructure grants; created a new housing development program on state excess lands; and provided down payment assistance for first-time homebuyers. The Budget continues the momentum of these recent investments by proposing an additional \$9 billion for affordable housing. This includes roughly \$1.5 billion for infill projects, sustainable communities, affordable housing preservation, and adaptive reuse projects, among others. See the Housing and Homelessness Chapter for more detail.

Furthermore, the 2021 Budget Act appropriated \$500 million one-time General Fund as the initial installment of a \$2 billion investment planned over a three-year period to expand access to affordable student housing. The 2021 Budget Act appropriation will support grants to California Community Colleges, the California State University, and the University of California for the construction of low-cost student housing or the acquisition and renovation of commercial properties into low-cost student housing. Of the \$500 million appropriated in 2021-22, up to \$25 million was available for affordable student housing planning grants for California Community Colleges. The Budget includes an additional \$750 million one-time General Fund to support affordable student housing. See the Higher Education Chapter for more detail.

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## ADDITIONAL 2022 INFRASTRUCTURE INITIATIVES

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### PREPARING AND PROTECTING CALIFORNIA COMMUNITIES

California has a unique opportunity to both confront the climate crisis and simultaneously invest in building a more resilient, just, equitable, and thriving future, especially for communities that have been too often left out and left behind. Building on the state's history of climate leadership and the historic \$15 billion climate resilience investment in the 2021 Budget, California will continue to advance an equitable program of climate solutions that will prepare and protect California communities.

The Budget includes \$20 billion over five years across various infrastructure investments in transportation, energy, housing, wildfire resilience, and drought to advance the state's climate and opportunity agenda. (See the Climate Change Chapter for additional details).

### CLEAN ENERGY

The Budget includes a total of \$2 billion over two years for a Clean Energy Investment Plan that will spur additional innovation and deployment of clean energy technologies in the energy system.

- Major investments include:
  - \$962.4 million to provide resources—in the form of installed equipment, labor, rebates, education, and technical assistance—to accelerate decarbonization of existing buildings and improve occupants' quality of life, particularly for low- to moderate-income Californians.
  - \$380 million for long duration storage projects throughout the state to support grid reliability.
  - \$240 million over two years to build a temperature management project to address temperature issues at the Oroville Dam that will allow the state to expand the use of this generating facility.
  - \$210 million to accelerate industrial sector decarbonization.
  - \$100 million to advance the use and production of green hydrogen.
  - \$85 million to accelerate the adoption of energy technologies at California food production facilities.

- \$45 million for activities to advance the development of offshore wind energy in federal waters off California.
- In addition, the Budget proposes \$100 million for the tax credit described in the Economic Growth, Job Creation, and Expanded Opportunity Chapter.
- The Budget also includes proposals to expedite and streamline permitting in Lithium Valley to fully realize the state's potential for geothermal energy.

## **WILDFIRE AND FOREST RESILIENCE**

The 2021 early action package and 2021 Budget Act included a combined \$1.5 billion one-time investment to restore the state's resilience to wildfires by increasing the pace and scale of forest and fuel management practices.

The Budget includes an additional \$1.2 billion (\$800 million General Fund and \$400 million Greenhouse Gas Reduction Fund) over two years to build on similar commitments in 2021 and sustain critical investments in forest health and fire prevention to continue to reduce the risk of catastrophic wildfires. This includes funding to support resilient forest and landscapes; wildfire fuel breaks; community hardening; regional capacity; science-based management; and economic development of the forest sector (see the Emergency Response Chapter for additional detail).

## **DROUGHT**

While recent storms have brought needed rain and snowfall, California remains at risk of a continued serious state of drought with near-record low reservoir storage and negative impacts on fish and wildlife. The state continues to invest in innovative drought preparedness and response to preserve water supplies and advance long-term resilience.

The 2021 Budget included an investment of \$5.2 billion over three years to advance water resilience and drought response. This investment provides immediate assistance to struggling communities and prepares for more severe, climate-induced drought and flood conditions in the long term.

The Budget builds on this historic investment in California water infrastructure and includes an additional \$750 million one-time General Fund to support drought resilience and response, including water conservation, groundwater recharge, and assistance for small farmers whose needs have grown more acute with extended dry conditions (See the Climate Change Chapter for additional detail).

## **ZERO-EMISSION VEHICLES (ZEV) ACCELERATION**

The Budget invests an additional \$6.1 billion (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) over five years for ZEV acceleration, with a focus on communities that are most impacted, bringing the total investment to \$10 billion over six years to decarbonize California's most polluting sector and improve public health. The Budget proposes targeted investments in disadvantaged and low-income communities, including tribal communities, to increase access to the benefits of clean transportation and more than doubles the money targeted for heavy-duty market acceleration (See the Climate Change Chapter for additional detail).

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## **TRANSPORTATION**

The Budget proposes to accelerate \$4.2 billion Proposition 1A in the current year for the High Speed Rail Authority to continue construction of the 119-mile Central Valley Segment from Madera to just north of Bakersfield, as part of a larger transportation package. In addition, the Budget proposes \$10.6 billion (\$6.1 billion General Fund) in new transportation investments in 2022-23, including:

- \$4.5 billion two-year increase of base federal funding from the federal Infrastructure Investment and Jobs Act for highways, roads, transit, safety, research and other transportation activities.
- \$1.2 billion General Fund over two years for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
- \$3.3 billion General Fund for high-priority transit and rail infrastructure. These projects will improve rail and transit connectivity between state and local/regional services and are designed to reduce traffic congestion and greenhouse gas production.
- \$750 million General Fund for Active Transportation Program projects, the Highways to Boulevards Pilot, and bicycle and pedestrian safety projects.
- \$500 million General Fund for grade separation projects that support critical safety improvements and expedite the movement of traffic and rail by separating the vehicle roadway from the rail tracks.
- \$400 million General Fund for climate adaptation projects that support resiliency and reduce the risks from climate impacts.

Caltrans will continue delivering over \$20 billion worth of planned state highway repair and rehabilitation projects in the State Highway Operations and Protection Program (SHOPP) over the next five years.

Additionally, Caltrans and local partners will invest over \$3 billion in State Transportation and Improvement Program (STIP) projects through the plan period. This program supports the implementation of regional Sustainable Community Strategies (75 percent), as well as interregional travel (25 percent). An additional \$1.3 billion to address congested corridors and \$1 billion for partnerships with local transportation agencies is also included in the 2022 Five-Year Infrastructure Plan, which can be found on the Department of Finance's website.

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## EDUCATION

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

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### K-12 EDUCATION STATE SCHOOL FACILITY PROGRAM

Since 1998, California voters have approved more than \$42 billion in statewide General Obligation bonds to construct or renovate public school classrooms used by the state's approximately six million K-12 students. The Budget includes \$2.5 billion General Fund to support the debt service costs associated with these bonds. In addition to state General Obligation bonds, school districts may use developer fees, local General Obligation bonds, and Mello-Roos bonds to construct additional classrooms or renovate existing classrooms. Since 2002, local voters have approved over \$120.1 billion in local General Obligation bonds to support their school facility needs.

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (Proposition 51)—approved by voters in November 2016—authorized \$7 billion in state General Obligation bonds to support K-12 school facilities construction. These funds have supported new construction, modernization, retrofitting, career technical education, and charter school facility projects. The Budget allocates the remaining Proposition 51 bond funds—approximately \$1.4 billion—to support school construction projects. Additionally, because Proposition 51 bond authority is expected to be

exhausted in 2022-23, the Budget proposes approximately \$1.3 billion one-time General Fund in 2022-23 and \$925 million one-time General Fund in 2023-24 to support new construction and modernization projects through the School Facility Program.

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### HIGHER EDUCATION

The UC and CSU currently fund capital projects from within their annual support budgets. This provides the universities with the flexibility to factor infrastructure development costs and priorities within their comprehensive fiscal plans. In accordance with statute, both the UC and the CSU submit annual capital outlay proposals for legislative review and Department of Finance approval. The UC submitted one capital proposal totaling \$21.9 million General Fund-supported financing. The CSU submitted capital proposals totaling \$1.6 billion (\$1.4 billion Statewide Revenue Bonds and \$193 million campus funds). Preliminarily approved project lists for both UC and CSU will be submitted to the Legislature in February 2022.

The Budget includes \$100 million one-time General Fund to address UC deferred maintenance needs and energy efficiency projects. Additionally, the Budget proposes \$100 million one-time General Fund to address CSU deferred maintenance needs.

# ECONOMIC OUTLOOK

The National Bureau of Economic Research reported in July 2021 that the COVID-19 Recession ended in April 2020, just two months after its official start, making it the shortest recorded recession ever, while also being the worst recession since the Great Depression. While both the U.S. and California economies recovered to their pre-pandemic GDP levels in the first half of 2021, national and state employment are both still significantly below their pre-pandemic levels and disruptions created by the COVID-19 Pandemic remain.

The recovery of the U.S. and California economies continued in the third quarter of 2021, albeit at a slower rate, and despite an increase in COVID-19 cases, high inflation, and ongoing supply chain challenges. Through November 2021, the U.S. had recovered over four-fifths of all jobs lost from the height of the recession while California had added back about 70 percent of its total job losses.

The U.S. and California outlooks incorporate the \$1.2 trillion federal Infrastructure Investment and Jobs Act (IIJA), signed into law in early November, but do not assume enactment of the so-called “Build Back Better” (BBB) plan or other potential federal legislation under consideration.

As of mid-November when the economic forecast was finalized, the U.S. and California each had around 60 percent of their total population fully vaccinated, with the state's vaccination rate being about 5 percentage points higher than the nation. This marks a substantial improvement from vaccination rates reflected in the May Revision economic outlook (about one third for both the state and nation in April). Vaccines for

children between the ages of 5 and 11 were approved in early November and booster shots were also made available for all adults. The economic forecast was finalized before the first known case of the Omicron variant.

The public health situation is the linchpin of the economic forecast. The forecast does not assume the emergence of a disruptive variant, which could lead to a delayed return to pre-pandemic labor force participation, persistent high inflation, and continued supply chain bottlenecks. If, however, cases, hospitalization, and death rates continue at generally manageable levels, the economic recovery may be stronger than reflected in the forecast.

Similarly, the forecast assumes the Delta, Omicron, or any future COVID-19 variants do not create any further major disruptions nationally and internationally, and supply chain bottlenecks will ease and regular production will be restored by early 2023. The Budget economic forecast projects continued real GDP growth throughout the forecast period and recovery to pre-pandemic levels of nonfarm employment by the end of 2022.

Structural (non-pandemic) downside risks to the forecast remain, including the challenges of an aging population, declining migration flows, lower fertility rates, higher housing and living costs, increasing inequality, and stock market volatility.

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## CONTINUED RECOVERY

Since April 2021 when the May Revision economic forecast was finalized, various assistance programs put in place in response to the pandemic have expired, including the federal emergency unemployment insurance programs and the federal and state eviction moratoria. Despite this, U.S. and California real GDP have continued to grow, though at slower rates than earlier in the year.

U.S. real GDP surpassed its pre-pandemic (fourth quarter of 2019) level in the second quarter of 2021, recovering from a drop of around 10 percent within just six quarters. The stark turnaround is remarkable; in comparison, during the Great Recession, the U.S. real GDP drop was just about one-third as deep as the contraction during the COVID-19 Recession, but the recovery took more than twice as long.

In this current expansion, real GDP growth has been driven by consumption of goods, which was 18 percent over pre-pandemic levels as of the second quarter of 2021, while consumption of services was still 3.4 percent below pre-pandemic levels. As the Delta variant exacerbated global supply chain bottlenecks, U.S. real GDP growth slowed from an average growth of 6.5 percent seasonally adjusted annualized rate (SAAR) in the



first half of 2021, meaning that annual GDP growth would equal 6.5 percent if the quarterly increase was sustained for the entire year, to 2.3 percent SAAR in the third quarter. Much of the deceleration in the third quarter was due to goods consumption, with durable goods expenditures contracting by nearly 25 percent.

California real GDP recovered and surpassed its pre-pandemic level in the first quarter of 2021—one quarter earlier than the nation's recovery. California real GDP recovered within just five quarters after dropping by nearly 10 percent in the first half of 2020. In comparison, during the Great Recession, California real GDP took more than three times as long to recover from a contraction that was about half as deep. Similar to the nation, California real GDP slowed down to 2.9 percent (SAAR) in the third quarter of 2021, following an average of 9.9 percent (SAAR) in the first half of 2021.

The U.S. unemployment rate peaked at a historic-high 14.8 percent in April 2020 before decreasing steadily to 4.2 percent in November 2021, compared to 3.5 percent just before the pandemic (February 2020). In November 2021, there were still 1.2 million (20 percent) more unemployed than in February 2020 and 2.4 million fewer people in the labor force for a combined civilian employment deficit of 3.6 million people.

California's unemployment rate generally moves in line with the nation's rate, however, the state tends to experience sharper increases during economic downturns. Similar to the nation, California's unemployment rate reached a record-high 16 percent in April 2020 before decreasing to 6.9 percent in November 2021, or 2.6 percentage points higher than its February 2020 rate of 4.3 percent. As of November 2021, California's civilian employment was still 868,000 below pre-pandemic levels as there were 476,000 more unemployed Californians than in February 2020 and 392,000 fewer people in the labor force. Labor force participation rates remain lower than pre-pandemic rates, more so for men than women, and for groups with less education, as referenced in the Demographic Information Chapter.

The U.S. added back nearly 18.5 million jobs between May 2020 and November 2021, or more than four-fifths of the 22.4 million nonfarm jobs lost in March and April 2020. The nation has consistently added jobs every month since May 2020 except in December 2020 when COVID-19 cases rose sharply. In response to the summer surge in cases due to the Delta variant, job growth slowed in the nation, averaging 405,000 jobs added per month between August and November 2021, compared to 650,000 jobs from January through July 2021.

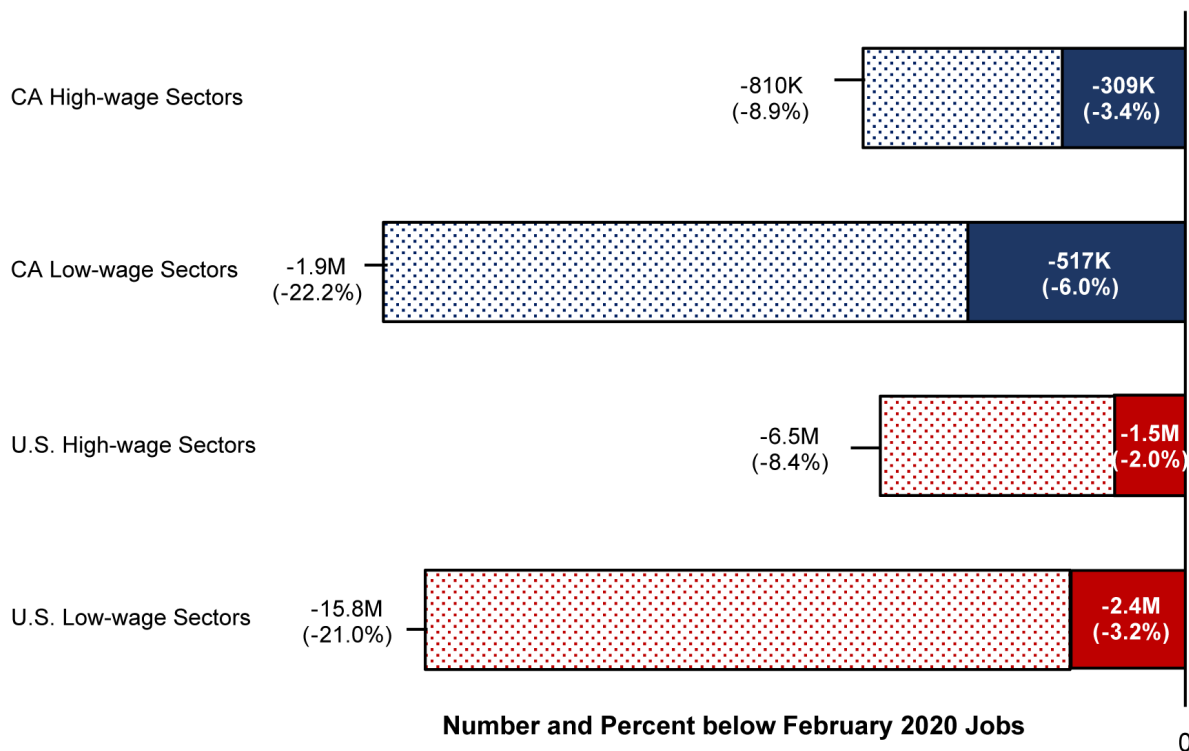
Similarly, California added back 1.9 million jobs between May 2020 and November 2021, or about 70 percent of the 2.7 million jobs lost in March and April 2020. California

was also negatively impacted by the 2020 winter surge in COVID-19 cases, as the state experienced two consecutive months of job losses in December 2020 and in January 2021. California's job growth then accelerated to an average of 112,000 jobs added per month from February to July 2021, before slowing to around 77,000 jobs added per month between August and November 2021. Since February 2021, California has accounted for one-sixth of the nation's gains while accounting for about one-eighth of U.S. nonfarm employment.

Low-wage sectors bore the brunt of job losses at the outset of the pandemic, and are further from pre-pandemic levels than their high-wage counterparts. As of November 2021, low-wage sectors in the U.S. and California were 3.2 percent and 6 percent below February 2020 levels, respectively, while high-wage sectors were 2 percent and 3.4 percent lower, respectively. This is despite low-wage sectors accounting for nearly three out of every four jobs added back since May 2020. Low-wage sectors are defined as sectors with average wages below the 2019 average wage for all industries and include leisure and hospitality, other services, educational and health services, and trade, transportation and utilities. (See figure on California and U.S. Jobs Relative to February 2020 by Wage Group.)

**California and U.S. Jobs Relative to February 2020 by Wage Group**

(Shaded bars correspond to April 2020; Solid bars correspond to November 2021)



Source: CA Employment Development Department, Labor Market Information Division, U.S. Bureau of Labor Statistics.

As employment losses were concentrated in lower-wage jobs, U.S. and California average wages skewed higher and grew by historically-high annual rates of 7.5 percent and 10.5 percent, respectively, in 2020. (California average wage growth was 4.4 percent in 2019, and averaged just over 3 percent during the post-Great Recession expansionary period.) Average wage growth remained strong in the first three quarters of 2021, exceeding 8 percent in California, despite a return of many low-wage jobs. Without underlying wage growth, the re-insertion of low-wage jobs would be expected to bring average wages down, reversing some of the composition effect in 2020. However, average wages continued to grow off of the higher 2020 levels, reflecting current labor market frictions with the low labor force participation rate prompting employers to increase wages. Workers have remained out of the workforce due to pandemic fears, taking care of children or other dependents, and due to a search for jobs that offer higher pay as well as better and more flexible working conditions.

California's total wages continued to grow in 2020, by 2.9 percent, despite total wages in leisure and hospitality falling by more than 20 percent and four other sectors experiencing declines in total wages. Wages account for roughly half of California's personal income. With most personal income components continuing to grow in 2020, including record-high growth in transfer payments, California's personal income grew by a historic 8.6 percent in 2020, and averaged 7.7 percent year-over-year growth in the first three quarters of 2021. In contrast, personal income fell by 3.4 percent in 2009 during the Great Recession. Transfer payments, which are payments from governments to individuals usually through social assistance programs such as unemployment insurance and Social Security, rose by a record 47.3 percent in 2020, compared to 13.1 percent in 2008 and around 11 percent in 2009 and 2010, during the Great Recession. Excluding transfer payments, all other personal income components combined grew by 1.9 percent in 2020, compared to a decrease of 5.6 percent in 2009 during the Great Recession. The non-transfer components of personal income have averaged a year-over-year growth of nearly 8 percent in the first three quarters of 2021.

As high-income earners were largely insulated from the negative impacts of the COVID-19 Recession and mortgage rates remained low, California's housing demand remained strong in 2020 and the median price for existing home sales rose to \$717,930 in December 2020, 16.3 percent above the pre-pandemic record high of \$617,410 set in August 2019. The median home price continued to rise in 2021, and was at \$782,480 as of November 2021, following seven months above or near the \$800,000 mark. On the construction side, following declines in permits in 2019 and 2020, total housing units authorized by permits rebounded in 2021, averaging 121,000 units through November

2021, 17.1 percent higher than the comparable period in 2020, and 10.6 percent higher than in the same period in 2019.

U.S. and California consumer inflation slowed to their lowest rates in five years in 2020, at 1.2 percent and 1.7 percent, respectively, as economic activity and movement were limited during the pandemic, driving inflation in gasoline, apparel, and rents down. Inflation in rents slowed in part due to rental protections put in place to support those who were negatively impacted by the pandemic, but also as a result of households being able to move away from more expensive urban areas to cheaper areas due to telework or hybrid arrangements.

As the economy reopened and vaccines became available, demand for goods and services rebounded sharply and inflation recovered to pre-pandemic rates in early 2021. Increasing home prices also started to contribute to faster overall inflation as there historically is a one-year lag before the value of homes is reflected in rental inflation. U.S. inflation exceeded 5 percent for seven consecutive months from May to November 2021, reaching 6.8 percent in November 2021—its fastest pace in nearly four decades. Similarly, California's inflation has been running above 4 percent since April 2021, but remained lower than the national rate due to a higher base rate in 2020. Elevated inflation in 2021 was driven by pandemic-induced factors (the prices of gasoline, air travel, and hotels skyrocketed due to strong demand) and supply chain disruptions (the global semi-conductor chip shortage reduced inventory for new cars, causing elevated inflation for new and used vehicles, and various shortages have driven up the prices of durable goods).

Assuming a gradual but steady improvement of the public health situation nationally and globally, which will allow for easing of supply chain and inflation challenges, the forecast projects continued steady growth for both the nation and the state.

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## U.S. FORECAST

The U.S. forecast incorporates developments in public health conditions, including higher vaccination rates and continued reopening of businesses, but also higher COVID-19 cases relative to April 2021 due to the Delta variant, as well as enacted federal stimulus packages as of mid-November 2021. This includes the \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA), signed into law in early November 2021. IIJA is assumed to add jobs incrementally starting in 2022, with a peak effect of raising national GDP and employment levels by around 0.5 percent in 2025, or by an estimated additional 750,000 jobs in that year.

Supply chain bottlenecks slowed GDP growth in the third quarter of 2021 through negative impacts on global production, shipping, and sales of goods, which have led to lower consumption even as private inventory was being depleted. The global supply chain bottlenecks are complex and their resolution depends on several factors, including national and global economic and public health conditions, and it will likely take several quarters until supply chain operations are back to normal. The economic forecast assumes that as pent-up demand and accumulated savings during the pandemic wane and as the public health situation improves nationally and globally, supply chain issues will be gradually resolved by early 2023.

After contracting by 3.4 percent in 2020, U.S. real GDP is projected to grow by 5.5 percent in 2021 and to gradually slow to 2.6 percent by 2025. Real GDP growth is assumed to remain largely driven by consumption (contributing over 70 percent of total GDP growth on average through 2025), followed by investment (contributing one-fourth). Consumption expenditures surpassed pre-pandemic levels in the first quarter of 2021, driven by early recovery of goods consumption in the third quarter of 2020 and continued strength throughout the pandemic. Services consumption is projected to recover to pre-pandemic levels in the first quarter of 2022. Inventory building, which is included in investment, is projected to contribute around one-fifth of GDP growth in 2022, as firms rebuild their inventories depleted in 2021 due to stronger than expected demand, as well as due to various supply shortages.

While U.S. real GDP had recovered by the second quarter of 2021, the return to full employment is expected to take longer. The U.S. unemployment rate is projected to decrease from an annual average of 8.1 percent in 2020 to 5.4 percent in 2021 and to continue to gradually fall to 3.5 percent by 2023 before slowly increasing to 3.8 percent by 2025. (See figure on Select Economic Indicators.)

This assumes the U.S. labor force recovers to its pre-pandemic level in the third quarter of 2022 and that the U.S. labor force participation rate recovers to 63.2 percent in mid-2024. U.S. nonfarm jobs are projected to recover to pre-pandemic levels by the third quarter of 2022 with high-wage sectors assumed to recover two quarters earlier than low-wage sectors. In terms of individual sectors, manufacturing and retail trade, two sectors that have been experiencing a long-term structural decline since before the pandemic, are not projected to recover within the forecast window, or through the end of 2025.

High inflation in 2021 was driven by high food and energy prices, supply chain issues impacting transportation and durable goods prices, and rising housing prices. The assumption of supply chain operations normalizing by early 2023 will allow for

Select Economic Indicators

	2018	2019	2020	Forecast					
				2021	2022	2023	2024	2025	
<b>United States</b>									
Nominal gross domestic product, \$ billions	\$ 20,527	\$ 21,373	\$ 20,894	\$ 22,904	\$ 24,706	\$ 25,978	\$ 27,341	\$ 28,742	
Real gross domestic product, percent change	2.9%	2.3%	-3.4%	5.5%	4.3%	2.9%	2.7%	2.6%	
<i>Contributions to real GDP growth</i>									
Personal consumption expenditures	2.0%	1.5%	-2.6%	5.4%	2.3%	1.6%	2.0%	2.1%	
Gross private domestic investment	1.0%	0.6%	-1.0%	1.1%	1.6%	0.8%	0.6%	0.5%	
Net exports	-0.3%	-0.2%	-0.3%	-1.3%	0.0%	0.2%	0.0%	-0.2%	
Government purchases of goods and services	0.2%	0.4%	0.4%	0.1%	0.4%	0.2%	0.2%	0.2%	
Personal income, \$ billions	\$ 17,706	\$ 18,424	\$ 19,628	\$ 20,905	\$ 21,106	\$ 22,158	\$ 23,323	\$ 24,569	
Corporate profits, percent change	2.9%	-0.2%	-3.1%	31.0%	-2.9%	3.4%	7.3%	6.4%	
Housing permits, thousands <sup>1/</sup>	1,329	1,386	1,471	--	--	--	--	--	
Housing starts, thousands	1,247	1,292	1,397	1,571	1,435	1,333	1,327	1,329	
Median sales price of existing homes <sup>2/</sup>	\$ 261,600	\$ 274,600	\$ 300,200	--	--	--	--	--	
Federal funds rate, percent	1.8%	2.2%	0.4%	0.1%	0.1%	0.4%	1.0%	1.7%	
Consumer price index, percent change	2.4%	1.8%	1.2%	4.6%	3.5%	2.1%	2.2%	2.2%	
Unemployment rate, percent	3.9%	3.7%	8.1%	5.4%	3.8%	3.5%	3.6%	3.8%	
Civilian labor force, millions	162.1	163.5	160.7	161.1	164.0	166.9	168.9	170.3	
Nonfarm employment, millions	148.9	150.9	142.3	146.1	151.9	154.7	156.1	157.1	
<b>California</b>									
Personal income, \$ billions	\$ 2,432	\$ 2,544	\$ 2,763	\$ 2,949	\$ 2,987	\$ 3,139	\$ 3,308	\$ 3,489	
Exports of goods, percent change <sup>1/</sup>	3.6%	-2.5%	-10.3%	--	--	--	--	--	
Housing permits, thousands	116	110	105	120	126	132	140	149	
Housing unit net change, thousands	85	78	95	--	--	--	--	--	
Median sales price of existing homes <sup>2/</sup>	\$ 569,480	\$ 592,230	\$ 659,380	--	--	--	--	--	
Consumer price index, percent change	3.7%	3.0%	1.7%	4.2%	3.8%	3.0%	3.1%	3.3%	
Unemployment rate, percent	4.3%	4.2%	10.2%	7.7%	5.6%	4.6%	4.2%	4.2%	
Civilian labor force, millions	19.3	19.4	18.8	19.0	19.4	19.8	20.0	20.2	
Nonfarm employment, millions	17.2	17.4	16.2	16.7	17.4	17.9	18.2	18.4	
<i>Percent of total nonfarm employment</i>									
Mining and logging	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Construction	5.0%	5.1%	5.3%	5.3%	5.2%	5.2%	5.3%	5.3%	
Manufacturing	7.7%	7.6%	7.8%	7.7%	7.4%	7.3%	7.2%	7.1%	
Trade, transportation, and utilities	17.7%	17.5%	18.0%	18.2%	17.6%	17.3%	17.2%	17.1%	
Information	3.2%	3.2%	3.4%	3.4%	3.4%	3.3%	3.3%	3.3%	
Financial activities	4.9%	4.8%	5.0%	4.9%	4.8%	4.7%	4.7%	4.6%	
Professional and business services	15.5%	15.6%	16.1%	16.2%	16.1%	16.1%	16.2%	16.2%	
Educational and health services	15.9%	16.1%	16.8%	16.6%	16.4%	16.5%	16.6%	16.9%	
Leisure and hospitality	11.6%	11.7%	9.2%	9.7%	11.0%	11.5%	11.7%	11.7%	
Other services	3.3%	3.3%	3.0%	3.1%	3.2%	3.2%	3.3%	3.3%	
Government	15.0%	14.9%	15.3%	14.6%	14.8%	14.7%	14.5%	14.4%	

Forecast based on data available as of November 2021.  
 Percent changes calculated from unrounded data.  
 Source: 1/ U.S. Census Bureau; 2/ California Association of Realtors ; CA Department of Finance, Governor's Budget Forecast.

pandemic-related inflation to unwind and for national inflation to revert to pre-pandemic rates of slightly above 2 percent by the first quarter of 2023, after averaging 4.6 percent and 3.5 percent in 2021 and 2022, respectively. Inflation is then projected to average 2.2 percent from 2023 to 2025. Transportation and energy inflation is assumed to decelerate starting in 2022 and housing inflation, which slowed in 2020, is expected to continue to accelerate to catch up with rising home prices, reaching pre-pandemic rates by 2025.

Interest rates have remained near zero since March 2020 and based on information available through early November, the economic forecast assumed the Federal Reserve will begin raising rates in early 2023. This is more than a year earlier than what was expected in early 2021, and is in response to elevated inflation in the second half of 2021 as well as stronger-than-expected recovery of the labor market. However, the Federal Reserve signaled at its final meeting of 2021 in mid-December that there could be three interest rate hikes in 2022. Earlier and more frequent interest rate hikes could negatively impact investment and consumption due to higher borrowing and debt servicing costs. On the other hand, slower economic activity could contribute to lower inflation. The May Revision economic forecast will incorporate the updated timeline for when the Federal Reserve is expected to increase interest rates along with any future changes in federal policy.

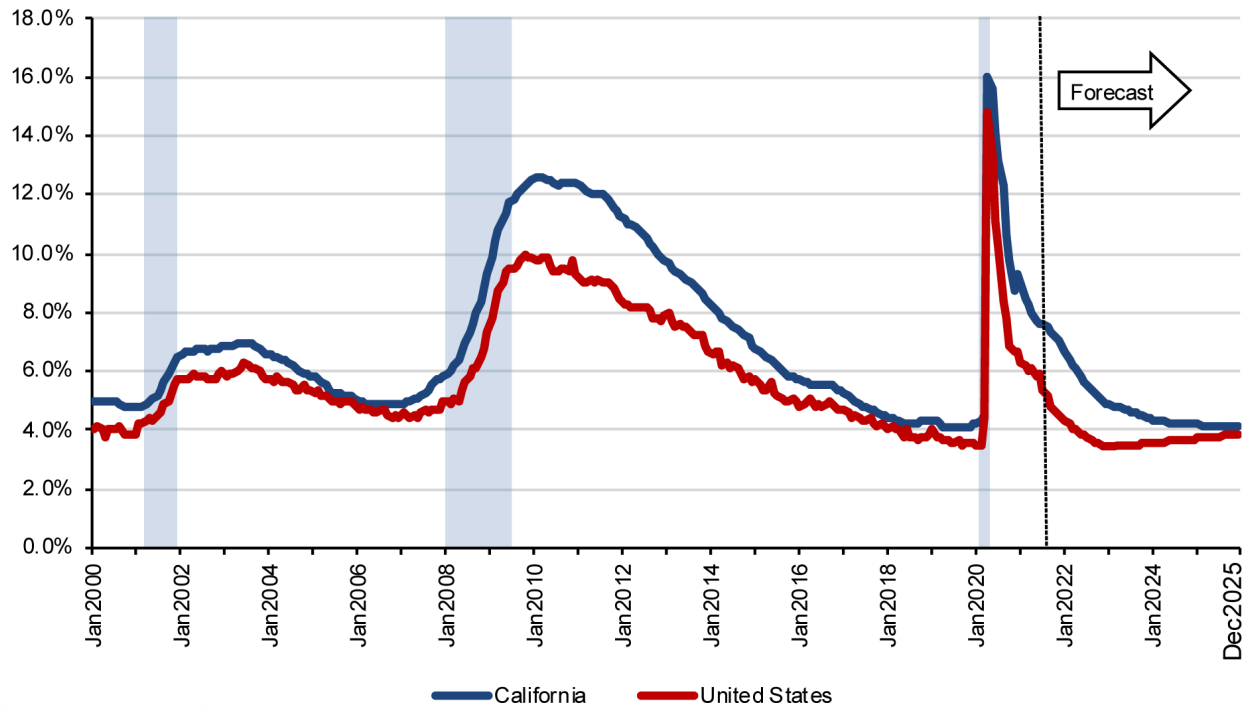
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## CALIFORNIA FORECAST

As with the nation, the California forecast assumes that continued public health improvements—higher vaccination rates, availability of vaccines for young children, booster shots, and increased adaptation to public health conditions—will facilitate labor force reentry and continued job growth. The forecast also assumes that the recent reopening of borders to qualifying non-essential travelers will help the recovery of travel and tourism to the state, boosting low-wage sector growth and recovery. Finally, the California forecast incorporates similar assumptions as with the nation regarding IJJA and as it relates to supply chain issues and resolutions.

The forecast assumes that Californians will continue to rejoin the labor force as job growth continues, pandemic-related dependent care is resolved, and overall confidence in the recovery and stability of the economy strengthens. California's labor force is projected to recover to its pre-pandemic level by the third quarter of 2022, in line with national trends. California's unemployment rate is projected to steadily decrease to its pre-pandemic record-low of 4.2 percent by 2024. The rate of decline in California's unemployment rate has been fairly slow in the first three quarters of 2021 due to a low growth in labor force and civilian employment. However, it is projected to decrease more rapidly in 2022 and 2023 as labor force growth is projected to increase and employment continues to expand. Historically, California's unemployment rate is higher than, but closely correlated with, the U.S. unemployment rate. This historic gap tends to get smaller during economic expansions, and is projected to decrease to less than 0.5 percentage point by the end of the forecast window, in line with the 2018 pre-pandemic gap. (See figure on U.S. and California Unemployment Rates.)

**U.S. and California Unemployment Rates**  
 Monthly, January 2000 through December 2025



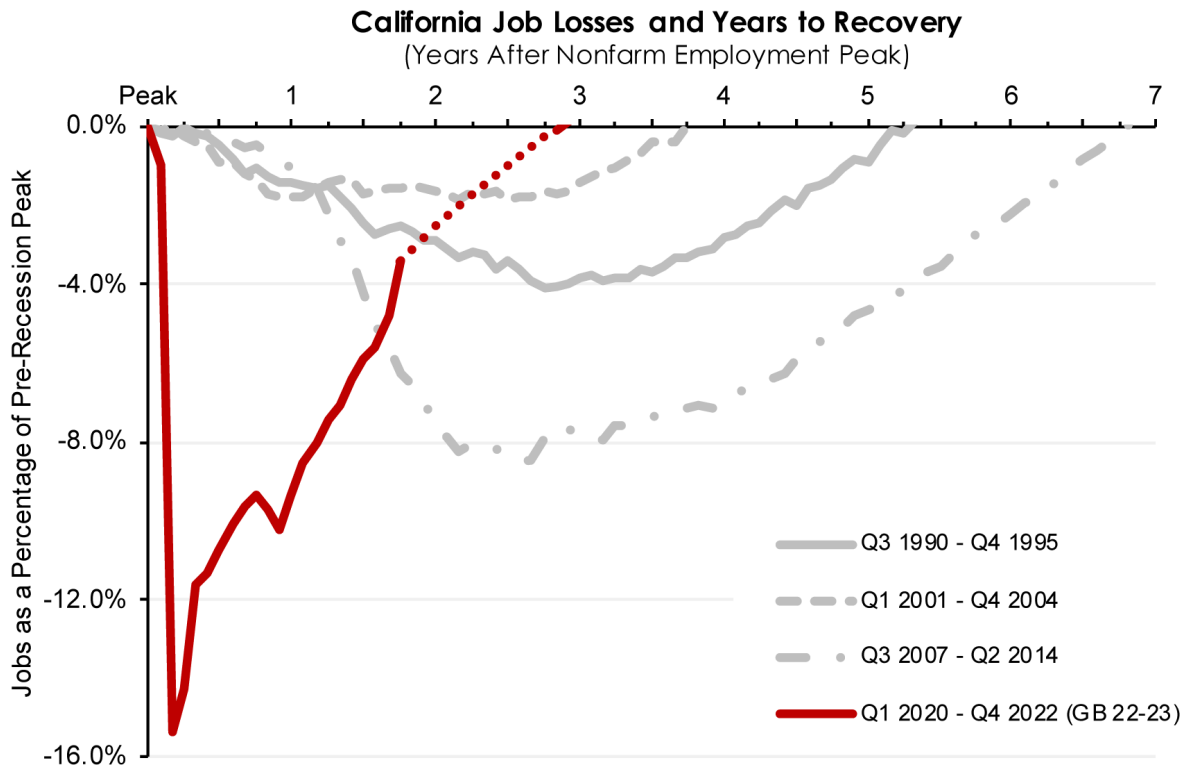
Shaded areas indicate U.S. recessions.  
 Source: U.S. Bureau of Labor Statistics; CA Employment Development Department, Labor Market Information Division; CA Department of Finance, Governor's Budget Forecast.

With continued reopening of the economy and businesses, higher vaccination rates, and employers and households adapting to pandemic conditions, California's nonfarm employment is projected to recover to its pre-pandemic level by the fourth quarter of 2022—the fastest post-recession recovery in modern history. (See figure on California Job Losses and Years to Recovery.) The hardest hit low-wage sector group is projected to recover in the first quarter of 2023, one quarter later than the projected recovery of high-wage sectors. Mining and logging, manufacturing, and retail trade are not projected to recover to pre-pandemic levels within the forecast window, consistent with their historical trend of decline due to structural shifts in automation and online retail.

The impacts of IIJA on California are assumed to be largely the same as for the nation, but scaled down by the state's projected share of about 10 percent of all funding. This is assumed to lead to a modest boost to California jobs starting in 2022, with a peak effect of an additional 75,000 jobs created in 2025, or about 0.5 percent of all nonfarm jobs in that year. The added jobs are assumed to be allocated across multiple industries with half the gains accounting for jobs directly created by infrastructure investment such as construction and transportation while the remaining half are due to additional



job creation and expenditure in supporting industries such as retail trade and leisure and hospitality.



Red dotted line indicates forecast period beginning in the third quarter of 2021. Lines start from the quarter of each nonfarm employment pre-recession peak. Source: CA Employment Development Department, Labor Market Information Division; CA Department of Finance, Governor's Budget Forecast.

California's average wage growth was strong through the third quarter of 2021 and is expected to translate into strong growth of 6.1 percent for the entire year. In 2022, when inflation is projected to average 3.8 percent, average wage growth for low-wage sectors is projected to slightly outpace inflation as employer challenges in filling vacant positions in typically low-wage sectors place upward pressure on wages. Real wage gains are projected for both high-wage and low-wage sectors starting in 2023 as the economic recovery strengthens and inflation abates. As labor market frictions and inflationary pressures resolve, average wages are projected to average 3.6 percent for the rest of the forecast window.

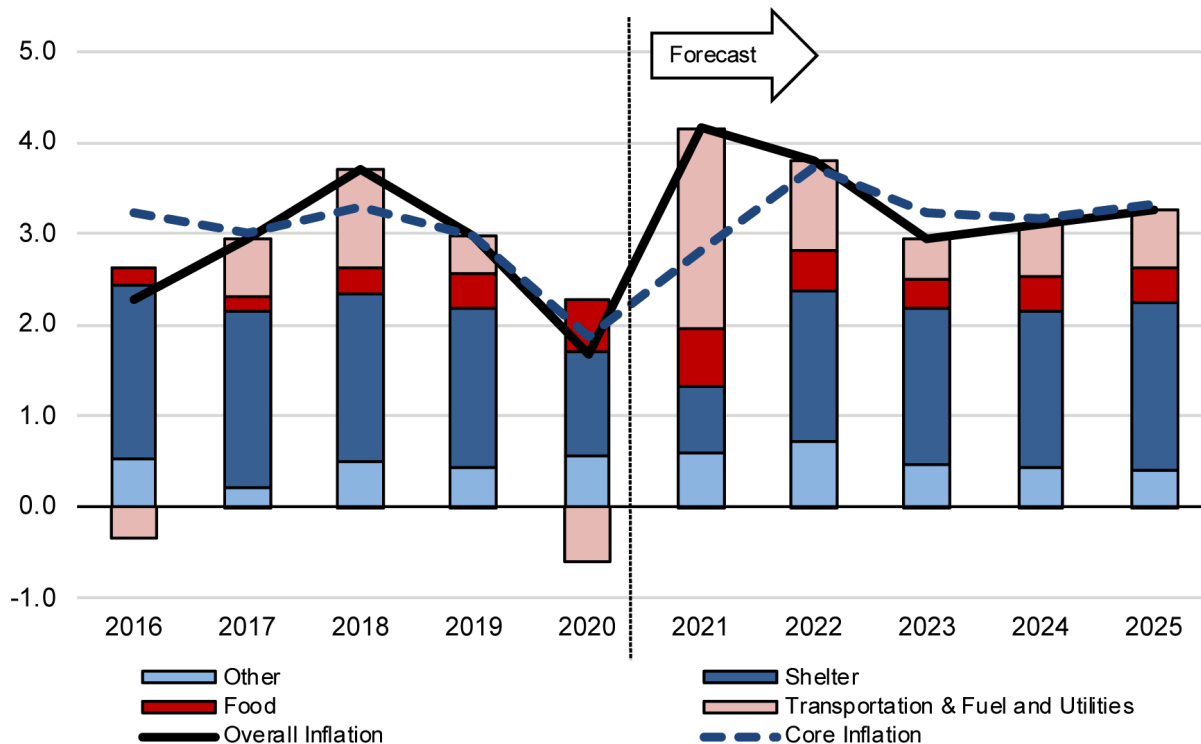
Similar to the nation, California's headline inflation is projected to decelerate to around pre-pandemic trends of slightly above 3 percent by the first quarter of 2023, after averaging 4.2 percent and 3.8 percent in 2021 and 2022, respectively. Inflation is then projected to slowly rise to 3.3 percent by 2025. California inflation is projected to be about 1 percentage point higher than the U.S. rate beginning in 2023, consistent with

pre-pandemic trends, as the state's higher housing and energy costs are assumed to continue to keep inflation higher than for the nation.

Shelter inflation slowed from 4.4 percent in 2019 to 2.8 percent in 2020 and is expected to average 1.8 percent in 2021. Recent increases in shelter inflation in the second half of 2021 are assumed to accelerate in order to catch up with rising home prices. This is expected to bring shelter inflation to pre-pandemic rates of around 4.5 percent in 2024 and 2025. In 2025, shelter inflation (dark blue bars in the figure on Contributions to California Consumer Price Index Inflation) is assumed to contribute 1.8 percentage points to the 3.3 percent projected overall inflation in that year. A particular good or service's contribution to overall inflation depends on the item's share of overall consumer expenditures as well as the actual change in prices. Shelter has the largest contribution to overall consumer price index because shelter inflation is usually higher than inflation for all other goods and services and because housing costs account for around 40 percent of consumers' total expenditures.

Core consumer inflation, which excludes the volatile categories of food and energy, slowed to 1.9 percent in 2020 and is projected to accelerate to 3.7 percent in 2022 before averaging 3.2 percent for the rest of the forecast window. While inflation or the rate of price change can decrease, price levels do not usually fall. The exception is for energy prices, which tend to fluctuate more and can have negative contributions to inflation, as was seen in 2016 and 2020. (See figure on Contributions to California Consumer Price Index Inflation).

**Contributions to California Consumer Price Index Inflation**  
Annual, 2016 through 2025



Source: U.S. Bureau of Labor Statistics; CA Department of Finance, Governor's Budget Forecast.

California's total personal income is projected to decelerate to below pre-pandemic rates in 2022 before accelerating to an average annual growth of 5.3 percent between 2023 and 2025. Strong growth in total wages and salaries supported by robust nonfarm employment and average wage growth is projected to more than offset the decreases in transfer payments through 2022 as various pandemic-related assistance programs phase out. By 2025, most major components of personal income are broadly assumed to trend back toward their pre-pandemic rates and to revert back to their 2019 shares of personal income. (See figure on Major Components of Personal Income.)

California's housing permits are projected to average 120,000 units in 2021 and to increase to 149,000 units by 2025. This outlook assumes continued strong demand from high-income households and that recent housing laws, including Chapter 162, Statutes of 2021 (SB 9) and Chapter 163, Statutes of 2021 (SB 10), will provide more options for zoning and building multi-family units and support additional residential development. The share of multifamily units is projected to increase to around 46 percent by 2025, up from 41.7 percent in 2020 and in line with the 2019 pre-pandemic share. While projected permits in 2025 would be the highest since 2006, job and population growth

have consistently outpaced housing growth so California's housing shortage is still expected to persist.

### Major Components of Personal Income

Component	Definition	Share of Total Personal Income		
		2019	2020	2025
<b>Total Wages and Salaries</b>	Compensation of employees, in cash and in kind, including commissions, tips, and bonuses.	52%	50%	54%
<b>Property Income</b>	Individuals' income from interest, rent, and dividend payments.	20%	18%	18%
<b>Transfer Payments</b>	Payments of money to individuals from governments usually through social assistance programs.	15%	20%	15%
<b>Proprietors' Income</b>	Income of sole proprietorships, partnerships, and non-profits, excluding dividends and interest.	9%	9%	9%
<b>Supplements to Wages and Salaries</b>	Employer contributions to pension funds and insurance funds, excluding contributions to government social insurance.	4%	4%	3%

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

## RISKS

While the recovery has been fairly robust to date, risks and uncertainties remain. Pandemic-related risks to the forecast include another disruptive surge in cases, persistent labor market frictions, sustained high inflation, and ongoing global supply chain disruptions. Structural vulnerabilities such as large federal deficits and debt, a stock market correction, continued housing constraints, increased risks from climate change and natural disasters, an aging population, and increasing consumer debt levels could slow the recovery and hamper a response to any potential additional adverse shocks.

California lost a total of 150,000 nonfarm jobs in December 2020 and in January 2021 due to a winter surge of COVID-19 cases, after adding 150,000 jobs per month on average between May and November 2020. California's job growth also slowed to around 77,000 jobs added per month between August and November 2021, due to the emergence of the Delta variant. Another surge in COVID-19 cases as new strains emerge, such as the Omicron variant, could trigger a renewed hesitancy among consumers and employers as well as parents of school-aged children, potentially slowing labor force and nonfarm employment growth. A more infectious variant with higher hospitalization and death rates would lead to even more negative economic

impacts. A global increase in cases could also lead to continued supply chain disruptions beyond 2023. If, on the other hand, cases, hospitalization, and death rates are significantly lower than were seen in November 2021, economic outcomes may be better than currently projected.

Another key assumption is the projected recovery to pre-pandemic labor force levels in the third quarter of 2022. If current labor market frictions persist longer than projected, then low labor force growth would constrain job growth, which in turn would lead to less consumption and spending. Persistent labor market frictions would also contribute to a slower resolution of supply chain issues as some of the bottlenecks are due to shortage of domestic labor.

Inflation disproportionately impacts low-income households; however, projected real wage gains for low-wage sectors are assumed to help mitigate these impacts. Despite historically high inflation, retail sales and consumer expenditures have remained relatively strong as households have accumulated savings from various stimulus and from limited spending in 2020. However, the longer inflation persists, the larger the negative impact on consumers' budgets, especially for low-income households who spend a larger proportion of their income on necessities such as food, housing, and transportation. Elevated inflation has already led the Federal Reserve to signal earlier and more frequent increases in interest rates than were able to be incorporated in the economic forecast due to timing.

This evolution of the Federal Reserve's interest rate policy since November reflects the vulnerabilities that remain as the nation continues the recovery from the recession. Ongoing and unexpected changes to monetary, fiscal, and foreign policy can affect California's economy. Higher borrowing costs could have negative impacts on various investment projects and on public and private debt-servicing costs. Earlier and more frequent interest rate hikes could discourage borrowing and slow consumption. At the same time, slower economic growth could help curtail inflation as lower demand would ease supply chain pressures. The faster timing of interest rate hikes could also increase stock market volatility, as was seen in previous periods of interest rate hikes following the Great Recession.

The S&P 500 quickly rallied after a short-lived decline in March 2020 and has since increased steadily, ending November 2021 at 4,567, or 35 percent higher than its pre-pandemic peak in February 2020. However, the stock market saw increased volatility in fall 2021, due to such factors as concerns and fears over COVID-19 variants and persistently high inflation and supply chain issues. A correction to the stock market

would negatively and significantly reduce state revenues derived from dividend income and capital gains.

Climate change, wildfires, drought, and other extreme weather events continue to pose a risk to California, even as the state navigates the recovery. California recorded its second driest water year in over a century in the twelve months through September 2021. Based on data from the U.S. Drought Monitor, the entire state of California has been experiencing at least some dry conditions since May 2021. By mid-October, all 58 counties had a drought state of emergency in place. As of the end of November 2021, 80 percent of the state experienced extreme or exceptional drought (the two driest categories), the same percentage as in November 2014 during the previous drought emergency, and up from about 20 percent in November 2020. The dry weather also increases wildfire risk. Both factors create challenges for regional growth and housing construction, especially if water is not available and wildfires continue to be destructive.

Structural risks remain, including an aging population, declining migration flows, lower fertility rates, California's housing shortage, high housing and living costs, and increasing inequality. The combination of early retirements seen during the pandemic, and the general trends of lower migration and fertility rates as referenced in the Demographic Information Chapter, could keep labor force participation rates below pre-pandemic levels. With rising cost of living and an already tight housing market, it could become increasingly difficult for the remaining working-age Californians to support the aging population.

Finally, a potential upside risk to the forecast is the passage of major federal legislation, such as the BBB, which would make investments in a number of social programs, potentially including childcare, universal preschool, and caregiving of older adults and persons with disabilities. This could potentially lead to more labor force and job growth. The legislation could also allocate funds to combat climate change, encourage a transition to clean energy, and expand health care subsidies to middle-class households. Finally, the legislation could increase taxes on corporations and high-income individuals, which could have an offsetting impact on economic growth. Given these factors and the uncertainty around the timing and final content of the legislation, the impacts of any federal bill on California's economic outlook during the forecast window are unclear.

# REVENUE ESTIMATES

Since the 2021 Budget Act, California's economy has continued its recovery from the COVID-19 Recession. In addition to the growth in the real economy, inflation has significantly accelerated. Meanwhile, higher-wealth segments of the economy continue to do well. These factors have contributed to a significant upgrade to the revenue forecast. Before accounting for transfers such as to the Budget Stabilization Account, General Fund revenue is higher than the 2021 Budget Act projections by almost \$28.7 billion from 2020-21 through 2022-23.

To illustrate the magnitude of this increase: 18 months ago, at the depth of the COVID-19 Pandemic, revenues for the 2022-23 fiscal year were forecast at less than \$130 billion. The Budget now projects this revenue at nearly \$200 billion—an increase of more than 50 percent.

The 2022-23 Governor's Budget General Fund Revenue Forecast figure compares the revenue forecasts, by source, in the 2021 Budget Act and the Governor's Budget. The Governor's Budget reflects actual and anticipated reimbursements from the federal government for fiscal years 2020-21 through 2022-23 totaling approximately \$10.3 billion for reimbursement of costs associated with the state's response to recent (2018, 2020, and 2021) wildfires and the COVID-19 Pandemic.

General Fund revenue, including transfers, is expected to be \$196.7 billion in 2021-22 and \$195.7 billion in 2022-23. The projected increase since the 2021 Budget Act can be attributed to four main factors: (1) a more robust economic recovery, (2) a greater share of wage gains going to high-wage sectors, (3) a stronger-than-forecast stock

## REVENUE ESTIMATES

market, and (4) higher inflation. The personal income tax forecast has been upgraded significantly, reflecting all four of these factors. The sales tax forecast has improved considerably due to the stronger economic recovery and higher inflation (price increases have led to more sales tax revenue). The corporation tax forecast has improved significantly due to very strong growth in corporate profits.

The recently adopted elective pass-through entity tax allows California business owners to mitigate the impact of the \$10,000 limit on state and local tax deductions that was imposed by the 2017 federal Tax Cut and Jobs Act. For simplicity's sake, the 2021 Budget Act reflected the net effect of this change—a reduction in personal income tax revenues and an increase in corporation tax revenues—as affecting corporation tax revenues only. The Budget forecast more accurately reflects the impact to both the personal income tax and corporation tax revenues. This revised scoring decreases personal income tax revenues by \$14.1 billion in 2021-22 and \$9.7 billion in 2022-23 while increasing corporate tax revenues by \$12.4 billion in 2021-22 and \$9.4 billion in 2022-23. Because at least some of the personal income tax credits generated by the payment of this tax will not be fully usable to business owners, this provision will generate cumulative net revenue gains over the years it is expected to be operative. The corporation tax in the 2022-23 Governor's Budget General Fund Revenue Forecast figure is up by almost 82 percent in 2021-22 and by almost 37 percent in 2022-23, while personal income tax revenues are actually down about 2 percent in 2021-22 and up only 1.4 percent in 2022-23, despite the significant improvement in the underlying personal income tax forecast.

Over the budget window, personal income tax is up \$2.5 billion, sales tax is up \$6.1 billion, and corporation tax is up \$23.2 billion. Accruals of revenues to previous years for corporation tax and personal income tax increase the 2020-21 beginning balance by \$642 million.

The Capital Gains Revenue figure shows revenue from capital gains as a percentage of total General Fund tax revenue. As seen from this figure, the amount of capital gains revenue in the General Fund can vary greatly over time and from year to year. For instance, capital gains contributed only \$2.3 billion to the General Fund in 2009. By 2012, this revenue had increased to \$10.4 billion, and for 2021, it is expected to reach \$25 billion—its highest amount ever.

The Capital Gains Realizations figure shows capital gains reported on California tax returns from 1970 through projections for 2022. While 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, and history shows that high levels of capital gains eventually drop off.

**2022-23 Governor's Budget  
General Fund Revenue Forecast  
Reconciliation with the 2021 Budget Act**  
(Dollars in Millions)

Source	2021 Budget Act	Governor's Budget	Change From Budget Act Forecast	
<b>Fiscal 2020-21: Preliminary</b>				
Personal Income Tax	\$125,151	\$128,226	\$3,076	2.5%
Sales & Use Tax	27,936	29,066	1,130	4.0%
Corporation Tax	20,720	22,793	2,071	10.0%
Insurance Tax	3,348	3,139	-209	-6.2%
Alcoholic Beverage	385	415	29	7.6%
Cigarette	60	60	0	-0.3%
Pooled Money Interest	126	192	66	52.4%
Other Revenues	3,215	2,201	-1,014	-31.5%
<b>Subtotal</b>	<b>\$180,942</b>	<b>\$186,092</b>	<b>\$5,150</b>	<b>2.8%</b>
Transfers <sup>1/</sup>	7,833	8,040	207	2.6%
<b>Total</b>	<b>\$188,775</b>	<b>\$194,132</b>	<b>\$5,358</b>	<b>2.8%</b>
<b>Fiscal 2021-22</b>				
Personal Income Tax	\$123,298	\$120,873	-\$2,424	-2.0%
Sales & Use Tax	28,986	30,866	1,879	6.5%
Corporation Tax	18,106	32,863	14,757	81.5%
Insurance Tax	3,428	3,448	20	0.6%
Alcoholic Beverage	390	423	34	8.6%
Cigarette	58	58	0	-0.2%
Pooled Money Interest	83	182	99	118.6%
Other Revenues	7,267	5,116	-2,151	-29.6%
<b>Subtotal</b>	<b>\$181,616</b>	<b>\$193,829</b>	<b>\$12,213</b>	<b>6.7%</b>
Transfers <sup>1/</sup>	-6,271	2,840	9,111	-145.3%
<b>Total</b>	<b>\$175,345</b>	<b>\$196,669</b>	<b>\$21,324</b>	<b>12.2%</b>
<b>Fiscal 2022-23</b>				
Personal Income Tax	\$128,458	\$130,269	\$1,811	1.4%
Sales & Use Tax	\$29,152	32,208	3,056	10.5%
Corporation Tax	17,348	23,732	6,384	36.8%
Insurance Tax	3,552	3,541	-12	-0.3%
Alcoholic Beverage	394	421	26	6.7%
Cigarette	51	51	0	0.2%
Pooled Money Interest	82	164	82	100.1%
Other Revenues	7,264	7,249	-15	-0.2%
<b>Subtotal</b>	<b>\$186,302</b>	<b>\$197,634</b>	<b>\$11,332</b>	<b>6.1%</b>
Transfers <sup>1/</sup>	-4,874	-1,915	2,959	-60.7%
<b>Total</b>	<b>\$181,428</b>	<b>\$195,718</b>	<b>\$14,291</b>	<b>7.9%</b>
<b>Three-Year Total</b>			<b>\$40,972</b>	

Totals may not add because of rounding.

<sup>1/</sup>Includes transfers to or from the Budget Stabilization Account for each year.

The highest-income Californians pay the largest share of the state's personal income tax. For the 2019 tax year, the top 1 percent of income earners paid almost 45 percent of all personal income taxes. This percentage has been greater than 40 percent in every year since 2004, except for 2009. The share of total adjusted gross income from the top 1 percent of income earners has increased from 13.8 percent in 1993 to 23 percent in 2019. This number has also exceeded 20 percent in every year since 2004,

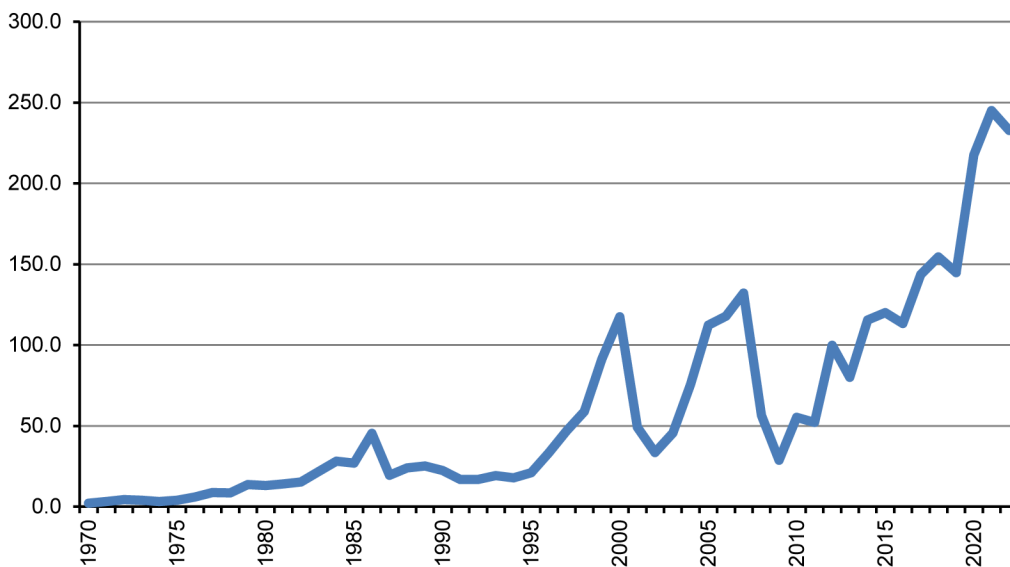
except in 2009. Consequently, positive or negative changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

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

Annual Values	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>e/</sup>	2021 <sup>e/</sup>	2022 <sup>e/</sup>
Capital Gains Realizations	\$56.3	\$28.8	\$55.3	\$52.1	\$99.9	\$79.9	\$115.5	\$120.1	\$113.2	\$143.6	\$154.4	\$144.8	\$217.5	\$245.0	\$232.7
Tax Revenues from Capital Gains	\$4.6	\$2.3	\$4.7	\$4.2	\$10.4	\$7.6	\$11.3	\$11.8	\$11.5	\$14.1	\$15.4	\$14.4	\$22.0	\$24.9	\$23.7
Fiscal Year Values	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Tax Revenues from Capital Gains	\$3.9	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.1	\$16.7	\$22.8	\$24.5	\$23.3
Total General Fund Tax Revenues <sup>1/</sup>	\$81.7	\$86.6	\$92.0	\$85.3	\$97.6	\$103.0	\$113.8	\$118.9	\$122.1	\$135.1	\$144.5	\$145.1	\$186.1	\$193.8	\$197.6
Capital Gains Percentage	4.7%	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.9%	10.0%	10.7%	10.4%	11.5%	12.3%	12.7%	11.8%

<sup>1/</sup>Excluding transfers.  
<sup>e/</sup>Estimated

**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. Proposition 2 helps address some of the state's revenue volatility by requiring the transfer of a portion of capital gains revenue greater than 8 percent of General Fund tax revenue to the Rainy Day Fund and to pay

down state debts. The Rainy Day Fund can be drawn down only if the Governor declares a budget emergency and, even then, no more than 50 percent of the Fund can be drawn down in the first year. See the Introduction Chapter for a more detailed discussion of the Rainy Day Fund.

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## SYSTEM OF TAXATION

The state's tax system is detailed in the Outline of State Tax System figure. Tax collections per capita and per \$100 of personal income are displayed in Schedule 2 in the Appendix. The revenue generated from each state tax from 1970-71 through 2022-23 is displayed in Schedule 3 in the Appendix.

Although there are a variety of taxes in California's tax system, the system is heavily dependent on the personal income tax, and particularly on personal income taxes paid by high-income individuals. While this dependence leads to a greater level of volatility, it has actually been a buffer for revenues in the recent recession and recovery. The COVID-19 Recession has had a significant negative impact on lower-wage households, but the taxpayers who California depends on for much of its tax revenue have generally not been impacted as severely, and have, in many cases, benefited from overall economic conditions.

The past two recessions in 2001 and 2008 led to significant revenue declines because the economic distress was spread more evenly over the population and because the stock market suffered significant and long-term declines. In 2001, income earned by the top 1 percent fell from 27 percent of the total in the prior year to just under 20 percent and net capital gains realizations fell from \$117 billion to \$49 billion. In 2008, the share earned by the top 1 percent fell from 25 percent to 21 percent and capital gains realizations fell from \$132 billion to \$56 billion. In those two years, personal income tax revenues dropped by 26 percent and 20 percent, respectively. For 2021, the share of income is likely to increase for the top 1 percent of tax returns while capital gains realizations are forecast to increase from \$145 billion in 2019 to \$245 billion in 2021.

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## GENERAL FUND REVENUE

The California State Revenue by Source figure shows how the composition of General Fund revenues by tax source has changed over time. In 1950-51, sales tax revenue made up over 50 percent of General Fund revenues while personal income tax revenue made up just more than 11 percent. That relationship has changed

### Outline of State Tax System as of January 1, 2022

Major Taxes and Fees	Base or Measure	Rate	Administering Agency	Fund
<b>Alcoholic Beverage Excise Taxes</b>				
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
<b>Corporation</b>				
General Corporation <sup>1/</sup>	Net income	8.84%	Franchise	General
Bank and Financial Corp.	Net income	10.84%	Franchise	General
Alternative Minimum Tax	Alt. taxable income	6.65%	Franchise	General
<b>Tobacco</b>				
Cigarette <sup>2/</sup>	Package	\$2.87	Tax & Fee Admin	See footnote
Other Tobacco Products <sup>3/</sup>	Wholesale cost	63.49%	Tax & Fee Admin	See footnote
<b>Insurance</b>				
Insurers <sup>4/</sup>	Gross premiums	2.35%	Insurance Dept.	General
<b>Cannabis</b>				
Cannabis Excise	Retail cost	15.00%	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Flower	Ounce	\$10.08	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Trim	Ounce	\$3.00	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Fresh Plant	Ounce	\$1.41	Tax & Fee Admin	Cannabis Tax Fund
<b>Motor Vehicle</b>				
Vehicle License Fees (VLF) <sup>5/</sup>	Market value	0.65%	DMV	VLF, Local Revenue
Transportation Improvement Fee	Market value	\$28-\$196	DMV	Transportation
Road Improvement Fee	Zero Emission Vehicle	\$102	DMV	Transportation
Fuel—Gasoline <sup>6/</sup>	Gallon	\$0.511	Tax & Fee Admin	Motor Vehicle Fuel
Fuel—Diesel <sup>7/</sup>	Gallon	\$0.389	Tax & Fee Admin	Motor Vehicle Fuel
Registration Fees <sup>8/</sup>	Vehicle	\$94.00	DMV	Motor Vehicle
Weight Fees	Gross vehicle wt.	Various	DMV	State Highway
<b>Personal Income <sup>9/</sup></b>				
Proposition 63 Surcharge	Taxable income > \$1 million	1.0%	Franchise	Mental Health Services
Alternative Minimum Tax	Alt. taxable income	7.0%	Franchise	General
<b>Retail Sales and Use <sup>10/</sup></b>				
	Sales or lease of taxable items	7.25%	Tax & Fee Admin	See footnote

<sup>1/</sup> Minimum Tax is \$800 per year for existing corporations. New corporations are exempt for their first taxable year.

<sup>2/</sup> 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.

<sup>3/</sup> 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, California Children and Families First Trust Fund, and the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. Effective July 1, 2021, through June 30, 2022, the rate is 63.49 percent of the wholesale cost.

<sup>4/</sup> 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.

<sup>5/</sup> For return to cities and counties. Trailer coach license fees are deposited in the General Fund.

<sup>6/</sup> As part of SB 1 implemented beginning November 1, 2017, the rate was increased from 29.7 cents to 47.3 cents and indexed for inflation beginning in 2020-21. The fund is used for administrative expenses and apportionment to State, counties and cities for highways, airports, and small craft harbors.

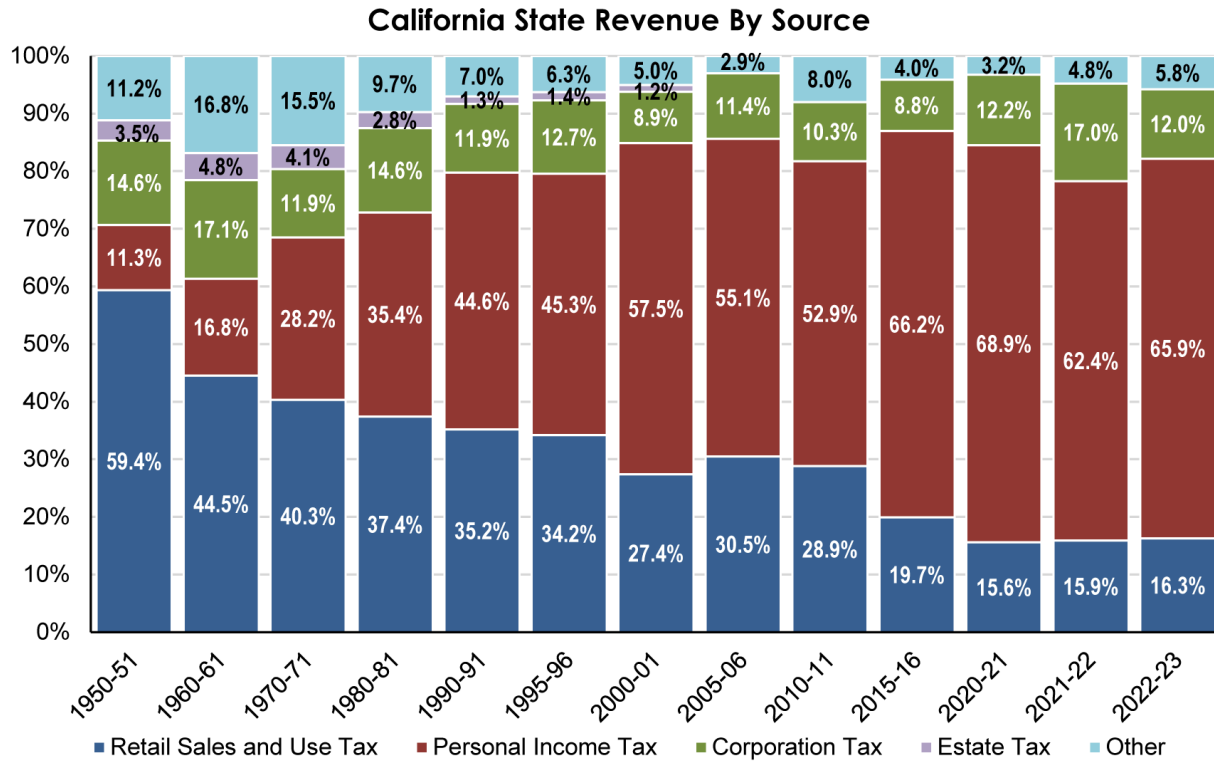
<sup>7/</sup> As part of SB 1, the rate was increased from 16 cents to 36 cents and indexed with inflation beginning in 2020-21.

<sup>8/</sup> 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.

<sup>9/</sup> 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.

<sup>10/</sup> 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.

dramatically over time: for 2022-23, personal income tax makes up 65.9 percent of all General Fund revenues.



## LONG-TERM FORECAST

The Long-Term Revenue Forecast figure shows the forecast for the three largest General Fund revenues (personal income tax, sales tax, and corporation tax) from 2020-21 through 2025-26. Total General Fund revenue from these sources is projected to grow from \$180.1 billion in 2020-21 to \$215.6 billion in 2025-26. The average year-over-year growth rate for this period is 3.7 percent, which follows growth of nearly 30 percent from 2019-20 to 2020-21.

The economic forecast assumes economic growth continues after 2021 with real GDP growth averaging 2.8 percent through 2024.

**Long-Term Revenue Forecast - Three Largest Sources**  
(General Fund Revenue - Dollars in Billions)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Average Year-Over-Year Growth
Personal Income Tax	\$128.2	\$120.9	\$130.3	\$135.1	\$139.4	\$152.0	3.6%
Sales and Use Tax	29.1	30.9	32.2	33.0	34.1	35.4	4.0%
Corporation Tax	22.8	32.9	23.7	29.6	32.1	28.1	7.4%
<b>Total</b>	<b>\$180.1</b>	<b>\$184.6</b>	<b>\$186.2</b>	<b>\$197.7</b>	<b>\$205.6</b>	<b>\$215.6</b>	3.7%

Note: Numbers may not add due to rounding.

**REVENUE IN A RECESSION**

The Budget revenue forecast is based on a scenario that assumes continued economic growth. However, as discussed in the Economic Outlook Chapter, several risk factors could either cause a significant slowdown in revenue growth or lead to a recession. The impact of the Omicron variant or other potential future COVID-19 variants, persistent supply chain issues, inflation, stock market volatility, and the lack of affordable housing are all issues that pose a risk to ongoing economic and revenue growth.

Even in a moderate recession, revenue declines could be significant. However, the state has taken several actions to better prepare for such an eventuality, including building reserves, eliminating budgetary debt, reducing long-term retirement liabilities, and focusing on one-time spending over ongoing investments to maintain structurally balanced budgets over the long term. Schools, courts and other entities have also built reserves for potential future downturns.

Additional deposits into the state's reserves would further prepare the state for future economic slowdowns. Unfortunately, increased deposits into the reserves are not exempt from the State Appropriations Limit, which the state is currently projected to exceed. Thus, additional deposits without commensurate reductions in spending or other changes would not increase reserves to weather a recession.

The magnitude of the revenue loss would depend upon the actual scenario triggering a recession, an annual General Fund revenue loss in the range of \$30 billion to \$40 billion for several years compared to the Budget forecast would not be unreasonable. Revenue losses would be driven largely by declines in wages and in capital gains. These significant revenue losses assume the recession falls relatively heavily on higher-income individuals, as it did in the 2001 and 2008-09 recessions. On

the other hand, if a recession were to fall largely on lower-income households, the impact on revenues would likely be much smaller.

Certain spending requirements driven by revenues decrease in the case of a recession. For example, required reserve deposits decline and the state's minimum funding obligation to schools generally declines by approximately 40 percent of revenue loss.

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## TAX PROPOSALS

The Budget includes eleven proposals to provide assistance to low-income households, restaurants and venue owners, and small businesses, to encourage investment in technologies that combat climate change, and to reverse a policy adopted as part of the 2020 Budget that is no longer needed. The Economic Growth, Job Creation, and Expanded Opportunity chapter includes discussions of the following proposals:

(1) conform to federal tax treatment of grants from the federal Shuttered Venue Operator Grant program and the federal tax treatment of grants from the federal Restaurant Revitalization Fund; (2) expand the elective pass-through entity tax to allow the credit to reduce tax below tentative minimum tax and by allowing disregarded entities to participate in the program; (3) new tax credits to encourage research and development related to activities and technologies that mitigate climate change and to fund pre-development costs for novel climate technologies. The proposals that will be discussed in this chapter are the following:

- Eliminate the cap on the use of tax credits and net operating losses for the 2022 tax year.
- Index the \$1,000 Young Child Tax Credit (YCTC) amount to inflation.
- Allow the YCTC to be claimed by households with zero income.
- Create a \$1,000 credit for young adults who have come through the foster care system.
- Tax payment flexibility for low- and moderate-income households.

The revenue impact of all the tax proposals, including those proposals discussed in other chapters, is shown in the Revenue Impact of Proposals Included in Budget table.

**Revenue Impact of Proposals Included in Budget**

(Dollars in Millions)

	2021-22	2022-23
Eliminate Limits on NOLs and Credits for 2022	\$0.0	-\$5,500.0
Create an add-on EITC credit for Foster Young Adults	0.0	-19.0
Extend Young Child Tax Credit to Households with zero income	0.0	-55.0
Index Young Child Tax Credit	0.0	-19.0
Conformity to Federal Tax Treatment of Restaurant Revitalization Fund Grants	-85.0	-95.0
Conformity to Federal Tax Treatment of Shuttered Venue Operators Grants	-45.0	-49.0
Expand the Elective Pass-through Entity Tax to Additional Taxpayers		
Credit Reduces Tax below TMT	0.0	0.0
Allow Disregarded Entities	0.0	0.0
Tax Payment Flexibility for Low- and Middle-Income Households	--	--
New Tax Credits for Climate Resiliency Technology		
Innovation Headquarters Credit	0.0	-250.0
Allocated Clean Energy Credit	0.0	-50.0
<b>General Fund Revenue Changes</b>	<b>-\$130.0</b>	<b>-\$6,037.0</b>

**ELIMINATE LIMITS ON USAGE OF NET OPERATING LOSSES (NOLs) AND TAX CREDITS FOR THE 2022 TAX YEAR**

The 2020 Budget included several revenue solutions in anticipation of a large structural deficit. Among these were limits on the ability of large businesses to use NOLs and tax credits for tax years 2020, 2021, and 2022. These limits were intended to be temporary and to allow taxpayers to maintain the value of the credits and NOLs for later use. Since the enactment of the 2020 Budget Act, the revenue picture has improved dramatically. The Budget proposes to allow affected taxpayers to start fully using these tax benefits one year earlier. The repeal of the limits is estimated to reduce General Fund revenues by \$5.5 billion in the budget year, with corporate tax revenues decreasing by \$5.2 billion and personal income tax revenues decreasing by \$300 million.

**CALIFORNIA EARNED INCOME TAX CREDIT (CALEITC)**

The Budget includes a new refundable credit for young adults who have been in the foster care program. Adults raised in the foster care system generally suffer disproportionate levels of economic hardship. This proposal provides an additional \$1,000 credit for individuals who have been in the foster care system at some point at age 13 or older and who are now at least 18 but 25 or younger, and who otherwise qualify for the CalEITC. This proposal is expected to cost roughly \$20 million ongoing General Fund.



The Budget expands the current YCTC to include households with no earned income. The 2019 Budget created the YCTC to help lift young children out of poverty. In most cases, this credit provides \$1,000 to every household that otherwise qualifies for the CalEITC and that has a child age 5 or younger. For the 2020 tax year, 420,000 taxpayers claimed this credit and received credits totaling \$390 million. Young children living in households with no earned income are just as deserving of being protected from poverty as are children living in households with low income.

Therefore, the Budget extends the YCTC to those households who have no or negative earned income, but who otherwise meet the criteria for qualifying for a CalEITC. This expansion of the YCTC is expected to cost about \$55 million ongoing General Fund.

In addition, the Budget indexes the \$1,000 YCTC for inflation starting in the 2022 tax year. The other parameters of the CalEITC are indexed every year to prevent inflation from eroding its value. The YCTC should also be indexed for inflation to prevent inflation from diminishing the value of the YCTC for families with young children. The cost of indexing will depend on the level of inflation and will compound over time. For the 2022 tax year, the cost of indexing is estimated at \$19 million.

## **TAX PAYMENT FLEXIBILITY FOR LOW- AND MODERATE-INCOME HOUSEHOLDS**

The Budget proposes to provide those hit hardest by the pandemic with additional flexibility in meeting their tax obligations. Specifically, for tax years 2019, 2020, and 2021, families with less than \$150,000 in adjusted gross income (\$75,000 for individuals) will be given until September 30, 2023 to pay any personal income tax liability for those years and will be relieved of any penalties and interest related to delayed filing or delayed payment. Participating taxpayers would be allowed to make installment payments. Late penalties and interest would again apply to outstanding amounts, if any, at the end of the program.

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## **PERSONAL INCOME TAX**

The personal income tax is the state's largest revenue source and is expected to comprise 65.9 percent of all General Fund revenues in 2022-23.

The personal income tax is estimated to generate \$128.2 billion in 2020-21, \$120.9 billion in 2021-22, and \$130.3 billion in 2022-23. These figures reflect an increase of \$3.1 billion in 2020-21, a decrease of \$2.4 billion in 2021-22, and an increase of \$1.8 billion in 2022-23, relative to the 2021 Budget Act. These figures reflect a revised scoring of the elective pass-through entity tax enacted in the 2021 Budget Act that decreased personal

## REVENUE ESTIMATES

income tax revenues by \$14.1 billion in 2021-22 and \$9.7 billion in 2022-23. Absent this revised scoring, personal income tax revenues would have increased by \$3.1 billion in 2020-21, \$11.7 billion in 2021-22, and \$11.4 billion in 2022-23.

Modeled closely on federal income tax law, California's personal income tax is imposed on net taxable income—gross income less exclusions and deductions. The tax rate structure is progressive over the income spectrum. Since the 2012 tax year, the marginal rates ranged from 1 percent to 12.3 percent, not including a 1-percent surcharge on taxable income above \$1 million for the Mental Health Services Act tax. Proposition 30 created three additional income tax brackets beginning in 2012 with rates of 10.3 percent for taxable income above \$500,000, 11.3 percent for taxable income above \$600,000, and 12.3 percent for taxable income above \$1 million, with the income thresholds indexed for inflation. Proposition 30 held these tax brackets in effect for seven years—tax years 2012 to 2018. Voters approved Proposition 55 in November 2016, extending the three additional tax brackets through tax year 2030.

This forecast assumes that there will not be a significant change in domestic migration patterns between California and other states, with net outflows appearing to have continued in 2021. International immigration typically brings hundreds of thousands of people to the state, outweighing the losses in domestic migration. However, immigrant visa processing remains at lower-than-usual levels due to pandemic-related issues. As a result of the large increase in teleworking brought about by the COVID-19 Pandemic, it is possible that there could be an increase in out-migration from California. If the increase occurs, is large enough, and tends to affect mainly high-income households, actual personal income tax revenues may fall significantly below projections.

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 \$3.0 billion are estimated for 2020-21. The forecast also projects annual revenues of \$3.7 billion for 2021-22 and \$3.8 billion for 2022-23. The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2020-21 through 2022-23 are shown in the Personal Income Tax Revenue figure.

The policy proposals in the Budget decrease personal income tax revenues by \$65 million in 2021-22 and \$439 million in 2022-23. These include the proposals linked to the CalEITC, the elimination of the limits on the usage of NOLs and business incentive tax credits in 2022, conformity to federal tax treatment of certain federal grants to

California businesses, and new tax credits to encourage research, development, and implementation of climate solution technologies.

**Personal Income Tax Revenue**  
(Dollars in Thousands)

	2020-21 Preliminary	2021-22 Forecast	2022-23 Forecast
General Fund	\$128,226,101	\$120,873,151	\$130,268,794
Mental Health Services Fund	2,951,480	3,664,798	3,790,054
<b>Total</b>	<b>\$131,177,581</b>	<b>\$124,537,949</b>	<b>\$134,058,848</b>

## WAGES AND SALARIES

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 2019, taxes attributable to wages and salaries accounted for 60 percent of personal income tax revenues.

A higher forecast for economic wages, which is in part due to higher inflation, combined with wage growth projected to accrue disproportionately to higher-income earners that are taxed at higher rates, is expected to increase withholding receipts compared to the 2021 Budget Act by nearly \$20 billion over fiscal years 2021-22 and 2022-23. Based on actual data through November 2021, withholding receipts are expected to grow year-over-year by over 16 percent in 2021, following growth of over 7 percent in 2020. Cumulative growth of over 23 percent over two years has not been seen since 2000. Economic wage growth was revised higher in 2021 from 3.8 percent as of the 2021 Budget Act to 9.3 percent as of the Budget forecast. Based on strong tax withholding in 2021, the wage strength is likely going to higher-income earners. The expected growth for economic wages increased from 6.3 percent to 7.6 percent in 2022.

## CAPITAL GAINS

The stock market has grown much more in 2021 than assumed as of the 2021 Budget Act, and benefits mainly higher-income households. Based on the most recently available tax data, taxes attributable to capital gains made up 14.8 percent of personal income tax revenue in 2019, and that percentage is expected to be higher in 2020, 2021, and 2022. Capital gains realizations have been revised significantly higher in

## REVENUE ESTIMATES

the Budget forecast, from \$185 billion to \$218 billion in 2020, \$210 billion to \$245 billion in 2021, and from \$199 billion to \$233 billion in 2022, based on strong cash receipts and a stock market forecast that has been revised upward. The Federal Reserve's expansionary monetary policy has continued to contribute to the strength in the stock market. However, the Federal Reserve began to reduce its asset purchases last fall and has signaled increasing interest rates sooner than assumed in the Budget economic forecast due to timing. Rising interest rates are expected to be a headwind for the stock market going forward.

The Budget projects the S&P 500 will be at 4,700 in the first quarter of 2022, and will expand annually at only 0.7 percent due to high valuations. The 2021 Budget Act forecast the S&P 500 to be at 4,085 in the first quarter of 2022. Capital gains realizations are assumed to decline from their peak levels in 2021 to reach 5 percent of personal income by 2026, while the 2021 Budget Act assumed capital gains realizations would revert to 4.5 percent of personal income in 2026. The higher target at the Budget is due to a re-evaluation of historical data, which indicated a higher average level of capital gains relative to the economy. Due to the slow growth expected from the stock market due to its current high valuation, year-over-year declines in capital gains realizations are expected for 2022 through 2026.

The higher levels and valuations in the stock market and the higher levels of capital gains increase the risk of a large stock market decline leading to much lower capital gains revenues. Estimated capital gains realization in 2020 and 2021 represent 7.9 percent and 8.3 percent of California personal income, respectively. These levels are nearly at the pre-Great Recession peak of 8.4 percent in 2007 and are approaching the all-time peak of 10.4 percent in 2000. Following those peaks, capital gains as a percent of personal income declined to 1.9 percent in 2009 and 2.8 percent in 2002, which represented peak-to-trough declines in capital gains realizations of 78 percent and 72 percent, respectively.

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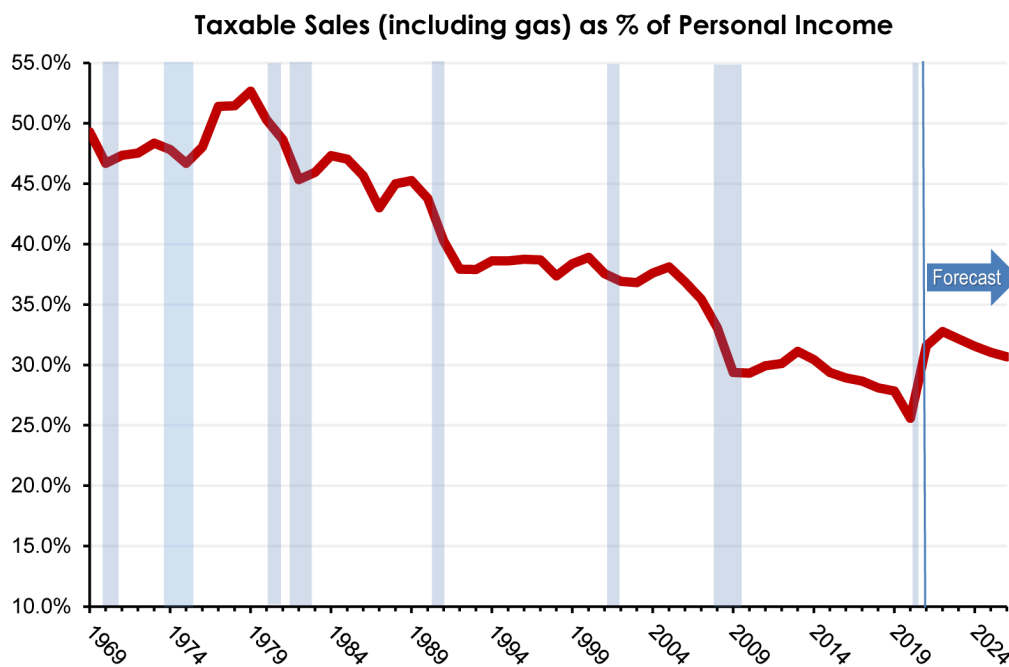
## SALES AND USE TAX

Strong consumer goods spending and an increased inflation forecast drive the sales tax forecast upgrade from the 2021 Budget Act. Inflation has been particularly strong for durable goods, the category of consumer spending most likely to be taxed. The sales tax generated General Fund revenue of \$29.1 billion in 2020-21 and is estimated to generate \$30.1 billion in 2021-22 and \$32.2 billion in 2022-23. Compared to the 2021 Budget Act, these figures reflect an increase of \$1.1 billion in 2020-21, \$1.9 billion in 2021-22, and \$3.1 billion in 2022-23. Receipts from the sales tax, the state's

second-largest revenue source, are expected to contribute 16.3 percent of all General Fund revenues in 2022-23.

The sales tax is generally applied to the sale of merchandise, including vehicles, in the state. Sales tax revenues are forecast by relating taxable sales to consumption of taxable goods and business investment. Projected levels of sales tax revenue are much higher than those at the 2021 Budget Act, with a significantly upgraded forecast for both consumer spending and private investment. The state has benefited from legislation passed in the wake of the U.S. Supreme Court's *South Dakota vs. Wayfair, Inc.*, decision which has allowed California to collect taxes on sales that have shifted online.

This forecast reflects a temporary break from the long-term trend of the sales tax declining as a share of personal income illustrated below. Taxable sales as a percentage of personal income have declined from over 50 percent in the late 1970s to 28 percent in 2019 as shown in the Taxable Sales as a Percentage of Personal Income figure. The break from this trend is mainly the result of a spending shift from services to taxable goods due to pandemic restrictions. However, the downward trend is expected to continue in the long-term assuming spending patterns normalize and shift back from goods to services.



## REVENUE ESTIMATES

The State Sales Tax Revenue figure displays total sales tax revenues for the General Fund and various special funds for 2020-21 through 2022-23.

### State Sales Tax Revenue (Dollars in Thousands)

	2020-21 Actual	2021-22 Forecast	2022-23 Forecast
General Fund	\$29,066,081	\$30,865,984	\$32,207,987
Sales and Use Tax-1991 Realignment	4,035,595	4,402,698	4,567,447
Sales and Use Tax-2011 Realignment	8,002,741	8,612,506	8,985,127
Public Transportation Account	755,544	999,750	1,017,252
<b>Total</b>	<b>\$41,859,961</b>	<b>\$44,880,937</b>	<b>\$46,777,813</b>

The State and Local Sales Tax Rates figure displays the individual elements of the state and local sales tax rates.

### State and Local Sales and Use Tax Rates (as of January 1, 2022)

State Rates		
General Fund	3.9375%	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	1.0625%	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 <sup>1/</sup>		
Bradley-Burns	1.00%	Imposed by city and county ordinance for general purpose use. <sup>2/</sup>
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 <sup>3/</sup>		
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. <sup>4/</sup> Any ordinance authorizing a transactions and use tax requires approval by the local governing board and local voters.
<sup>1/</sup> These locally imposed taxes are collected by the state for each county and city and are not included in the state's revenue totals.		
<sup>2/</sup> The city tax constitutes a credit against the county tax. The combined rate is never more than 1 percent in any area.		
<sup>3/</sup> 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.		
<sup>4/</sup> Various jurisdictions are authorized in statute to have a higher cap than 2.00%.		

The Combined State and Local Sales and Use Tax Rates by County figure shows combined state and local tax rates for each county, including special rates for certain cities within those counties. The average statewide sales tax rate was 8.55 percent at the beginning of 2021-22.

**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, 2021

County	Tax Rate	County	Tax Rate	County	Tax Rate
<b>Alameda</b> .....	10.25%	<b>Madera</b> .....	7.75%	<b>San Joaquin</b> .....	7.75%
Emeryville	10.50%	Madera	8.25%	Lodi, Manteca, Tracy	8.25%
Alameda, Albany, Hayward,	10.75%	Chowchilla	8.75%	Lathrop	8.75%
Newark, San Leandro,		<b>Marin</b> .....	8.25%	Stockton	9.00%
Union City		Novato	8.50%	<b>San Luis Obispo</b> .....	7.25%
<b>Alpine</b> .....	7.25%	San Anselmo, Sausalito	8.75%	Arroyo Grande, Pismo Beach	7.75%
<b>Amador</b> .....	7.75%	Corte Madera, Fairfax,	9.00%	Atascadero, Grover Beach,	8.75%
<b>Butte</b> .....	7.25%	Larkspur		Morro Bay, Paso Robles,	
Paradise	7.75%	San Rafael	9.25%	San Luis Obispo	
Oroville	8.25%	<b>Mariposa</b> .....	7.75%	<b>San Mateo</b> .....	9.375%
<b>Calaveras</b> .....	7.25%	<b>Mendocino</b> .....	7.875%	Burlingame, San Mateo	9.625%
Angel's Camp	7.75%	Point Arena	8.375%	Belmont, Daly City,	9.875%
<b>Colusa</b> .....	7.25%	Fort Bragg, Ukiah	8.875%	East Palo Alto,	
Williams	7.75%	Willits	9.125%	Redwood City, San Bruno,	
<b>Contra Costa</b> .....	8.75%	<b>Merced</b> .....	7.75%	South San Francisco	
Hercules, Pittsburg,	9.25%	Atwater, Gustine, Merced	8.25%	<b>Santa Barbara</b> .....	7.75%
Pleasant Hill, San Pablo		Los Banos	8.75%	Guadalupe, Lompoc,	8.75%
Antioch, Concord,	9.75%	<b>Modoc</b> .....	7.25%	Santa Barbara, Santa Maria	
Martinez, Moraga, Orinda		<b>Mono</b> .....	7.25%	Carpinteria	9.00%
Pinole, Richmond,		Mammoth Lakes	7.75%	<b>Santa Clara</b> .....	9.125%
El Cerrito	10.25%	<b>Monterey</b> .....	7.75%	Los Gatos	9.250%
<b>Del Norte</b> .....	7.50%	Gonzales, King City,	8.75%	Campbell, Milpitas,	9.375%
Crescent City,	8.50%	Pacific Grove, Sand City		San Jose	
(Unincorporated County)		Carmel-by-the-Sea,	9.25%	<b>Santa Cruz</b> .....	8.50%
<b>El Dorado</b> .....	7.25%	Del Rey Oaks, Marina,		Capitola	9.00%
Placerville	8.25%	Monterey, Salinas, Seaside,		(Unincorporated County)	
South Lake Tahoe	8.75%	Soledad		Watsonville, Santa Cruz	9.25%
<b>Fresno</b> .....	7.975%	Greenfield	9.50%	Scotts Valley	9.75%
Selma	8.475%	<b>Napa</b> .....	7.75%	<b>Shasta</b> .....	7.25%
Sanger	8.725%	St. Helena	8.25%	Anderson	7.75%
Coalinga, Fowler, Huron,	8.975%	<b>Nevada</b> .....	7.50%	<b>Sierra</b> .....	7.25%
Parlier, Kerman, Kingsburg		Truckee	8.25%	<b>Siskiyou</b> .....	7.25%
Reedley	9.225%	Nevada City	8.375%	Mount Shasta, Weed	7.50%
<b>Glenn</b> .....	7.25%	Grass Valley	8.50%	Dunsmuir, Yreka	7.75%
Orland	7.75%	<b>Orange</b> .....	7.75%	<b>Solano</b> .....	7.375%
<b>Humboldt</b> .....	7.75%	La Habra	8.25%	Rio Vista, Vacaville	8.125%
Arcata, Fortuna, Trinidad	8.50%	Fountain Valley, Garden Grove,	8.75%	Benicia, Fairfield,	8.375%
Rio Dell	8.75%	La Palma, Placentia, Seal Beach,		Suisun City, Vallejo	
Eureka	9.25%	Stanton, Westminster		<b>Sonoma</b> .....	8.50%
<b>Imperial</b> .....	7.75%	Los Alamitos, Santa Ana	9.25%	Healdsburg, Rohnert Park,	9.00%
Calexico, El Centro	8.25%	<b>Placer</b> .....	7.25%	Sonoma	
<b>Inyo</b> .....	7.75%	Loomis	7.50%	Santa Rosa, Sebastopol	9.25%
Bishop	8.75%	Roseville	7.75%	Cotati, Petaluma	9.50%
<b>Kern</b> .....	7.25%	<b>Plumas</b> .....	7.25%	<b>Stanislaus</b> .....	7.875%
Arvin, Bakersfield, Delano,	8.25%	<b>Riverside</b> .....	7.75%	Ceres, Oakdale	8.375%
Ridgecrest, Wasco		Blythe, Cathedral City, Coachella,	8.75%	Turlock	8.625%
<b>Kings</b> .....	7.25%	Corona, Hemet, Indio,		<b>Sutter</b> .....	7.25%
Corcoran	8.25%	La Quinta, Lake Elsinore,		<b>Tehama</b> .....	7.25%
<b>Lake</b> .....	7.25%	Menifee, Murrieta, Norco,		Red Bluff	7.50%
Clearlake, Lakeport	8.75%	Riverside, San Jacinto,		Corning	7.75%
<b>Lassen</b> .....	7.25%	Temecula, Wildomar		<b>Trinity</b> .....	7.25%
<b>Los Angeles</b> .....	9.50%	Palm Springs	9.25%	<b>Tulare</b> .....	7.75%
Avalon, Downey, El Monte,	10.00%	<b>Sacramento</b> .....	7.75%	Tulare	8.25%
Inglewood, La Puente		Galt, Isleton	8.25%	Dinuba, Visalia	8.50%
Alhambra, Arcadia, Azusa,	10.25%	Rancho Cordova, Sacramento	8.75%	Exeter, Farmersville,	8.75%
Bell Gardens, Bellflower, Burbank,		<b>San Benito</b> .....	8.25%	Lindsay, Woodlake	
Burbank, Carson, Commerce,		San Juan Bautista	9.00%	Porterville	9.25%
Compton, Covina, Cudahy,		Hollister	9.25%	<b>Tuolumne</b> .....	7.25%
Culver City, Duarte, Gardena,		<b>San Bernardino</b> .....	7.75%	Sonora	7.75%
Glendale, Glendora,		Barstow, Redlands,	8.75%	<b>Ventura</b> .....	7.25%
Hawaiian Gardens, Hawthorne,		San Bernardino, Victorville,	8.75%	Ventura	7.75%
Huntington Park, Irwindale,		Yucca Valley	8.75%	Santa Paula	8.25%
La Verne, Lakewood, Lancaster,		Montclair	9.00%	Port Hueneme	8.75%
Lawndale, Lomita, Long Beach,		<b>San Diego</b> .....	7.75%	Oxnard	9.25%
Lynwood, Monrovia, Montebello,		El Cajon, Oceanside, Vista	8.25%	<b>Yolo</b> .....	7.25%
Norwalk, Palmdale, Paramount,		La Mesa	8.50%	Woodland	8.00%
Pasadena, Pico Rivera, Pomona,		Chula Vista, Del Mar,	8.75%	Davis, West Sacramento	8.25%
San Fernando, San Gabriel,		Imperial Beach, National City		<b>Yuba</b> .....	7.25%
Santa Monica, Sierra Madre,		<b>San Francisco</b> .....	8.625%	Wheatland	7.75%
South El Monte				Marysville,	8.25%
				(Unincorporated County)	

## REVENUE ESTIMATES

Motor vehicle and parts dealers were the largest contributors to the sales tax base in 2020, accounting for 12.4 percent of taxable sales. Food service and drinking places were the second largest contributor to the sales tax base with 9 percent of the total, although this was down from 12.2 percent in 2019 due to the pandemic.

Since July 1, 2010, the General Fund portion of the sales tax no longer applies to gasoline. Taxable sales, excluding gasoline, decreased by 1.3 percent in 2019-20. Based on preliminary data, taxable sales increased by 13.3 percent in 2020-21 as the economy, aided by government stimulus, rebounded strongly from the initial effects of the pandemic. Taxable sales are estimated to increase by 7.6 percent in 2021-22 and by 4.3 percent in 2022-23. Lower growth in 2021-22 and 2022-23 when compared to 2020-21 reflects spending shifting back from goods to services and the unwinding of temporary federal stimulus. Federal stimulus measures have contributed to historically high levels of household cash savings, which in turn have financed elevated levels of spending. Spending growth is expected to slow as household cash savings are depleted and return to pre-pandemic levels.

A General Fund sales tax exemption for manufacturing equipment commenced July 1, 2014. The sales tax exemption applies to purchases of manufacturing or biotechnology research and development equipment valued at up to \$200 million in qualifying purchases per business per year. The exemption was expanded beginning in 2018 to include manufacturing equipment used in electric power generation and agricultural processing. The revenue loss from the utilization of this exemption was \$319 million in 2020-21 and is projected to be \$354 million in 2021-22 and \$393 million in 2022-23.

The *Wayfair* decision clarified states' authority to require out-of-state sellers to collect use tax. Previously, California individuals were responsible for reporting and paying use tax on out-of-state purchases. The California Department of Tax and Fee Administration required out-of-state retailers to collect and remit use tax beginning on April 1, 2019, if in the preceding or current calendar year their sales into California exceed \$100,000 or 200 or more separate online transactions. Additionally, California passed the Marketplace Facilitator Act, Chapter 5, Statutes of 2019, which raised the sales threshold to \$500,000, eliminated the 200-transaction test, and mandated that online marketplace operators, as defined, collect and remit sales tax for all sales made on their platforms beginning October 1, 2019. These policies helped capture much of the shift to online transactions in the COVID-19 Pandemic. Taxable sales by non-store retailers jumped from 2.8 percent, or \$20 billion, in 2019 to 7.6 percent, or \$55 billion, in 2020 due to *Wayfair* and the pandemic's positive effect on the remote economy.



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## CORPORATION TAX

The upgrade to the corporation tax revenue forecast is due primarily to improved C-corporation profits, as large businesses that pay the significant majority of state corporate taxes have in large part been able to adapt to the COVID-19 Pandemic. C-Corporation taxable profits are projected to grow by 20.3 percent in 2021-22, up from 10 percent in the 2021 Budget Act. Beginning in 2022-23, C-Corporation taxable profits are grown by adjusted nominal GDP, which is projected to be 7.9 percent in 2022 and 4.2 percent in 2023.

The forecast for S-corporation profits, which are taxed at a rate of 1.5 percent, was also upgraded since the 2021 Budget Act. S-Corporation taxable profits are grown at the same rate as California proprietorship income, which is projected to increase 7.4 percent in 2021-22 and 4.2 percent in 2022-23, faster than the 4.8 percent and 4 percent growth rates in 2021-22 and 2022-23, respectively, projected as of the 2021 Budget Act.

The corporation tax is estimated to generate \$22.8 billion in 2020-21, \$32.9 billion in 2021-22, and \$23.7 billion in 2022-23. These figures reflect increases of \$2.1 billion in 2020-21, \$14.8 billion in 2021-22, and \$6.4 billion in 2022-23 above 2021 Budget Act projections. These figures reflect a revised scoring of the elective pass-through entity tax enacted in the 2021 Budget Act that increases corporate income tax revenues by \$12.4 billion in 2021-22 and \$9.4 billion in 2022-23. Absent this revised scoring, corporate income tax revenues would have increased by \$2.1 billion in 2020-21, increased by \$2.5 billion in 2021-22, and decreased by \$2.6 billion in 2022-23. The decrease in 2022-23 is attributed to the Budget proposal to restore the temporary limitation on the use of NOLs and business tax credits one year early, which decreases corporate tax revenues by \$5.2 billion in 2022-23. Corporation tax revenues are expected to contribute 12 percent of all General Fund revenues in 2022-23.

The policy proposals in the Budget, not including the adjustments to the elective pass-through entity tax or restoration of NOLs and business tax credits, decrease corporate income tax revenues by \$65 million in 2021-22 and \$342 million in 2022-23. These policy proposals include conformity to federal tax treatment of certain federal grants to California businesses and new tax credits to encourage research, development, and implementation of climate solution technologies.

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## 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 generated revenues of \$3.1 billion in 2020-21 and is expected to generate revenues of \$3.4 billion in 2021-22 and \$3.5 billion in 2022-23. These figures reflect a decrease of \$209 million in 2020-21, an increase of \$20 million in 2021-22, and a decrease of \$12 million in 2022-23 from 2021 Budget Act projections.

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## 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.

Revenue estimates for each type of alcoholic beverage are based on projections of total per capita consumption and population growth. Per capita consumption of beer and wine is projected to decline 1.2 percent in 2021-22 and 0.5 percent in 2022-23, while per capita distilled spirits consumption is projected to increase 4 percent in 2021-22, before declining 2 percent in 2022-23. Revenues from this tax were \$415 million in 2020-21 and are estimated to be \$423 million in 2021-22 and \$421 million in 2022-23.

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## OTHER REVENUES

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### UNCLAIMED PROPERTY

The Budget reflects receipts in unclaimed property of \$492 million in 2021-22 and \$506 million in 2022-23. These numbers reflect ongoing efforts to maintain compliance of holders of unclaimed property with Unclaimed Property Law.

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### PROPERTY TAXES

Although the property tax is a local revenue source, the amount of property tax generated each year has an increased impact on the state budget when Tests 2 or 3 of

Proposition 98 are operative because, in those years, local property tax revenues allocated to K-14 schools offset General Fund expenditures. When Test 1 of Proposition 98 is operative, as it will be for 2022-23, property tax revenues received by K-14 schools count toward the Proposition 98 guarantee, but do not offset General Fund expenditures.

Preliminary data for the secured property tax roll indicates that property tax collections increased 5.3 percent in 2020-21, which is modestly below the average growth of the prior five years of 5.9 percent but still in line with historical norms.

Assessed value growth is estimated based on statistical modeling and evaluations of real estate trends. The median sales price of existing single-family homes increased 22 percent from 2019-20 to 2020-21. The sharp rise in home prices partly reflects a larger than usual share of high-end homes sold as many wealthy households purchased a larger home or second vacation home. Given the expectation of higher interest rates as signaled by the Federal Reserve, and as the mix of homes sold reverts back to pre-pandemic levels, housing price growth is expected to moderate to the pre-pandemic rate of around 5 percent per year.

A property's assessed (taxable) value generally increases more slowly than its market value. When a property is sold, its assessed value is adjusted to its market value. As a result, property sales often result in large increases in taxable value. Fewer properties were transferred in 2020-21 than expected at the 2021 Budget Act, leading to fewer taxable value reassessments. The forecast assumes transfers will continue to be slow in 2021-22 as demand softens due to decreasing housing affordability and increasing interest rates. Following a brief rebound in 2022-23, the long-term trend of transfers slowly declining is expected to continue.

Statewide property tax revenue growth rates are largely unchanged from the 2021 Budget Act as the lower transfers were offset by higher prices. Property Tax revenues are estimated to increase 6.2 percent in 2021-22 and 6.1 percent in 2022-23, compared to 6.1 percent for 2021-22 and 6.1 percent for 2022-23 projected as of the 2021 Budget Act. Approximately 42 percent (\$37 billion) of 2022-23 property tax revenues will go to K-14 schools. This includes \$2.9 billion that schools are expected to receive in 2022-23 pursuant to the dissolution of redevelopment agencies.

## SPECIAL FUND REVENUE

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

Total special fund revenues, excluding transfers, are estimated to be \$63.9 billion in 2022-23. Motor vehicle fees and motor vehicle fuel taxes, which are discussed in the next two sections, are expected to generate a combined \$20.9 billion in revenue in 2022-23, comprising 32.7 percent of all special fund revenue.

### MOTOR VEHICLE FEES

Motor vehicle fees consist of vehicle license, registration, weight, driver's license, and other charges related to vehicle operation. The Motor Vehicle Fees Special Fund Revenue figure displays revenue from these sources from 2020-21 through 2022-23.

**Motor Vehicle Fees Special Fund Revenue**  
(Dollars in Thousands)

	2020-21 Actual	2021-22 Forecast	2022-23 Forecast
Vehicle License Fees	\$3,137,733	\$3,122,578	\$3,219,184
Transportation Improvement Fee	1,909,883	1,989,882	2,069,078
Road Improvement Fee	5,485	20,106	38,163
Weight Fees	1,264,885	1,291,335	1,323,033
Registration and Other Fees	4,323,034	4,424,071	4,633,795
<b>Total</b>	<b>\$10,641,020</b>	<b>\$10,847,972</b>	<b>\$11,283,253</b>

Motor vehicle fee revenues are affected by a number of factors, including the number and types of vehicles in the state, the ages of those vehicles, and their most recent sales prices. The total number of vehicles in California—automobiles, trucks, trailers, and motorcycles, including vehicles registered in multiple states—is estimated to be 33.4 million in 2021-22 and 33.2 million in 2022-23. New vehicles registered in 2020-21 increased 9.9 percent from the prior year as vehicle sales rebounded from a sharp decline in spring 2020 resulting from the COVID-19 Pandemic. The forecast projects that global supply chain constraints will slow new vehicle sales in 2021-22, before rebounding

in 2022-23 as the economic forecast reflects that supply chain constraints are gradually resolved. As a result, new vehicle registrations are estimated to be 2.1 million in 2021-22 and 2.3 million in 2022-23. These levels are still modestly below the 2.3 million to 2.4 million new vehicle registrations seen from 2014-15 to 2018-19.

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. A graduated fee of \$28 to \$196 per vehicle, known as the Transportation Improvement Fee (TIF), is also applied. These taxes are imposed in lieu of a local personal property tax on automobiles and are administered by the Department of Motor Vehicles. VLF revenues are estimated to be \$3.1 billion in 2021-22 and \$3.2 billion in 2022-23, while TIF revenues are estimated to be \$2 billion in 2021-22 and \$2.1 billion in 2022-23.

Beginning April 1, 2017, the base vehicle registration fee of \$43 increased by \$10 and was newly indexed to inflation. The total vehicle registration fee is expected to be \$94 in 2022, which includes \$62 for the base vehicle registration fee, \$29 for a CHP fee that continues to be indexed to inflation, and \$3 for an alternative fuel/technology fee not indexed for inflation.

Commercial and non-commercial truck owners also pay a fee based on vehicle weight. Weight fee revenues are estimated to be \$1.3 billion in both 2021-22 and 2022-23.

Beginning July 1, 2020, an additional inflation-adjusted \$100 annual registration fee was imposed on zero-emission vehicle renewals that are model 2020 or newer. Known as the Road Improvement Fee, revenue is estimated to be \$20 million in 2021-22 and \$38 million in 2022-23, and will be used to fund transportation projects.

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## **MOTOR VEHICLE FUEL TAXES**

The motor vehicle fuel tax (gas tax), diesel fuel tax, and use fuel tax are the major sources of funds for maintaining, replacing, and constructing state highway and transportation facilities. Over one-third of these revenues are apportioned to local jurisdictions for a broad range of local road projects, including both maintenance of existing roads and construction of new roads. In addition, some jurisdictions choose to spend a portion of their allocation on improvements to the state highway system in their region to decrease traffic congestion. Motor vehicle fuel tax collections are shown in the Motor Vehicle Fuel Tax Revenue figure.

**Motor Vehicle Fuel Tax Revenue**

(Dollars in Thousands)

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
Gasoline <sup>1/</sup>	\$6,541,302	\$7,408,990	\$8,079,278
Diesel	1,269,929	1,413,598	1,510,153
<b>Total</b>	<b>\$7,811,231</b>	<b>\$8,822,588</b>	<b>\$9,589,431</b>

<sup>1/</sup>Does not include jet fuel.

Gasoline consumption was down 7.7 percent in 2020-21 compared to the prior fiscal year. Gasoline demand was significantly reduced in the first half of the fiscal year by stay-at-home orders related to the COVID-19 Pandemic. Gasoline consumption has rebounded and is expected to increase by 11.8 percent in 2021-22 and 3 percent in 2022-23. In the long run, continued gains in the average fuel economy of cars and trucks—achieved primarily through electric vehicle adoption—combined with the state’s policies to reduce greenhouse gas emissions are expected to support long-term declines in gasoline consumption. The forecast assumes gasoline consumption will not return to its 2017-18 peak of 15.6 billion gallons. Diesel consumption increased by 4.6 percent in 2020-21 as the economy rebounded from the COVID-19 Pandemic and demand for the shipping of goods increased. Because most diesel fuel is consumed by the commercial trucking industry, consumption is generally affected most significantly by general economic conditions. Because goods consumption is expected to remain elevated, diesel consumption is expected to grow 3.6 percent in 2021-22 and 1.5 percent in 2022-23. Growth is expected to turn negative in the second half of the decade, reflecting a moderating economy and gradually improving fuel economy.

The gas tax is collected from distributors when fuel is loaded into ground transportation for transport to retail stations. This fuel is taxed at a rate of 51.1 cents per gallon in 2021-22 and the Budget proposes to pause the inflation adjustment scheduled for July 1, 2022, and therefore the tax rate will continue to be 51.1 cents per gallon in 2022-23.

Distributors pay the diesel fuel tax, which applies to both pure diesel fuel and blends, at the fuel terminal. The excise tax on diesel is 38.9 cents per gallon for 2021-22 and the Budget proposes to pause the inflation adjustment scheduled for July 1, 2022, and therefore the tax rate will continue to be 38.9 cents per gallon in 2022-23. Dyed diesel fuel, which is used for off-highway purposes such as farm equipment, is not taxed.

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## CANNABIS EXCISE TAXES

Proposition 64, also known as the Adult Use of Marijuana Act, levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis as of January 1, 2018. The cultivation tax is paid on all recreational and medicinal cultivation of cannabis, and was increased, to adjust for inflation, to \$10.08 per ounce of flower, \$3.00 per ounce of trim, and \$1.41 per ounce of fresh cannabis plant on January 1, 2022. In addition, there is a 15-percent tax on the retail price of cannabis. Cannabis excise taxes generated \$770 million in 2020-21 and are projected to generate \$711 million in 2021-22 and \$787 million in 2022-23. The year-over-year decline in 2021-22 reflects tax data for the first quarter of 2021-22 indicating that consumption in the quarter fell from the levels seen during all of 2020-21.

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## CIGARETTE TAX

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

Chapter 489, Statutes of 2021 (SB 395), will implement an additional 12.5-percent retail tax on the sale of electronic cigarettes and nicotine liquid, beginning July 1, 2022. Revenues will be distributed to the Health Education Account of the Cigarette and Tobacco Products Surtax Fund, the Proposition 56 Physicians and Dentist Loan Repayment Program, the California Children and Families First Trust Fund, and other health care programs. Total revenues are estimated to be \$29 million in 2022-23.

Chapter 34, Statutes of 2020 (SB 793), would have banned all flavored tobacco products, including mentholated cigarettes and flavored e-cigarette liquids, beginning January 1, 2021. However, a referendum was submitted to the California Attorney

## REVENUE ESTIMATES

General to overturn SB 793 and instead allow voters to decide on the flavor ban during the next statewide election. The referendum was certified by the California Secretary of State for the November 2022 election, until which time the flavor ban is suspended. Current cigarette and tobacco revenue estimates assume that voters uphold the legislation and the flavor ban goes into effect following the election.

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.
- Two dollars of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products and electronic cigarettes, goes to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund for distribution according to the provisions of Proposition 56 of 2016.

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

Annual per-capita consumption (based on population ages 18-64) was 184 packs in 1980-81, 123 packs in 1989-90, 84 packs in 1997-98, and 25 packs in 2020-21. Total tax-paid packs of cigarettes sold in 2020-21 were 592 million. In 2021-22, tax-paid packs of cigarettes sold are projected to decline to 573 million, followed by another decline to 505 million of tax-paid packs in 2022-23. The larger decline in 2022-23 is due in large



part to the assumed implementation of the statewide ban on menthol cigarettes. The Tobacco Tax Revenue figure shows the distribution of tobacco tax revenues to the General Fund and various special funds for 2020-21 through 2022-23.

### Tobacco Tax Revenue

(Dollars in Millions)

	2020-21 Actual	2021-22 Forecast	2022-23 Forecast
General Fund	\$59.8	\$57.9	\$51.0
Cigarette and Tobacco Products Surtax Fund	212.4	222.7	190.1
Breast Cancer Fund	11.9	11.5	10.1
California Children and Families First Trust Fund	333.3	332.7	289.6
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	1,344.3	1,330.6	1,158.4
California Electronic Cigarette Excise Tax Fund			28.8
<b>Total</b>	<b>\$1,961.7</b>	<b>\$1,955.4</b>	<b>\$1,728.2</b>

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# DEMOGRAPHIC INFORMATION

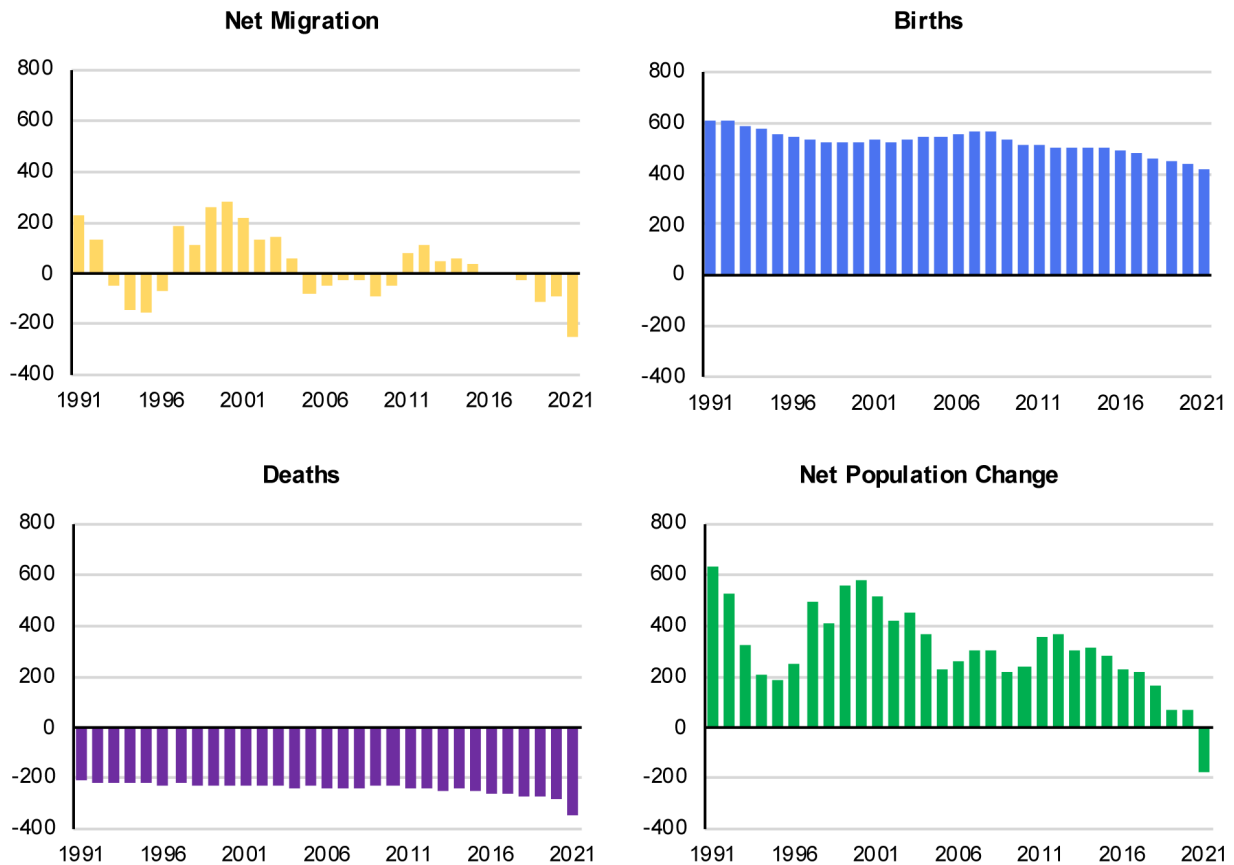
Disruptions caused by the COVID-19 Pandemic continue across California and only slowly are its impacts on demographic trends beginning to come into view. While all Californians share in sacrifices related to the pandemic, this burden has not been borne equally, with those on the lower end of the economic spectrum experiencing the dual burden of greater mortality and larger economic loss. How the population rebounds and changes from this experience is in many ways still uncertain, but emerging trends offer a measure of foresight.

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## POPULATION CHANGE

California's population was an estimated 39.4 million as of July 1, 2021, down 0.4 percent from July 1, 2020. In the last half of the decade, California's population growth has slowed due to; declining births correlated with changes in education, marriage, and work decisions; rising deaths from an aging population; and reduced net migration from recent decreases in foreign immigration. The pandemic exacerbated these trends and drove the state's population growth negative in fiscal year 2020-21. California's 0.5 percent annualized rate of growth since 2010 is lower than in preceding decades, but is comparable to the national growth rate during the same period (0.7 percent), and is two and a half times the European Union's population growth rate (0.2 percent).

**Components of Population Change: California 1991-2021**



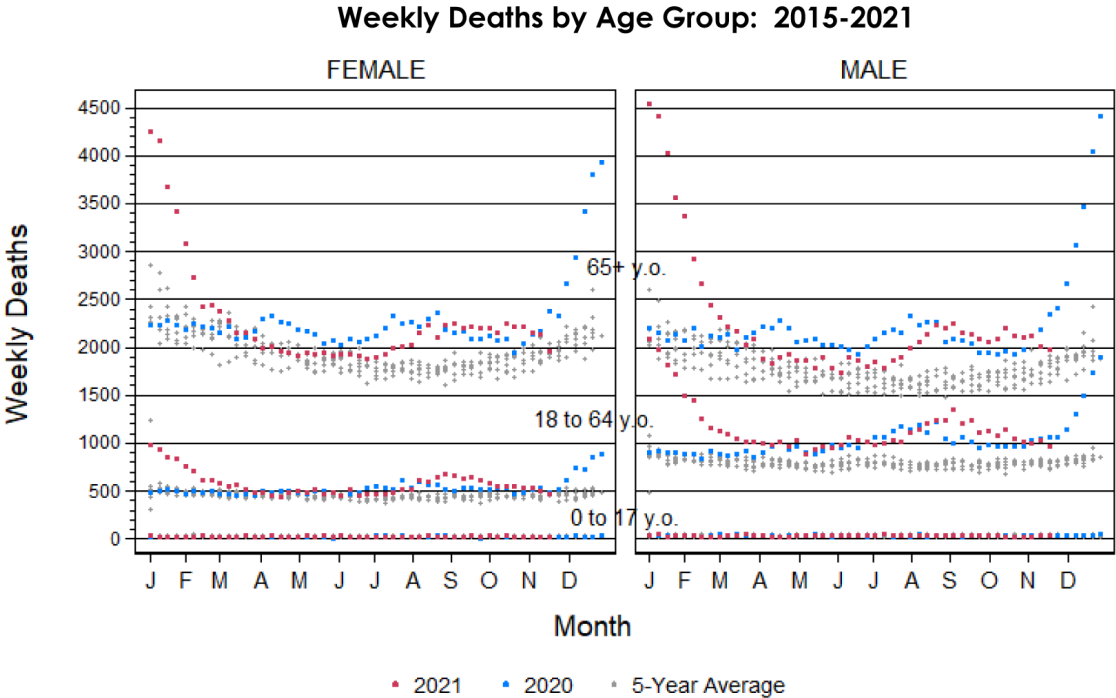
Data Source: State of California, Department of Finance. California County Population Estimates and Components of Change by Year, July 1, 1991-2021. December 2021. (Values in 1,000s)

The above figure shows population change resulting from births, deaths, and net migration. Net migration is likewise a combination of net domestic migration, which has almost always been negative between 1991 and 2021, and international migration. In normal years, California has positive international immigration, which offsets domestic out-migration and contributes a significant share of net growth in population. The suspension of immigration processing from March 2020 through February 2021, continued pandemic restrictions, and administrative backlog have had significant impacts on population growth in California. While higher domestic out-migration continues, the decline in international migration and a marked drop in domestic in-migration created the conditions for California's first negative growth rate since 1900.

Regionally, inland counties continue to have the highest population growth rates, continuing a trend that began in 2016. Most of the urban coastal counties have grown

at a much slower pace, and many have lost population as the shift to remote work has enabled individuals to relocate to lower-cost counties and fewer international migrants are arriving.

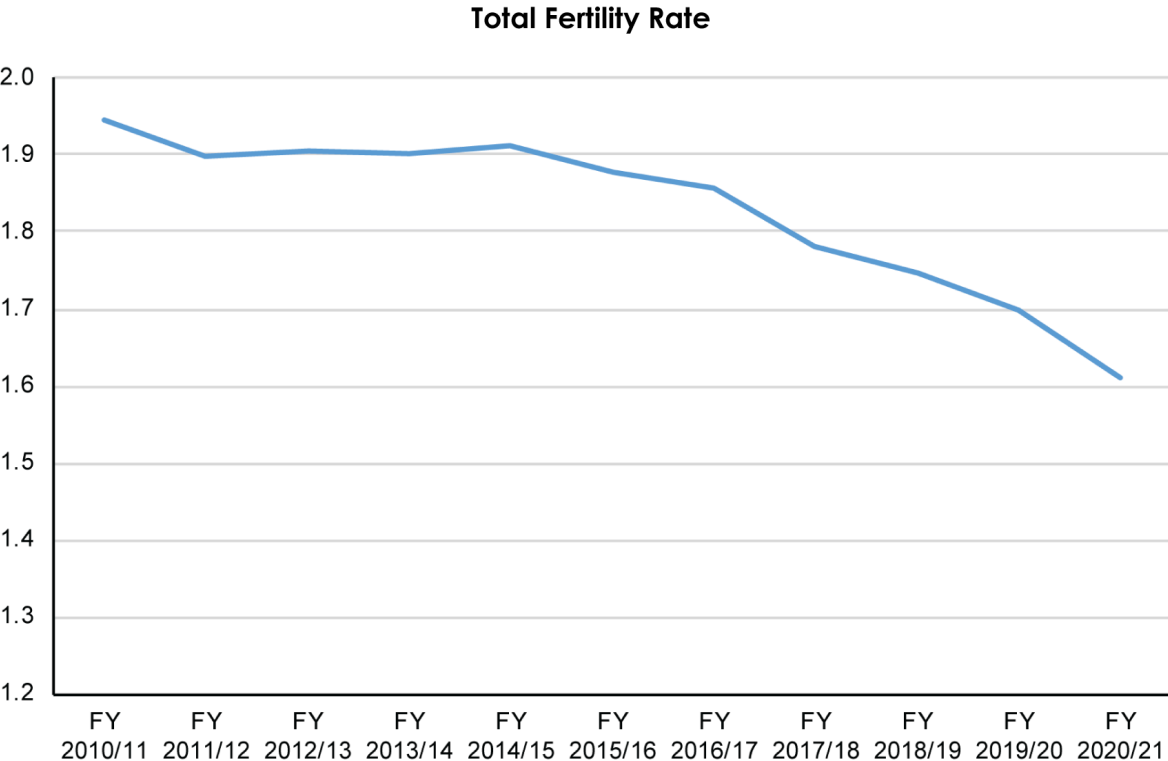
Deaths have been rising as California's population ages, but the pandemic elevated annual numbers above recent averages. While some months in calendar year 2021 had fewer deaths than in 2020, the Delta variant kept deaths above the five-year trend, and overall deaths in 2021 should be similar to 2020. The below figure displays the five-year trend in gray, 2020 deaths in blue, and 2021 deaths in red. Deaths among Californians over 65 continue to dominate, while deaths among men 18-64 are considerably above trend, with that group having the highest number of COVID-19 related deaths per thousand people in the state.



Total Fertility Rates (TFR)—the total number of children that would be born to each woman if she were to follow average fertility patterns to the end of her child-bearing years—has been declining throughout the decade. Although those declines were relatively modest for the early part of the decade, since 2016 fertility has experienced a stronger negative trend. The pandemic may have also changed some families' childbearing plans entirely. While the 1.61 TFR for 2020-21 reflects a significant decrease from the 1.7 TFR in 2019-20 due to the COVID-19 Pandemic, future TFRs are unlikely to be large enough to raise births significantly beyond 450,000 per year. Current births become K-12 enrollment in 4 to 5 years: if current trends continue, statewide school

DEMOGRAPHIC INFORMATION

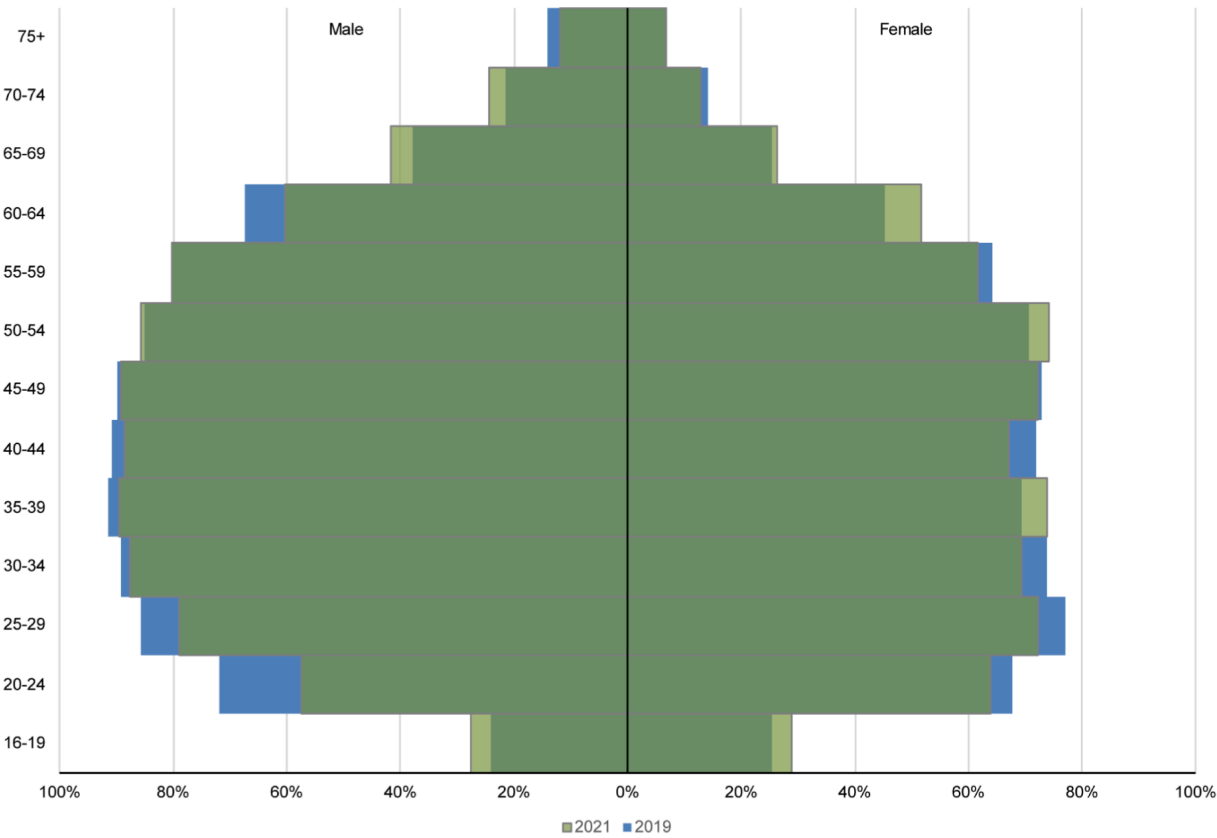
enrollment will not reach the levels of previous decades. This has both significant societal and labor force repercussions for the coming years. When the additional deaths associated with the pandemic are combined with the reduced births, the result is a steep decline in natural increase (52 percent decrease from the year prior).



**LABOR FORCE TRENDS**

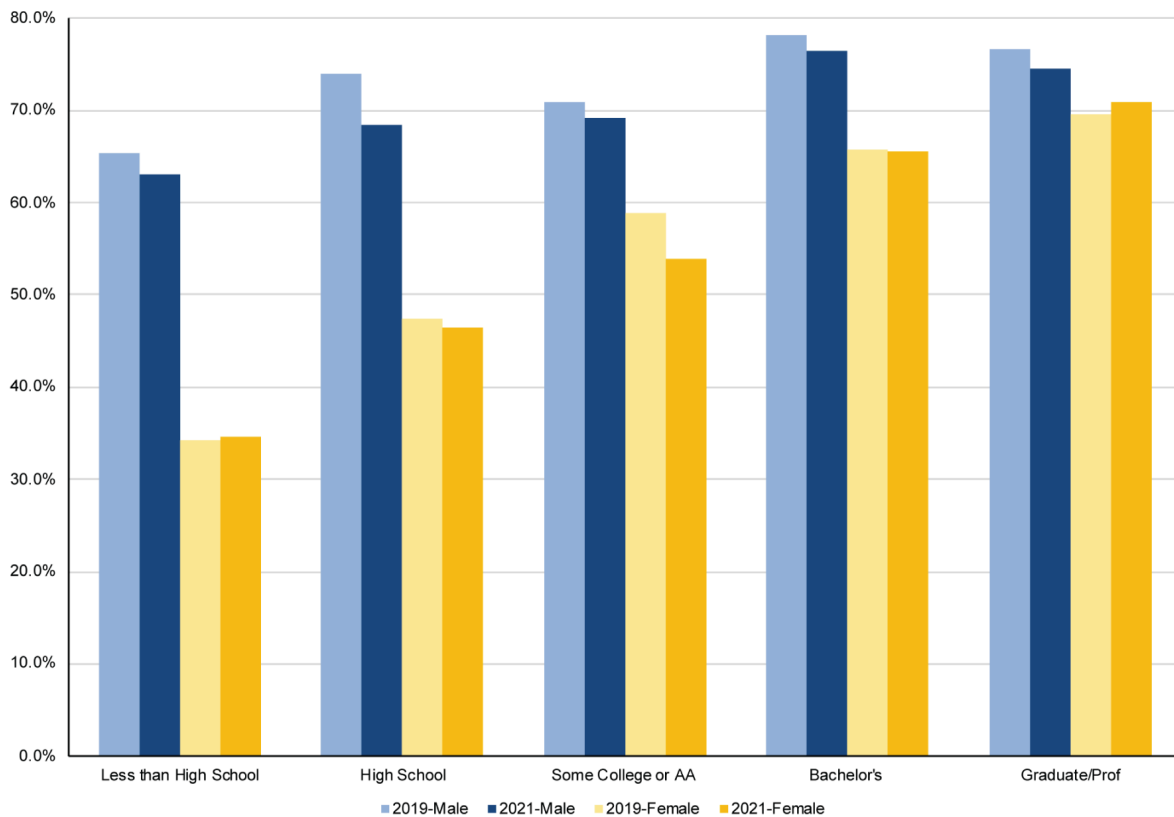
The Labor Force Participation by Age figure below considers the labor force participation rate (LFPR) from the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) comparing 2019 and 2021 to highlight the effects of the pandemic. The LFPR for females overall had recovered to around 2019 rates by March 2021. However, women age 45 and over had generally higher participation rates in 2021 than in 2019 while women under 45 had lower LFPR, with the greatest decrease among those 25-34 years old (-4.7 percentage points), the group most likely to have children. While child care has been a challenge, some women who are staying home to care for family may still be reflected in the labor force as they are working part-time or are still actively seeking work. Males experienced a much greater overall decrease in LFPR (-3.4 percentage points) with large decreases for age groups 20-24, 25-29 and 60-64. Only the 65 and older group had a slightly increased participation rate (1.6 percentage points) in 2021 compared to 2019.

Labor Force Participation by Age



Labor force participation by educational attainment varies by gender and age group but overall the largest decreases are among those with a high school diploma (-2.9 percentage points) and some college or an associate's degree (-3.3 percentage points). Men uniformly experienced a decline in labor force participation rate regardless of their educational status. Among women, the least and most educated (non-high school graduates and those with a graduate or professional degree) had higher participation, while those with educational achievements ranging from a high school diploma to a bachelor's degree experienced decreased LFPR. Overall, the COVID-19 Pandemic's impact on the composition of future employment remains uncertain. Based on Pulse Survey data through October, for adults living in California households, 57.5 percent reported that at least one adult worked onsite at the workplace in the last week. See the figure below for more details.

**Labor Force Participation by Sex and Education (Age 25+)**



## 2020 CENSUS

The 2020 Census was the most challenging in history. The COVID-19 Pandemic required many changes to census operations: soon after the census' March 2020 start, Census offices were required to close, forcing delays in outreach efforts, the enumeration of group quarters, and non-response followup. This altered schedule for completion of the census shortened the time period to check and confirm the accuracy of the count. At this point, Census 2020 redistricting and reapportionment data have been released along with initial quality assessments. These assessments suggest that despite the hardships in conducting the count, Census 2020 is at least as accurate as previous ones. Additional data and final accuracy reports will be released over the course of 2022.

In addition to apportionment and redistricting, census data are used as the benchmark for population estimates for the next decade, the base population for the American Community Survey, and in the distribution of billions of dollars in federal funding. In California, the July 2021 estimates series released in December 2021 continues to use Census 2010 as the benchmark population since Census 2020 results with necessary detail are not yet available. Additional decennial census population, age, and other



data will be released in the coming year and incorporated into future estimates and projections.

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# STAFF ASSIGNMENTS

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Budget Planning and Preparation,  
Cash Management, FISCAL Project Support,  
Statewide Budget Issues, and  
Statewide Accounting Policies and Training

Corrections and Rehabilitation,  
Justice, and General Government

Education

Employee Compensation and State Pensions,  
State Central Services Departments, Audits  
and Evaluations, Information Services,  
Information Technology and Consulting,  
and Departmental Administration

Energy, Housing and Homelessness,  
Labor, Local Government, Tax Agencies,  
and Transportation

Health and Human Services

Natural Resources, Environment,  
and Capital Outlay

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

Title	Purpose	Prepared/Issued by	When
Budget Letters	Convey the Administration's guidelines for budget preparation to agencies and departments.	Governor/Finance	January through December
Budget Change Proposals	Documents that propose to modify or change the existing level of service, propose new programs, or remove existing programs.	Agencies and departments submit to Finance analysts for review.	August and September
Governor's Budget	Governor's proposed budget for the upcoming fiscal year.	Governor/Finance	January 10
Governor's Budget Summary	A narrative summary of the Governor's proposed budget.	Governor/Finance	January 10
Budget Bill	Requests spending authorization to carry out the Governor's expenditure plan (serves as a legislative budget decision document).	Finance/Legislature	January 10
Multi-Year Projection	Estimated General Fund revenues and expenditures for the ensuing fiscal year and the three fiscal years thereafter, as required by Section 12.5 of 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's Office	February
May Revision	Update of General Fund revenues, expenditures, and reserve estimates based on the latest economic forecast, and changes in population, caseload, or enrollment estimates.	Finance	Mid-May
Budget Act	The primary annual expenditure authorization, as approved by the Governor and Legislature, including a listing of the Governor's vetoes, if any.	Legislature/Governor	Late June or upon enactment of the Budget
Final Budget Summary	Update of the individual Budget Act items of appropriation, with changes by the Governor's vetoes, and includes certain budget summary schedules.	Finance	Summer/Fall
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Summer/Fall

# Adjustments in Accounting Methods and Prior Year Fund Balances

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

## Accounting Methods

Beginning with fiscal year 2020-21, Fund 0835 Teachers' Retirement Fund is administered by the California State Teachers' Retirement System. The fund accounts for capital assets and reflects costs for assets under-construction and for depreciation expense. The change in accounting treatment results in a minor adjustment in the fund's beginning balance and is consistent with Generally Accepted Accounting Principles.

## Prior Year Fund Balances

Government Code section 13344 requires every state agency to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the State Controller's Budgetary-Legal Basis Annual Report, according to the methods and bases provided in regulations, budget letters, and other directives of Finance. Consistent with this requirement, Finance has continued its efforts in instructing and assisting departments in the reconciliation of special funds between the Governor's Budget documents departments provide to Finance and the year-end financial statements they provide to the State Controller's Office. Departments that are the designated fund administrators continue to be primarily responsible for the reconciliation, and Finance works very closely with them to ensure this is or will be completed for all special funds. Special fund balances included in the Governor's Budget have been reconciled using the best information available at the time. However, final balances for the Budgetary-Legal Basis Annual Report and certain actual revenue or expenditure amounts are not available during the preparation of the Governor's Budget. Therefore, there will be some remaining variances in the spring when final balances become available. Finance will follow up the efforts in the spring to evaluate if additional budget changes are necessary.

# Statewide Financial Information

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

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

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

**Schedule 3 Comparative Yield of State Taxes**—Revenues for major state taxes for General Fund and special funds.

**Schedule 4 Position and Salary Cost Estimates**—Position data and corresponding dollar amounts.

**Schedule 5A Statement of Estimated Accounts Payable and Accounts Receivable**—Actual payable and receivable amounts as of the end of the last fiscal year, and estimated amounts for the end of the current fiscal year and the next fiscal year.

**Schedule 5B Actual Past Fiscal Year Cash Flow**—Actual receipts, disbursements, borrowable resources, and cash flow loan balances for the last fiscal year.

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

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

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

**Schedule 8 Comparative Statement of Revenues**—Detail of General Fund and special fund revenues by source for the past, current, and budget years within the following categories: (1) major taxes and licenses, (2) minor revenues, and (3) transfers and loans.

**Schedule 9 Comparative Statement of Expenditures**—Detail of General Fund, special fund, selected bond fund, and federal fund expenditures included in the Governor's Budget by the following categories: (1) State Operations, (2) Local Assistance, (3) Capital Outlay, and (4) Unclassified.



**Schedule 10 Summary of Fund Condition Statements**—A listing in alphabetical order of the beginning reserve, revenues, expenditures, and ending reserve for the General Fund and each special fund for the past, current, and budget years.

**Schedule 11 Statement of General Obligation Bond and Commercial Paper Debt of the State of California**—List of all general obligation bonds, including: maturity dates, authorized amount of bond issues, amounts of unissued bonds, redemptions, and outstanding issues, as well as authorized and outstanding commercial paper.

**Schedule 12A State Appropriations Limit Summary**—Summary of Schedules 12B through 12E provides a calculation of the appropriations subject to the State Appropriations Limit and the Limit Room.

**Schedule 12B Revenues to Excluded Funds**—List of revenues in special funds NOT included in the calculation of total appropriations subject to the State Appropriations Limit.

**Schedule 12C Non-Tax Revenues in Funds Subject to Limit**—Total of non-tax General and special fund revenues deposited in funds that are otherwise included in the calculation of total appropriations subject to the State Appropriations Limit.

**Schedule 12D State Appropriations Limit Transfer from Other Funds to Included Funds**—Detail of transfers between funds that are used in calculating the appropriations subject to the State Appropriations Limit.

**Schedule 12E State Appropriations Limit Excluded Appropriations**—Exclusions from appropriations subject to the State Appropriations Limit.

**Schedule 13 Proposition 98 Final Certification**—Factors, data, and calculations used to certify the prior year Proposition 98 funding level pursuant to Chapter 39, Statutes of 2018.

**SCHEDULE 1 AT 2022-23 GOVERNOR'S BUDGET  
GENERAL BUDGET SUMMARY<sup>1/</sup>**

(In Thousands)

	<b>Reference to Schedule</b>	<b>General Fund</b>	<b>Special Funds</b>	<b>Selected Bond Fund Expenditures</b>	<b>Expenditure Totals</b>
<b>2020-21</b>					
<b>Prior year resources available</b>	10	\$6,331,560	\$43,742,145		
<b>Revenues and transfers</b>	8	194,132,463	54,465,888		
<b>Expenditures</b>	9	163,453,125	58,560,327	\$6,945,911	\$228,959,363
<b>Fund Balance</b>	10	<b>\$37,010,898</b>	<b>\$39,647,706</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	39,647,706		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	33,835,838	--		
<i>Budget Stabilization Account</i>		14,287,422	--		
<i>Safety Net Reserve Fund</i>		450,000	--		
<i>Public School System Stabilization Account</i>		3,080,928	--		
<b>2021-22</b>					
<b>Prior year resources available</b>	10	\$37,010,898	\$39,647,706		
<b>Revenues and transfers</b>	8	196,669,176	70,870,118		
<b>Expenditures</b>	9	210,029,769	64,086,655	\$5,995,292	\$280,111,716
<b>Fund Balance</b>	10	<b>\$23,650,305</b>	<b>\$46,431,169</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	46,431,169		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	20,475,245	--		
<i>Budget Stabilization Account</i>		19,303,422	--		
<i>Safety Net Reserve Fund</i>		900,000	--		
<i>Public School System Stabilization Account</i>		6,663,368	--		
<b>2022-23</b>					
<b>Prior year resources available</b>	10	\$23,650,305	\$46,431,169		
<b>Revenues and transfers</b>	8	195,718,489	65,751,793		
<b>Expenditures</b>	9	213,126,801	65,302,785	\$8,036,958	\$286,466,544
<b>Fund Balance</b>	10	<b>\$6,241,993</b>	<b>\$46,880,177</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	46,880,177		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	3,066,933	--		
<i>Budget Stabilization Account</i>		20,868,422	--		
<i>Safety Net Reserve Fund</i>		900,000	--		
<i>Public School System Stabilization Account</i>		9,724,611	--		

**Note:** Totals may not add due to rounding.

<sup>1/</sup> The General Budget Summary includes the revenues and expenditures of all the state funds that reflect the cost of state government and selected bond fund expenditures. The transactions involving other non-governmental cost funds are excluded.

<sup>2/</sup> 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 the accounting methodology prescribed by Generally Accepted Accounting Principles (GAAP) and Government Code Sections 13306 and 13307.

<sup>3/</sup> The Special Funds for Economic Uncertainties and the Reserves for Economic Uncertainties are reserve accounts for the General and special funds as provided by Section 5 of Article XIII B of the California Constitution.

**SCHEDULE 2 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF STATE TAX COLLECTIONS**

(Excludes Departmental, Interest, and Miscellaneous Revenue)

Fiscal Year	Per Capita Personal Income <sup>1, 2/</sup>	State Tax Collections (Dollars in Millions)		Taxes per Capita <sup>1/</sup>		Taxes per \$100 of Personal Income <sup>3/</sup>	
		General		General		General	
		Fund	Total	Fund	Total	Fund	Total
1967	\$3,870	\$3,558	\$4,676	\$185.55	\$243.86	\$4.80	\$6.30
1968	4,189	3,963	5,173	203.94	266.21	4.87	6.36
1969	4,668	4,126	5,409	208.96	273.94	4.48	5.87
1970	4,962	4,290	5,598	214.08	279.36	4.31	5.63
1971	5,210	5,213	6,597	256.22	324.24	4.92	6.22
1972	5,652	5,758	7,231	279.72	351.28	4.95	6.21
1973	6,116	6,377	7,877	305.57	377.45	5.00	6.17
1974	6,722	8,043	9,572	379.85	452.06	5.65	6.73
1975	7,306	9,050	10,680	420.19	495.87	5.75	6.79
1976	7,953	10,781	12,525	491.48	570.98	6.18	7.18
1977	8,660	12,951	14,825	579.41	663.25	6.69	7.66
1978	9,656	14,188	16,201	621.30	709.45	6.43	7.35
1979	10,750	16,904	19,057	726.83	819.41	6.76	7.62
1980	11,933	17,808	20,000	748.80	840.97	6.27	7.05
1981	13,131	19,053	21,501	784.78	885.62	5.98	6.74
1982	13,738	19,567	22,359	788.83	901.39	5.74	6.56
1983	14,549	22,300	25,674	880.14	1,013.30	6.05	6.96
1984	15,880	25,515	29,039	988.34	1,124.85	6.22	7.08
1985	16,790	26,974	30,898	1,021.63	1,170.25	6.08	6.97
1986	17,604	31,331	35,368	1,158.18	1,307.41	6.58	7.43
1987	18,529	31,228	35,611	1,126.67	1,284.81	6.08	6.93
1988	19,652	35,647	40,613	1,255.49	1,430.39	6.39	7.28
1989	20,623	37,248	43,052	1,278.16	1,477.32	6.20	7.16
1990	21,579	36,828	43,556	1,234.66	1,460.21	5.72	6.77
1991	21,825	40,072	48,856	1,315.62	1,604.01	6.03	7.35
1992	22,627	39,197	48,230	1,264.93	1,556.44	5.59	6.88
1993	22,929	38,351	48,941	1,224.72	1,562.90	5.34	6.82
1994	23,498	41,099	50,648	1,303.75	1,606.67	5.55	6.84
1995	24,566	44,825	54,805	1,413.51	1,728.20	5.75	7.03
1996	25,920	47,955	58,400	1,500.33	1,827.10	5.79	7.05
1997	27,152	53,859	64,826	1,659.61	1,997.56	6.11	7.36
1998	29,215	58,199	69,724	1,770.96	2,121.65	6.06	7.26
1999	30,848	70,027	81,773	2,095.45	2,446.93	6.79	7.93
2000	33,398	75,668	88,147	2,225.47	2,592.50	6.66	7.76
2001	34,013	62,679	73,295	1,816.12	2,123.70	5.34	6.24
2002	34,066	64,879	75,420	1,856.95	2,158.65	5.45	6.34
2003	35,137	70,229	81,628	1,984.49	2,306.60	5.65	6.56
2004	36,885	80,070	93,764	2,239.55	2,622.57	6.07	7.11
2005	38,761	90,468	105,860	2,514.02	2,941.74	6.49	7.59
2006	41,487	93,237	109,390	2,572.28	3,017.93	6.20	7.27
2007	43,026	95,290	111,778	2,606.95	3,058.01	6.06	7.11
2008	43,269	79,398	95,020	2,154.26	2,578.12	4.98	5.96
2009	41,558	84,537	99,284	2,280.02	2,677.76	5.49	6.44
2010	43,198	89,910	106,942	2,406.38	2,862.20	5.57	6.63
2011	45,492	82,850	106,351	2,197.41	2,820.70	4.83	6.20
2012	48,013	95,444	119,798	2,508.01	3,147.96	5.22	6.56
2013	48,437	101,187	127,388	2,639.02	3,322.36	5.45	6.86
2014	51,255	112,158	139,983	2,902.27	3,622.29	5.66	7.07
2015	54,619	117,083	144,154	3,008.79	3,704.47	5.51	6.78
2016	56,698	122,029	147,731	3,118.73	3,775.59	5.50	6.66
2017	58,955	134,074	164,551	3,409.04	4,183.96	5.78	7.10
2018	61,602	142,581	176,293	3,611.84	4,465.81	5.86	7.25
2019	64,363	142,639	172,684	3,608.42	4,368.46	5.61	6.79
2020 <sup>e/</sup>	69,881	183,700	220,573	4,645.56	5,578.03	6.65	7.98
2021 <sup>e/</sup>	74,900	188,532	228,494	4,788.55	5,803.54	6.39	7.75
2022 <sup>e/</sup>	75,492	190,222	231,921	4,807.93	5,861.90	6.37	7.76

<sup>1/</sup>Per capita computations are based on July 1 population estimates, benchmarked on the 2010 Census.

<sup>2/</sup>Personal income data are on a calendar year basis (e.g., 2012 for 2012-13).

<sup>3/</sup>Taxes per \$100 personal income computed using calendar year personal income (e.g. 2012 income related to 2012-13 tax collections).

<sup>e/</sup>Estimated.

**SCHEDULE 3 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2022-23  
Includes both General and Special Funds**

(Dollars in Thousands)

Fiscal Year	Estate					Motor				
	Sales and Use <sup>1)</sup>	Personal Income <sup>2)</sup>	Corporation <sup>3)</sup>	Tobacco <sup>4)</sup>	Inheritance and Gift <sup>5)</sup>	Insurance <sup>6)</sup>	Alcoholic Beverage <sup>7)</sup>	Vehicle Fuel <sup>8)</sup>	Vehicle Fees <sup>9)</sup>	Cannabis Excise <sup>10)</sup>
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	5,121,811	
2008	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,162,299	5,566,642	
2009	31,197,154	45,650,901	9,114,589	922,986	0	2,180,786	311,242	3,149,144	6,726,967	
2010	30,996,372	50,507,989	9,613,594	905,245	0	2,307,022	334,178	5,705,528	6,558,121	
2011	28,542,238	55,449,292	7,233,000	895,677	0	2,416,073	346,000	5,544,530	5,907,866	
2012	31,007,290	66,809,000	7,782,947	868,703	0	2,242,379	357,000	5,492,850	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	9,416,779	832,379	0	2,444,573	357,373	5,713,698	6,510,898	
2015	35,936,588	80,541,269	10,459,561	840,034	0	2,561,932	368,699	5,003,317	6,833,037	
2016	35,360,401	85,021,043	11,019,780	1,235,605	0	2,422,105	368,345	4,845,821	7,192,680	
2017	36,137,388	95,865,692	12,312,596	2,145,003	0	2,569,271	376,059	6,355,007	8,578,311	83,869
2018	37,903,457	100,958,015	14,062,543	2,052,204	0	2,722,787	377,662	7,561,080	9,880,258	261,149
2019	37,083,771	101,866,478	13,953,804	1,966,609	0	3,134,591	382,745	7,801,021	9,769,018	490,915
2020 <sup>11)</sup>	41,859,961	131,177,581	22,792,840	1,961,686	0	3,139,292	414,634	7,814,218	10,682,022	770,380
2021 <sup>12)</sup>	44,880,937	124,537,949	32,863,043	1,955,391	0	3,448,339	423,267	8,825,749	10,884,154	710,915
2022 <sup>13)</sup>	46,777,813	134,058,848	23,732,128	1,728,169	0	3,540,559	420,782	9,592,558	11,319,867	786,836

<sup>1)</sup> 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.

<sup>2)</sup> Includes the revenue for a 1-percent surcharge on taxable incomes over \$1 million, with proceeds funding mental health programs. Includes the 0.25-percent surcharge and reduced dependent exemption credit effective for tax years 2009 and 2010. Also includes the impact of Propositions 30 and Proposition 55, which establishes three additional brackets for tax years 2012 through 2030. Includes -\$14.1 billion for 2021-22 and -\$9.7 billion for 2022-23 for tax credits related to the elective pass-through entity tax.

<sup>3)</sup> 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 impact of the limitation on credit and NOL usage for tax years 2020 and 2021. Includes \$13.7 billion in 2021-22 and \$10 billion in 2022-23 for the elective pass-through entity tax.

<sup>4)</sup> Proposition 99 (November 1988) increased the cigarette tax to \$0.35 per pack and added an equivalent tax to other tobacco products. The Breast Cancer Act added \$0.02 per pack effective 1/1/94. Proposition 10 (November 1998) increased the cigarette tax to \$0.87 per pack and added the equivalent of \$1.00 tax on other tobacco products. Proposition 56 (November 2016) increased the cigarette tax to \$2.87 per pack, effective April 1, 2017, and added the equivalent of a \$2.00 tax to other tobacco products, effective July 1, 2017. Proposition 56 also defined electronic cigarettes as other tobacco products for purposes of taxation. Reflects assumption that a flavor ban on cigarette and tobacco products goes into effect November 15, 2022. Reflects a new 12.5-percent retail tax on electronic cigarettes as of July 1, 2022.

<sup>5)</sup> The state's estate tax was phased out beginning in 2002 and fully repealed by 2005 due to changes in federal law that eliminated the state death tax credit.

<sup>6)</sup> Includes insurance gross premiums tax on Medi-Cal managed care plans through June 30, 2013, to provide interim funding for the Healthy Families and Medi-Cal programs. Includes a reduction for the managed care organizations tax of about \$200 million per year from 2016-17 through 2018-19.

<sup>7)</sup> Alcoholic beverage excise taxes were increased effective July 15, 1991.

<sup>8)</sup> Motor vehicle fuel tax (gasoline) and use fuel tax (diesel and other fuels). The gasoline excise tax was 29.7 cents per gallon for the first four months of 2017-18, 41.7 cents for the next 20 months through 2018-19, 47.3 cents in 2019-20, and indexed annually for inflation thereafter. The diesel excise tax was 16 cents for the first four months of 2017-18, 36 cents through 2019-20, and annually indexed for inflation thereafter.

<sup>9)</sup> Registration and weight fees, motor vehicle license fees, and other fees. Includes \$800 million in 2017-18, \$1.7 billion in both 2018-19 and 2019-20, \$1.9 billion in 2020-21, \$2 billion in 2021-22, and \$2.1 billion in 2022-23 from a graduated fee at \$25 to \$175 per vehicle indexed to inflation.

<sup>10)</sup> As of January 1, 2018, Proposition 64 levied a new excise tax on the cultivation of cannabis at an initial rate per ounce of \$9.25 for flower, \$2.75 for leaves, and \$1.29 for plant, adjusted for inflation beginning in 2020. In addition, there is a 15-percent tax on the retail price of cannabis.

<sup>11)</sup> Estimated.

**SCHEDULE 4 AT 2022-23 GOVERNOR'S BUDGET  
POSITION AND SALARY COST ESTIMATES**  
(Excludes Staff Benefits<sup>1/</sup>)  
(Dollars in Thousands)

	Positions			Dollars		
	Actuals 2020-21*	Estimated 2021-22*	Proposed 2022-23*	Actuals 2020-21*	Estimated 2021-22*	Proposed 2022-23*
<b>Executive</b>						
Executive	11,207.2	12,801.7	13,218.0	\$1,009,262	\$1,229,675	\$1,285,328
Business, Consumer Services, and Housing	6,007.5	7,429.5	7,591.6	454,165	608,768	630,846
Transportation	40,454.4	41,444.4	41,505.8	3,909,132	4,384,960	4,435,227
Natural Resources	20,304.7	24,019.8	24,556.3	1,752,368	2,224,828	2,380,206
California Environmental Protection	5,882.4	6,767.9	7,145.8	526,292	720,343	763,365
Health and Human Services	30,021.4	35,323.4	36,618.4	2,591,164	3,295,830	3,480,745
Corrections and Rehabilitation	57,350.0	62,203.3	65,421.3	4,922,363	7,282,095	6,836,589
Education						
K thru 12 Education	2,529.7	2,815.0	2,890.0	194,886	228,848	238,952
Community Colleges/Other	303.9	379.5	404.5	28,850	40,150	41,583
Labor and Workforce Development	18,574.5	15,594.4	14,139.8	1,303,721	1,199,630	1,102,511
Government Operations	19,235.7	21,269.0	21,416.4	1,512,700	1,805,182	1,852,373
General Government	12,360.4	13,262.2	13,580.7	657,662	994,169	1,610,164
<b>SUBTOTAL, EXECUTIVE</b>	<b>224,231.8</b>	<b>243,310.1</b>	<b>248,488.6</b>	<b>\$18,862,565</b>	<b>\$24,014,478</b>	<b>\$24,657,889</b>
<b>Higher Education</b>						
University of California	115,415.5	117,282.6	117,282.8	\$10,588,215	\$12,809,162	\$12,809,239
Hastings College of Law	251.8	271.1	278.5	25,522	27,773	29,120
California State University	48,297.9	48,600.9	48,600.9	3,625,634	3,764,053	3,764,053
<b>SUBTOTAL, HIGHER EDUCATION</b>	<b>163,965.2</b>	<b>166,154.6</b>	<b>166,162.2</b>	<b>\$14,239,371</b>	<b>\$16,600,988</b>	<b>\$16,602,412</b>
<b>Legislative</b> <sup>1/</sup>	754.0	754.0	754.0	\$78,923	\$82,657	\$83,866
<b>Judicial</b>	1,742.4	2,073.3	2,120.3	280,374	324,758	334,502
<b>GRAND TOTAL</b>	<b>390,693.4</b>	<b>412,292.0</b>	<b>417,525.1</b>	<b>\$33,461,233</b>	<b>\$41,022,881</b>	<b>\$41,678,669</b>

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

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

**SCHEDULE 5A AT 2022-23 GOVERNOR'S BUDGET  
STATEMENT OF ESTIMATED ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE  
GENERAL FUND**

(Dollars in Thousands)

	Estimated 2020-21 Fiscal Year Accruals <sup>1/</sup>		Estimated 2021-22 Fiscal Year Accruals <sup>2/</sup>		Estimated 2022-23 Fiscal Year Accruals <sup>2/</sup>		Net accruals June 30, 2023
	Accounts payable June 30, 2021	Accounts receivable June 30, 2021	Accounts payable June 30, 2022	Accounts receivable June 30, 2022	Accounts payable June 30, 2023	Accounts receivable June 30, 2023	
<b>STATE OPERATIONS</b>							
Legislative/Judicial/Executive	\$391,785	\$209,894	\$403,539	\$216,191	\$415,645	\$222,677	\$192,968
Business, Consumer Services, and Housing	8,091	5,816	8,334	5,990	8,584	6,170	2,414
Transportation	14,577	4,937	15,014	5,085	15,464	5,238	10,226
Natural Resources	76,403	42,991	78,695	44,281	81,056	45,609	35,447
California Environmental Protection	2,487	3,040	2,562	3,131	2,639	3,225	-586
Health and Human Services:							
Health Care Services	0	0	0	0	0	0	0
Developmental Services	0	0	0	0	0	0	0
State Hospitals	0	0	0	0	0	0	0
Other Health and Human Services	271,337	118,327	279,477	121,877	287,861	125,533	162,328
Corrections and Rehabilitation	0	0	0	0	0	0	0
Education:							
Department of Education	0	0	0	0	0	0	0
University of California	138,876	0	143,042	0	147,333	0	147,333
California State University	12,205	0	12,571	0	12,948	0	12,948
Other Education	1,737	0	1,789	0	1,843	0	1,843
Government Operations	27,122	594	27,936	612	28,774	630	28,144
General Government/Labor	2,536,591	687,809	2,612,689	708,443	2,691,070	729,696	1,961,374
<b>Totals, State Operations</b>	<b>\$3,481,211</b>	<b>\$1,073,408</b>	<b>\$3,585,648</b>	<b>\$1,105,610</b>	<b>\$3,693,217</b>	<b>\$1,138,778</b>	<b>\$2,554,439</b>
<b>LOCAL ASSISTANCE</b>							
Public Schools K-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
California Community Colleges	0	0	0	0	0	0	0
Other Education	0	0	0	0	0	0	0
Health Care Services (Non-Medi-Cal)	0	0	0	0	0	0	0
Developmental Services	0	0	0	0	0	0	0
State Hospitals	0	0	0	0	0	0	0
Social Services	0	0	0	0	0	0	0
Other Health and Human Services	31,163	49	32,098	50	33,061	52	33,009
Tax Relief	0	0	0	0	0	0	0
Other Local Assistance	57,452	54,409	59,176	56,041	60,951	57,722	3,229
<b>Totals, Local Assistance</b>	<b>\$88,615</b>	<b>\$54,458</b>	<b>\$91,274</b>	<b>\$56,091</b>	<b>\$94,012</b>	<b>\$57,774</b>	<b>\$36,238</b>
<b>TOTALS, ALL CHARACTERS</b>	<b>\$3,569,826</b>	<b>\$1,127,866</b>	<b>\$3,676,922</b>	<b>\$1,161,701</b>	<b>\$3,787,229</b>	<b>\$1,196,552</b>	<b>\$2,590,677</b>

<sup>1/</sup> Actuals are normally provided by the State Controller's Office. Budget information reflects the latest available estimates pending final completion of the year-end financial reports.

<sup>2/</sup> 2021-22 and 2022-23 typically assume a 3% growth from the prior fiscal year, except for adjustments due to major one-time issues to conform with budget treatment.

**Note:** Numbers may not add due to rounding.

**SCHEDULE 5B AT 2022-23 GOVERNOR'S BUDGET  
ACTUAL 2020-21 FISCAL YEAR CASH FLOW  
GENERAL FUND  
(Dollars in Millions)**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>BEGINNING CASH BALANCE</b>	\$0	\$0	\$0	\$1,604	\$0	\$0	\$0	\$12,447	\$11,524	\$11,897	\$20,766	\$34,718	\$0
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$39	\$36	\$33	\$37	\$35	\$31	\$38	\$24	\$30	\$38	\$36	\$35	\$412
Corporation Tax	4,479	390	2,051	500	296	3,301	1,013	365	2,064	5,098	924	5,617	26,098
Cigarette Tax	5	5	5	5	2	8	7	2	6	5	5	5	60
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	34	357	397	43	453	307	26	36	102	654	175	543	3,127
Personal Income Tax	23,848	5,863	9,417	7,435	5,906	11,118	23,067	5,783	5,673	13,738	15,145	16,742	143,755
Retail Sales and Use Tax	1,272	3,320	2,123	1,130	3,104	2,882	1,052	3,083	2,582	1,230	3,839	3,030	28,647
Income from Pooled Money Investments	18	14	26	19	13	12	22	8	19	-11	10	15	165
Transfer from Special Fund for Economic Uncertainties	0	86	217	19	2,173	1,034	465	155	468	268	778	1,174	6,837
Other	8,982	640	2,339	315	1,263	186	93	186	252	575	301	1,969	17,101
<b>TOTAL, Receipts</b>	<b>\$38,677</b>	<b>\$10,731</b>	<b>\$16,608</b>	<b>\$9,503</b>	<b>\$13,245</b>	<b>\$18,879</b>	<b>\$25,783</b>	<b>\$9,642</b>	<b>\$11,196</b>	<b>\$21,595</b>	<b>\$21,213</b>	<b>\$29,130</b>	<b>\$226,202</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$245	\$260	\$263	\$253	\$292	\$508	\$263	\$303	\$279	\$260	\$517	\$39	\$3,482
Debt Service	-57	564	760	1,140	553	-443	-299	350	468	1,253	334	-117	4,506
Other State Operations	3,270	2,444	2,384	2,983	1,954	3,580	2,240	2,501	2,508	3,180	2,848	1,849	31,741
Social Services	1,567	209	1,492	918	605	516	1,522	56	643	1,174	543	875	10,120
Medi-Cal Assistance for DHCS	2,001	1,708	2,686	2,274	2,349	2,008	1,312	-41	1,356	965	1,829	2,122	20,569
Other Health and Human Services	764	495	-155	1,384	605	462	640	369	798	-159	-310	245	5,138
Schools	9,362	4,091	5,392	4,549	4,303	6,611	5,109	1,880	4,442	4,648	1,153	7,103	58,643
Teachers' Retirement	960	0	0	1,051	0	663	0	0	0	1,051	0	0	3,725
Transfer to Special Fund for Economic Uncertainties	700	86	217	599	2,173	1,034	465	2,621	0	0	0	264	8,159
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	1,175	89	1,391	856	488	354	694	2,528	325	353	347	554	9,154
<b>TOTAL, Disbursements</b>	<b>\$19,987</b>	<b>\$9,946</b>	<b>\$14,430</b>	<b>\$16,007</b>	<b>\$13,322</b>	<b>\$15,293</b>	<b>\$11,946</b>	<b>\$10,567</b>	<b>\$10,819</b>	<b>\$12,725</b>	<b>\$7,261</b>	<b>\$12,934</b>	<b>\$155,237</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>\$18,690</b>	<b>\$785</b>	<b>\$2,178</b>	<b>-\$6,504</b>	<b>-\$77</b>	<b>\$3,586</b>	<b>\$13,837</b>	<b>-\$925</b>	<b>\$377</b>	<b>\$8,870</b>	<b>\$13,952</b>	<b>\$16,196</b>	<b>\$70,965</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account	-15,158	-784	-574	4,900	77	-3,586	-1,390	0	0	0	0	0	-16,515
Other Internal Sources	-3,532	0	0	0	0	0	0	0	0	0	0	0	-3,532
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Net Temporary Loans</b>	<b>-\$18,690</b>	<b>-\$784</b>	<b>-\$574</b>	<b>\$4,900</b>	<b>\$77</b>	<b>-\$3,586</b>	<b>-\$1,390</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$20,047</b>
<b>ENDING CASH BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,604</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,447</b>	<b>\$11,523</b>	<b>\$11,902</b>	<b>\$20,767</b>	<b>\$34,719</b>	<b>\$50,914</b>	<b>\$50,919</b>
<b>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,461	\$1,994	\$1,689	\$910	\$0	\$0
Budget Stabilization Account	8,710	8,710	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310
Other Internal Sources	42,300	42,002	38,519	39,018	40,047	41,176	39,779	41,375	39,903	39,101	41,921	40,853	40,853
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$51,010</b>	<b>\$50,712</b>	<b>\$46,829</b>	<b>\$47,328</b>	<b>\$48,357</b>	<b>\$49,486</b>	<b>\$48,089</b>	<b>\$52,146</b>	<b>\$50,207</b>	<b>\$49,100</b>	<b>\$51,141</b>	<b>\$49,163</b>	<b>\$49,163</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account	1,358	574	0	4,898	4,975	1,390	0	0	0	0	0	0	0
Other Internal Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$1,358</b>	<b>\$574</b>	<b>\$0</b>	<b>\$4,898</b>	<b>\$4,975</b>	<b>\$1,390</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$49,652</b>	<b>\$50,138</b>	<b>\$46,829</b>	<b>\$42,430</b>	<b>\$43,382</b>	<b>\$48,096</b>	<b>\$48,089</b>	<b>\$52,146</b>	<b>\$50,207</b>	<b>\$49,100</b>	<b>\$51,141</b>	<b>\$49,163</b>	<b>\$49,163</b>
<b>CASH AND UNUSED BORROWABLE RESOURCES</b>	<b>\$49,652</b>	<b>\$50,138</b>	<b>\$48,433</b>	<b>\$42,430</b>	<b>\$43,382</b>	<b>\$48,096</b>	<b>\$60,536</b>	<b>\$63,669</b>	<b>\$62,109</b>	<b>\$69,867</b>	<b>\$85,860</b>	<b>\$100,078</b>	<b>\$100,078</b>

Note: Numbers may not add due to rounding.  
Source: State Controller's Office

**SCHEDULE 5C AT 2022-23 GOVERNOR'S BUDGET  
ESTIMATED 2021-22 FISCAL YEAR CASHFLOW**  
GENERAL FUND  
(Dollars in Millions)

	Actual JUL	Actual AUG	Actual SEP	Actual OCT	Actual NOV	Actual DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>BEGINNING CASH BALANCE</b>	<b>\$50,914</b>	<b>\$44,581</b>	<b>\$27,233</b>	<b>\$18,136</b>	<b>\$12,218</b>	<b>\$13,359</b>	<b>\$18,631</b>	<b>\$24,870</b>	<b>\$18,917</b>	<b>\$19,241</b>	<b>\$20,066</b>	<b>\$19,620</b>	<b>\$50,914</b>
Alcoholic Beverage Excise Tax	\$11	\$68	\$38	\$0	\$68	\$40	\$39	\$28	\$30	\$31	\$37	\$33	\$423
Corporation Tax	991	292	2,916	616	383	3,980	843	343	9,950	3,383	921	8,742	33,360
Cigarette Tax	5	5	6	4	2	8	6	3	5	6	5	3	58
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	37	394	382	45	356	471	24	32	319	630	298	460	3,448
Personal Income Tax	7,214	7,540	13,280	8,470	7,562	11,540	21,257	4,562	7,180	13,627	6,664	15,440	124,326
Retail Sales and Use Tax	1,280	3,882	2,060	1,717	3,619	2,626	1,777	2,635	2,726	921	4,347	3,126	30,716
Income from Pooled Money Investments	13	11	15	10	19	8	20	8	19	17	12	18	170
Transfer from Special Fund for Economic Uncertainties	318	124	98	161	18	0	0	0	0	0	0	1	720
Other	229	376	366	752	1,075	10,128	450	378	380	378	368	1,040	15,920
<b>TOTAL, Receipts</b>	<b>\$10,098</b>	<b>\$12,692</b>	<b>\$19,161</b>	<b>\$11,775</b>	<b>\$13,102</b>	<b>\$28,801</b>	<b>\$24,416</b>	<b>\$7,979</b>	<b>\$20,609</b>	<b>\$18,993</b>	<b>\$12,652</b>	<b>\$28,863</b>	<b>\$209,141</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$318	\$314	\$344	\$365	\$321	\$876	\$373	\$373	\$373	\$373	\$742	\$4	\$4,776
Debt Service	-65	475	863	984	888	-272	-346	385	504	980	242	68	4,706
Other State Operations	5,806	11,190	3,086	4,244	2,319	4,299	3,733	3,559	3,046	4,240	2,633	3,886	52,041
Social Services	1,884	686	1,138	1,446	290	1,401	995	884	1,098	1,801	958	1,393	13,974
Medi-Cal Assistance for DHCS	2,239	2,034	1,596	2,228	1,331	2,824	2,406	979	3,703	2,759	1,575	3,602	27,276
Other Health Care Services	1,021	659	184	794	582	989	378	827	853	430	15	104	6,847
Schools	3,087	12,693	7,548	5,086	5,765	10,774	4,968	5,049	8,916	4,601	5,243	10,922	84,652
Teachers' Retirement	787	0	0	1,165	0	767	0	0	0	1,165	0	0	3,863
Transfer to Special Fund for Economic Uncertainties	320	124	126	161	35	0	3,979	0	0	0	0	0	4,744
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	7,471
Other	1,054	1,865	5,902	1,219	430	1,860	1,691	1,877	1,792	1,819	1,691	2,208	23,410
<b>TOTAL, Disbursements</b>	<b>\$16,431</b>	<b>\$30,040</b>	<b>\$28,258</b>	<b>\$17,692</b>	<b>\$11,961</b>	<b>\$23,528</b>	<b>\$18,177</b>	<b>\$13,933</b>	<b>\$20,285</b>	<b>\$18,168</b>	<b>\$13,099</b>	<b>\$22,187</b>	<b>\$233,760</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$6,333</b>	<b>-\$17,348</b>	<b>-\$9,097</b>	<b>-\$5,918</b>	<b>\$1,141</b>	<b>\$5,272</b>	<b>\$6,239</b>	<b>-\$5,953</b>	<b>\$324</b>	<b>\$825</b>	<b>-\$446</b>	<b>\$6,676</b>	<b>-\$24,619</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Net Temporary Loans</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ENDING CASH BALANCE</b>	<b>\$44,581</b>	<b>\$27,233</b>	<b>\$18,136</b>	<b>\$12,218</b>	<b>\$13,359</b>	<b>\$18,631</b>	<b>\$24,870</b>	<b>\$18,917</b>	<b>\$19,241</b>	<b>\$20,066</b>	<b>\$19,620</b>	<b>\$26,296</b>	<b>\$26,296</b>
<b>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$3,979	\$3,979	\$3,979	\$3,979	\$3,979	\$3,979	\$3,979
Budget Stabilization Account	8,310	8,310	15,781	15,781	15,781	15,781	15,781	15,781	15,781	15,781	15,781	15,781	15,781
Other Internal Sources	42,974	46,431	50,654	51,738	52,031	49,794	49,940	51,375	51,078	51,475	49,815	48,637	48,637
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$51,284</b>	<b>\$54,741</b>	<b>\$66,435</b>	<b>\$67,519</b>	<b>\$67,812</b>	<b>\$65,575</b>	<b>\$69,700</b>	<b>\$71,135</b>	<b>\$70,838</b>	<b>\$71,235</b>	<b>\$69,575</b>	<b>\$68,397</b>	<b>\$68,397</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$1,284</b>	<b>\$54,741</b>	<b>\$66,435</b>	<b>\$67,519</b>	<b>\$67,812</b>	<b>\$65,575</b>	<b>\$69,700</b>	<b>\$71,135</b>	<b>\$70,838</b>	<b>\$71,235</b>	<b>\$69,575</b>	<b>\$68,397</b>	<b>\$68,397</b>
Cash and Unused Borrowable Resources	\$95,865	\$81,974	\$84,571	\$79,737	\$81,171	\$84,206	\$94,570	\$90,052	\$90,079	\$91,301	\$89,195	\$94,693	\$94,693

Note: Numbers may not add due to rounding.



**SCHEDULE 5D AT 2022-23 GOVERNOR'S BUDGET  
ESTIMATED 2022-23 FISCAL YEAR CASHFLOW**  
GENERAL FUND  
(Dollars in Millions)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<b>BEGINNING CASH BALANCE</b>	<b>\$26,296</b>	<b>\$14,049</b>	<b>\$13,780</b>										<b>\$26,296</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$44	\$31	\$37	\$38	\$29	\$41	\$40	\$28	\$31	\$31	\$37	\$34	\$421
Corporation Tax	796	472	1,959	702	96	2,246	838	336	4,351	2,863	958	8,267	23,884
Cigarette Tax	5	3	4	5	2	6	5	3	4	5	4	5	51
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	31	359	460	33	339	488	25	33	331	654	309	479	3,541
Personal Income Tax	7,706	8,003	11,613	8,400	6,934	13,557	20,973	4,764	7,569	19,873	7,053	15,530	132,015
Retail Sales and Use Tax	1,330	4,054	2,187	2,294	3,272	2,802	1,889	2,766	2,846	968	4,489	3,228	32,125
Income from Pooled Money Investments	17	13	19	23	12	13	18	7	17	13	9	15	176
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	912	0	0	0	0	0	912
Other	331	372	322	307	299	281	372	300	302	300	338	901	4,425
<b>TOTAL, Receipts</b>	<b>\$10,260</b>	<b>\$13,307</b>	<b>\$16,601</b>	<b>\$11,842</b>	<b>\$10,983</b>	<b>\$19,434</b>	<b>\$25,072</b>	<b>\$8,237</b>	<b>\$15,451</b>	<b>\$24,707</b>	<b>\$13,197</b>	<b>\$28,460</b>	<b>\$197,550</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$369	\$369	\$369	\$369	\$369	\$651	\$369	\$369	\$369	\$369	\$733	\$1	\$4,706
Debt Service	-53	647	847	1,263	627	-361	-329	402	572	1,128	352	-112	4,983
Other State Operations	8,912	3,396	4,095	4,448	2,316	4,075	3,289	3,183	2,023	4,157	3,533	4,259	47,886
Social Services	2,071	879	1,086	1,756	605	1,048	439	814	859	1,198	832	919	12,506
Medi-Cal Assistance for DHCS	3,341	1,959	3,498	3,124	1,907	3,593	3,034	1,282	3,739	2,780	2,108	4,487	34,852
Other Health Care Services	904	1	82	250	1,864	665	583	1,089	1,127	550	180	216	7,511
Schools	3,236	4,468	9,059	4,739	6,226	9,954	5,922	5,609	10,074	5,407	5,802	8,956	79,452
Teachers' Retirement	726	0	0	1,127	0	726	0	0	0	1,127	0	0	3,706
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	5,087	0	0	0	0	0	0	0	0	0	5,087
Other	3,000	1,858	7,662	2,181	803	1,181	944	870	941	1,115	1,471	2,425	24,452
<b>TOTAL, Disbursements</b>	<b>\$22,506</b>	<b>\$13,577</b>	<b>\$31,785</b>	<b>\$19,257</b>	<b>\$14,717</b>	<b>\$21,532</b>	<b>\$14,251</b>	<b>\$13,618</b>	<b>\$19,704</b>	<b>\$17,831</b>	<b>\$15,011</b>	<b>\$21,151</b>	<b>\$224,941</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$12,247</b>	<b>-\$269</b>	<b>-\$15,184</b>	<b>-\$7,415</b>	<b>-\$3,735</b>	<b>-\$2,099</b>	<b>\$10,822</b>	<b>-\$5,381</b>	<b>-\$4,253</b>	<b>\$6,875</b>	<b>-\$1,815</b>	<b>\$7,309</b>	<b>-\$27,392</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$1,405	\$2,574	\$0	\$0	-\$912	\$0	\$0	\$0	\$0	-\$1,971	\$1,096
Budget Stabilization Account	0	0	0	4,841	3,735	2,099	-9,910	5,381	4,253	-6,875	1,815	-5,338	0
Other Internal Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Net Temporary Loans</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,405</b>	<b>\$7,415</b>	<b>\$3,735</b>	<b>\$2,099</b>	<b>-\$10,822</b>	<b>\$5,381</b>	<b>\$4,253</b>	<b>-\$6,875</b>	<b>\$1,815</b>	<b>-\$7,309</b>	<b>\$1,096</b>
<b>ENDING CASH BALANCE</b>	<b>\$14,049</b>	<b>\$13,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$3,979	\$3,979	\$3,979	\$3,979	\$3,979	\$3,979	\$3,067	\$3,067	\$3,067	\$3,067	\$3,067	\$3,067	\$3,067
Budget Stabilization Account	15,781	15,781	20,868	20,868	20,868	20,868	20,868	20,868	20,868	20,868	20,868	20,868	20,868
Other Internal Sources	50,164	48,656	55,678	54,603	56,652	56,026	56,428	57,756	56,404	57,315	58,047	59,040	59,040
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$69,924</b>	<b>\$68,416</b>	<b>\$80,525</b>	<b>\$79,450</b>	<b>\$81,499</b>	<b>\$80,873</b>	<b>\$80,363</b>	<b>\$81,691</b>	<b>\$80,339</b>	<b>\$81,250</b>	<b>\$81,982</b>	<b>\$82,976</b>	<b>\$82,976</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$1,405	\$3,979	\$3,979	\$3,979	\$3,067	\$3,067	\$3,067	\$3,067	\$3,067	\$1,096	\$1,096
Budget Stabilization Account	0	0	0	4,841	8,576	10,675	765	6,146	10,399	3,524	5,338	0	0
Other Internal Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,405</b>	<b>\$8,820</b>	<b>\$12,555</b>	<b>\$14,653</b>	<b>\$3,832</b>	<b>\$9,213</b>	<b>\$13,466</b>	<b>\$6,591</b>	<b>\$8,405</b>	<b>\$1,096</b>	<b>\$1,096</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$69,924</b>	<b>\$68,416</b>	<b>\$79,120</b>	<b>\$70,630</b>	<b>\$68,944</b>	<b>\$66,220</b>	<b>\$76,532</b>	<b>\$72,479</b>	<b>\$66,873</b>	<b>\$74,660</b>	<b>\$73,577</b>	<b>\$81,880</b>	<b>\$81,880</b>
<b>Cash and Unused Borrowable Resources</b>	<b>\$83,973</b>	<b>\$82,196</b>	<b>\$79,120</b>	<b>\$70,630</b>	<b>\$68,944</b>	<b>\$66,220</b>	<b>\$76,532</b>	<b>\$72,479</b>	<b>\$66,873</b>	<b>\$74,660</b>	<b>\$73,577</b>	<b>\$81,880</b>	<b>\$81,880</b>

Note: Numbers may not add due to rounding.

**SCHEDULE 6 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES**

Year	Population <sup>1/</sup> (Thousands)	Employees <sup>2/</sup>	Employees per 1,000 Population	Personal Income (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund	Total	General Fund <sup>3/</sup>	Total <sup>4/</sup>	General Fund <sup>3/</sup>	Total <sup>4/</sup>	General Fund <sup>3/</sup>	Total <sup>4/</sup>
					(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)
1970-71	20,039	181,581	9.1	96.1	4,534	5,919	4,854	6,556	242.23	327.16	5.05	6.82
1971-72	20,346	181,912	8.9	102.3	5,395	6,897	5,027	6,684	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.2	5,780	7,366	5,616	7,422	272.82	360.55	5.01	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.8	8,630	10,405	8,349	10,276	394.30	485.31	6.02	7.40
1975-76	21,538	206,361	9.6	153.7	9,639	11,567	9,518	11,452	441.92	531.71	6.19	7.45
1976-77	21,936	213,795	9.7	171.9	11,381	13,463	10,467	12,632	477.16	575.86	6.09	7.35
1977-78	22,352	221,251	9.9	191.6	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.6	15,219	17,711	16,251	18,745	711.64	820.85	7.43	8.58
1979-80	23,257	220,193	9.5	249.3	17,985	20,919	18,534	21,488	796.92	923.94	7.43	8.62
1980-81	23,782	225,567	9.5	283.9	19,023	22,104	21,105	24,511	887.44	1,030.65	7.43	8.63
1981-82	24,278	228,813	9.4	319.2	20,960	23,601	21,693	25,022	893.53	1,030.65	6.80	7.84
1982-83	24,805	228,489	9.2	341.1	21,233	24,291	21,751	25,330	876.88	1,021.17	6.38	7.43
1983-84	25,337	226,695	8.9	368.2	23,809	27,626	22,869	26,797	902.59	1,057.62	6.21	7.28
1984-85	25,816	229,845	8.9	411.3	26,536	31,570	25,722	30,961	996.36	1,199.30	6.25	7.53
1985-86	26,403	229,641	8.7	443.6	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.50	7.88
1986-87	27,052	232,927	8.6	475.0	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.63	8.02
1987-88	27,717	237,761	8.6	512.4	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.44	7.89
1988-89	28,393	248,173	8.7	555.5	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.46	8.03
1989-90	29,142	254,589	8.7	597.5	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.60	8.13
1990-91	29,828	260,622	8.7	640.5	38,214	47,024	40,264	51,446	1,349.87	1,724.76	6.29	8.03
1991-92	30,459	261,713	8.6	662.3	42,026	53,117	43,327	56,280	1,422.47	1,847.73	6.54	8.50
1992-93	30,987	260,939	8.4	695.0	40,946	52,526	40,948	56,480	1,321.46	1,822.70	5.89	8.13
1993-94	31,314	265,035	8.5	711.3	40,095	52,384	38,958	53,083	1,244.11	1,695.18	5.48	7.46
1994-95	31,524	269,004	8.5	738.3	42,710	54,942	41,961	54,613	1,331.08	1,732.43	5.68	7.40
1995-96	31,712	271,076	8.5	776.5	46,296	59,266	45,393	59,870	1,431.41	1,887.93	5.85	7.71
1996-97	31,963	271,966	8.5	825.7	49,220	62,831	49,088	64,523	1,535.78	2,018.68	5.95	7.81
1997-98	32,453	264,551	8.2	879.2	54,973	69,424	52,874	68,528	1,629.25	2,111.61	6.01	7.79
1998-99	32,863	282,860	8.6	963.1	58,615	74,281	57,827	75,260	1,759.64	2,290.11	6.00	7.81
1999-00	33,419	296,076	8.9	1,027.7	71,931	87,536	66,494	84,864	1,989.71	2,539.39	6.47	8.26
2000-01	34,001	311,239	9.2	1,135.3	71,428	88,419	78,053	96,382	2,295.61	2,834.68	6.88	8.49
2001-02	34,513	322,277	9.3	1,174.5	72,239	89,780	76,752	99,220	2,223.86	2,874.86	6.53	8.45
2002-03	34,938	321,394	9.2	1,193.4	80,564	95,794	77,482	106,779	2,217.70	3,056.24	6.49	8.95
2003-04	35,389	316,860	9.0	1,244.4	76,774	96,365	78,345	104,223	2,213.82	2,945.07	6.30	8.38
2004-05	35,753	313,684	8.8	1,321.6	82,209	104,462	79,804	107,591	2,232.09	3,009.29	6.04	8.14
2005-06	35,986	317,593	8.8	1,396.2	93,427	118,331	91,592	119,612	2,545.21	3,323.85	6.56	8.57
2006-07	36,247	335,384	9.3	1,499.5	95,415	120,663	101,413	129,968	2,797.83	3,585.62	6.76	8.67
2007-08	36,553	343,118	9.4	1,564.4	102,574	127,194	102,986	138,065	2,817.44	3,777.12	6.58	8.83
2008-09	36,856	350,609	9.5	1,596.3	82,772	106,319	90,940	122,386	2,467.44	3,320.65	5.70	7.67
2009-10	37,077	345,777	9.3	1,536.4	87,041	109,989	87,237	117,001	2,352.86	3,155.62	5.68	7.62
2010-11	37,339	371,959	10.0	1,579.1	93,489	122,463	91,549	130,981	2,451.83	3,507.89	5.80	8.29
2011-12	37,676	356,808	9.5	1,683.2	87,071	118,792	86,404	126,361	2,293.34	3,353.89	5.13	7.51
2012-13	38,038	346,321	9.1	1,805.2	99,915	137,242	96,562	141,001	2,538.57	3,706.85	5.35	7.81
2013-14	38,370	353,979	9.2	1,856.6	102,675	142,860	99,838	142,810	2,601.98	3,721.92	5.38	7.69
2014-15	38,729	360,859	9.3	1,939.5	111,318	157,875	112,974	160,294	2,917.04	4,138.86	5.82	8.26
2015-16	39,060	350,680	9.0	2,103.7	115,500	161,759	113,984	160,209	2,918.18	4,101.61	5.42	7.62
2016-17	39,321	361,743	9.2	2,212.7	119,982	167,036	119,291	165,880	3,033.77	4,218.61	5.39	7.50
2017-18	39,612	368,520	9.3	2,364.1	131,116	188,115	124,756	177,316	3,149.45	4,476.32	5.28	7.50
2018-19	39,672	376,990	9.5	2,514.1	140,060	201,754	140,387	203,243	3,538.69	5,123.08	5.58	8.08
2019-20	39,662	382,465	9.6	2,632.3	140,400	200,011	146,285	208,090	3,688.29	5,246.58	5.56	7.91
2020-21	39,543	390,693	9.9	2,763.3	194,132	248,598	163,453	228,959	4,133.55	5,790.13	5.92	8.29
2021-22	39,371	412,292	10.5	2,948.9	196,669	267,539	210,030	280,112	5,334.64	7,114.68	7.12	9.50
2022-23	39,564	417,525	10.6	2,986.8	195,718	261,470	213,127	286,467	5,386.89	7,240.60	7.14	9.59

<sup>1/</sup>Population as of July 1, the beginning of the fiscal year.

<sup>2/</sup>Beginning with the 2010-11 fiscal year, "employees" displays latest authorized/proposed number of positions, as opposed to prior years that show personnel years.

<sup>3/</sup>Includes Special Accounts in General Fund from 1973-74 to 1976-77.

<sup>4/</sup>Expenditures include payments from General Fund, Special Funds and Selected Bond Funds.

**SCHEDULE 8 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2020-21			Estimated 2021-22			Estimated 2022-23		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>MAJOR TAXES AND LICENSES</b>									
4110200-Alcoholic Beverage Excise Tax - Beer and Wine	\$177,475	--	\$177,475	\$175,868	--	\$175,868	\$176,363	--	\$176,363
4110250-Alcoholic Beverage Excise Tax - Distilled Spirits	237,159	--	237,159	247,399	--	247,399	244,419	--	244,419
4110300-Cannabis Excise & Cultivation Tax	--	770,380	770,380	--	710,915	710,915	--	786,836	786,836
4110400-Cigarette Tax	59,826	1,901,860	1,961,686	57,916	1,897,475	1,955,391	51,024	1,677,145	1,728,169
4110800-Corporation Tax	22,792,840	--	22,792,840	32,863,043	--	32,863,043	23,732,128	--	23,732,128
4113000-Identification Card Fees	--	34,098	34,098	3,448,339	34,029	34,029	--	33,960	33,960
4113400-Insurance Gross Premiums Tax	3,139,292	--	3,139,292	3,448,339	--	3,448,339	3,540,559	--	3,540,559
4113600-Jet Fuel Tax	--	2,987	2,987	--	3,161	3,161	--	3,127	3,127
4113800-Lien Sale Application Fees	--	662	662	--	576	576	--	502	502
4114000-Mobilehome In-Lieu Tax	1,108	1,458	2,566	490	1,864	2,354	490	1,864	2,354
4115000-Motor Vehicles - Driver's License Fees	2	329,617	329,619	--	266,694	266,694	--	353,516	353,516
4115100-Motor Vehicles - Fuel Tax (Diesel)	--	1,269,929	1,269,929	--	1,413,598	1,413,598	--	1,510,153	1,510,153
4115200-Motor Vehicles - Fuel Tax (Gasoline)	--	6,541,302	6,541,302	--	7,408,990	7,408,990	--	8,079,278	8,079,278
4115300-Motor Vehicles - License (In-Lieu) Fees	--	3,136,275	3,136,275	--	3,120,714	3,120,714	--	3,217,320	3,217,320
4115400-Motor Vehicles - Registration Fees	--	1,436,090	1,436,090	--	1,306,373	1,306,373	--	1,385,384	1,385,384
4115401-Motor Vehicles - Registration Fees (SAL Excludable)	--	3,513,604	3,513,604	--	3,833,256	3,833,256	--	3,905,886	3,905,886
4115450-Transportation Improvement Fee	--	1,909,883	1,909,883	--	1,989,882	1,989,882	--	2,069,078	2,069,078
4115460-Road Improvement Fee (Zero Emission Vehicles)	--	5,485	5,485	--	20,106	20,106	--	38,163	38,163
4115600-Motor Vehicles - Other Fees	--	273,848	273,848	--	274,478	274,478	--	277,580	277,580
4116200-Personal Income Tax	128,226,101	2,951,480	131,177,581	120,873,151	3,664,798	124,537,949	130,268,794	3,790,054	134,058,848
4117000-Retail Sales and Use Tax	29,066,081	755,544	29,821,625	30,865,984	999,750	31,865,734	32,207,987	1,017,252	33,225,239
4117400-Retail Sales and Use Tax - 2011 Realignment	--	8,002,741	8,002,741	--	8,612,506	8,612,506	--	8,985,127	8,985,127
4117600-Retail Sales and Use Tax - 1991 Realignment	--	4,035,595	4,035,595	--	4,402,698	4,402,698	--	4,567,447	4,567,447
<b>TOTALS, MAJOR TAXES AND LICENSES</b>	<b>\$183,699,884</b>	<b>\$36,872,838</b>	<b>\$220,572,722</b>	<b>\$188,532,190</b>	<b>\$39,961,863</b>	<b>\$228,494,053</b>	<b>\$190,221,764</b>	<b>\$41,699,672</b>	<b>\$231,921,436</b>
<b>MINOR REVENUES</b>									
<b>REGULATORY TAXES AND LICENSES</b>									
4120000-Beverage Container Redemption Fees	--	1,535,041	1,535,041	--	1,288,874	1,288,874	--	1,288,874	1,288,874
4120400-Building Construction Filing Fees (Physically Handicapped)	--	15,283	15,283	--	15,589	15,589	--	15,589	15,589
4120600-Candidate Filing Fee	24	--	24	1,720	--	1,720	625	--	625
4120700-Cannabis Licensing Fees - Domestic Corporations	--	4,731	4,731	--	171,731	171,731	--	176,883	176,883
4120800-Corporation Fees - Foreign Corporations	--	14,177	14,177	--	14,177	14,177	--	14,177	14,177
4121000-Corporation Fees - Foreign Corporations	--	1,372	1,372	--	1,369	1,369	--	1,369	1,369
4121200-Delinquent Fees	--	28,438	28,438	--	12,685	12,685	--	13,507	13,507
4121600-Elevator and Boiler Inspection Fees	--	29,462	29,462	--	33,660	33,660	--	35,660	35,660
4121800-Employment Agency Filing Fees	--	615	615	--	500	500	--	500	500
4122000-Employment Agency License Fees	--	5,337	5,337	--	5,255	5,255	--	5,255	5,255
4122200-Energy Resources Surcharge	--	523,992	523,992	--	673,716	673,716	--	678,216	678,216

**SCHEDULE 8 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2020-21			Estimated 2021-22			Estimated 2022-23		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4122400-Environmental and Hazardous Waste Fees	--	53,000	53,000	53,000	--	54,500	54,500	--	109,593
4122800-Filing Financing Statements	--	3,472	3,472	3,472	--	3,472	3,472	--	3,472
4123000-Fish and Game - Licenses, Tags, and Permits	--	124,109	124,109	124,109	--	117,512	117,512	--	123,695
4123200-Fish and Game - Taxes	--	2,484	2,484	2,484	--	2,484	2,484	--	2,484
4123400-Genetic Disease Testing Fees	--	141,634	141,634	141,634	--	131,576	131,576	--	180,026
4123720-Horse Racing Licenses	416	18,674	19,090	19,090	--	18,411	18,411	--	18,334
4123740-Horse Racing Miscellaneous	1	52	53	53	--	2	2	--	2
4123800-Industrial Homework Fees	--	1	1	1	--	1	1	--	1
4124000-Insurance Company - Examination Fees	--	25,040	25,040	25,040	--	23,448	23,448	--	28,725
4124200-Insurance Company - License Fees and Penalties	--	70,215	70,215	70,215	--	73,757	73,757	--	77,029
4124400-Insurance Company - General Fees	--	37,191	37,191	37,191	--	39,589	39,589	--	40,911
4124600-Insurance Company - Proposition 103 Fees	--	35,622	35,622	35,622	--	38,099	38,099	--	40,202
4124800-Insurance Fraud Assessment - Automobile	--	52,931	52,931	52,931	--	53,095	53,095	--	53,258
4125000-Insurance Fraud Assessment - General	--	13,587	13,587	13,587	--	13,360	13,360	--	13,360
4125200-Insurance Fraud Assessment - Workers Compensation	--	78,345	78,345	78,345	--	78,345	78,345	--	86,136
4125400-Liquor License Fees	--	73,050	73,050	73,050	--	44,894	44,894	--	63,839
4125600-New Motor Vehicle Dealer License Fee	--	1,758	1,758	1,758	--	1,959	1,959	--	1,959
4125800-Notary Public License Fees	--	906	906	906	--	905	905	--	905
4126000-Off Highway Vehicle Fees	--	23,903	23,903	23,903	--	23,828	23,828	--	23,891
4126200-Private Rail Car Tax	9,015	--	9,015	9,015	9,015	--	9,015	9,015	9,015
4126400-Processing Fee	650	333	983	983	783	334	1,117	783	334
4126600-Public Utilities Commission - Quarterly Fees	--	317,145	317,145	317,145	--	352,200	352,200	--	269,500
4126800-Public Utilities Commission - Penalties on Quarterly Fees	--	--	--	--	--	2	2	--	2
4127000-Real Estate - Examination Fees	--	4,005	4,005	4,005	--	4,163	4,163	--	4,163
4127200-Real Estate - License Fees	--	44,057	44,057	44,057	--	40,283	40,283	--	40,873
4127300-Refinery Fees	--	4,293	4,293	4,293	--	4,293	4,293	--	4,293
4127400-Renewal Fees	--	433,106	433,106	433,106	--	398,228	398,228	--	414,421
4128000-Subdivision Filing Fees	--	8,216	8,216	8,216	--	8,334	8,334	--	8,334
4128400-Teacher Credential Fees	--	23,150	23,150	23,150	--	12,236	12,236	--	13,818
4128600-Teacher Examination Fees	--	2,352	2,352	2,352	--	3,267	3,267	--	--
4128740-Trailer Coach License (In Lieu) Fees	39,894	--	39,894	39,894	35,692	--	35,692	36,124	36,124
4129000-Other Fees and Licenses	--	18,989	18,989	18,989	--	10,678	10,678	--	10,678
4129200-Other Regulatory Fees	2,102	7,870,890	7,872,992	7,872,992	1,711	7,206,411	7,208,122	1,711	6,015,989
4129400-Other Regulatory Licenses and Permits	6,727	879,276	886,003	886,003	5,346	948,071	953,417	5,046	1,046,493
4129600-Other Regulatory Taxes	--	161,705	161,705	161,705	--	142,415	142,415	--	183,567
<b>Totals, REGULATORY TAXES AND LICENSES</b>	<b>\$58,829</b>	<b>\$12,681,939</b>	<b>\$12,740,768</b>	<b>\$54,267</b>	<b>\$12,067,708</b>	<b>\$12,121,975</b>	<b>\$53,304</b>	<b>\$11,103,560</b>	<b>\$11,156,864</b>
<b>REVENUE FROM LOCAL AGENCIES</b>	--	78,858	78,858	78,858	--	80,435	80,435	--	80,435
4130000-Architecture Public Building Fees	--	22,015	22,015	22,015	56	20,000	20,056	57	20,057
4131000-Crimes of Public Offense Fines	50	37,144	37,144	37,144	--	40,002	40,002	--	40,002
4131500-Felony Conviction Penalties	--	69,160	69,160	69,160	--	73,760	73,760	--	73,760
4132000-Fingerprint Identification Card Fees	--	--	--	--	--	--	--	--	--

**SCHEDULE 8 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2020-21				Estimated 2021-22				Estimated 2022-23			
	General Fund	Special Funds	Total		General Fund	Special Funds	Total		General Fund	Special Funds	Total	
	513	513	513	513	513	513	513	513	513	513	513	513
4132500-Fish and Game Fines	--	--	513	--	--	--	513	--	--	--	513	--
4133000-Fish and Game Fines - Additional Assessments	--	--	57	--	--	--	57	--	--	--	57	--
4134000-Local Agencies - Interest on Loans	1,317	287	1,604	1,317	1,604	256	1,573	1,317	1,317	297	1,614	
4134500-Local Agencies - Cost Recoveries	27,501	5,936	33,437	31,168	31,168	5,701	36,869	28,936	28,936	5,475	34,411	
4135000-Local Agencies - Miscellaneous Revenue	183,705	1,136,313	1,320,018	1,62,509	640,254	--	802,763	120,180	120,180	643,596	763,776	
4135500-Narcotic Fines	1,249	--	1,249	1,000	--	--	1,000	1,000	1,000	--	1,000	
4136000-Open Space Cancellation Fee	--	1,642	1,642	--	3,300	--	3,300	--	--	4,250	4,250	
4136500-Traffic Violation Penalties	--	9	9	--	--	--	--	--	--	--	--	
<b>Totals, REVENUE FROM LOCAL AGENCIES</b>	<b>\$213,822</b>	<b>\$1,351,934</b>	<b>\$1,565,756</b>	<b>\$196,050</b>	<b>\$864,278</b>	<b>\$1,060,328</b>	<b>\$1,060,328</b>	<b>\$151,490</b>	<b>\$868,385</b>	<b>\$1,019,875</b>		
<b>SERVICES TO THE PUBLIC</b>												
4140000-Document Sales	163	6,623	6,786	155	7,934	--	8,089	155	155	7,984	8,149	
4140500-Emergency Telephone Users' Surcharge	--	184,514	184,514	--	184,424	--	184,424	--	--	184,514	184,514	
4141000-Fire Prevention and Suppression	--	12	12	--	--	--	76,982	--	--	--	78,068	
4142500-License Plate Fees - Personalized Plates	--	75,073	75,073	--	76,982	--	1,890	1,890	1,890	--	1,890	
4143000-Medicare Receipts - Federal Government	1,859	--	1,859	1,890	--	--	209,937	3,691	3,691	211,498	215,189	
4143500-Miscellaneous Services to the Public	714	244,925	245,639	726	209,211	--	360	--	--	1,100	1,100	
4144000-Parental Fees	--	-197	-197	--	14,820	--	205	205	205	--	205	
4144500-Parking Lot Revenues	--	14,627	14,627	211	46,463	166	129,343	129,343	129,343	130,243	130,243	
4145000-Pay Patients Board Charges	211	--	211	205	--	--	672,440	66,107	66,107	634,665	640,772	
4145500-Secretary of State - Fees	159	46,304	46,463	166	46,224	166	14,820	14,820	14,820	14,820	14,820	
4146000-State Beach and Park Service Fees	--	129,343	129,343	--	129,343	--	22,728	1,835	1,835	20,506	22,341	
<b>Totals, SERVICES TO THE PUBLIC</b>	<b>\$3,106</b>	<b>\$701,224</b>	<b>\$704,330</b>	<b>\$3,142</b>	<b>\$669,298</b>	<b>\$672,440</b>	<b>\$672,440</b>	<b>\$6,107</b>	<b>\$634,665</b>	<b>\$640,772</b>		
<b>USE OF PROPERTY AND MONEY</b>												
4150000-Geothermal Resources Well Fees	--	3,272	3,272	--	3,722	--	3,722	--	--	3,722	3,722	
4150500-Interest Income - Interfund Loans	1,743	571	2,314	--	132	--	132	--	--	132	132	
4151000-Interest Income - Other Loans	567	4,323	4,890	1,042	5,154	6,196	6,196	1,007	1,007	5,154	6,161	
4151500-Miscellaneous Revenue - Use of Property and Money	1,832	24,369	26,201	1,835	20,893	22,728	22,728	1,835	1,835	20,506	22,341	
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	156	--	156	234	--	234	234	209	209	--	209	
4152500-Rental of State Property	17,782	65,369	83,151	22,027	69,201	91,228	91,228	20,931	20,931	61,649	82,580	
4154000-Royalties - Federal Land	--	23,538	23,538	--	23,871	23,871	23,871	--	--	23,871	23,871	
4155000-Royalties - State Lands	74,008	--	74,008	100,052	--	100,052	100,052	73,802	73,802	--	73,802	
<b>Totals, USE OF PROPERTY AND MONEY</b>	<b>\$96,088</b>	<b>\$121,442</b>	<b>\$217,530</b>	<b>\$125,190</b>	<b>\$122,973</b>	<b>\$248,163</b>	<b>\$248,163</b>	<b>\$97,784</b>	<b>\$115,034</b>	<b>\$212,818</b>		
<b>INVESTMENT INCOME</b>												
4160000-Investment Income - Condemnation Deposits Fund	--	206	206	--	361	361	361	--	--	271	271	
4161000-Investment Income - Other	--	263	263	--	263	263	263	--	--	263	263	
4162000-Investment Income - Pooled Money Investments	192,339	381	192,720	181,630	356	181,986	181,986	163,939	163,939	356	164,295	
4163000-Investment Income - Surplus Money Investments	5,517	169,270	174,787	6,300	177,352	183,652	183,652	6,300	6,300	164,243	170,543	
<b>Totals, INVESTMENT INCOME</b>	<b>\$197,856</b>	<b>\$170,120</b>	<b>\$367,976</b>	<b>\$187,930</b>	<b>\$178,332</b>	<b>\$366,262</b>	<b>\$366,262</b>	<b>\$170,239</b>	<b>\$165,133</b>	<b>\$335,372</b>		

**SCHEDULE 8 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2020-21			Estimated 2021-22			Estimated 2022-23		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>MISCELLANEOUS</b>									
4170100-Abandoned Property Revenue	623,973	--	623,973	492,066	--	492,066	506,016	--	506,016
4170400-Capital Asset Sales Proceeds	--	224	224	--	456	456	--	456	456
4170600-Carbon Allowances Auction Proceeds	--	2,623,651	2,623,651	--	3,560,000	3,560,000	--	2,297,000	2,297,000
4170700-Civil and Criminal Violation Assessment	513	94,167	94,680	300	115,504	115,804	300	107,741	108,041
4170800-Confiscated Property Sales	8,776	9	8,785	7,500	9	7,509	7,500	9	7,509
4171000-Cost Recoveries - Delinquent Receivables	6	288	294	6	295	301	6	295	301
4171100-Cost Recoveries - Other	707,606	112,117	819,723	3,751,603	114,134	3,865,737	6,046,573	115,134	6,161,707
4171200-Court Filing Fees and Surcharges	--	485,545	485,545	--	500,813	500,813	--	499,882	499,882
4171300-Donations	50	3,171	3,221	--	2,743	2,743	--	2,743	2,743
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	100,206	10,717	110,923	97,648	9,094	106,742	97,648	9,252	106,900
4171500-Escheat - Unclaimed Property	15	--	15	--	8	8	--	8	8
4172000-Fines and Forfeitures	1,285	179,468	180,753	2,393	173,831	176,224	2,393	173,447	175,840
4172200-Fine and Penalties - Horse Racing	116	--	116	--	253	253	--	253	253
4172400-Forest Product Sales	--	54,012	54,012	--	46,000	46,000	--	46,000	46,000
4172500-Miscellaneous Revenue	74,695	2,307,551	2,382,246	146,416	2,247,213	2,393,629	36,621	2,366,154	2,402,775
4172600-Miscellaneous Tax Revenue	--	1,738,578	1,738,578	--	2,517,180	2,517,180	--	2,065,534	2,065,534
4172800-Parking Violations	11,053	4,591	15,644	11,500	4,591	16,091	11,500	4,591	16,091
4172900-Penalty Assessments - Criminal Fines	--	117,884	117,884	--	111,407	111,407	--	100,160	100,160
4173000-Penalty Assessments - Other	53,716	476,589	530,305	43,318	185,212	228,530	43,318	183,116	226,434
4173100-Personal Income Tax - Penalties and Interest	--	23,598	23,598	--	23,598	23,598	--	23,598	23,598
4173110-Individual Shared Responsibility Penalty Assessments	187,902	--	187,902	165,537	--	165,537	169,059	--	169,059
4173200-Proceeds from Estates of Deceased Persons	744	--	744	1,059	--	1,059	1,059	--	1,059
4173300-Sales - Other	--	238	238	--	--	--	--	--	--
4173400-Settlements and Judgments - Anti-Trust Actions (Attorney General)	--	9,779	9,779	--	12,055	12,055	--	12,055	12,055
4173500-Settlements and Judgments - Other	50,649	225,518	276,167	10,284	102,374	112,658	10,284	104,481	114,765
4173600-State Public Land Sales	--	33,627	33,627	--	39,925	39,925	--	38,990	38,990
4173800-Traffic Violations	--	22,473	22,473	--	20,189	20,189	--	18,556	18,556
4173900-Tribal Gaming Revenues	900	64,848	65,748	333	65,224	65,557	333	65,224	65,557
4174100-Unemployment and Disability Insurance Contributions - Penalties and Inte	--	103,266	103,266	--	145,799	145,799	--	144,035	144,035
4174200-Uninsured Motorist Fees	419	100	519	608	88	696	608	77	685
4180000-Cash Adjustment for Transportation Funds (SAL I)	--	330,165	330,165	--	722,247	722,247	--	917,997	917,997
4180050-Cash Adjustment for Transportation Funds (SAL E)	--	-7,890	-7,890	--	-7,995	-7,995	--	-8,229	-8,229
4521000-Impround Revenue (ch 1060/93)	--	30	30	--	--	--	--	--	--
<b>Totals, MISCELLANEOUS</b>	<b>\$1,822,624</b>	<b>\$9,014,314</b>	<b>\$10,836,938</b>	<b>\$4,730,571</b>	<b>\$10,712,247</b>	<b>\$15,442,818</b>	<b>\$6,933,218</b>	<b>\$9,288,559</b>	<b>\$16,221,777</b>
<b>TOTALS, MINOR REVENUES</b>	<b>\$2,392,325</b>	<b>\$24,040,973</b>	<b>\$26,433,298</b>	<b>\$5,297,150</b>	<b>\$24,614,836</b>	<b>\$29,911,986</b>	<b>\$7,412,142</b>	<b>\$22,175,336</b>	<b>\$29,587,478</b>
<b>TOTALS, REVENUES</b>	<b>\$186,092,209</b>	<b>\$60,913,811</b>	<b>\$247,006,020</b>	<b>\$193,829,340</b>	<b>\$64,576,699</b>	<b>\$258,406,039</b>	<b>\$197,633,906</b>	<b>\$63,875,008</b>	<b>\$261,508,914</b>
<b>TRANSFERS AND LOANS</b>									
Revenue Transfers	6,145,634	-4,599,091	1,546,543	3,694,025	5,457,380	9,151,405	-1,233,071	1,203,569	-29,482
Loans	1,894,620	-1,848,832	45,788	-854,189	836,039	-18,150	-682,346	673,196	-9,150
<b>TOTALS, TRANSFERS AND LOANS</b>	<b>\$8,040,254</b>	<b>-\$6,447,923</b>	<b>\$1,592,331</b>	<b>\$2,839,836</b>	<b>\$6,293,419</b>	<b>\$9,133,255</b>	<b>-\$1,915,417</b>	<b>\$1,876,785</b>	<b>-\$38,632</b>
<b>TOTALS, REVENUES, TRANSFERS AND LOANS</b>	<b>\$194,132,463</b>	<b>\$54,465,888</b>	<b>\$248,598,351</b>	<b>\$196,669,176</b>	<b>\$70,870,118</b>	<b>\$267,539,294</b>	<b>\$195,718,489</b>	<b>\$65,751,793</b>	<b>\$261,470,282</b>

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23				
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE													
0110-Senate													
State Operations	150,724	--	150,724	--	157,884	--	157,884	--	165,163	--	--	165,163	--
<b>Totals, 0110-Senate</b>	<b>\$150,724</b>	<b>--</b>	<b>\$150,724</b>	<b>--</b>	<b>\$157,884</b>	<b>--</b>	<b>\$157,884</b>	<b>--</b>	<b>\$165,163</b>	<b>--</b>	<b>--</b>	<b>\$165,163</b>	<b>--</b>
0120-Assembly													
State Operations	198,599	--	198,599	--	208,033	--	208,033	--	217,624	--	--	217,624	--
<b>Totals, 0120-Assembly</b>	<b>\$198,599</b>	<b>--</b>	<b>\$198,599</b>	<b>--</b>	<b>\$208,033</b>	<b>--</b>	<b>\$208,033</b>	<b>--</b>	<b>\$217,624</b>	<b>--</b>	<b>--</b>	<b>\$217,624</b>	<b>--</b>
0130-Joint Expenses													
Capital Outlay	--	50,394	50,394	--	--	117,500	117,500	--	--	--	--	--	--
<b>Totals, 0130-Joint Expenses</b>	<b>--</b>	<b>\$50,394</b>	<b>\$50,394</b>	<b>--</b>	<b>--</b>	<b>\$117,500</b>	<b>\$117,500</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
0160-Legislative Counsel Bureau													
State Operations	97,982	--	97,982	--	101,607	--	101,607	--	103,803	--	--	103,803	--
<b>Totals, 0160-Legislative Counsel Bureau</b>	<b>\$97,982</b>	<b>--</b>	<b>\$97,982</b>	<b>--</b>	<b>\$101,607</b>	<b>--</b>	<b>\$101,607</b>	<b>--</b>	<b>\$103,803</b>	<b>--</b>	<b>--</b>	<b>\$103,803</b>	<b>--</b>
Legislative													
State Operations	447,305	--	447,305	--	467,524	--	467,524	--	486,590	--	--	486,590	--
Capital Outlay	--	50,394	50,394	--	--	117,500	117,500	--	--	--	--	--	--
<b>Totals, Legislative</b>	<b>\$447,305</b>	<b>\$50,394</b>	<b>\$497,699</b>	<b>--</b>	<b>\$467,524</b>	<b>\$117,500</b>	<b>\$585,024</b>	<b>--</b>	<b>\$486,590</b>	<b>--</b>	<b>--</b>	<b>\$486,590</b>	<b>--</b>
0250-Judicial Branch													
State Operations	500,973	426,823	927,796	1,860	842,583	449,204	1,291,787	5,531	767,534	438,330	--	1,205,864	4,522
Local Assistance	1,557,209	1,195,837	2,753,046	984	2,109,556	1,304,999	3,414,555	41,275	2,249,968	1,305,963	--	3,555,931	22,275
Capital Outlay	--	--	--	--	48,504	--	48,504	--	135,762	--	--	135,762	--
<b>Totals, 0250-Judicial Branch</b>	<b>\$2,058,182</b>	<b>\$1,622,660</b>	<b>\$3,680,842</b>	<b>\$2,844</b>	<b>\$3,000,643</b>	<b>\$1,754,203</b>	<b>\$4,754,846</b>	<b>\$46,806</b>	<b>\$3,153,264</b>	<b>\$1,744,293</b>	<b>--</b>	<b>\$4,897,557</b>	<b>\$26,797</b>
0280-Commission on Judicial Performance													
State Operations	5,806	--	5,806	--	6,897	--	6,897	--	6,713	--	--	6,713	--
<b>Totals, 0280-Commission on Judicial Performance</b>	<b>\$5,806</b>	<b>--</b>	<b>\$5,806</b>	<b>--</b>	<b>\$6,897</b>	<b>--</b>	<b>\$6,897</b>	<b>--</b>	<b>\$6,713</b>	<b>--</b>	<b>--</b>	<b>\$6,713</b>	<b>--</b>
0390-Judges Retirement System Contributions													
State Operations	5,333	--	5,333	--	5,442	--	5,442	--	5,299	--	--	5,299	--
Local Assistance	303,616	--	303,616	--	276,900	--	276,900	--	291,181	--	--	291,181	--
<b>Totals, 0390-Judges Retirement System Contributions</b>	<b>\$308,949</b>	<b>--</b>	<b>\$308,949</b>	<b>--</b>	<b>\$282,342</b>	<b>--</b>	<b>\$282,342</b>	<b>--</b>	<b>\$296,480</b>	<b>--</b>	<b>--</b>	<b>\$296,480</b>	<b>--</b>
Judicial													
State Operations	512,112	426,823	938,935	1,860	854,922	449,204	1,304,126	5,531	779,546	438,330	--	1,217,876	4,522
Local Assistance	1,840,825	1,195,837	3,036,662	984	2,386,456	1,304,999	3,691,455	41,275	2,541,149	1,305,963	--	3,847,112	22,275
Capital Outlay	--	--	--	--	48,504	--	48,504	--	135,762	--	--	135,762	--
<b>Totals, Judicial</b>	<b>\$2,372,937</b>	<b>\$1,622,660</b>	<b>\$3,995,597</b>	<b>\$2,844</b>	<b>\$3,289,882</b>	<b>\$1,754,203</b>	<b>\$5,044,085</b>	<b>\$46,806</b>	<b>\$3,456,457</b>	<b>\$1,744,293</b>	<b>--</b>	<b>\$5,200,750</b>	<b>\$26,797</b>
0500-Governors Office													
State Operations	17,802	--	17,802	--	22,715	--	22,715	--	25,134	115	--	25,249	--
<b>Totals, 0500-Governors Office</b>	<b>\$17,802</b>	<b>--</b>	<b>\$17,802</b>	<b>--</b>	<b>\$22,715</b>	<b>--</b>	<b>\$22,715</b>	<b>--</b>	<b>\$25,134</b>	<b>\$115</b>	<b>--</b>	<b>\$25,249</b>	<b>--</b>
0509-Governors Office of Bus. Econ Developm													
State Operations	544,840	2,205	547,045	--	204,540	3,399	207,939	95,000	66,582	3,790	--	70,372	--
Local Assistance	2,150,000	12,758	2,162,758	--	383,000	53,337	436,337	1,500,000	281,100	62,934	--	344,034	--
<b>Totals, 0509-Governors Office of Bus. Econ Developm</b>	<b>\$2,694,840</b>	<b>\$14,963</b>	<b>\$2,709,803</b>	<b>--</b>	<b>\$587,540</b>	<b>\$56,736</b>	<b>\$644,276</b>	<b>\$1,595,000</b>	<b>\$347,682</b>	<b>\$66,724</b>	<b>--</b>	<b>\$414,406</b>	<b>--</b>
0511-Government Operations, Secretary													
State Operations	335,948	--	335,948	--	124,308	--	124,308	--	24,643	--	--	24,643	--
<b>Totals, 0511-Government Operations, Secretary</b>	<b>\$335,948</b>	<b>--</b>	<b>\$335,948</b>	<b>--</b>	<b>\$124,308</b>	<b>--</b>	<b>\$124,308</b>	<b>--</b>	<b>\$24,643</b>	<b>--</b>	<b>--</b>	<b>\$24,643</b>	<b>--</b>
0515-Business, Consumer Svcs, Housing, Scty													
State Operations	5,993	879	6,872	--	56,369	1,075	57,444	--	6,189	1,098	--	7,287	--
Local Assistance	285,000	--	285,000	--	1,074,872	--	1,074,872	--	1,500,000	--	--	1,500,000	--
<b>Totals, 0515-Business, Consumer Svcs, Housing, Scty</b>	<b>\$290,993</b>	<b>\$879</b>	<b>\$291,872</b>	<b>--</b>	<b>\$1,131,241</b>	<b>\$1,075</b>	<b>\$1,132,316</b>	<b>--</b>	<b>\$1,506,189</b>	<b>\$1,098</b>	<b>--</b>	<b>\$1,507,287</b>	<b>--</b>
0521-Transportation, Secy													
State Operations	--	4,326	4,326	92,832	71,500	286,293	357,793	59,156	600,000	7,473	--	7,473	59,560
Local Assistance	3,984	152,389	156,373	98,944	3,818,330	757,238	4,575,568	90,742	841,974	241,974	--	841,974	65,401

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals,0521-Transportation, Secy</b>	\$3,984	\$156,715	\$160,699	\$191,776	\$3,889,830	\$1,043,531	--	\$4,933,361	\$149,898	\$600,000	\$249,447	--	\$849,447	\$124,961
0530-Health, Human Services Agency, Secy	5,628	1,971	7,599	12,236	105,254	2,679	--	107,933	13,415	41,202	2,674	--	43,876	13,446
<b>Totals,0530-Health, Human Services Agency, Secy</b>	\$5,628	\$1,971	\$7,599	\$12,236	\$105,254	\$2,679	--	\$107,933	\$13,415	\$41,202	\$2,674	--	\$43,876	\$13,446
0540-Natural Resources Agency, Secy	8,709	6,616	5,592	20,917	44,210	10,159	20,189	74,558	650	55,921	10,175	13,394	79,490	1
State Operations	3,009	33,526	29,238	65,773	398,537	24,521	329,280	752,338	--	220,000	6,700	10,875	237,575	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,0540-Natural Resources Agency, Secy</b>	\$11,718	\$40,142	\$34,830	\$86,690	\$442,747	\$34,680	\$349,469	\$826,896	\$650	\$275,921	\$16,875	\$24,269	\$317,065	\$1
0552-Office of the Inspector General	24,712	--	24,712	--	29,899	--	--	29,899	--	36,348	--	--	36,348	--
State Operations	\$24,712	--	\$24,712	--	\$29,899	--	--	\$29,899	--	\$36,348	--	--	\$36,348	--
<b>Totals,0552-Office of the Inspector General</b>	\$24,712	--	\$24,712	--	\$29,899	--	--	\$29,899	--	\$36,348	--	--	\$36,348	--
0555-Environmental Protection, Secy	2,695	10,725	13,420	300	2,270	15,536	--	17,806	300	2,731	15,432	--	18,163	300
State Operations	835	-63	772	--	15,835	--	--	15,835	--	10,835	--	--	10,835	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,0555-Environmental Protection, Secy</b>	\$3,530	\$10,662	\$14,192	\$300	\$18,105	\$15,536	--	\$33,641	\$300	\$13,566	\$15,432	--	\$28,998	\$300
0559-Labor and Workforce Development, Secy	34,951	7,152	42,103	--	2,238	1,255	--	3,493	--	2,741	1,255	--	3,996	--
State Operations	\$34,951	\$7,152	\$42,103	--	\$2,238	\$1,255	--	\$3,493	--	\$2,741	\$1,255	--	\$3,996	--
<b>Totals,0559-Labor and Workforce Development, Secy</b>	\$34,951	\$7,152	\$42,103	--	\$2,238	\$1,255	--	\$3,493	--	\$2,741	\$1,255	--	\$3,996	--
0650-Office of Planning and Research	36,581	12,423	49,004	3,206	186,139	2,059	--	188,198	31,649	291,090	3,086	--	294,176	2,795
State Operations	21,910	163,365	185,275	50,089	81,480	952,020	--	1,033,500	334,418	273,730	389,000	--	662,730	50,089
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,0650-Office of Planning and Research</b>	\$58,491	\$175,788	\$234,279	\$53,295	\$267,619	\$954,079	--	\$1,221,698	\$366,067	\$564,820	\$392,086	--	\$956,906	\$52,884
0690-Office of Emergency Services	481,161	43,628	2,837	527,626	87,223	244,823	26,929	2,953	274,705	258,020	26,957	3,021	287,998	108,596
State Operations	254,698	144,663	399,361	1,050,821	685,820	157,311	--	843,131	1,039,166	283,126	149,540	--	432,666	1,039,166
Local Assistance	2,979	--	2,979	--	44,108	--	--	44,108	--	11,588	--	--	11,588	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,0690-Office of Emergency Services</b>	\$738,838	\$188,291	\$929,966	\$1,138,044	\$974,751	\$184,240	\$2,953	\$1,161,944	\$1,147,090	\$652,734	\$176,497	\$3,021	\$732,252	\$1,147,762
0750-Office of the Lieutenant Governor	1,608	--	1,608	--	2,756	--	--	2,756	--	2,708	--	--	2,708	--
State Operations	\$1,608	--	\$1,608	--	\$2,756	--	--	\$2,756	--	\$2,708	--	--	\$2,708	--
<b>Totals,0750-Office of the Lieutenant Governor</b>	\$1,608	--	\$1,608	--	\$2,756	--	--	\$2,756	--	\$2,708	--	--	\$2,708	--
0820-Department of Justice	352,877	288,632	641,509	37,234	381,815	372,529	--	754,344	55,609	433,276	375,614	--	808,890	55,640
State Operations	--	17,430	17,430	--	14,000	26,828	--	40,828	--	--	22,078	--	22,078	--
Local Assistance	\$352,877	\$306,062	\$658,939	\$37,234	\$395,815	\$399,357	--	\$795,172	\$55,609	\$433,276	\$397,692	--	\$830,968	\$55,840
<b>Totals,0820-Department of Justice</b>	\$352,877	\$306,062	\$658,939	\$37,234	\$395,815	\$399,357	--	\$795,172	\$55,609	\$433,276	\$397,692	--	\$830,968	\$55,840
0840-State Controller	74,363	10,696	85,127	1,290	86,516	11,909	643	99,068	1,577	134,096	12,433	643	147,172	1,575
State Operations	\$74,363	\$10,696	\$85,127	\$1,290	\$86,516	\$11,909	\$643	\$99,068	\$1,577	\$134,096	\$12,433	\$643	\$147,172	\$1,575
<b>Totals,0840-State Controller</b>	\$74,363	\$10,696	\$85,127	\$1,290	\$86,516	\$11,909	\$643	\$99,068	\$1,577	\$134,096	\$12,433	\$643	\$147,172	\$1,575
0845-Department of Insurance	9,204	197,975	207,179	19	6,298	237,894	--	244,192	25	6,330	238,408	--	244,738	25
State Operations	1,500	751,665	76,665	--	--	79,295	--	79,295	--	--	80,211	--	80,211	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,0845-Department of Insurance</b>	\$10,704	\$273,140	\$283,844	\$19	\$6,298	\$317,189	--	\$323,487	\$25	\$6,330	\$318,619	--	\$324,949	\$25
0855-Gambling Control Commission	--	6,142	6,142	--	--	7,698	--	7,698	--	--	8,206	--	8,206	--
State Operations	--	\$6,142	\$6,142	--	--	\$7,698	--	\$7,698	--	--	\$8,206	--	\$8,206	--
<b>Totals,0855-Gambling Control Commission</b>	--	\$6,142	\$6,142	--	--	\$7,698	--	\$7,698	--	--	\$8,206	--	\$8,206	--
0860-State Board of Equalization	29,053	--	29,053	--	32,055	--	--	32,055	--	32,106	--	--	32,106	--
State Operations	\$29,053	--	\$29,053	--	\$32,055	--	--	\$32,055	--	\$32,106	--	--	\$32,106	--
<b>Totals,0860-State Board of Equalization</b>	\$29,053	--	\$29,053	--	\$32,055	--	--	\$32,055	--	\$32,106	--	--	\$32,106	--
0870-Office of Tax Appeals	18,126	--	18,126	--	24,341	--	--	24,341	--	27,138	--	--	27,138	--
State Operations	\$18,126	--	\$18,126	--	\$24,341	--	--	\$24,341	--	\$27,138	--	--	\$27,138	--
<b>Totals,0870-Office of Tax Appeals</b>	\$18,126	--	\$18,126	--	\$24,341	--	--	\$24,341	--	\$27,138	--	--	\$27,138	--
0890-Secretary of State	--	--	--	--	--	--	--	--	--	--	--	--	--	--



**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21					Estimated 2021-22					Estimated 2022-23				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	76,537	74,231	--	150,768	23,523	89,556	76,913	--	166,469	13,339	97,643	34,518	--	132,161	13,841
Local Assistance	13,180	--	--	13,180	57,253	6,941	--	--	6,941	19,564	--	--	--	--	309
<b>Totals,0980-Secretary of State</b>	<b>\$89,717</b>	<b>\$74,231</b>	--	<b>\$163,948</b>	<b>\$80,776</b>	<b>\$96,497</b>	<b>\$76,913</b>	--	<b>\$173,410</b>	<b>\$32,903</b>	<b>\$97,643</b>	<b>\$34,518</b>	--	<b>\$132,161</b>	<b>\$14,150</b>
0911-Citizens Redistricting Initiative	--	--	--	4,428	--	13,036	--	--	13,036	--	122	--	--	122	--
<b>Totals,0911-Citizens Redistricting Initiative</b>	<b>\$4,428</b>	--	--	<b>\$4,428</b>	--	<b>\$13,036</b>	--	--	<b>\$13,036</b>	--	<b>\$122</b>	--	--	<b>\$122</b>	--
0950-State Treasurer	--	--	--	8,885	--	14,580	--	--	14,580	--	10,851	--	--	10,851	--
<b>Totals,0950-State Treasurer</b>	<b>\$8,885</b>	--	--	<b>\$8,885</b>	--	<b>\$14,580</b>	--	--	<b>\$14,580</b>	--	<b>\$10,851</b>	--	--	<b>\$10,851</b>	--
0954-Scholarshare Investment Board	9	--	--	9	--	792	--	--	792	--	6,030	--	--	6,030	--
Local Assistance	--	--	--	106	--	107,000	--	--	107,000	1,777,894	190,258	--	--	190,258	--
<b>Totals,0954-Scholarshare Investment Board</b>	<b>\$9</b>	--	--	<b>\$9</b>	--	<b>\$107,792</b>	--	--	<b>\$107,792</b>	<b>\$1,777,894</b>	<b>\$196,288</b>	--	--	<b>\$196,288</b>	--
0956-Debt Investment Advisory Commission	--	3,370	--	3,370	--	--	3,895	--	3,895	--	--	3,901	--	3,901	--
<b>Totals,0956-Debt Investment Advisory Commission</b>	<b>\$3,370</b>	<b>\$3,370</b>	--	<b>\$3,370</b>	--	--	<b>\$3,895</b>	--	<b>\$3,895</b>	--	--	<b>\$3,901</b>	--	<b>\$3,901</b>	--
0959-Debt Limit Allocation Committee	--	1,201	--	1,201	--	--	2,409	--	2,409	--	--	3,449	--	3,449	--
<b>Totals,0959-Debt Limit Allocation Committee</b>	<b>\$1,201</b>	<b>\$1,201</b>	--	<b>\$1,201</b>	--	--	<b>\$2,409</b>	--	<b>\$2,409</b>	--	--	<b>\$3,449</b>	--	<b>\$3,449</b>	--
0968-Tax Credit Allocation Committee	--	7,863	--	7,863	--	--	12,345	--	12,345	--	--	13,784	--	13,784	--
Local Assistance	--	106	--	106	--	--	190	--	190	--	--	190	--	190	--
<b>Totals,0968-Tax Credit Allocation Committee</b>	<b>\$7,969</b>	<b>\$7,969</b>	--	<b>\$7,969</b>	--	--	<b>\$12,535</b>	--	<b>\$12,535</b>	--	--	<b>\$13,974</b>	--	<b>\$13,974</b>	--
0971-All Energy, Advanced Trans Fin Auth	--	511	--	511	--	--	522	--	522	--	--	523	--	523	--
<b>Totals,0971-All Energy, Advanced Trans Fin Auth</b>	<b>\$511</b>	<b>\$511</b>	--	<b>\$511</b>	--	--	<b>\$522</b>	--	<b>\$522</b>	--	--	<b>\$523</b>	--	<b>\$523</b>	--
0977-Health Facilities Financing Authority	--	500	1,388	1,888	--	1,151	500	1,423	3,074	--	--	500	1,424	1,924	--
Local Assistance	1,222	111,452	533,000	645,674	--	114,147	143,500	115,000	372,647	--	--	170,449	115,000	285,449	--
<b>Totals,0977-Health Facilities Financing Authority</b>	<b>\$1,222</b>	<b>\$111,952</b>	<b>\$534,388</b>	<b>\$647,562</b>	--	<b>\$115,298</b>	<b>\$144,000</b>	<b>\$116,423</b>	<b>\$375,271</b>	--	--	<b>\$170,949</b>	<b>\$116,424</b>	<b>\$287,373</b>	--
0981-California ABLE Act Board	--	--	--	--	--	1,214	--	--	1,214	--	1,412	--	--	1,412	--
<b>Totals,0981-California ABLE Act Board</b>	<b>\$1,214</b>	--	--	<b>\$1,214</b>	--	<b>\$1,214</b>	--	--	<b>\$1,214</b>	--	<b>\$1,412</b>	--	--	<b>\$1,412</b>	--
0985-School Finance Authority	388	--	1,325	1,713	499	705	--	1,375	2,080	535	707	--	1,375	2,082	549
Local Assistance	136,786	--	--	136,786	20,000	143,520	--	--	143,520	20,000	182,487	--	--	182,487	20,000
<b>Totals,0985-School Finance Authority</b>	<b>\$137,174</b>	--	<b>\$1,325</b>	<b>\$138,499</b>	<b>\$20,499</b>	<b>\$144,225</b>	--	<b>\$1,375</b>	<b>\$145,600</b>	<b>\$20,535</b>	<b>\$183,194</b>	--	--	<b>\$184,569</b>	<b>\$20,549</b>
0989-Educational Facilities Authority	--	77	--	77	--	--	79	--	79	--	--	79	--	79	--
<b>Totals,0989-Educational Facilities Authority</b>	<b>\$77</b>	<b>\$77</b>	--	<b>\$77</b>	--	--	<b>\$79</b>	--	<b>\$79</b>	--	--	<b>\$79</b>	--	<b>\$79</b>	--
0996-General Obligation Bonds-LJE	1,363	--	--	1,363	--	2,228	--	--	2,228	--	2,300	--	--	2,300	--
<b>Totals,0996-General Obligation Bonds-LJE</b>	<b>\$1,363</b>	--	--	<b>\$1,363</b>	--	<b>\$2,228</b>	--	--	<b>\$2,228</b>	--	<b>\$2,300</b>	--	--	<b>\$2,300</b>	--
Executive	2,075,861	681,123	11,210	2,768,194	258,362	1,751,308	1,076,077	26,583	2,853,968	379,179	1,565,320	763,470	19,857	2,348,647	256,528
Local Assistance	2,872,124	710,791	562,238	4,145,153	1,277,107	6,843,482	2,194,240	444,280	9,482,002	4,781,784	3,541,536	1,123,076	125,875	4,790,487	1,174,965
Capital Outlay	2,979	--	--	2,979	--	44,108	--	--	44,108	--	11,588	--	--	11,588	--
<b>Totals, Executive</b>	<b>\$4,950,964</b>	<b>\$1,391,914</b>	<b>\$573,448</b>	<b>\$6,916,326</b>	<b>\$1,535,469</b>	<b>\$8,638,898</b>	<b>\$3,270,317</b>	<b>\$470,863</b>	<b>\$12,380,078</b>	<b>\$5,160,963</b>	<b>\$5,118,444</b>	<b>\$1,886,546</b>	<b>\$145,732</b>	<b>\$7,150,722</b>	<b>\$1,431,493</b>
<b>TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE</b>	<b>\$7,771,206</b>	<b>\$3,064,968</b>	<b>\$573,448</b>	<b>\$11,409,622</b>	<b>\$1,538,313</b>	<b>\$12,396,304</b>	<b>\$5,142,020</b>	<b>\$470,863</b>	<b>\$18,009,187</b>	<b>\$5,207,769</b>	<b>\$9,061,491</b>	<b>\$3,630,839</b>	<b>\$145,732</b>	<b>\$12,838,062</b>	<b>\$1,458,290</b>
State Operations	3,035,278	1,107,946	11,210	4,154,434	260,222	3,073,754	1,525,281	26,583	4,625,618	384,710	2,831,456	1,201,800	19,857	4,053,113	261,050
Local Assistance	4,732,949	1,906,628	562,238	7,201,815	1,278,091	9,229,938	3,499,239	444,280	13,173,457	4,823,059	6,082,685	2,429,039	125,875	8,637,599	1,197,240

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	2,979	50,394	--	53,373	--	92,612	117,500	--	210,112	--	147,350	--	147,350	--
BUSINESS, CONSUMER SERVICES, & HOUSING														
1045-Cannabis Control Appeals Panel	--	2,010	--	2,010	--	--	3,114	--	3,114	--	3,199	--	3,199	--
Totals, 1045-Cannabis Control Appeals Panel	--	\$2,010	--	\$2,010	--	--	\$3,114	--	\$3,114	--	\$3,199	--	\$3,199	--
1111-Dept of Consumer Affairs, Reg Bds, Bur	7,156	637,280	--	644,436	--	18,300	678,675	--	696,975	--	683,340	--	692,276	--
Totals, 1111-Dept of Consumer Affairs, Reg Bds, Bur	\$7,156	\$637,280	--	\$644,436	--	\$18,300	\$678,675	--	\$696,975	--	\$683,340	--	\$692,276	--
1115-Department of Cannabis Control	--	--	--	--	--	30,733	167,666	--	198,399	--	178,951	--	180,380	--
Local Assistance	--	--	--	--	--	95,000	--	--	95,000	--	--	--	--	--
Totals, 1115-Department of Cannabis Control	--	--	--	--	--	\$125,733	\$167,666	--	\$293,399	--	\$178,951	--	\$180,380	--
1700-Department of Fair Employment, Housing	33,991	--	--	33,991	5,550	53,667	536	--	54,203	57,600	536	--	44,588	5,730
Totals, 1700-Department of Fair Employment, Housing	\$33,991	--	--	\$33,991	\$5,550	\$53,667	\$536	--	\$54,203	\$57,600	\$536	--	\$44,588	\$5,730
1701-Dept Financial Protection and Innovation	--	107,126	--	107,126	--	--	137,080	--	137,080	10,000	144,734	--	154,734	--
Local Assistance	--	993	--	993	10,000	1,000	--	--	11,000	--	1,000	--	1,000	--
Totals, 1701-Dept Financial Protection and Innovation	--	\$108,119	--	\$108,119	\$10,000	\$138,080	--	--	\$148,080	\$10,000	\$145,734	--	\$155,734	--
1703-California Privacy Protection Agency	4,043	--	--	4,043	10,000	--	--	--	10,000	--	--	--	10,000	--
Totals, 1703-California Privacy Protection Agency	\$4,043	--	--	\$4,043	\$10,000	--	--	--	\$10,000	--	--	--	\$10,000	--
1750-Horse Racing Board	--	14,966	--	14,966	--	--	16,508	--	16,508	--	16,651	--	16,651	--
Totals, 1750-Horse Racing Board	--	\$14,966	--	\$14,966	--	--	\$16,508	--	\$16,508	--	\$16,651	--	\$16,651	--
1996-General Obligation Bonds-BCH	172,525	--	--	172,525	102,056	--	--	--	102,056	114,757	--	--	114,757	--
Totals, 1996-General Obligation Bonds-BCH	\$172,525	--	--	\$172,525	\$102,056	--	--	--	\$102,056	\$114,757	--	--	\$114,757	--
2100-Department of Alcoholic Beverage Control	24,313	48,863	--	73,176	43,000	42,240	--	85,240	--	29,000	57,072	--	86,072	--
Local Assistance	--	1,489	--	1,489	--	3,000	--	3,000	--	--	3,000	--	3,000	--
Totals, 2100-Department of Alcoholic Beverage Control	\$24,313	\$50,352	--	\$74,665	\$43,000	\$45,240	--	\$88,240	--	\$29,000	\$60,072	--	\$89,072	--
2120-Alcoholic Beverage Control Appeals Board	--	1,193	--	1,193	--	1,345	--	1,345	--	--	1,399	--	1,399	--
Totals, 2120-Alcoholic Beverage Control Appeals Board	--	\$1,193	--	\$1,193	--	\$1,345	--	\$1,345	--	--	\$1,399	--	\$1,399	--
2240-Dept of Housing, Community Development	13,364	37,792	51,041	112,540	94,984	39,611	30,043	164,638	252,315	32,183	40,072	30,106	102,361	18,791
Local Assistance	387,764	518,172	1,350,603	2,256,539	1,758,752	1,557,826	819,273	3,630,251	7,373,848	827,629	22,000	907,229	1,756,658	1,121,570
Totals, 2240-Dept of Housing, Community Development	\$401,128	\$555,964	\$1,401,644	\$2,369,079	\$1,857,736	\$1,652,810	\$1,283,195	\$3,794,889	\$7,426,163	\$859,812	\$62,072	\$937,335	\$1,859,219	\$1,140,361
2320-Department of Real Estate	--	51,150	--	51,150	--	--	57,151	--	57,151	--	57,973	--	57,973	--
Totals, 2320-Department of Real Estate	--	\$51,150	--	\$51,150	--	--	\$57,151	--	\$57,151	--	\$57,973	--	\$57,973	--
TOTALS, BUSINESS, CONSUMER SERVICES, & HOUSING	\$643,156	\$1,421,034	\$1,401,644	\$3,465,894	\$1,876,842	\$2,015,566	\$1,967,199	\$1,283,195	\$5,265,960	\$7,631,923	\$1,209,927	\$937,335	\$3,225,248	\$1,146,091
State Operations	255,392	900,380	51,041	1,206,813	118,090	352,740	30,043	1,526,709	258,075	250,357	1,183,927	30,106	1,464,390	24,521
Local Assistance	387,764	520,654	1,350,603	2,259,021	1,738,752	1,662,826	823,273	1,253,152	3,739,251	7,373,848	827,629	26,000	907,229	1,760,658
TRANSPORTATION														
2600-California Transportation Commission	--	5,511	--	5,511	--	--	7,508	--	7,508	--	8,494	--	8,494	--
Local Assistance	--	--	3,751	3,751	--	--	4,500	--	4,500	--	3,800	--	3,800	--

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21					Estimated 2021-22					Estimated 2022-23				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals,2600-California Transportation Commission</b>	--	\$5,511	\$3,751	\$9,262	--	--	\$7,508	\$4,500	\$12,008	--	--	\$8,494	\$3,800	\$12,294	--
2640-State Transit Assistance	--	740,669	236	740,905	--	--	1,002,632	--	1,002,632	--	--	1,037,953	--	1,037,953	--
Local Assistance	--	740,669	236	740,905	--	--	1,002,632	--	1,002,632	--	--	1,037,953	--	1,037,953	--
<b>Totals,2640-State Transit Assistance</b>	--	\$740,669	\$236	\$740,905	--	--	\$1,002,632	--	\$1,002,632	--	--	\$1,037,953	--	\$1,037,953	--
2660-Department of Transportation	--	3,796,354	8,798	3,805,152	794,551	389,368	4,268,638	9,580	4,667,586	997,619	380,218	4,486,323	6,463	4,873,004	991,341
State Operations	--	3,796,354	8,798	3,805,152	794,551	389,368	4,268,638	9,580	4,667,586	997,619	380,218	4,486,323	6,463	4,873,004	991,341
Local Assistance	9,324	546,743	27,132	583,199	1,356,139	845,118	1,142,070	20,805	2,007,993	3,055,938	647,501	1,717,370	9,363	2,374,234	3,806,702
Capital Outlay	--	1,896,317	18,528	1,914,845	1,818,420	157,302	2,888,219	27,307	2,772,828	3,051,805	50,002	2,853,796	42,166	2,945,964	3,806,553
Unclassified	--	--	--	--	--	--	--	--	--	5,000	--	--	--	--	5,000
<b>Totals,2660-Department of Transportation</b>	\$9,324	\$6,239,414	\$54,458	\$6,303,196	\$3,949,110	\$1,391,788	\$7,998,927	\$57,692	\$9,448,407	\$7,110,362	\$1,077,721	\$9,057,489	\$57,992	\$10,193,202	\$8,609,596
2665-High-Speed Rail Authority	--	--	51,477	51,477	--	--	103	89,186	89,289	--	--	56,617	32,770	89,387	--
State Operations	--	--	51,477	51,477	--	--	103	89,186	89,289	--	--	56,617	32,770	89,387	--
Local Assistance	--	--	--	--	--	--	423,335	423,335	423,335	--	--	--	--	--	--
Capital Outlay	--	1,487,327	--	1,487,327	--	--	1,437,900	--	1,437,900	--	--	430,383	4,000,000	4,430,383	--
<b>Totals,2665-High-Speed Rail Authority</b>	--	\$1,487,327	\$51,477	\$1,538,804	--	--	\$1,438,003	\$512,521	\$1,950,524	--	--	\$487,000	\$4,032,770	\$4,519,770	--
2670-Board of Pilot Commissioners	--	2,532	--	2,532	--	--	3,513	--	3,513	--	--	3,114	--	3,114	--
State Operations	--	2,532	--	2,532	--	--	3,513	--	3,513	--	--	3,114	--	3,114	--
<b>Totals,2670-Board of Pilot Commissioners</b>	--	\$2,532	--	\$2,532	--	--	\$3,513	--	\$3,513	--	--	\$3,114	--	\$3,114	--
2720-Dept of the California Highway Patrol	4,309	2,338,447	--	2,342,756	20,432	16,448	2,690,448	--	2,706,896	23,115	19,901	2,698,899	--	2,718,800	22,900
State Operations	4,309	2,338,447	--	2,342,756	20,432	16,448	2,690,448	--	2,706,896	23,115	19,901	2,698,899	--	2,718,800	22,900
Local Assistance	--	--	--	--	--	--	68,441	--	68,441	--	--	37,268	--	37,268	--
Capital Outlay	--	636	--	636	--	--	154,797	--	158,767	--	19,532	--	--	19,532	--
<b>Totals,2720-Dept of the California Highway Patrol</b>	\$4,309	\$2,339,083	--	\$2,343,392	\$20,432	\$171,245	\$2,762,859	--	\$2,934,104	\$23,115	\$39,433	\$2,736,167	--	\$2,775,600	\$22,900
2740-Department of Motor Vehicles	9,879	1,298,635	--	1,308,514	--	279,518	1,305,078	--	1,584,596	1,393	133,025	1,354,852	--	1,487,877	1,391
State Operations	9,879	1,298,635	--	1,308,514	--	279,518	1,305,078	--	1,584,596	1,393	133,025	1,354,852	--	1,487,877	1,391
Capital Outlay	--	--	--	--	--	88,392	--	--	88,392	--	4,496	--	--	4,496	--
<b>Totals,2740-Department of Motor Vehicles</b>	\$9,879	\$1,298,635	--	\$1,308,514	--	\$367,910	\$1,305,078	--	\$1,672,988	\$1,393	\$137,521	\$1,354,852	--	\$1,492,373	\$1,391
2830-General Obligation Bonds-Transportation	210,208	1,702,691	--	1,912,899	--	230,530	1,889,461	--	1,819,991	--	445,823	1,408,033	--	1,853,856	--
State Operations	210,208	1,702,691	--	1,912,899	--	230,530	1,889,461	--	1,819,991	--	445,823	1,408,033	--	1,853,856	--
<b>Totals,2830-General Obligation Bonds-Transportation</b>	\$210,208	\$1,702,691	--	\$1,912,899	--	\$230,530	\$1,889,461	--	\$1,819,991	--	\$445,823	\$1,408,033	--	\$1,853,856	--
<b>TOTALS, TRANSPORTATION</b>	\$233,720	\$13,815,862	\$109,922	\$14,159,504	\$3,989,542	\$2,161,473	\$16,107,981	\$574,713	\$18,844,167	\$7,134,870	\$1,700,498	\$16,093,102	\$4,094,562	\$21,888,162	\$8,633,887
State Operations	224,396	9,144,170	60,275	9,428,841	814,983	915,864	9,864,749	98,766	10,879,379	1,022,127	978,967	10,016,332	39,233	11,034,532	1,015,632
Local Assistance	9,324	1,287,412	31,119	1,327,855	1,356,139	845,118	2,213,143	448,640	3,506,938	3,055,938	647,501	2,792,591	13,163	3,453,255	3,806,702
Capital Outlay	--	3,384,280	18,528	3,402,808	1,818,420	400,491	4,030,089	27,307	4,457,887	3,051,805	74,030	3,284,179	4,042,166	7,400,375	3,806,553
Unclassified	--	--	--	--	--	--	--	--	--	5,000	--	--	--	--	5,000
NATURAL RESOURCES															
<b>3100-Exposition Park</b>	27,972	9,577	--	37,549	--	33,014	10,266	--	43,280	--	32,277	10,555	--	42,832	--
State Operations	27,972	9,577	--	37,549	--	33,014	10,266	--	43,280	--	32,277	10,555	--	42,832	--
Capital Outlay	2,293	--	--	2,293	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3100-Exposition Park</b>	\$30,265	\$9,577	--	\$39,842	--	\$33,014	\$10,266	--	\$43,280	--	\$32,277	\$10,555	--	\$42,832	--
3110-Special Resources Programs	--	200	--	200	--	--	200	--	200	--	--	200	--	200	--
State Operations	--	200	--	200	--	--	200	--	200	--	--	200	--	200	--
Local Assistance	--	5,323	--	5,323	--	--	5,323	--	5,323	--	--	5,323	--	5,323	--
<b>Totals,3110-Special Resources Programs</b>	--	\$5,523	--	\$5,523	--	--	\$5,523	--	\$5,523	--	--	\$5,523	--	\$5,523	--
3125-Tahoe Conservancy	1,000	5,581	1,496	8,077	2,913	41,250	5,310	1,125	47,685	2,063	5,000	5,271	1,127	11,398	1,919
State Operations	1,000	5,581	1,496	8,077	2,913	41,250	5,310	1,125	47,685	2,063	5,000	5,271	1,127	11,398	1,919
Local Assistance	--	970	4,579	5,549	--	--	420	--	420	--	--	320	--	320	--
Capital Outlay	--	947	10,535	11,482	500	--	450	1,419	1,869	500	1,025	500	1,580	3,105	--
<b>Totals,3125-Tahoe Conservancy</b>	\$1,000	\$7,498	\$16,610	\$25,108	\$3,413	\$41,250	\$6,180	\$2,544	\$49,974	\$2,563	\$6,025	\$6,091	\$2,707	\$14,823	\$1,919
3340-California Conservation Corps															

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total
State Operations	67,082	75,672	5,142	147,896	--	95,365	55,493	5,099	155,957	--	107,170	53,894	4,712	165,776
Local Assistance	--	--	8,143	8,143	--	--	--	--	6,848	--	5,000	--	--	5,000
Capital Outlay	--	--	--	--	--	6,848	--	--	6,848	--	66,607	--	--	66,607
<b>Totals, 3340-California Conservation Corps</b>	<b>\$67,082</b>	<b>\$75,672</b>	<b>\$13,285</b>	<b>\$156,039</b>	<b>--</b>	<b>\$102,213</b>	<b>\$55,493</b>	<b>\$5,099</b>	<b>\$162,805</b>	<b>--</b>	<b>\$178,777</b>	<b>\$53,894</b>	<b>\$4,712</b>	<b>\$237,383</b>
State Operations	--	--	--	--	--	--	51,207	--	51,207	--	--	26,502	--	26,502
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3355-Office of Energy Infrastructure Safety</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$51,207</b>	<b>--</b>	<b>\$51,207</b>	<b>--</b>	<b>--</b>	<b>\$26,502</b>	<b>--</b>	<b>\$26,502</b>
State Operations	--	506,353	--	506,353	3,853	56,747	241,306	--	298,053	3,866	95,545	144,507	--	239,852
Local Assistance	--	298,320	--	298,320	2,500	852,653	171,000	--	1,023,653	2,500	1,239,231	266,200	--	1,505,431
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3360-Energy Resource Conservation, Dvmt Comm</b>	<b>--</b>	<b>\$804,673</b>	<b>--</b>	<b>\$804,673</b>	<b>\$4,353</b>	<b>\$909,400</b>	<b>\$412,306</b>	<b>--</b>	<b>\$1,321,706</b>	<b>\$6,366</b>	<b>\$1,334,576</b>	<b>\$410,707</b>	<b>--</b>	<b>\$1,745,283</b>
State Operations	4,404	113,214	1,378	118,996	4,965	7,711	123,051	1,158	131,920	5,628	132,691	135,570	908	269,169
Local Assistance	50,000	381,005	20,597	108,702	--	107,050	--	--	107,050	--	110,000	--	--	110,000
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3480-Department of Conservation</b>	<b>\$54,404</b>	<b>\$151,319</b>	<b>\$21,975</b>	<b>\$227,698</b>	<b>\$4,965</b>	<b>\$114,761</b>	<b>\$123,051</b>	<b>\$1,158</b>	<b>\$238,970</b>	<b>\$5,628</b>	<b>\$242,691</b>	<b>\$135,570</b>	<b>\$908</b>	<b>\$379,169</b>
State Operations	2,430,033	199,225	1,213	2,630,471	20,541	2,491,434	208,569	256	2,700,259	22,170	2,488,995	224,573	--	2,713,568
Local Assistance	99,200	125,387	11,854	236,441	--	121,152	298,387	--	419,539	--	190,000	125,387	--	315,387
Capital Outlay	12,971	--	--	12,971	--	66,733	--	--	66,733	--	119,743	--	--	119,743
<b>Totals, 3540-Department of Forestry, Fire Protection</b>	<b>\$2,542,204</b>	<b>\$324,612</b>	<b>\$13,067</b>	<b>\$2,879,883</b>	<b>\$20,541</b>	<b>\$2,679,319</b>	<b>\$504,956</b>	<b>\$256</b>	<b>\$3,186,531</b>	<b>\$22,170</b>	<b>\$2,798,738</b>	<b>\$349,960</b>	<b>--</b>	<b>\$3,148,698</b>
State Operations	28,802	21,949	--	50,751	--	82,045	23,977	--	106,022	--	24,127	24,292	--	48,419
Local Assistance	--	--	--	--	--	--	--	--	250,000	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	1,625	--	--	1,625
<b>Totals, 3560-State Lands Commission</b>	<b>\$28,802</b>	<b>\$21,949</b>	<b>--</b>	<b>\$50,751</b>	<b>--</b>	<b>\$82,045</b>	<b>\$23,977</b>	<b>--</b>	<b>\$106,022</b>	<b>\$250,000</b>	<b>\$25,752</b>	<b>\$24,292</b>	<b>--</b>	<b>\$50,044</b>
State Operations	142,156	258,635	18,858	419,649	65,219	337,657	320,711	23,201	681,569	73,865	299,864	308,241	22,636	630,741
Local Assistance	576	1,341	41,740	43,657	20,000	576	1,341	31,740	33,657	20,000	576	1,841	31,740	34,157
Capital Outlay	--	--	--	--	480	--	--	--	--	--	--	--	--	--
<b>Totals, 3600-Department of Fish and Wildlife</b>	<b>\$142,732</b>	<b>\$259,976</b>	<b>\$60,598</b>	<b>\$463,306</b>	<b>\$85,699</b>	<b>\$338,233</b>	<b>\$322,052</b>	<b>\$54,941</b>	<b>\$715,226</b>	<b>\$93,865</b>	<b>\$300,440</b>	<b>\$310,082</b>	<b>\$54,376</b>	<b>\$664,898</b>
State Operations	--	828	3,939	4,767	--	--	887	4,802	5,689	--	--	888	3,469	4,357
Local Assistance	6,083	14,051	225,608	245,742	--	200,648	--	79,300	279,948	--	412,000	--	--	412,000
Capital Outlay	18,399	22,710	8,370	49,479	35,000	29,118	2,545	322	31,985	35,000	18,941	1,722	1,300	21,963
<b>Totals, 3640-Wildlife Conservation Board</b>	<b>\$24,482</b>	<b>\$37,589</b>	<b>\$237,917</b>	<b>\$299,988</b>	<b>\$35,000</b>	<b>\$229,766</b>	<b>\$3,432</b>	<b>\$84,424</b>	<b>\$317,622</b>	<b>\$35,000</b>	<b>\$430,941</b>	<b>\$2,410</b>	<b>\$4,769</b>	<b>\$438,320</b>
State Operations	20,219	2,669	--	22,888	3,125	24,205	3,813	--	28,018	3,224	22,926	3,822	--	26,748
Local Assistance	--	1,002	--	1,002	--	40,000	200	--	40,200	--	--	440	--	440
<b>Totals, 3720-Coastal Commission</b>	<b>\$20,219</b>	<b>\$3,671</b>	<b>--</b>	<b>\$23,890</b>	<b>\$3,125</b>	<b>\$64,205</b>	<b>\$4,013</b>	<b>--</b>	<b>\$68,218</b>	<b>\$3,224</b>	<b>\$22,926</b>	<b>\$4,262</b>	<b>--</b>	<b>\$27,188</b>
State Operations	--	3,071	7,007	10,078	597	20,500	3,523	7,815	31,838	590	--	3,570	7,672	11,242
Local Assistance	12,000	825	38,810	51,635	8,000	85,460	825	23,693	109,978	10,000	360,000	825	19,873	380,698
Capital Outlay	--	3,800	--	3,800	--	--	3,800	--	3,800	--	--	3,800	--	3,800
<b>Totals, 3760-State Coastal Conservancy</b>	<b>\$12,000</b>	<b>\$7,496</b>	<b>\$45,817</b>	<b>\$65,513</b>	<b>\$8,597</b>	<b>\$105,960</b>	<b>\$8,148</b>	<b>\$31,508</b>	<b>\$145,616</b>	<b>\$10,590</b>	<b>\$360,000</b>	<b>\$8,195</b>	<b>\$27,545</b>	<b>\$395,740</b>
State Operations	2,170	100	--	2,270	--	3,744	560	--	4,304	--	3,542	--	--	3,542
<b>Totals, 3780-Native American Heritage Commission</b>	<b>\$2,170</b>	<b>\$100</b>	<b>--</b>	<b>\$2,270</b>	<b>--</b>	<b>\$3,744</b>	<b>\$560</b>	<b>--</b>	<b>\$4,304</b>	<b>--</b>	<b>\$3,542</b>	<b>--</b>	<b>--</b>	<b>\$3,542</b>
State Operations	287,379	232,638	78,140	598,157	16,147	846,851	402,650	18,316	1,267,817	16,265	301,952	397,713	15,027	714,692
Local Assistance	23,000	42,250	457,108	522,358	87,700	409,793	36,250	--	446,043	87,700	18,235	7,250	--	25,485
Capital Outlay	5,000	7,030	23,577	35,607	--	135,402	-104,900	48,494	78,996	--	54,008	-49,491	12,194	16,711
<b>Totals, 3790-Department of Parks, Recreation</b>	<b>315,379</b>	<b>281,918</b>	<b>148,815</b>	<b>546,110</b>	<b>103,847</b>	<b>1,391,046</b>	<b>473,900</b>	<b>66,800</b>	<b>1,792,856</b>	<b>104,265</b>	<b>\$355,157</b>	<b>\$379,973</b>	<b>\$17,221</b>	<b>\$1,156,298</b>

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21					Estimated 2021-22					Estimated 2022-23				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals, 3790- Department of Parks, Recreation</b>	\$315,379	\$281,918	\$588,825	\$1,156,122	\$103,847	\$1,392,046	\$334,000	\$66,810	\$1,792,856	\$103,965	\$374,195	\$355,472	\$27,221	\$756,888	\$103,935
State Operations	229	358	842	1,429	--	2,584	378	1,017	3,979	--	--	379	920	1,299	--
Local Assistance	--	120	67,432	67,552	--	57,250	120	6,750	64,120	--	21,670	120	--	21,790	--
Capital Outlay	--	--	361	361	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3810-Santa Monica Mountains Conservancy</b>	\$229	\$478	\$48,635	\$69,342	--	\$59,834	\$498	\$7,767	\$68,099	--	\$21,670	\$499	\$920	\$23,089	--
State Operations	6,461	1,486	--	7,947	--	7,575	1,868	--	9,443	--	7,615	1,869	--	9,484	--
<b>Totals, 3820-SF Bay Conservation, Development Comm</b>	\$6,461	\$1,486	--	\$7,947	--	\$7,575	\$1,868	--	\$9,443	--	\$7,615	\$1,869	--	\$9,484	--
State Operations	142	430	661	1,233	--	458	477	1,015	1,950	--	--	544	581	1,125	--
Local Assistance	1,875	--	55,541	57,416	--	116,309	--	11,034	127,343	--	6,670	--	7,157	13,827	--
Capital Outlay	--	--	170	170	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3825-San Gabriel/Lower LA River/Mtns Conservancy</b>	\$2,017	\$430	\$56,372	\$68,819	--	\$116,767	\$477	\$12,049	\$129,293	--	\$6,670	\$544	\$7,738	\$14,952	--
State Operations	--	563	259	822	--	15,000	578	520	16,098	--	--	579	520	1,099	--
Capital Outlay	--	--	--	--	--	1,300	--	--	1,300	--	--	--	--	--	--
<b>Totals, 3830-San Joaquin River Conservancy</b>	--	\$563	\$259	\$822	--	\$16,300	\$578	\$520	\$17,398	--	--	\$579	\$520	\$1,099	--
State Operations	--	380	559	939	--	--	403	607	1,010	--	--	409	578	987	--
Local Assistance	--	--	13,416	13,416	--	1,300	--	1,100	2,400	--	--	--	360	360	--
Capital Outlay	--	--	4,024	4,024	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3835-Baldwin Hills Conservancy</b>	--	\$380	\$17,999	\$18,379	--	\$1,300	\$403	\$1,707	\$3,410	--	--	\$409	\$938	\$1,347	--
State Operations	--	1,047	--	1,047	150	--	1,657	--	1,657	158	--	1,420	--	1,420	23
<b>Totals, 3840-Delta Protection Commission</b>	--	\$1,047	--	\$1,047	\$150	--	\$1,657	--	\$1,657	\$158	--	\$1,420	--	\$1,420	\$23
State Operations	15	331	171	517	--	585	428	185	1,198	--	--	390	241	631	--
Local Assistance	3,500	--	3,363	6,863	--	33,000	--	3,000	36,000	--	2,000	--	1,465	3,465	--
<b>Totals, 3845-San Diego River Conservancy</b>	\$3,515	\$331	\$3,534	\$7,380	--	\$33,585	\$428	\$3,185	\$37,198	--	\$2,000	\$390	\$1,706	\$4,096	--
State Operations	--	331	138	469	--	--	393	154	547	--	--	394	194	588	--
Local Assistance	--	--	9,480	9,480	--	2,500	--	2,000	4,500	--	--	--	119	119	--
<b>Totals, 3850-Coachella Valley Mountains Conservancy</b>	--	\$331	\$9,618	\$9,949	--	\$2,500	\$393	\$2,154	\$5,047	--	--	\$394	\$313	\$707	--
State Operations	--	4,403	738	5,141	2,895	3,959	4,806	726	9,491	2,420	--	5,351	676	6,027	79
Local Assistance	20,000	--	5,000	25,000	--	57,141	--	--	57,141	--	13,000	--	--	13,000	--
<b>Totals, 3855-Sierra Nevada Conservancy</b>	\$20,000	\$4,403	\$5,738	\$30,141	\$2,895	\$61,100	\$4,806	\$726	\$66,632	\$2,420	\$13,000	\$5,351	\$676	\$19,027	\$79
State Operations	177,035	47,786	334,833	559,654	16,334	736,902	41,609	79,271	857,782	28,447	220,087	39,622	54,484	314,193	29,100
Local Assistance	--	--	1,256,951	1,256,951	--	910,136	--	510,605	1,420,741	--	816,660	750	411,002	1,228,412	--
Capital Outlay	16,387	--	268,270	284,657	--	312,604	--	23,486	336,090	--	223,765	--	--	223,765	--
<b>Totals, 3860-Department of Water Resources</b>	\$193,422	\$47,786	\$1,840,054	\$2,101,262	\$16,334	\$1,959,642	\$41,609	\$613,362	\$2,614,613	\$28,447	\$1,260,512	\$40,372	\$465,486	\$1,766,370	\$29,100
State Operations	1,228	180	670	2,078	52	1,364	179	1,403	2,946	708	1,366	130	1,398	2,894	682
Local Assistance	--	--	--	--	--	5,250	--	146	5,396	--	--	--	8,908	8,908	--
<b>Totals, 3875-Sacramento-San Joaquin Delta Conservancy</b>	\$1,228	\$180	\$670	\$2,078	\$52	\$6,614	\$179	\$1,549	\$8,342	\$708	\$1,366	\$130	\$10,306	\$11,802	\$682
State Operations	1,296,175	--	--	1,296,175	--	1,302,005	--	--	1,302,005	--	1,330,839	--	--	1,330,839	--
Local Assistance	--	--	--	--	--	\$1,302,005	--	--	\$1,302,005	--	\$1,330,839	--	--	\$1,330,839	--
<b>Totals, 3882-General Obligation Bonds-Natural Res</b>	\$1,296,175	--	--	\$1,296,175	--	\$1,302,005	--	--	\$1,302,005	--	\$1,330,839	--	--	\$1,330,839	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3885-Delta Stewardship Council</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23						
	General Fund	Special Funds	Budget Total	Selected Bond Funds	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	17,359	807	18,166	747	20,744	1,327	22,071	2,780	19,513	1,329	--	--	20,842	2,780	
<b>Totals,3485-Delta Stewardship Council</b>	<b>\$17,359</b>	<b>\$807</b>	<b>\$18,166</b>	<b>\$747</b>	<b>\$20,744</b>	<b>\$1,327</b>	<b>\$22,071</b>	<b>\$2,780</b>	<b>\$19,513</b>	<b>\$1,329</b>	<b>--</b>	<b>--</b>	<b>\$20,842</b>	<b>\$2,780</b>	
<b>TOTALS, NATURAL RESOURCES</b>	<b>\$4,781,145</b>	<b>\$2,049,995</b>	<b>\$7,831,140</b>	<b>\$291,718</b>	<b>\$9,683,922</b>	<b>\$889,759</b>	<b>\$12,473,681</b>	<b>\$567,884</b>	<b>\$8,774,065</b>	<b>\$1,757,001</b>	<b>\$610,841</b>	<b>\$610,841</b>	<b>\$11,141,907</b>	<b>\$3,150,075</b>	
State Operations	4,509,861	1,487,814	6,453,719	137,538	6,131,699	1,466,670	7,783,995	162,184	5,093,309	1,392,014	115,143	115,143	6,600,466	1,597,875	
Local Assistance	216,234	527,694	2,219,622	118,200	3,000,218	513,866	4,183,452	370,200	3,193,042	408,456	480,624	480,624	4,084,122	120,200	
Capital Outlay	55,050	34,487	315,307	35,980	552,005	98,105	73,721	35,500	485,714	43,469	15,074	15,074	457,319	35,000	
<b>ENVIRONMENTAL PROTECTION</b>															
<b>3900-Air Resources Board</b>	--	332,690	649	333,339	15,797	--	352,730	1,282	354,012	17,642	1,154	385,596	1,282	388,032	17,694
State Operations	--	290,273	12,321	302,594	--	1,065,000	1,507,586	--	2,572,586	--	762,000	1,117,551	--	1,879,551	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3900-Air Resources Board</b>	<b>--</b>	<b>\$622,963</b>	<b>\$12,970</b>	<b>\$635,933</b>	<b>\$15,797</b>	<b>\$1,065,000</b>	<b>\$1,860,316</b>	<b>\$17,642</b>	<b>\$763,154</b>	<b>\$1,503,147</b>	<b>\$1,282</b>	<b>\$1,282</b>	<b>\$2,267,583</b>	<b>\$17,694</b>	
<b>3930-Department of Pesticide Regulation</b>	1,886	70,843	--	72,729	2,173	19,250	87,239	--	106,489	2,385	9,358	86,713	--	96,071	2,375
State Operations	--	34,422	--	34,422	--	1,000	36,345	--	37,345	--	1,000	35,686	--	36,686	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3930-Department of Pesticide Regulation</b>	<b>\$1,886</b>	<b>\$105,265</b>	<b>--</b>	<b>\$107,151</b>	<b>\$2,173</b>	<b>\$20,250</b>	<b>\$123,584</b>	<b>\$2,385</b>	<b>\$130,358</b>	<b>\$2,385</b>	<b>\$10,358</b>	<b>\$122,399</b>	<b>--</b>	<b>\$132,757</b>	<b>\$2,375</b>
<b>3940-State Water Resources Control Board</b>	47,675	526,856	15,400	589,931	77,551	112,577	766,204	14,654	893,435	97,733	57,624	578,998	13,263	649,285	82,618
State Operations	380	1,613,336	2,825	1,641,541	232,693	1,561,875	1,734,500	899	1,734,224	1,217,693	175,050	1,648,337	--	339,887	232,693
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3940-State Water Resources Control Board</b>	<b>\$48,055</b>	<b>\$688,192</b>	<b>\$18,225</b>	<b>\$754,472</b>	<b>\$310,244</b>	<b>\$1,674,452</b>	<b>\$939,654</b>	<b>\$15,553</b>	<b>\$2,629,659</b>	<b>\$1,315,426</b>	<b>\$232,674</b>	<b>\$743,235</b>	<b>\$13,263</b>	<b>\$989,172</b>	<b>\$315,311</b>
<b>3960-Department of Toxic Substances Control</b>	68,739	184,031	--	252,770	28,745	309,638	435,909	--	745,547	33,791	32,383	340,360	--	372,743	33,568
State Operations	--	--	--	--	--	81,550	1,000	--	82,550	3,027	100,000	1,000	--	101,000	3,027
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3960-Department of Toxic Substances Control</b>	<b>\$68,739</b>	<b>\$184,031</b>	<b>--</b>	<b>\$252,770</b>	<b>\$28,745</b>	<b>\$391,188</b>	<b>\$436,909</b>	<b>--</b>	<b>\$828,097</b>	<b>\$36,818</b>	<b>\$132,383</b>	<b>\$341,360</b>	<b>--</b>	<b>\$473,743</b>	<b>\$36,595</b>
<b>3970-Resources Recycling and Recovery</b>	2,188,268	204,238	--	2,392,506	--	367,339	218,628	--	585,967	--	29,267	213,121	--	242,388	--
State Operations	--	1,399,646	--	1,399,646	--	50,000	1,509,815	--	1,509,815	--	40,000	1,354,221	--	1,394,221	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3970-Resources Recycling and Recovery</b>	<b>\$2,188,268</b>	<b>\$1,603,884</b>	<b>--</b>	<b>\$3,792,152</b>	<b>--</b>	<b>\$417,339</b>	<b>\$1,728,443</b>	<b>--</b>	<b>\$2,145,782</b>	<b>--</b>	<b>\$69,267</b>	<b>\$1,567,342</b>	<b>--</b>	<b>\$1,636,609</b>	<b>--</b>
<b>3980-Environmental Health Hazard Assessment</b>	5,919	16,182	--	22,101	--	7,864	19,928	--	27,792	--	15,463	18,094	--	33,557	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3980-Environmental Health Hazard Assessment</b>	<b>\$5,919</b>	<b>\$16,182</b>	<b>--</b>	<b>\$22,101</b>	<b>--</b>	<b>\$7,864</b>	<b>\$19,928</b>	<b>--</b>	<b>\$27,792</b>	<b>--</b>	<b>\$15,463</b>	<b>\$18,094</b>	<b>--</b>	<b>\$33,557</b>	<b>--</b>
<b>3996-General Obligation Bonds-Environmental Protection</b>	3,110	--	--	3,110	--	3,790	--	--	3,790	--	2,384	--	--	2,384	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3996-General Obligation Bonds-Environmental Protection</b>	<b>\$3,110</b>	<b>--</b>	<b>--</b>	<b>\$3,110</b>	<b>--</b>	<b>\$3,790</b>	<b>--</b>	<b>--</b>	<b>\$3,790</b>	<b>--</b>	<b>\$2,384</b>	<b>--</b>	<b>--</b>	<b>\$2,384</b>	<b>--</b>
<b>TOTALS, ENVIRONMENTAL PROTECTION</b>	<b>\$2,315,977</b>	<b>\$3,220,517</b>	<b>\$31,195</b>	<b>\$5,567,689</b>	<b>\$356,959</b>	<b>\$3,579,883</b>	<b>\$5,108,834</b>	<b>\$16,835</b>	<b>\$8,705,552</b>	<b>\$1,372,271</b>	<b>\$1,225,683</b>	<b>\$4,295,577</b>	<b>\$14,545</b>	<b>\$5,535,805</b>	<b>\$371,975</b>
State Operations	2,315,597	1,334,840	16,049	3,666,486	124,266	820,458	1,880,638	15,936	2,717,032	151,551	147,633	1,622,282	14,545	1,784,460	136,255
Local Assistance	380	1,885,677	15,146	1,901,203	232,693	2,759,425	3,228,196	899	5,988,520	1,220,720	1,078,050	2,673,295	--	3,751,345	235,720
<b>HEALTH AND HUMAN SERVICES</b>															
<b>4100-State Council-Developmental Disabilities</b>	--	--	--	6,638	--	--	--	--	8,542	--	--	--	--	--	8,101
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,4100-State Council-Developmental Disabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$6,638</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$8,542</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$8,101</b>
<b>4120-Emergency Medical Services Authority</b>	69,912	3,917	--	73,829	2,669	52,503	4,217	--	56,720	4,275	24,139	5,299	--	29,438	3,795
State Operations	6,180	197	--	6,377	185	7,595	300	--	7,895	671	8,451	300	--	8,951	671
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,4120-Emergency Medical Services Authority</b>	<b>\$76,092</b>	<b>\$4,114</b>	<b>--</b>	<b>\$80,206</b>	<b>\$2,854</b>	<b>\$60,098</b>	<b>\$4,517</b>	<b>--</b>	<b>\$64,615</b>	<b>\$4,946</b>	<b>\$32,790</b>	<b>\$5,599</b>	<b>--</b>	<b>\$38,389</b>	<b>\$4,466</b>
<b>4140-Dept Health Care Access and Information</b>	15,655	97,405	--	113,060	564	104,381	108,899	--	213,280	1,562	58,346	107,052	--	165,398	1,352
State Operations	52,021	56,059	--	108,080	1,130	773,198	80,437	--	853,635	14,663	484,958	14,366	--	499,324	1,498
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,4140-Dept Health Care Access and Information</b>	<b>\$67,676</b>	<b>\$153,464</b>	<b>--</b>	<b>\$221,140</b>	<b>\$1,694</b>	<b>\$877,579</b>	<b>\$189,336</b>	<b>--</b>	<b>\$1,066,915</b>	<b>\$14,225</b>	<b>\$543,304</b>	<b>\$121,418</b>	<b>--</b>	<b>\$664,722</b>	<b>\$2,850</b>

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars In Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>4150-Department of Managed Health Care</b>														
State Operations	83,758		83,758			104,919		104,919			123,679		123,679	
<b>Totals 4150-Department of Managed Health Care</b>	<b>83,758</b>		<b>83,758</b>			<b>104,919</b>		<b>104,919</b>			<b>123,679</b>		<b>123,679</b>	
<b>4170-Department of Aging</b>														
State Operations	8,726	256	8,982	25,056	13,368	22,923		36,291	10,174	16,076	934		17,010	10,463
Local Assistance	58,788	4,546	63,334	188,856	90,623	348,977		439,600	300,190	118,554	5,932		124,486	161,017
<b>Totals 4170-Department of Aging</b>	<b>67,514</b>	<b>4,802</b>	<b>72,316</b>	<b>213,912</b>	<b>103,991</b>	<b>371,900</b>		<b>475,891</b>	<b>310,364</b>	<b>119,528</b>	<b>6,866</b>		<b>141,496</b>	<b>177,480</b>
<b>4180-Commission on Aging</b>														
State Operations	217		217	457	52			52	523	52			52	833
<b>Totals 4180-Commission on Aging</b>	<b>217</b>		<b>217</b>	<b>457</b>	<b>52</b>			<b>52</b>	<b>523</b>	<b>52</b>			<b>52</b>	<b>833</b>
<b>4185-California Senior Legislature</b>														
State Operations	161		161		307			307		307			307	
<b>Totals 4185-California Senior Legislature</b>	<b>161</b>		<b>161</b>		<b>307</b>			<b>307</b>		<b>307</b>			<b>307</b>	
<b>4250-Children and Families Commission</b>														
State Operations		4,249	4,249			4,604		4,604			3,562		3,562	
Local Assistance		406,779	406,779		2,000	441,977		443,977			338,801		338,801	
<b>Totals 4250-Children and Families Commission</b>		<b>411,028</b>	<b>411,028</b>		<b>2,000</b>	<b>446,581</b>		<b>448,581</b>			<b>342,363</b>		<b>342,363</b>	
<b>4260-State Department of Health Care Services</b>														
State Operations	240,224	200,764	440,988	396,953	318,127	403,412		721,539	584,180	389,381	325,986		715,367	549,355
Local Assistance	20,806,598	14,079,348	34,885,946	78,201,778	27,171,548	10,501,741		37,673,289	87,716,219	35,269,053	13,051,942		48,320,995	84,891,153
<b>Totals 4260-State Department of Health Care Services</b>	<b>21,046,822</b>	<b>14,280,112</b>	<b>35,326,934</b>	<b>778,598,731</b>	<b>27,489,675</b>	<b>110,905,153</b>		<b>389,212,828</b>	<b>1,401,896,409</b>	<b>35,658,434</b>	<b>13,377,928</b>		<b>549,036,362</b>	<b>854,440,508</b>
<b>4265-Department of Public Health</b>														
State Operations	2,412,231	544,580	2,956,811	346,230	3,088,838	578,564		3,667,402	333,336	1,317,395	652,395		1,969,790	569,322
Local Assistance	117,555	571,858	689,413	1,189,317	251,346	534,338		785,684	1,250,694	398,643	571,943		970,586	1,442,921
Capital Outlay					341			341						
<b>Totals 4265-Department of Public Health</b>	<b>2,529,786</b>	<b>1,116,438</b>	<b>3,646,224</b>	<b>1,535,547</b>	<b>3,340,525</b>	<b>1,112,902</b>		<b>4,453,427</b>	<b>1,584,030</b>	<b>1,716,038</b>	<b>1,224,338</b>		<b>2,940,376</b>	<b>2,012,243</b>
<b>4300-Department of Developmental Services</b>														
State Operations	323,870	663	324,533	2,715	387,811	24,436		412,247	2,742	362,554	5,936		368,490	2,787
Local Assistance	5,376,290	682	5,376,972	54,279	5,943,001	139,944		6,082,945	84,798	7,131,876	383,794		7,515,670	54,063
Capital Outlay	1,790		1,790		221			221		3,905			3,905	
<b>Totals 4300-Department of Developmental Services</b>	<b>5,701,950</b>	<b>1,345</b>	<b>5,703,295</b>	<b>556,994</b>	<b>6,331,033</b>	<b>164,380</b>		<b>6,495,413</b>	<b>87,540</b>	<b>7,498,335</b>	<b>389,730</b>		<b>7,888,065</b>	<b>56,850</b>
<b>4440-Department of State Hospitals</b>														
State Operations	1,851,098		1,851,098		2,566,522			2,566,522		2,384,336			2,384,336	
Capital Outlay	818		818		32,215			32,215		17,786			17,786	
<b>Totals 4440-Department of State Hospitals</b>	<b>1,851,916</b>		<b>1,851,916</b>		<b>2,598,737</b>			<b>2,598,737</b>		<b>2,402,122</b>			<b>2,402,122</b>	
<b>4560-Mental Health Svcs Ovrst and Anctibity Comm</b>														
State Operations		7,554	7,554			35,397		35,397	15,000		33,158		33,158	
Local Assistance		90,246	90,246			145,285		145,285	85,000		28,830		28,830	
<b>Totals 4560-Mental Health Svcs Ovrst and Anctibity Comm</b>		<b>97,800</b>	<b>97,800</b>			<b>180,682</b>		<b>180,682</b>	<b>100,000</b>		<b>61,988</b>		<b>61,988</b>	
<b>4700-Dept of Community Svcs, Development</b>														
State Operations				19,021	1,630	750		2,380	35,301	1,630			1,630	27,226
Local Assistance				307,131	26,370	14,250		40,620	1,574,453	23,370			23,370	260,846
<b>Totals 4700-Dept of Community Svcs, Development</b>				<b>326,152</b>	<b>28,000</b>	<b>15,000</b>		<b>43,000</b>	<b>1,609,754</b>	<b>25,000</b>			<b>25,000</b>	<b>288,072</b>
<b>4800-California Health Benefit Exchange</b>														
Local Assistance	83,000		83,000		20,000			20,000		20,000			20,000	
<b>Totals 4800-California Health Benefit Exchange</b>	<b>83,000</b>		<b>83,000</b>		<b>20,000</b>			<b>20,000</b>		<b>20,000</b>			<b>20,000</b>	
<b>5160-Department of Rehabilitation</b>														
State Operations	66,983		66,983	336,282	81,782	4,700		86,482	395,944	71,895	150		72,045	400,130
Local Assistance	6,375		6,375	9,854	6,375			6,375	10,066	6,375			6,375	10,066
<b>Totals 5160-Department of Rehabilitation</b>	<b>73,358</b>		<b>73,358</b>	<b>346,136</b>	<b>88,157</b>	<b>4,700</b>		<b>92,857</b>	<b>406,888</b>	<b>78,270</b>	<b>150</b>		<b>78,420</b>	<b>410,196</b>
<b>5175-Department of Child Support Services</b>														

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Selected Bond Funds	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total
State Operations	51,727	--	51,727	--	118,546	63,894	--	63,894	143,629	63,766	--	--	63,766	144,706
Local Assistance	262,047	--	262,047	--	375,196	280,841	--	280,841	442,465	300,941	--	--	300,941	547,010
<b>Totals, 5175-Department of Child Support Services</b>	<b>\$313,774</b>	--	<b>\$313,774</b>	--	<b>\$493,742</b>	<b>\$344,735</b>	--	<b>\$344,735</b>	<b>\$586,094</b>	<b>\$364,707</b>	--	--	<b>\$364,707</b>	<b>\$691,716</b>
<b>5180-Department of Social Services</b>														
State Operations	244,425	38,962	283,387	427,750	323,925	44,049	--	367,974	514,161	294,721	37,529	--	332,250	514,929
Local Assistance	9,863,758	1,130	9,864,888	7,943,935	14,415,275	480,908	--	15,096,183	12,185,513	15,836,126	1,925	--	15,838,051	11,082,525
<b>Totals, 5180-Department of Social Services</b>	<b>\$10,108,183</b>	<b>\$40,092</b>	<b>\$10,148,275</b>	<b>\$8,371,685</b>	<b>\$14,939,200</b>	<b>\$524,957</b>	--	<b>\$15,464,157</b>	<b>\$12,699,674</b>	<b>\$16,130,847</b>	<b>\$39,454</b>	--	<b>\$16,170,301</b>	<b>\$11,597,454</b>
<b>5195-State-Local Realignment, 1991</b>														
Local Assistance	--	6,414,334	6,414,334	--	--	--	6,696,996	--	6,696,996	--	6,934,107	--	6,934,107	--
<b>Totals, 5195-State-Local Realignment, 1991</b>	<b>--</b>	<b>\$6,414,334</b>	<b>\$6,414,334</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$6,696,996</b>	<b>--</b>	<b>\$6,696,996</b>	<b>--</b>	<b>\$6,934,107</b>	<b>--</b>	<b>\$6,934,107</b>	<b>--</b>
<b>5196-State-Local Realignment, 2011</b>														
Local Assistance	12,000	5,556,188	5,568,188	--	12,900	5,942,385	--	5,955,285	--	6,000	6,177,638	--	6,183,638	--
<b>Totals, 5196-State-Local Realignment, 2011</b>	<b>\$12,000</b>	<b>\$5,556,188</b>	<b>\$5,568,188</b>	<b>--</b>	<b>\$12,900</b>	<b>\$5,942,385</b>	<b>--</b>	<b>\$5,955,285</b>	<b>--</b>	<b>\$6,000</b>	<b>\$6,177,638</b>	<b>--</b>	<b>\$6,183,638</b>	<b>--</b>
<b>5206-General Obligation Bonds-HHS</b>														
State Operations	86,215	--	86,215	--	88,110	--	--	88,110	--	88,806	--	--	88,806	--
<b>Totals, 5206-General Obligation Bonds-HHS</b>	<b>\$86,215</b>	<b>--</b>	<b>\$86,215</b>	<b>--</b>	<b>\$88,110</b>	<b>--</b>	<b>--</b>	<b>\$88,110</b>	<b>--</b>	<b>\$88,806</b>	<b>--</b>	<b>--</b>	<b>\$88,806</b>	<b>--</b>
<b>TOTALS, HEALTH AND HUMAN SERVICES</b>	<b>\$42,018,664</b>	<b>\$28,163,475</b>	<b>\$70,182,139</b>	<b>\$89,954,542</b>	<b>\$56,325,099</b>	<b>\$26,664,408</b>	<b>--</b>	<b>\$82,989,507</b>	<b>\$105,714,101</b>	<b>\$64,699,642</b>	<b>\$28,805,258</b>	<b>--</b>	<b>\$93,504,900</b>	<b>\$100,684,769</b>
State Operations	5,371,444	982,108	6,353,552	1,682,881	7,091,250	1,336,870	--	8,428,120	2,049,369	5,073,404	1,295,680	--	6,369,084	2,232,999
Local Assistance	36,644,612	27,181,367	63,825,979	88,271,661	49,201,072	25,327,538	--	74,528,610	103,664,732	59,604,547	27,509,578	--	87,114,125	98,451,770
Capital Outlay	2,608	--	2,608	--	32,777	--	--	32,777	--	21,691	--	--	21,691	--
<b>Totals, 5225-Corrections and Rehabilitation</b>	<b>\$12,460,694</b>	<b>\$67</b>	<b>\$12,460,761</b>	<b>\$2,768</b>	<b>\$14,217,827</b>	<b>\$66</b>	<b>--</b>	<b>\$14,217,893</b>	<b>\$1,999</b>	<b>\$14,163,487</b>	<b>\$66</b>	<b>--</b>	<b>\$14,163,553</b>	<b>\$1,998</b>
<b>5227-Board of State and Community Corrections</b>														
State Operations	21,426	288	21,714	1,334	38,155	4,597	--	42,752	4,160	37,525	3,450	--	40,975	3,481
Local Assistance	156,409	72,518	228,927	77,931	373,137	164,592	--	537,729	102,117	558,114	161,047	--	719,161	43,598
Capital Outlay	--	--	--	--	179,351	--	--	179,351	--	310,217	--	--	310,217	--
<b>Totals, 5227-Board of State and Community Corrections</b>	<b>\$177,835</b>	<b>\$72,806</b>	<b>\$250,641</b>	<b>\$79,265</b>	<b>\$411,292</b>	<b>\$169,189</b>	<b>--</b>	<b>\$580,481</b>	<b>\$106,277</b>	<b>\$677,114</b>	<b>\$164,497</b>	<b>--</b>	<b>\$841,611</b>	<b>\$47,279</b>
<b>5228-Safe Neighborhoods and Schools Act</b>														
Local Assistance	102,890	-102,890	--	--	116,209	-116,209	--	--	--	147,343	-147,343	--	--	--
<b>Totals, 5228-Safe Neighborhoods and Schools Act</b>	<b>\$102,890</b>	<b>- \$102,890</b>	<b>--</b>	<b>--</b>	<b>\$116,209</b>	<b>- \$116,209</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$147,343</b>	<b>- \$147,343</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>5296-Enhancing Law Enforcement Activities</b>														
Local Assistance	--	489,900	489,900	--	--	489,900	--	489,900	--	--	489,900	--	489,900	--
<b>Totals, 5296-Enhancing Law Enforcement Activities</b>	<b>--</b>	<b>\$489,900</b>	<b>\$489,900</b>	<b>--</b>	<b>--</b>	<b>\$489,900</b>	<b>--</b>	<b>\$489,900</b>	<b>--</b>	<b>--</b>	<b>\$489,900</b>	<b>--</b>	<b>\$489,900</b>	<b>--</b>
<b>5396-Trial Court Security 2011 Realignment</b>														
Local Assistance	--	597,260	597,260	--	--	619,616	--	619,616	--	--	633,353	--	633,353	--
<b>Totals, 5396-Trial Court Security 2011 Realignment</b>	<b>--</b>	<b>\$597,260</b>	<b>\$597,260</b>	<b>--</b>	<b>--</b>	<b>\$619,616</b>	<b>--</b>	<b>\$619,616</b>	<b>--</b>	<b>--</b>	<b>\$633,353</b>	<b>--</b>	<b>\$633,353</b>	<b>--</b>
<b>5496-Local Community Corrections</b>														
Local Assistance	--	1,592,955	1,592,955	--	--	1,760,631	--	1,760,631	--	--	1,863,657	--	1,863,657	--
<b>Totals, 5496-Local Community Corrections</b>	<b>--</b>	<b>\$1,592,955</b>	<b>\$1,592,955</b>	<b>--</b>	<b>--</b>	<b>\$1,760,631</b>	<b>--</b>	<b>\$1,760,631</b>	<b>--</b>	<b>--</b>	<b>\$1,863,657</b>	<b>--</b>	<b>\$1,863,657</b>	<b>--</b>
<b>5596-Dist Attorney and Public Defender Svcs</b>														
Local Assistance	--	56,704	56,704	--	--	67,882	--	67,882	--	--	74,750	--	74,750	--
<b>Totals, 5596-Dist Attorney and Public Defender Svcs</b>	<b>--</b>	<b>\$56,704</b>	<b>\$56,704</b>	<b>--</b>	<b>--</b>	<b>\$67,882</b>	<b>--</b>	<b>\$67,882</b>	<b>--</b>	<b>--</b>	<b>\$74,750</b>	<b>--</b>	<b>\$74,750</b>	<b>--</b>
<b>5696-Juvenile Justice Programs</b>														
Local Assistance	--	199,635	199,635	--	--	221,991	--	221,991	--	--	235,728	--	235,728	--
<b>Totals, 5696-Juvenile Justice Programs</b>	<b>--</b>	<b>\$199,635</b>	<b>\$199,635</b>	<b>--</b>	<b>--</b>	<b>\$221,991</b>	<b>--</b>	<b>\$221,991</b>	<b>--</b>	<b>--</b>	<b>\$235,728</b>	<b>--</b>	<b>\$235,728</b>	<b>--</b>

**CORRECTIONS AND REHABILITATION**

**5225-Corrections and Rehabilitation**

**5227-Board of State and Community Corrections**

**5228-Safe Neighborhoods and Schools Act**

**5296-Enhancing Law Enforcement Activities**

**5396-Trial Court Security 2011 Realignment**

**5496-Local Community Corrections**

**5596-Dist Attorney and Public Defender Svcs**

**5696-Juvenile Justice Programs**



**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>5796-Enhancing Law Enforcement Act Growth</b>															
Local Assistance	242,378			242,378			268,050		268,050				297,281		297,281
<b>Totals, 5796-Enhancing Law Enforcement Act Growth</b>	<b>242,378</b>	<b>242,378</b>		<b>\$242,378</b>			<b>\$268,050</b>		<b>\$268,050</b>				<b>\$297,281</b>		<b>\$297,281</b>
<b>5996-General Obligation Bonds-DCR</b>															
State Operations	7,179			7,179		11,477			11,477		8,454				8,454
<b>Totals, 5996-General Obligation Bonds-DCR</b>	<b>7,179</b>			<b>\$7,179</b>		<b>\$11,477</b>			<b>\$11,477</b>		<b>\$8,454</b>				<b>\$8,454</b>
<b>TOTALS, CORRECTIONS AND REHABILITATION</b>	<b>\$12,748,598</b>	<b>\$3,148,815</b>		<b>\$15,897,413</b>	<b>\$82,033</b>	<b>\$14,756,805</b>	<b>\$3,481,116</b>		<b>\$18,237,921</b>	<b>\$108,276</b>	<b>\$14,996,398</b>	<b>\$3,611,889</b>		<b>\$18,608,287</b>	<b>\$49,277</b>
State Operations	12,157,107	1,485		12,158,592	4,102	13,936,552	5,663		13,942,215	6,159	13,745,545	4,516		13,750,061	5,679
Local Assistance	575,098	3,147,330		3,722,428	71,931	640,902	3,475,453		4,116,355	102,117	859,161	3,607,373		4,466,534	43,598
Capital Outlay	16,393			16,393		179,351			179,351		391,692			391,692	
<b>EDUCATION</b>															
<b>6100-Department of Education</b>															
State Operations	180,777	3,363	2,285	186,445	211,102	285,681	5,265	3,510	294,456	219,268	250,855	5,190	3,514	259,559	169,171
Local Assistance	60,972,137	60,705		61,032,842	27,352,443	61,228,261	88,574		61,316,835	18,335,668	62,744,997	82,131		62,827,128	8,238,454
Capital Outlay	12			12		11,528			11,528		16,137			16,137	
<b>Totals, 6100-Department of Education</b>	<b>\$61,152,926</b>	<b>\$64,088</b>	<b>\$2,285</b>	<b>\$61,219,299</b>	<b>\$27,563,545</b>	<b>\$61,525,470</b>	<b>\$93,839</b>	<b>\$3,510</b>	<b>\$61,622,819</b>	<b>\$18,554,936</b>	<b>\$63,011,989</b>	<b>\$87,321</b>	<b>\$3,514</b>	<b>\$63,102,824</b>	<b>\$8,407,625</b>
<b>6120-State Library</b>															
State Operations	17,916	365		18,281	6,074	26,046	380		26,426	8,298	38,743	301		39,044	7,890
Local Assistance	13,601	552		14,153	13,140	613,115	552		613,667	21,421	33,127	552		33,679	11,266
<b>Totals, 6120-State Library</b>	<b>\$31,517</b>	<b>\$917</b>		<b>\$32,434</b>	<b>\$19,214</b>	<b>\$639,161</b>	<b>\$932</b>		<b>\$640,093</b>	<b>\$29,719</b>	<b>\$71,870</b>	<b>\$853</b>		<b>\$72,723</b>	<b>\$19,156</b>
<b>6125-Education Audit Appeals Panel</b>															
State Operations	720			720		1,176			1,176		1,177			1,177	
<b>Totals, 6125-Education Audit Appeals Panel</b>	<b>\$720</b>			<b>\$720</b>		<b>\$1,176</b>			<b>\$1,176</b>		<b>\$1,177</b>			<b>\$1,177</b>	
<b>6255-Summer School for the Arts</b>															
State Operations	1,442			1,442		1,425			1,425		1,426			1,426	
<b>Totals, 6255-Summer School for the Arts</b>	<b>\$1,442</b>			<b>\$1,442</b>		<b>\$1,425</b>			<b>\$1,425</b>		<b>\$1,426</b>			<b>\$1,426</b>	
<b>6300-Teachers Retirement System Contributions</b>															
State Operations	297,000			297,000		410,000			410,000						
Local Assistance	3,427,218			3,427,218		3,862,582			3,862,582		3,706,225			3,706,225	
<b>Totals, 6300-Teachers Retirement System Contributions</b>	<b>\$3,724,218</b>			<b>\$3,724,218</b>		<b>\$4,272,582</b>			<b>\$4,272,582</b>		<b>\$3,706,225</b>			<b>\$3,706,225</b>	
<b>6305-Retirement Costs for Community Colleges</b>															
State Operations	-23,184			-23,184		-32,506			-32,506						
Local Assistance	-280,760			-280,760		-305,299			-305,299		-285,872			-285,872	
<b>Totals, 6305-Retirement Costs for Community Colleges</b>	<b>-\$303,944</b>			<b>-\$303,944</b>		<b>-\$337,805</b>			<b>-\$337,805</b>		<b>-\$285,872</b>			<b>-\$285,872</b>	
<b>6350-School Facilities Aid Program</b>															
Local Assistance		8,179	1,447,465	1,455,644		740,000	-486,354	1,538,450	1,792,096		1,250,000	225,000	1,484,276	2,959,276	
<b>Totals, 6350-School Facilities Aid Program</b>		<b>\$8,179</b>	<b>\$1,447,465</b>	<b>\$1,455,644</b>		<b>\$740,000</b>	<b>-\$486,354</b>	<b>\$1,538,450</b>	<b>\$1,792,096</b>		<b>\$1,250,000</b>	<b>\$225,000</b>	<b>\$1,484,276</b>	<b>\$2,959,276</b>	
<b>6360-Commission on Teacher Credentialing</b>															
State Operations		24,966		24,966		16,000	20,164		36,164		39,838	11,911		51,749	
Local Assistance	491,700			491,700							10,000			10,000	
<b>Totals, 6360-Commission on Teacher Credentialing</b>	<b>\$491,700</b>	<b>\$24,966</b>		<b>\$516,666</b>		<b>\$16,000</b>	<b>\$20,164</b>		<b>\$36,164</b>		<b>\$49,838</b>	<b>\$11,911</b>		<b>\$61,749</b>	
<b>6396-General Obligation Bonds-K-12</b>															
State Operations	2,220,667			2,220,667		2,564,795			2,564,795		2,542,745			2,542,745	
<b>Totals, 6396-General Obligation Bonds-K-12</b>	<b>\$2,220,667</b>			<b>\$2,220,667</b>		<b>\$2,564,795</b>			<b>\$2,564,795</b>		<b>\$2,542,745</b>			<b>\$2,542,745</b>	
<b>K-12 Education</b>															
State Operations	2,695,338	28,714	2,285	2,726,337	217,176	3,272,617	25,809	3,510	3,301,936	227,566	2,874,784	17,402	3,514	2,895,700	177,061
Local Assistance	64,623,896	69,436	1,447,465	66,140,797	27,365,583	66,138,659	-397,228	1,538,450	67,279,881	18,357,089	67,458,477	307,683	1,484,276	69,250,436	8,249,720
Capital Outlay	12			12		11,528			11,528		16,137			16,137	
<b>Totals, K-12 Education</b>	<b>\$67,319,246</b>	<b>\$98,150</b>	<b>\$1,449,750</b>	<b>\$68,867,146</b>	<b>\$27,582,759</b>	<b>\$69,422,804</b>	<b>-\$371,419</b>	<b>\$1,541,940</b>	<b>\$70,593,345</b>	<b>\$18,584,655</b>	<b>\$70,349,398</b>	<b>\$325,085</b>	<b>\$1,487,790</b>	<b>\$72,162,273</b>	<b>\$8,426,781</b>
<b>6440-University of California</b>															

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23						
	General Fund	Special Funds	Budget Total	Selected Bond Funds	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Selected Bond Funds	Special Funds	General Fund	Federal Funds	Budget Total	Federal Funds
State Operations	3,474,003	87,324	3,561,327	4,824,392	4,752,805	132,659	--	--	4,885,464	226,214	--	4,613,488	4,540,500	4,839,702	4,717,500
Capital Outlay	--	--	14,108	14,108	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6440-University of California</b>	<b>\$3,474,003</b>	<b>\$87,324</b>	<b>\$3,575,435</b>	<b>\$4,824,392</b>	<b>\$4,752,805</b>	<b>\$132,659</b>	--	--	<b>\$4,885,464</b>	<b>\$226,214</b>	--	<b>\$4,613,488</b>	<b>\$4,540,500</b>	<b>\$4,839,702</b>	<b>\$4,717,500</b>
<b>6445-Institute for Regenerative Medicine</b>	--	--	13,260	--	--	--	22,990	--	22,990	--	--	--	--	22,990	--
State Operations	--	--	81,431	81,431	--	--	250,000	--	250,000	--	--	--	--	315,000	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6445-Institute for Regenerative Medicine</b>	<b>--</b>	<b>--</b>	<b>\$94,691</b>	<b>\$94,691</b>	<b>--</b>	<b>--</b>	<b>\$272,990</b>	<b>--</b>	<b>\$272,990</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$337,990</b>	<b>\$337,990</b>
<b>6600-Hasstings College of the Law</b>	17,764	--	17,764	--	30,875	--	--	--	30,875	--	--	21,878	--	21,878	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6600-Hasstings College of the Law</b>	<b>\$17,764</b>	<b>--</b>	<b>\$17,764</b>	<b>--</b>	<b>\$30,875</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$30,875</b>	<b>--</b>	<b>--</b>	<b>\$21,878</b>	<b>--</b>	<b>\$21,878</b>	<b>--</b>
<b>6610-California State University</b>	3,702,260	2,000	3,704,260	1,677,475	5,205,382	2,000	--	5,207,382	4,762,659	2,500	--	4,765,159	1,720,505	4,765,159	1,720,505
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6610-California State University</b>	<b>\$3,702,260</b>	<b>\$2,000</b>	<b>\$3,704,260</b>	<b>\$1,677,475</b>	<b>\$5,205,382</b>	<b>\$2,000</b>	<b>--</b>	<b>\$5,207,382</b>	<b>\$4,762,659</b>	<b>\$2,500</b>	<b>--</b>	<b>\$4,765,159</b>	<b>\$1,720,505</b>	<b>\$4,765,159</b>	<b>\$1,720,505</b>
<b>6645-CSU Health Benefits, Retired Annuitants</b>	338,508	--	338,508	--	373,406	--	--	373,406	454,954	--	--	454,954	--	454,954	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6645-CSU Health Benefits, Retired Annuitants</b>	<b>\$338,508</b>	<b>--</b>	<b>\$338,508</b>	<b>--</b>	<b>\$373,406</b>	<b>--</b>	<b>--</b>	<b>\$373,406</b>	<b>\$454,954</b>	<b>--</b>	<b>--</b>	<b>\$454,954</b>	<b>--</b>	<b>\$454,954</b>	<b>--</b>
<b>6870-Board of Governors of Community Colleges</b>	17,400	97	2,383	19,880	20,607	110	2,614	23,331	22,013	110	2,618	24,741	--	24,741	--
State Operations	7,491,519	2,633	7,494,152	2,892	7,527,273	2,892	--	7,530,165	250,000	2,892	--	7,828,762	--	7,828,762	--
Local Assistance	--	--	253,107	253,107	--	--	923,840	923,840	--	--	--	375,762	--	375,762	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6870-Board of Governors of Community Colleges</b>	<b>\$7,508,919</b>	<b>\$2,730</b>	<b>\$255,490</b>	<b>\$7,767,139</b>	<b>\$7,547,880</b>	<b>\$3,002</b>	<b>\$926,454</b>	<b>\$8,477,336</b>	<b>\$7,847,883</b>	<b>\$3,002</b>	<b>\$378,380</b>	<b>\$8,229,265</b>	<b>\$250,000</b>	<b>\$8,229,265</b>	<b>\$250,000</b>
State Operations	312,064	--	312,064	--	298,267	--	--	298,267	326,544	--	--	326,544	--	326,544	--
<b>Totals, 6874-General Obligation Bonds-HI Ed-CC</b>	<b>\$312,064</b>	<b>--</b>	<b>\$312,064</b>	<b>--</b>	<b>\$298,267</b>	<b>--</b>	<b>--</b>	<b>\$298,267</b>	<b>\$326,544</b>	<b>--</b>	<b>--</b>	<b>\$326,544</b>	<b>--</b>	<b>\$326,544</b>	<b>--</b>
<b>6878-Retirement Costs-HI Ed-CC</b>	23,184	--	23,184	--	32,506	--	--	32,506	--	--	--	--	--	--	--
State Operations	280,760	--	280,760	--	305,299	--	--	305,299	285,872	--	--	285,872	--	285,872	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6878-Retirement Costs-HI Ed-CC</b>	<b>\$303,944</b>	<b>--</b>	<b>\$303,944</b>	<b>--</b>	<b>\$337,805</b>	<b>--</b>	<b>--</b>	<b>\$337,805</b>	<b>\$285,872</b>	<b>--</b>	<b>--</b>	<b>\$285,872</b>	<b>--</b>	<b>\$285,872</b>	<b>--</b>
<b>6980-Student Aid Commission</b>	21,971	--	21,971	--	20,023	--	--	20,023	19,462	--	--	19,462	--	19,462	--
State Operations	1,978,044	782	1,978,826	--	2,669,329	439	--	2,669,768	472,500	385	--	3,438,205	--	3,438,205	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6980-Student Aid Commission</b>	<b>\$2,000,015</b>	<b>\$782</b>	<b>\$2,000,797</b>	<b>--</b>	<b>\$2,689,352</b>	<b>\$439</b>	<b>--</b>	<b>\$2,689,791</b>	<b>\$472,500</b>	<b>\$385</b>	<b>--</b>	<b>\$3,457,667</b>	<b>--</b>	<b>\$3,457,667</b>	<b>--</b>
State Operations	150,049	--	150,049	--	76,192	--	7,175	83,367	75,324	--	--	19,241	--	94,565	--
<b>Totals, 7996-General Obligation Bonds-HI Ed</b>	<b>\$150,049</b>	<b>--</b>	<b>\$150,049</b>	<b>--</b>	<b>\$76,192</b>	<b>--</b>	<b>\$7,175</b>	<b>\$83,367</b>	<b>\$75,324</b>	<b>--</b>	<b>--</b>	<b>\$19,241</b>	<b>--</b>	<b>\$94,565</b>	<b>--</b>
<b>Higher Education</b>	8,057,203	89,421	15,643	8,162,267	10,810,063	134,769	32,779	10,977,611	10,296,322	228,824	44,849	10,569,995	6,438,005	10,569,995	6,438,005
State Operations	9,750,323	3,415	81,431	9,835,169	10,501,901	3,331	250,000	10,755,232	722,500	3,277	315,000	11,867,839	--	11,867,839	--
Local Assistance	--	--	267,215	267,215	--	--	923,840	923,840	--	--	--	375,762	--	375,762	--
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, Higher Education</b>	<b>\$17,807,526</b>	<b>\$92,836</b>	<b>\$16,264,651</b>	<b>\$8,162,267</b>	<b>\$21,311,964</b>	<b>\$138,100</b>	<b>\$1,206,619</b>	<b>\$22,659,683</b>	<b>\$6,985,505</b>	<b>\$232,101</b>	<b>\$735,611</b>	<b>\$22,813,596</b>	<b>\$6,438,005</b>	<b>\$22,813,596</b>	<b>\$6,438,005</b>
<b>TOTALS, EDUCATION</b>	<b>\$85,126,772</b>	<b>\$190,986</b>	<b>\$1,814,039</b>	<b>\$87,131,797</b>	<b>\$34,084,626</b>	<b>\$90,734,768</b>	<b>\$2,448,579</b>	<b>\$93,250,028</b>	<b>\$25,568,160</b>	<b>\$657,186</b>	<b>\$2,223,401</b>	<b>\$94,975,869</b>	<b>\$14,864,786</b>	<b>\$94,975,869</b>	<b>\$14,864,786</b>
State Operations	10,752,541	118,135	17,928	10,888,604	6,719,043	160,578	36,289	14,279,547	6,488,571	246,226	48,363	13,465,695	6,615,066	13,465,695	6,615,066
Local Assistance	74,374,219	72,851	1,528,896	75,975,966	27,345,583	76,040,560	-393,897	1,788,450	19,079,589	310,960	1,799,276	81,118,275	8,249,720	81,118,275	8,249,720
Capital Outlay	12	--	267,215	267,227	--	11,528	--	923,840	935,368	--	16,137	375,762	--	391,899	--
LABOR AND WORKFORCE DEVELOPMENT	97,454	175,083	--	272,537	1,925,178	540,113	181,009	721,122	1,546,597	257,175	--	2,214,088	1,398,087	2,214,088	1,398,087
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 7100-Employment Development Department</b>	<b>\$97,454</b>	<b>\$175,083</b>	<b>--</b>	<b>\$272,537</b>	<b>\$1,925,178</b>	<b>\$540,113</b>	<b>\$181,009</b>	<b>\$721,122</b>	<b>\$1,546,597</b>	<b>\$257,175</b>	<b>--</b>	<b>\$2,214,088</b>	<b>\$1,398,087</b>	<b>\$2,214,088</b>	<b>\$1,398,087</b>
<b>7120-Workforce Development Board</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 7120-Workforce Development Board</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total
State Operations	1,350	6,482	--	7,832	6,564	17,318	2,845	20,163	6,576	7,877	2,594	--	10,471	6,765
Local Assistance	12,806	44,638	--	57,444	--	374,050	4,749	378,799	--	187,250	--	--	187,250	--
<b>Totals, 7120-Workforce Development Board</b>	<b>\$14,156</b>	<b>\$51,120</b>	--	<b>\$65,276</b>	<b>\$6,564</b>	<b>\$391,368</b>	<b>\$7,594</b>	<b>\$398,962</b>	<b>\$6,576</b>	<b>\$195,127</b>	<b>\$2,594</b>	--	<b>\$197,721</b>	<b>\$6,765</b>
<b>7300-Agricultural Labor Relations Board</b>														
State Operations	9,475	1,390	--	10,865	--	10,249	1,324	11,573	--	10,270	1,329	--	11,599	--
<b>Totals, 7300-Agricultural Labor Relations Board</b>	<b>\$9,475</b>	<b>\$1,390</b>	--	<b>\$10,865</b>	--	<b>\$10,249</b>	<b>\$1,324</b>	<b>\$11,573</b>	--	<b>\$10,270</b>	<b>\$1,329</b>	--	<b>\$11,599</b>	--
<b>7320-Public Employment Relations Board</b>														
State Operations	14,341	--	--	14,341	--	15,779	--	15,779	--	16,223	--	--	16,223	--
<b>Totals, 7320-Public Employment Relations Board</b>	<b>\$14,341</b>	--	--	<b>\$14,341</b>	--	<b>\$15,779</b>	--	<b>\$15,779</b>	--	<b>\$16,223</b>	--	--	<b>\$16,223</b>	--
<b>7350-Department of Industrial Relations</b>														
State Operations	4,692	643,803	--	648,495	35,873	24,000	711,668	735,668	54,289	650	703,532	--	704,182	36,113
<b>Totals, 7350-Department of Industrial Relations</b>	<b>\$4,692</b>	<b>\$643,803</b>	--	<b>\$648,495</b>	<b>\$35,873</b>	<b>\$24,000</b>	<b>\$711,668</b>	<b>\$735,668</b>	<b>\$54,289</b>	<b>\$650</b>	<b>\$703,532</b>	--	<b>\$704,182</b>	<b>\$36,113</b>
<b>TOTALS, LABOR AND WORKFORCE DEVELOPMENT</b>														
State Operations	\$140,118	\$871,396	--	\$1,011,514	\$140,522,526	\$981,509	\$901,595	\$1,883,104	\$35,230,301	\$2,179,183	\$964,630	--	\$3,143,813	\$7,778,113
Local Assistance	127,312	826,758	--	954,070	1,967,615	607,459	896,846	1,503,305	1,607,462	1,991,933	964,630	--	2,956,563	1,440,965
	12,806	44,638	--	57,444	138,554,911	374,050	4,749	378,799	33,622,839	187,250	--	--	187,250	6,337,148
<b>GOVERNMENT OPERATIONS</b>														
<b>7501-Department of Human Resources</b>														
State Operations	12,955	35	--	12,990	--	13,725	75	13,800	--	32,422	75	--	32,497	--
<b>Totals, 7501-Department of Human Resources</b>	<b>\$12,955</b>	<b>\$35</b>	--	<b>\$12,990</b>	--	<b>\$13,725</b>	<b>\$75</b>	<b>\$13,800</b>	--	<b>\$32,422</b>	<b>\$75</b>	--	<b>\$32,497</b>	--
<b>7502-Department of Technology</b>														
State Operations	6,916	--	--	6,916	--	68,794	--	68,794	3,250,000	95,976	--	--	95,976	--
<b>Totals, 7502-Department of Technology</b>	<b>\$6,916</b>	--	--	<b>\$6,916</b>	--	<b>\$68,794</b>	--	<b>\$68,794</b>	<b>\$3,250,000</b>	<b>\$95,976</b>	--	--	<b>\$95,976</b>	--
<b>7503-State Personnel Board</b>														
State Operations	1,697	--	--	1,697	--	2,666	--	2,666	--	2,815	--	--	2,815	--
<b>Totals, 7503-State Personnel Board</b>	<b>\$1,697</b>	--	--	<b>\$1,697</b>	--	<b>\$2,666</b>	--	<b>\$2,666</b>	--	<b>\$2,815</b>	--	--	<b>\$2,815</b>	--
<b>7600-Department of Tax and Fee Administration</b>														
State Operations	417,220	766	--	417,986	237	416,586	72,746	489,332	200	372,324	102,234	--	474,558	201
<b>Totals, 7600-Department of Tax and Fee Administration</b>	<b>\$417,220</b>	<b>\$766</b>	--	<b>\$417,986</b>	<b>\$237</b>	<b>\$416,586</b>	<b>\$72,746</b>	<b>\$489,332</b>	<b>\$200</b>	<b>\$372,324</b>	<b>\$102,234</b>	--	<b>\$474,558</b>	<b>\$201</b>
<b>7730-Franchise Tax Board</b>														
State Operations	837,006	21,801	--	858,807	--	7,735,591	23,923	7,759,514	--	1,090,273	24,236	--	1,114,509	--
Capital Outlay	--	--	--	--	--	1,617	--	1,617	--	--	--	--	--	--
<b>Totals, 7730-Franchise Tax Board</b>	<b>\$837,006</b>	<b>\$21,801</b>	--	<b>\$858,807</b>	--	<b>\$7,737,208</b>	<b>\$23,923</b>	<b>\$7,761,131</b>	--	<b>\$1,090,273</b>	<b>\$24,236</b>	--	<b>\$1,114,509</b>	--
<b>7760-Department of General Services</b>														
State Operations	604,805	122,212	7,456	734,473	--	204,767	135,446	348,621	8,408	117,785	131,083	8,428	257,296	--
Local Assistance	--	--	--	--	--	253,000	--	253,000	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	117,282	-104,500	12,782	--	36	--	--	36	--
<b>Totals, 7760-Department of General Services</b>	<b>\$604,805</b>	<b>\$122,212</b>	<b>\$7,456</b>	<b>\$734,473</b>	--	<b>\$575,049</b>	<b>\$30,946</b>	<b>\$614,403</b>	<b>\$8,408</b>	<b>\$117,821</b>	<b>\$131,083</b>	<b>\$8,428</b>	<b>\$257,332</b>	--
<b>7870-California Victim Compensation Board</b>														
State Operations	23,636	5,538	--	29,174	678	7,940	38,451	46,391	1,820	675	40,903	--	41,578	1,804
Local Assistance	--	70,619	--	70,619	17,105	33,000	44,095	77,095	23,000	46,500	40,708	--	87,208	30,000
<b>Totals, 7870-California Victim Compensation Board</b>	<b>\$23,636</b>	<b>\$76,157</b>	--	<b>\$99,793</b>	<b>\$17,783</b>	<b>\$40,940</b>	<b>\$82,546</b>	<b>\$123,486</b>	<b>\$24,820</b>	<b>\$47,175</b>	<b>\$81,611</b>	--	<b>\$128,786</b>	<b>\$31,804</b>
<b>7900-Public Employees Retirement System</b>														
State Operations	243,000	--	--	243,000	--	1,881,000	--	1,881,000	--	3,508,000	--	--	3,508,000	--
<b>Totals, 7900-Public Employees Retirement System</b>	<b>\$243,000</b>	--	--	<b>\$243,000</b>	--	<b>\$1,881,000</b>	--	<b>\$1,881,000</b>	--	<b>\$3,508,000</b>	--	--	<b>\$3,508,000</b>	--
<b>7910-Office of Administrative Law</b>														
State Operations	2,311	--	--	2,311	--	2,763	--	2,763	--	2,905	--	--	2,905	--
<b>Totals, 7910-Office of Administrative Law</b>	<b>\$2,311</b>	--	--	<b>\$2,311</b>	--	<b>\$2,763</b>	--	<b>\$2,763</b>	--	<b>\$2,905</b>	--	--	<b>\$2,905</b>	--
<b>TOTALS, GOVERNMENT OPERATIONS</b>	<b>\$2,149,546</b>	<b>\$220,971</b>	<b>\$7,456</b>	<b>\$2,377,973</b>	<b>\$18,020</b>	<b>\$10,738,731</b>	<b>\$210,236</b>	<b>\$10,957,375</b>	<b>\$8,408</b>	<b>\$5,269,711</b>	<b>\$339,239</b>	<b>\$8,428</b>	<b>\$5,617,378</b>	<b>\$32,005</b>
State Operations	2,149,546	150,352	7,456	2,307,354	915	10,333,832	270,641	10,612,881	8,408	5,223,175	298,531	8,428	5,530,134	2,005

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
GENERAL GOVERNMENT														
<b>8120-Peace Officer Standards, Training Comm</b>														
State Operations	9,554		9,554		12,045			12,045		39,696			39,696	
Local Assistance	12,879		12,879		27,285			27,285		22,860			22,860	
<b>Totals, 8120-Peace Officer Standards, Training Comm</b>	<b>\$22,433</b>		<b>\$22,433</b>		<b>\$39,330</b>			<b>\$39,330</b>		<b>\$62,556</b>			<b>\$62,556</b>	
<b>8140-State Public Defender</b>														
State Operations	14,361		14,361		19,036			19,036		19,555			19,555	
<b>Totals, 8140-State Public Defender</b>	<b>\$14,361</b>		<b>\$14,361</b>		<b>\$19,036</b>			<b>\$19,036</b>		<b>\$19,555</b>			<b>\$19,555</b>	
<b>8260-Arts Council</b>														
State Operations	1,817		1,817	1,182	2,761	870		3,631	1,306	2,342	870		3,212	1,119
Local Assistance	17,323		17,323	810	174,826	2,810		177,636	1,449	54,300	1,405		55,705	100
<b>Totals, 8260-Arts Council</b>	<b>\$19,140</b>		<b>\$19,140</b>	<b>\$1,992</b>	<b>\$177,587</b>	<b>\$3,680</b>		<b>\$181,267</b>	<b>\$2,755</b>	<b>\$56,642</b>	<b>\$2,275</b>		<b>\$58,917</b>	<b>\$1,219</b>
<b>8385-Citizens Compensation Commission</b>														
State Operations	1		1	10				10		10			10	
<b>Totals, 8385-Citizens Compensation Commission</b>	<b>\$1</b>		<b>\$1</b>		<b>\$10</b>			<b>\$10</b>		<b>\$10</b>			<b>\$10</b>	
<b>8570-Department of Food and Agriculture</b>														
State Operations	117,957	201,738	321,504	111,482	365,547	160,317	1,639	527,503	118,713	138,433	161,709	1,630	301,772	128,522
Local Assistance	72,807	51,421	124,228		319,113	142,598		461,711		345,897	51,470		397,367	
Capital Outlay	6,644	1,872	8,516		19,163			19,163						
<b>Totals, 8570-Department of Food and Agriculture</b>	<b>\$197,408</b>	<b>\$255,031</b>	<b>\$452,438</b>	<b>\$111,482</b>	<b>\$703,823</b>	<b>\$302,915</b>	<b>\$1,639</b>	<b>\$1,008,377</b>	<b>\$118,713</b>	<b>\$484,330</b>	<b>\$213,179</b>	<b>\$1,630</b>	<b>\$699,139</b>	<b>\$128,522</b>
<b>8620-Fair Political Practices Commission</b>														
State Operations	12,446		12,446		14,984			14,984		15,136			15,136	
<b>Totals, 8620-Fair Political Practices Commission</b>	<b>\$12,446</b>		<b>\$12,446</b>		<b>\$14,984</b>			<b>\$14,984</b>		<b>\$15,136</b>			<b>\$15,136</b>	
<b>8640-Political Reform Act of 1974</b>														
State Operations														
<b>Totals, 8640-Political Reform Act of 1974</b>														
<b>8660-Public Utilities Commission</b>														
State Operations		287,270	287,270	9,896	73,704	432,137		505,841	583,507	250,000	447,806		697,806	11,139
Local Assistance		1,077,848	1,077,848			1,096,966		1,096,966	500,000		1,116,491		1,116,491	
<b>Totals, 8660-Public Utilities Commission</b>		<b>\$1,365,118</b>	<b>\$1,365,118</b>	<b>\$9,896</b>	<b>\$73,704</b>	<b>\$1,529,103</b>		<b>\$1,602,807</b>	<b>\$1,083,507</b>	<b>\$250,000</b>	<b>\$1,564,297</b>		<b>\$1,814,297</b>	<b>\$11,139</b>
<b>8780-Milton Marks Little Hoover Commission</b>														
State Operations	1,056		1,056		1,291			1,291		1,292			1,292	
<b>Totals, 8780-Milton Marks Little Hoover Commission</b>	<b>\$1,056</b>		<b>\$1,056</b>		<b>\$1,291</b>			<b>\$1,291</b>		<b>\$1,292</b>			<b>\$1,292</b>	
<b>8820-Comm on the Status of Women and Girls</b>														
State Operations	881		881		3,869			3,869		1,463			1,463	
Local Assistance					5,000			5,000						
<b>Totals, 8820-Comm on the Status of Women and Girls</b>	<b>\$881</b>		<b>\$881</b>		<b>\$8,869</b>			<b>\$8,869</b>		<b>\$1,463</b>			<b>\$1,463</b>	
<b>8825-Comm on Asian &amp; Pacif Islindr Amer Affairs</b>														
State Operations	142		142		2,001			2,001		502			502	
<b>Totals, 8825-Comm on Asian &amp; Pacif Islindr Amer Affairs</b>	<b>\$142</b>		<b>\$142</b>		<b>\$2,001</b>			<b>\$2,001</b>		<b>\$502</b>			<b>\$502</b>	
<b>8855-California State Auditor's Office</b>														
State Operations	17,574		17,574		25,803	400		26,203		27,196	400		27,596	
<b>Totals, 8855-California State Auditor's Office</b>	<b>\$17,574</b>		<b>\$17,574</b>		<b>\$25,803</b>	<b>\$400</b>		<b>\$26,203</b>		<b>\$27,196</b>	<b>\$400</b>		<b>\$27,596</b>	
<b>8860-Department of Finance</b>														
State Operations	38,622		38,622		46,117	440		46,557	3,483	46,598			46,598	3,487
<b>Totals, 8860-Department of Finance</b>	<b>\$38,622</b>		<b>\$38,622</b>		<b>\$46,117</b>	<b>\$440</b>		<b>\$46,557</b>	<b>\$3,483</b>	<b>\$46,598</b>			<b>\$46,598</b>	<b>\$3,487</b>
<b>8880-Financial Information System for CA</b>														
State Operations	59,430		59,430		59,371			59,371		49,774			49,774	

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals, 8880-Financial Information System for CA</b>														
8885-Commission on State Mandates	\$59,430		\$59,430		\$59,371			\$59,371		\$49,774			\$49,774	
State Operations	2,410		2,410		2,707			2,707		3,182			3,182	
Local Assistance	41,026	1,994	43,020		45,623	2,065		47,678		61,049	1,854		62,903	
<b>Totals, 8885-Commission on State Mandates</b>	<b>\$43,436</b>	<b>\$1,994</b>	<b>\$45,430</b>		<b>\$48,330</b>	<b>\$2,065</b>		<b>\$50,385</b>		<b>\$64,231</b>	<b>\$1,854</b>		<b>\$66,085</b>	
<b>8940-Military Department</b>														
State Operations	75,318	934	76,252	118,854	89,205	1,667		90,872	123,576	144,453	1,695		146,148	124,122
Local Assistance					60			60					60	
Capital Outlay	1,950		1,950	1,950	28,035			28,035	500	158,509			158,509	
<b>Totals, 8940-Military Department</b>	<b>\$77,268</b>	<b>\$934</b>	<b>\$78,202</b>	<b>\$120,804</b>	<b>\$117,300</b>	<b>\$1,667</b>		<b>\$118,967</b>	<b>\$124,076</b>	<b>\$303,022</b>	<b>\$1,695</b>		<b>\$304,717</b>	<b>\$124,122</b>
<b>8951-Federal Per Diem for Veterans Housing</b>														
State Operations	-68,895		-68,895	68,895	-84,072			-84,072	84,072	-92,455			-92,455	92,455
<b>Totals, 8951-Federal Per Diem for Veterans Housing</b>	<b>-\$68,895</b>		<b>-\$68,895</b>	<b>\$68,895</b>	<b>-\$84,072</b>			<b>-\$84,072</b>	<b>\$84,072</b>	<b>-\$92,455</b>			<b>-\$92,455</b>	<b>\$92,455</b>
<b>8955-Department of Veterans Affairs</b>														
State Operations	438,092	437	438,950	2,650	500,901	465	477	501,843	34,208	479,925	466	478	480,869	3,018
Local Assistance	5,600	2,205	7,805		60,000	2,205		62,205		11,000	2,205		13,205	
Capital Outlay		700	700	9,573	1,250			1,250		2,154			2,154	
<b>Totals, 8955-Department of Veterans Affairs</b>	<b>\$443,692</b>	<b>\$3,342</b>	<b>\$447,455</b>	<b>\$12,223</b>	<b>\$662,151</b>	<b>\$2,670</b>	<b>\$477</b>	<b>\$665,298</b>	<b>\$34,208</b>	<b>\$493,079</b>	<b>\$2,671</b>	<b>\$478</b>	<b>\$496,228</b>	<b>\$3,018</b>
<b>8998-General Obligation Bonds-Gen Gov</b>														
State Operations	8,136		8,136		6,882			6,882		10,035			10,035	
<b>Totals, 8998-General Obligation Bonds-Gen Gov</b>	<b>\$8,136</b>		<b>\$8,136</b>		<b>\$6,882</b>			<b>\$6,882</b>		<b>\$10,035</b>			<b>\$10,035</b>	
<b>Non-Agency Departments</b>														
State Operations	728,902	490,379	1,221,511	312,959	1,142,162	596,296	2,116	1,740,574	948,865	1,140,325	612,946	2,108	1,755,379	363,862
Local Assistance	149,635	1,133,468	14,107	1,297,210	810	631,907	1,246,634	1,878,541	501,449	495,166	1,173,425		1,668,591	100
Capital Outlay	8,594	2,572	11,166	11,523	48,448			48,448	500	160,663			160,663	
<b>Totals, Non-Agency Departments</b>	<b>\$887,131</b>	<b>\$1,626,419</b>	<b>\$2,529,887</b>	<b>\$325,292</b>	<b>\$1,822,517</b>	<b>\$1,842,930</b>	<b>\$2,116</b>	<b>\$3,667,563</b>	<b>\$1,450,814</b>	<b>\$1,796,154</b>	<b>\$1,786,371</b>	<b>\$2,108</b>	<b>\$3,584,633</b>	<b>\$363,962</b>
<b>9100-Tax Relief</b>														
Local Assistance	397,084	4,342	401,426		415,001	4,500		419,501		415,001	3,995		418,996	
<b>Totals, 9100-Tax Relief</b>	<b>\$397,084</b>	<b>\$4,342</b>	<b>\$401,426</b>		<b>\$415,001</b>	<b>\$4,500</b>		<b>\$419,501</b>		<b>\$415,001</b>	<b>\$3,995</b>		<b>\$418,996</b>	
<b>9210-Local Government Financing</b>														
Local Assistance	755,181		755,181		211,203			211,203	609,131	211,204			211,204	
<b>Totals, 9210-Local Government Financing</b>	<b>\$755,181</b>		<b>\$755,181</b>		<b>\$211,203</b>			<b>\$211,203</b>	<b>\$609,131</b>	<b>\$211,204</b>			<b>\$211,204</b>	
<b>9285-Trial Court Security-Court Construction</b>														
Local Assistance	6,096		6,096		7,000			7,000		7,000			7,000	
<b>Totals, 9285-Trial Court Security-Court Construction</b>	<b>\$6,096</b>		<b>\$6,096</b>		<b>\$7,000</b>			<b>\$7,000</b>		<b>\$7,000</b>			<b>\$7,000</b>	
<b>9286-Trial Court Security - Judgeships</b>														
Local Assistance	4,200		4,200		4,200			4,200		6,883			6,883	
<b>Totals, 9286-Trial Court Security - Judgeships</b>	<b>\$4,200</b>		<b>\$4,200</b>		<b>\$4,200</b>			<b>\$4,200</b>		<b>\$6,883</b>			<b>\$6,883</b>	
<b>9300-Payment to Counties for Homicide Trials</b>														
Local Assistance	12		12		1			1		1			1	
<b>Totals, 9300-Payment to Counties for Homicide Trials</b>	<b>\$12</b>		<b>\$12</b>		<b>\$1</b>			<b>\$1</b>		<b>\$1</b>			<b>\$1</b>	
<b>9350-Shared Revenues</b>														
Local Assistance	135	2,713,320	2,713,455	27,189	135	3,123,326		3,123,461	26,448	135	3,459,634		3,459,769	26,448
<b>Totals, 9350-Shared Revenues</b>	<b>\$135</b>	<b>\$2,713,320</b>	<b>\$2,713,455</b>	<b>\$27,189</b>	<b>\$135</b>	<b>\$3,123,326</b>		<b>\$3,123,461</b>	<b>\$26,448</b>	<b>\$135</b>	<b>\$3,459,634</b>		<b>\$3,459,769</b>	<b>\$26,448</b>
<b>Tax Relief-Local Gov</b>														
Local Assistance	1,162,708	2,717,662	3,880,370	27,189	637,540	3,127,826		3,765,366	635,579	640,224	3,463,629		4,103,653	26,448
<b>Totals, Tax Relief-Local Gov</b>	<b>\$1,162,708</b>	<b>\$2,717,662</b>	<b>\$3,880,370</b>	<b>\$27,189</b>	<b>\$637,540</b>	<b>\$3,127,826</b>		<b>\$3,765,366</b>	<b>\$635,579</b>	<b>\$640,224</b>	<b>\$3,463,629</b>		<b>\$4,103,653</b>	<b>\$26,448</b>
<b>9600-Debt Service GO Bonds Commercial Paper</b>														
State Operations	11,739		11,739		14,966			14,966		35,295			35,295	
<b>Totals, 9600-Debt Service GO Bonds Commercial Paper</b>	<b>\$11,739</b>		<b>\$11,739</b>		<b>\$14,966</b>			<b>\$14,966</b>		<b>\$35,295</b>			<b>\$35,295</b>	
<b>9612-Enhanced Tobacco Asset-Backed Bonds</b>														

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23					
	General Fund	Special Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Totals, 9612-Enhanced Tobacco Asset-Backed Bonds	--	--	--	--	--	--	--	--	--	\$1	--	--	\$1	--
9620-Cash Management and Budgetary Loans	89	--	89	89	13,409	--	13,409	13,409	26,617	--	--	--	26,617	--
State Operations	89	--	89	89	13,409	--	13,409	13,409	26,617	--	--	--	26,617	--
Totals, 9620-Cash Management and Budgetary Loans	89	--	89	89	13,409	--	13,409	13,409	26,617	--	--	--	26,617	--
9625-Interest Payments to the Federal Govt	12,656	768	13,424	3,000	3,000	501	3,501	3,501	3,000	501	501	3,501	3,501	--
State Operations	12,656	768	13,424	3,000	3,000	501	3,501	3,501	3,000	501	501	3,501	3,501	--
Totals, 9625-Interest Payments to the Federal Govt	\$12,656	\$768	\$13,424	\$3,000	\$3,000	\$501	\$3,501	\$3,501	\$3,000	\$501	\$501	\$3,501	\$3,501	--
9650-Health, Dental Benefits for Annuitants	1,937,783	--	1,937,783	2,113,688	2,113,688	--	2,113,688	2,113,688	2,583,516	--	--	--	2,583,516	--
State Operations	1,937,783	--	1,937,783	2,113,688	2,113,688	--	2,113,688	2,113,688	2,583,516	--	--	--	2,583,516	--
Totals, 9650-Health, Dental Benefits for Annuitants	\$1,937,783	--	\$1,937,783	\$2,113,688	\$2,113,688	--	\$2,113,688	\$2,113,688	\$2,583,516	--	--	--	\$2,583,516	--
9670-Equity Claims & Settlements & Judgments	5,087	--	5,087	1,166	1,166	--	1,166	1,166	--	--	--	--	--	--
State Operations	5,087	--	5,087	1,166	1,166	--	1,166	1,166	--	--	--	--	--	--
Totals, 9670-Equity Claims & Settlements & Judgments	\$5,087	--	\$5,087	\$1,166	\$1,166	--	\$1,166	\$1,166	--	--	--	--	--	--
9800-Augmentation for Employee Compensation	6,000	--	6,000	6,000	150,100	--	156,100	156,100	383,773	263,099	--	--	646,872	--
State Operations	6,000	--	6,000	6,000	150,100	--	156,100	156,100	383,773	263,099	--	--	646,872	--
Totals, 9800-Augmentation for Employee Compensation	\$6,000	--	\$6,000	\$6,000	\$150,100	--	\$156,100	\$156,100	\$383,773	\$263,099	--	--	\$646,872	--
9840-Contingencies-Emergencies Augmentation	--	--	--	19,675	15,000	--	34,675	34,675	40,000	15,000	--	--	55,000	--
State Operations	--	--	--	19,675	15,000	--	34,675	34,675	40,000	15,000	--	--	55,000	--
Totals, 9840-Contingencies-Emergencies Augmentation	--	--	--	\$19,675	\$15,000	--	\$34,675	\$34,675	\$40,000	\$15,000	--	--	\$55,000	--
9860-Capital Outlay Planning, Studies	--	--	--	--	--	--	--	--	2,000	--	--	--	2,000	--
Capital Outlay	--	--	--	--	--	--	--	--	2,000	--	--	--	2,000	--
Totals, 9860-Capital Outlay Planning, Studies	--	--	--	--	--	--	--	--	\$2,000	--	--	--	\$2,000	--
9889-Public School System Stabilization Acct	3,080,928	-3,080,928	--	3,582,440	-3,582,440	--	--	--	3,061,243	-3,061,243	--	--	--	--
Local Assistance	3,080,928	-3,080,928	--	3,582,440	-3,582,440	--	--	--	3,061,243	-3,061,243	--	--	--	--
Totals, 9889-Public School System Stabilization A acct	\$3,080,928	-\$3,080,928	--	\$3,582,440	-\$3,582,440	--	--	--	\$3,061,243	-\$3,061,243	--	--	--	--
9892-Supplemental Pension Payments	221,000	355,518	6	576,524	228,000	236,784	6	464,790	76,489	56,000	246,117	6	302,123	76,489
State Operations	221,000	355,518	6	576,524	228,000	236,784	6	464,790	76,489	56,000	246,117	6	302,123	76,489
Totals, 9892-Supplemental Pension Payments	\$221,000	\$355,518	\$6	\$576,524	\$228,000	\$236,784	\$6	\$464,790	\$76,489	\$56,000	\$246,117	\$6	\$302,123	\$76,489
9894-Statewide Proposition 98 Reconciliation	-459,855	--	-459,855	-201,166	-201,166	--	-201,166	-201,166	-140,547	-140,547	--	--	-140,547	--
Local Assistance	-459,855	--	-459,855	-201,166	-201,166	--	-201,166	-201,166	-140,547	-140,547	--	--	-140,547	--
Totals, 9894-Statewide Proposition 98 Reconciliation	-\$459,855	--	-\$459,855	-\$201,166	-\$201,166	--	-\$201,166	-\$201,166	-\$140,547	-\$140,547	--	--	-\$140,547	--
9897-Section 3.60 Rate Adjustments	--	--	--	-6,000	-6,000	60,321	--	54,321	--	1,204,287	305,211	--	1,509,498	--
State Operations	--	--	--	-6,000	-6,000	60,321	--	54,321	--	1,204,287	305,211	--	1,509,498	--
Totals, 9897-Section 3.60 Rate Adjustments	--	--	--	-\$6,000	-\$6,000	\$60,321	--	\$54,321	--	\$1,204,287	\$305,211	--	\$1,509,498	--
9900-Statewide General Admin Exp (Pro Rata)	-759,628	698,553	891	-60,184	-949,839	862,390	818	-86,631	--	-853,345	844,056	--	-9,289	--
State Operations	-759,628	698,553	891	-60,184	-949,839	862,390	818	-86,631	--	-853,345	844,056	--	-9,289	--
Totals, 9900-Statewide General Admin Exp (Pro Rata)	-\$759,628	\$698,553	\$891	-\$60,184	-\$949,839	\$862,390	\$818	-\$86,631	--	-\$853,345	\$844,056	--	-\$9,289	--
9901-Various Departments	-151,016	--	-151,016	-225,702	27,470	--	-198,232	101,080	3,312,065	101,080	--	--	3,413,145	--
State Operations	-151,016	--	-151,016	-225,702	27,470	--	-198,232	101,080	3,312,065	101,080	--	--	3,413,145	--
Local Assistance	-250,466	74,316	-176,150	-245,280	74,316	--	-170,964	743,478	--	--	--	--	74,316	--
Totals, 9901-Various Departments	-\$401,482	\$74,316	-\$327,166	-\$470,982	\$101,786	--	-\$369,196	\$743,478	\$3,312,065	\$175,396	--	--	\$3,487,461	--
9910-General Fund Credits from Federal Funds	-179,933	--	-179,933	-158,705	-158,705	--	-158,705	-158,705	-203,421	-203,421	--	--	-203,421	--
State Operations	-179,933	--	-179,933	-158,705	-158,705	--	-158,705	-158,705	-203,421	-203,421	--	--	-203,421	--
Totals, 9910-General Fund Credits from Federal Funds	-\$179,933	--	-\$179,933	-\$158,705	-\$158,705	--	-\$158,705	-\$158,705	-\$203,421	-\$203,421	--	--	-\$203,421	--
Statewide Expenditures	1,103,777	1,054,839	897	2,159,513	1,059,658	1,352,566	824	2,413,048	76,489	6,587,788	1,775,064	6	8,362,858	76,489
State Operations	1,103,777	1,054,839	897	2,159,513	1,059,658	1,352,566	824	2,413,048	76,489	6,587,788	1,775,064	6	8,362,858	76,489
Local Assistance	2,370,607	-3,006,612	--	-636,005	3,135,994	-3,508,124	--	-372,130	743,478	2,920,696	-2,986,927	--	-66,231	--
Capital Outlay	--	--	--	--	--	--	--	--	2,000	2,000	--	--	2,000	--
Totals, Statewide Expenditures	\$3,474,384	-\$1,951,773	\$897	\$1,523,508	\$4,195,652	-\$2,155,558	\$824	\$2,040,918	\$819,967	\$9,510,484	-\$1,211,863	\$6	\$8,298,627	\$76,489
TOTALS, GENERAL GOVERNMENT	-\$5,524,223	\$2,392,308	\$17,234	\$7,933,765	\$6,655,709	\$2,815,178	\$2,940	\$9,473,847	\$2,706,360	\$11,946,862	-\$4,038,137	\$2,114	\$15,987,113	\$466,899

**SCHEDULE 9 AT 2022-23 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2020-21				Estimated 2021-22				Estimated 2022-23						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
State Operations	\$1,832,679	\$1,545,218	\$3,127	\$3,381,024	\$312,959	\$2,201,820	\$1,948,862	\$2,940	\$4,153,622	\$1,025,354	\$7,728,113	\$2,388,010	\$2,114	\$10,118,237	\$440,351
Local Assistance	\$3,682,950	\$844,518	\$14,107	\$4,541,575	\$27,999	\$4,405,441	\$866,336	--	\$5,271,777	\$1,880,506	\$4,056,086	\$1,650,127	--	\$5,706,213	\$26,548
Capital Outlay	\$8,594	\$2,572	--	\$11,166	\$11,523	\$48,448	--	--	\$48,448	\$500	\$162,663	--	--	\$162,663	--
<b>GRAND TOTAL</b>	<b>\$163,453,125</b>	<b>\$58,540,327</b>	<b>\$6,945,911</b>	<b>\$228,959,363</b>	<b>\$273,067,602</b>	<b>\$210,029,769</b>	<b>\$64,086,655</b>	<b>\$5,995,292</b>	<b>\$280,111,716</b>	<b>\$194,716,935</b>	<b>\$213,126,801</b>	<b>\$65,302,785</b>	<b>\$8,036,958</b>	<b>\$286,466,544</b>	<b>\$135,801,167</b>
State Operations	\$42,731,153	\$17,599,206	\$623,130	\$60,953,489	\$12,142,614	\$59,548,108	\$20,539,680	\$365,635	\$80,453,423	\$16,407,582	\$56,234,998	\$20,613,948	\$277,789	\$77,126,735	\$12,334,398
Local Assistance	\$120,636,336	\$37,489,388	\$5,721,731	\$163,847,455	\$259,059,065	\$149,045,550	\$39,601,991	\$4,604,789	\$193,252,330	\$175,216,548	\$155,592,490	\$41,448,127	\$3,326,167	\$200,366,784	\$119,620,216
Capital Outlay	\$85,636	\$3,471,733	\$601,050	\$4,198,419	\$1,865,923	\$1,436,111	\$3,944,984	\$1,024,868	\$6,405,963	\$3,087,805	\$1,299,313	\$3,240,710	\$4,433,002	\$8,973,025	\$3,841,553
Unclassified	--	--	--	--	--	--	--	--	--	\$5,000	--	--	--	--	\$5,000

Note: Numbers may not add due to rounding

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
<b>GENERAL FUND</b>	<b>6,331,560</b>	<b>194,132,463</b>	<b>163,453,125</b>	<b>37,010,898</b>	<b>196,669,176</b>	<b>210,029,769</b>	<b>23,650,305</b>	<b>195,718,489</b>	<b>213,126,801</b>	<b>6,241,993</b>
<b>SPECIAL FUNDS</b>										
0002-Property Acquisition Law Money Account	7,358	4,290	5,216	6,432	4,678	4,345	6,765	4,678	4,321	7,122
0003-Motor Vehicle Parking Facilities Moneys Account	5,316	6,800	6,351	5,765	7,000	9,884	2,881	7,000	6,196	3,685
0004-Breast Cancer Fund	613	1,207	619	1,201	485	589	1,097	686	686	1,097
0006-Disability Access Account	37,050	-19,715	11,572	5,763	24,341	14,457	15,647	24,341	12,592	27,396
0007-Breast Cancer Research Account; Breast Cancer Fund	63,211	9,042	6,656	65,597	8,887	19,262	55,222	8,084	60,141	3,165
0009-Breast Cancer Control Account; Breast Cancer Fund	6,632	8,279	10,884	4,027	8,989	11,150	1,866	9,276	11,141	1
0012-Attorney General Antitrust Account	1,157	9,790	8,117	2,830	12,071	11,588	3,313	12,071	12,182	3,202
0014-Hazardous Waste Control Account	31,051	53,531	56,140	28,442	54,383	76,779	6,046	103,223	106,638	2,631
0017-Fingerprint Fees Account	72,268	34,753	94,511	12,510	109,433	100,447	21,496	74,433	89,091	6,838
0018-Site Remediation Account	21,489	6,924	18,768	9,645	19,695	29,067	273	14,070	13,930	413
0020-California State Law Library Special Account	120	301	381	40	340	380	--	301	301	--
0022-State Emergency Telephone Number Account	23,568	184,519	170,474	37,613	184,426	183,097	38,942	174,516	194,311	19,147
0023-Farmworker Remedial Account	1,556	258	291	1,523	200	291	1,432	200	291	1,341
0026-State Motor Vehicle Insurance Account	34,020	34,098	34,229	33,889	34,098	34,326	33,661	34,098	35,505	32,254
0028-Unified Program Account	5,204	6,938	8,121	4,021	11,704	11,770	3,955	11,696	12,068	3,583
0029-Nuclear Planning Assessment Special Account	1,126	3,821	4,227	720	4,735	4,806	649	4,735	4,861	523
0032-Firearm Safety Account	6,491	-5,225	366	900	742	388	1,254	742	398	1,598
0033-State Energy Conservation Assistance Account	55,465	1,379	-1,059	57,903	62,781	-918	121,602	1,305	-823	123,730
0034-Geothermal Resources Development Account	--	1,302	1,302	--	1,322	1,322	--	1,322	1,322	--
0035-Surface Mining and Reclamation Account	2,730	4,833	4,963	2,600	5,166	5,368	2,398	5,166	5,580	1,984
0041-Aeronautics Account, State Transportation Fund	3,535	7,982	7,584	3,933	8,605	8,892	3,646	8,825	8,981	3,490
0042-State Highway Account, State Transportation Fund	3,856,435	3,848,183	4,174,223	3,530,395	4,601,068	5,150,357	2,981,106	5,139,135	5,603,149	2,517,092
0044-Motor Vehicle Account, State Transportation Fund	430,469	4,251,896	4,098,052	584,313	4,356,577	4,374,144	566,746	4,568,415	4,441,237	693,924



**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	2022-23	2022-23	2022-23	2022-23
0046-Public Transportation Account, State Transportation Fund	1,261,063	1,243,089	1,060,331	1,443,821	1,772,113	1,929,031	1,286,903	1,972,793	1,963,957	1,295,739
0052-Local Airport Loan Account	31,725	-23,971	-1,354	9,108	-2,215	-443	7,336	-2,163	-475	5,648
0054-New Motor Vehicle Board Account	2,460	1,764	1,806	2,418	1,964	2,126	2,256	1,964	2,132	2,088
0055-Mass Transit Revolving Account, State Transportation Fund	1,000	--	--	1,000	--	--	1,000	--	--	1,000
0058-Rail Accident Prevention Response Fund	3	--	--	3	--	--	3	--	--	3
0061-Motor Vehicle Fuel Account, Transportation Tax Fund	-6,905	48,106	41,201	--	44,913	44,913	--	42,997	42,997	--
0062-Highway Users Tax Account, Transportation Tax Fund	--	1,476,303	1,476,303	--	1,750,907	1,750,907	--	1,949,366	1,949,366	--
0064-Motor Vehicle License Fee Account, Transportation Tax Fund	14,123	27,597	28,888	12,832	26,871	39,703	--	21,888	21,888	--
0065-Illegal Drug Lab Cleanup Account	962	7	16	953	1	684	270	1	--	271
0066-Sale of Tobacco to Minors Control Account	859	493	520	832	430	721	541	430	971	--
0067-State Corporations Fund	116,185	-116,185	--	--	--	--	--	--	--	--
0069-Barbering and Cosmetology Contingent Fund	46,713	-10,313	12,588	23,812	19,426	9,599	33,639	19,944	16,628	36,955
0070-Occupational Lead Poisoning Prevention Account	3,331	3,323	3,357	3,297	6,625	5,466	4,456	6,625	5,257	5,824
0071-Yosemite Foundation Account, California Environmental License Plate Fund	571	900	840	631	900	840	691	900	840	751
0072-California Collegiate License Plate Fund	13	26	26	13	26	26	13	26	26	13
0074-Medical Waste Management Fund	1,514	2,720	2,925	1,309	2,507	3,153	663	2,507	3,159	11
0075-Radiation Control Fund	10,502	30,924	29,494	11,932	28,035	32,368	7,599	28,035	31,693	3,941
0076-Tissue Bank License Fund	3,087	463	480	3,070	502	759	2,813	502	1,336	1,979
0078-Graphic Design License Plate Account	136	1,432	133	1,435	2,414	3,772	77	2,414	2,464	27
0080-Childhood Lead Poisoning Prevention Fund	59,062	35,270	46,259	48,073	50,781	46,889	51,965	64,539	41,412	75,092
0082-Export Document Program Fund	685	365	736	314	495	688	121	510	631	--
0083-Veterans Service Office Fund	2,903	1,156	992	3,067	1,156	990	3,233	1,156	990	3,399
0093-Construction Management Education Account (CMEA)	412	185	73	524	196	181	539	197	107	629

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0098-Clinical Laboratory Improvement Fund	15,142	12,766	13,384	14,524	13,517	15,242	12,799	13,511	18,137	8,173
0099-Health Statistics Special Fund	6,151	24,954	32,075	-970	33,031	32,061	--	31,767	31,767	--
0100-California Used Oil Recycling Fund	16,855	22,387	16,040	23,202	21,514	23,493	21,223	19,449	23,524	17,148
0102-State Fire Marshal Licensing and Certification Fund	3,548	5,748	2,392	6,904	3,825	6,331	4,398	5,997	6,147	4,248
0104-San Joaquin River Conservancy Fund	2,523	178	227	2,474	178	218	2,434	178	223	2,389
0106-Department of Pesticide Regulation Fund	15,420	113,995	110,404	19,011	127,096	128,642	17,465	123,197	129,471	11,191
0108-Acupuncture Fund	4,021	3,089	3,921	3,189	3,987	4,558	2,618	4,063	4,314	2,367
0111-Department of Agriculture Account, Department of Food and Agriculture Fund	146,597	174,993	192,597	128,993	178,347	197,671	109,669	178,347	199,443	88,573
0115-Air Pollution Control Fund	262,653	484,948	225,769	521,832	175,070	468,629	228,273	175,320	244,673	158,920
0117-Alcoholic Beverage Control Appeals Fund	4,798	1,991	1,693	5,096	1,884	1,662	5,318	1,942	1,566	5,694
0121-Hospital Building Fund	239,966	18,170	67,233	190,903	98,097	74,657	214,343	58,097	75,420	197,020
0122-Emergency Food Assistance Program Fund	394	1,122	541	975	1,205	1,200	980	1,205	1,200	985
0124-California Agricultural Export Promotion Account	97	10	10	97	10	10	97	10	10	97
0125-Assembly Operating Fund	145	--	--	145	--	--	145	--	--	145
0126-State Audit Fund	12,091	-479	--	11,612	--	--	11,612	--	--	11,612
0129-Water Device Certification Special Account	1,149	215	400	964	207	415	756	228	412	572
0131-Foster Family Home and Small Family Home Insurance Fund	1,312	--	--	1,312	--	--	1,312	--	--	1,312
0132-Workers Compensation Managed Care Fund	602	18	74	546	10	78	478	10	78	410
0133-California Beverage Container Recycling Fund	399,151	1,376,548	1,246,471	529,228	1,116,815	1,258,458	387,585	1,121,414	1,227,438	281,561
0139-Driving Under-the-Influence Program Licensing Trust Fund	225	842	1,049	18	1,394	1,411	1	1,412	1,412	1
0140-California Environmental License Plate Fund	35,183	63,933	57,673	41,443	63,981	84,309	21,115	63,981	68,081	17,015
0141-Soil Conservation Fund	4,872	1,665	4,013	2,524	3,323	4,170	1,677	4,273	4,188	1,762
0142-Department of Justice Sexual Habitual Offender Fund	3,741	2,123	1,889	3,975	1,673	3,092	2,556	1,673	3,165	1,064
0143-California Health Data and Planning Fund	29,681	31,663	38,997	22,347	51,627	39,034	34,940	66,882	44,319	57,503
0144-California Water Fund	1,386	--	--	1,386	--	--	1,386	--	--	1,386

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0152-State Board of Chiropractic Examiners Fund	2,278	4,662	4,772	2,168	4,537	4,991	1,714	4,350	5,088	976
0156-California Heritage Fund	53	--	--	53	--	--	53	--	--	53
0158-Travel Seller Fund	1,614	658	891	1,381	776	1,594	563	776	1,637	-298
0159-State Trial Court Improvement and Modernization Fund	23,574	3,273	9,961	16,886	-1,138	-2,092	17,840	-1,493	16,281	66
0160-Operating Funds of the Assembly and Senate	34	50,394	50,394	34	117,247	117,500	-219	--	--	-219
0163-Continuing Care Provider Fee Fund	2,657	2,000	1,692	2,965	2,281	1,736	3,510	2,281	3,016	2,775
0166-Certification Account, Consumer Affairs Fund	1,253	1,555	1,373	1,435	1,442	1,635	1,242	1,439	1,642	1,039
0167-Delinquent Tax Collection Fund	--	--	--	--	--	-404	404	--	-404	808
0168-Structural Pest Control Research Fund	597	165	-32	794	164	3	955	167	3	1,119
0169-California Debt Limit Allocation Committee Fund	8,003	-1,938	1,382	4,683	3,279	2,774	5,188	3,279	3,902	4,565
0170-Corrections Training Fund	199	9	--	208	--	--	208	--	--	208
0171-California Debt and Investment Advisory Commission Fund	6,046	4,643	3,663	7,026	3,273	4,282	6,017	3,273	4,181	5,109
0172-Developmental Disabilities Program Development Fund	1,936	-172	452	1,312	360	671	1,001	1,100	666	1,435
0174-Clandestine Drug Lab Clean-Up Account	8	1	--	9	--	--	9	--	--	9
0175-Dispensing Opticians Fund	1,043	608	422	1,229	--	46	1,183	-1,145	38	--
0177-Food Safety Fund	6,813	9,084	10,461	5,436	10,375	12,871	2,940	10,375	12,682	633
0178-Driver Training Penalty Assessment Fund	1,241	--	--	1,241	--	--	1,241	--	--	1,241
0179-Environmental Laboratory Improvement Fund	351	4,214	3,585	980	4,503	4,636	847	4,769	4,532	1,084
0180-Northern California Veterans Cemetery Master Development Fund	143	--	--	143	--	--	143	--	--	143
0181-Registered Nurse Education Fund	3,124	2,089	2,207	3,006	2,089	2,260	2,835	2,089	2,193	2,731
0183-Environmental Enhancement and Mitigation Program Fund	30,914	-9,801	6,231	14,882	7,693	15,120	7,455	7,693	7,127	8,021
0184-Employment Development Department Benefit Audit Fund	19,490	13,134	23,276	9,348	21,185	24,005	6,528	19,171	22,783	2,916
0185-Employment Development Department Contingent Fund	185,761	113,584	155,224	144,121	153,631	159,736	138,016	154,098	232,978	59,136
0191-Fair and Exposition Fund	9,368	180	1,578	7,970	161	1,674	6,457	161	1,788	4,830

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	2022-23	2022-23	2022-23	2022-23
0193-Waste Discharge Permit Fund	-5,295	153,093	150,743	-2,945	175,553	172,330	278	176,071	175,859	490
0194-Emergency Medical Services Training Program Approval Fund	42	170	131	81	172	204	49	248	247	50
0198-California Fire and Arson Training Fund	1,582	4,416	3,766	2,232	5,372	3,951	3,653	5,372	4,904	4,121
0200-Fish and Game Preservation Fund	54,477	114,955	119,861	49,571	113,336	135,054	27,853	117,419	134,003	11,269
0203-Genetic Disease Testing Fund	20,479	135,937	138,287	18,129	132,234	149,335	1,028	177,424	178,166	286
0205-Geology and Geophysics Account, Professional Engineers and Land Surveyors Fund	--	--	--	--	--	--	--	--	--	--
0207-Fish and Wildlife Pollution Account	791	280	344	727	280	348	659	280	346	593
0209-California Hazardous Liquid Pipeline Safety Fund	14,500	863	5,099	10,264	3,464	7,958	5,770	9,095	7,219	7,646
0210-Outpatient Setting Fund of the Medical Board of California	560	3	2	561	8	28	541	9	28	522
0211-California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	2,074	20	221	1,873	20	222	1,671	20	220	1,471
0212-Marine Invasive Species Control Fund	3,868	3,663	5,732	1,799	4,988	5,942	845	5,700	6,504	41
0213-Native Species Conservation and Enhancement Account, Fish and Game Preservation Fund	754	144	149	749	144	158	735	144	169	710
0214-Restitution Fund	19,042	67,492	69,692	16,842	67,979	75,502	9,319	67,979	67,778	9,520
0217-Insurance Fund	30,856	312,713	288,941	54,628	317,931	339,371	33,188	338,214	340,656	30,746
0223-Workers Compensation Administration Revolving Fund	236,099	383,063	379,087	240,075	399,348	404,380	235,043	399,348	403,519	230,872
0226-California Tire Recycling Management Fund	77,674	37,477	46,105	69,046	37,498	41,396	65,148	39,215	40,781	63,582
0228-Secretary of States Business Fees Fund	3,822	69,509	72,331	1,000	75,938	75,938	1,000	35,245	35,245	1,000
0230-Cigarette and Tobacco Products Surtax Fund	304	7,616	7,616	304	7,224	7,223	305	7,855	7,856	304
0231-Health Education Account, Cigarette and Tobacco Products Surtax Fund	10,392	59,199	53,071	16,520	61,851	75,840	2,531	59,497	58,927	3,101
0232-Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	12,260	90,466	87,705	15,021	94,698	98,246	11,473	82,884	89,639	4,718
0233-Physician Services Account, Cigarette and Tobacco Products Surtax Fund	3,565	25,848	25,122	4,291	27,057	27,905	3,443	23,682	25,769	1,356

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0234-Research Account, Cigarette and Tobacco Products Surtax Fund	67,270	14,779	16,151	65,898	15,442	15,257	66,083	13,754	71,897	7,940
0235-Public Resources Account, Cigarette and Tobacco Products Surtax Fund	1,038	7,879	7,607	1,310	8,484	8,808	986	6,796	7,394	388
0236-Unallocated Account, Cigarette and Tobacco Products Surtax Fund	15,014	58,050	59,731	13,333	60,910	67,584	6,659	53,508	57,158	3,009
0238-Northern California Veterans Cemetery Perpetual Maintenance Fund	682	149	72	759	81	72	768	81	72	777
0239-Private Security Services Fund	7,331	15,957	16,832	6,456	16,167	19,096	3,527	16,496	18,635	1,388
0240-Local Agency Deposit Security Fund	196	637	383	450	614	665	399	614	648	365
0241-Local Public Prosecutors and Public Defenders Training Fund	1,012	4	--	1,016	4	--	1,020	4	--	1,024
0242-Court Collection Account	2,855	88,552	88,001	3,406	88,554	89,679	2,281	88,554	89,677	1,158
0243-Narcotic Treatment Program Licensing Trust Fund	4,394	2,148	1,753	4,789	2,189	1,971	5,007	2,202	1,997	5,212
0244-Environmental Water Fund	3,024	--	--	3,024	--	--	3,024	--	--	3,024
0245-Mobilehome Parks and Special Occupancy Parks Revolving Fund	1,393	9,649	9,273	1,769	9,803	9,578	1,994	9,803	10,298	1,499
0247-Drinking Water Operator Certification Special Account	5,135	1,184	1,856	4,463	1,733	3,163	3,033	1,733	3,110	1,656
0256-Sexual Predator Public Information Account	205	118	100	223	85	191	117	85	196	6
0257-Earthquake Emergency Investigations Account, Disaster Assistance Fund	27	--	--	27	--	--	27	--	--	27
0260-Nursing Home Administrators State License Examining Fund	799	--	--	799	--	--	799	--	--	799
0261-Off Highway License Fee Fund	1,393	2,403	2,073	1,723	2,401	2,073	2,051	2,401	2,073	2,379
0262-Habitat Conservation Fund	25,279	11,719	31,644	5,354	11,882	11,898	5,338	11,059	11,297	5,100
0263-Off-Highway Vehicle Trust Fund	117,522	71,282	127,557	61,247	81,687	95,353	47,581	88,136	76,702	59,015
0264-Osteopathic Medical Board of California Contingent Fund	4,921	2,975	2,807	5,089	2,727	3,563	4,253	3,096	3,527	3,822
0266-Inland Wetlands Conservation Fund, Wildlife Restoration Fund	3,381	68	--	3,449	68	--	3,517	68	--	3,585
0267-Exposition Park Improvement Fund	1,537	9,866	10,272	1,131	16,066	10,899	6,298	9,866	11,126	5,038

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
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(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0269-Glass Processing Fee Account, California Beverage Container Recycling Fund	21,842	72,373	73,356	20,859	75,573	65,985	30,447	70,266	65,985	34,728
0270-Technical Assistance Fund	5,452	26,188	26,847	4,793	24,609	24,586	4,816	24,609	24,586	4,839
0271-Certification Fund	914	2,009	2,257	666	2,330	2,268	728	2,330	2,458	600
0272-Infant Botulism Treatment and Prevention Fund	12,301	8,766	10,377	10,690	14,545	10,213	15,022	10,170	7,246	17,946
0275-Hazardous and Idle-Deserted Well Abatement Fund	13,087	-5,267	1,009	6,811	3,531	1,013	9,329	3,531	1,106	11,754
0276-Penalty Account, California Beverage Container Recycling Fund	1,696	156	15	1,837	174	15	1,996	174	15	2,155
0277-Bi-metal Processing Fee Account, California Beverage Container Recycling Fund	26,607	4,129	262	30,474	1,455	255	31,674	1,455	255	32,874
0278-PET Processing Fee Account, California Beverage Container Recycling Fund	31,534	98,058	97,835	31,757	99,703	61,649	69,811	100,411	61,649	108,573
0279-Child Health and Safety Fund	--	3,392	3,392	--	4,224	4,224	--	4,224	4,190	34
0280-Physician Assistant Fund	4,812	2,364	2,380	4,796	2,478	3,144	4,130	2,570	3,216	3,484
0281-Recycling Market Development Revolving Loan Subaccount, Integrated Waste Management Account	10,317	1,108	-1,224	12,649	1,731	2,126	12,254	1,731	2,536	11,449
0286-Lake Tahoe Conservancy Account	2,321	800	1,539	1,582	900	1,327	1,155	900	1,197	858
0288-The Registry of International Student Exchange Visitor Placement Organizations Fund	157	7	--	164	9	--	173	9	--	182
0289-State HICAP Fund	11,451	-752	2,538	8,161	9,248	4,629	12,780	4,248	4,592	12,436
0290-Board of Pilot Commissioners Special Fund	3,413	2,523	2,552	3,384	3,507	3,680	3,211	3,537	3,283	3,465
0293-Motor Carriers Safety Improvement Fund	914	1,971	1,901	984	1,929	2,311	602	1,929	2,279	252
0294-Removal and Remedial Action Account	7,847	1,587	6,154	3,280	800	3,282	798	2,507	3,305	--
0295-Board of Podiatric Medicine Fund	572	1,292	1,383	481	1,614	1,672	423	1,615	1,712	326
0298-Financial Institutions Fund	42,780	-42,780	--	--	--	--	--	--	--	--
0299-Credit Union Fund	836	12,706	11,564	1,978	14,500	14,002	2,476	14,500	13,813	3,163
0300-Professional Forester Registration Fund	204	198	211	191	197	251	137	191	256	72
0305-Private Postsecondary Education Administration Fund	3,282	15,524	17,927	879	27,552	21,110	7,321	15,595	20,941	1,975

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0306-Safe Drinking Water Account	2,729	27,698	27,374	3,053	35,081	36,027	2,107	37,992	38,910	1,189
0309-Perinatal Insurance Fund	39,085	2,160	169	41,076	2,008	12,677	30,407	2,008	23,330	9,085
0310-Psychology Fund	11,044	3,790	6,168	8,666	4,412	7,564	5,514	5,264	8,153	2,625
0311-Traumatic Brain Injury Fund	126	--	4	122	--	--	122	--	9	113
0312-Emergency Medical Services Personnel Fund	896	2,691	3,330	257	3,095	3,171	181	3,821	3,691	311
0314-Diesel Emission Reduction Fund	4,705	-3,981	--	724	12	--	736	12	--	748
0317-Real Estate Fund	40,325	54,261	58,202	36,384	50,570	61,673	25,281	50,570	61,871	13,980
0318-Collins-Dugan California Conservation Corps Reimbursement Account	11,488	62,673	66,017	8,144	42,901	44,649	6,396	43,373	42,838	6,931
0319-Respiratory Care Fund	866	3,785	3,290	1,361	3,843	4,260	944	3,878	4,261	561
0320-Oil Spill Prevention and Administration Fund	13,366	48,496	56,042	5,820	59,229	62,154	2,895	63,778	62,399	4,274
0321-Oil Spill Response Trust Fund	50,234	-34,607	112	15,515	1,893	112	17,296	11,893	112	29,077
0322-Environmental Enhancement Fund	1,020	1,400	999	1,421	277	1,002	696	277	855	118
0325-Electronic and Appliance Repair Fund	3,953	2,522	2,702	3,773	2,576	4,496	1,853	2,614	3,468	999
0326-Athletic Commission Fund	1,467	894	1,626	735	1,497	1,758	474	1,593	2,007	60
0327-Court Interpreters Fund	1,403	239	12	1,630	198	156	1,672	198	161	1,709
0328-Public School Planning, Design, and Construction Review Revolving Fund	65,693	43,859	68,266	41,286	89,186	76,733	53,739	89,186	73,535	69,390
0329-Vehicle License Collection Account, Local Revenue Fund	--	14,000	14,000	--	14,000	14,000	--	14,000	14,000	--
0330-Local Revenue Fund	--	861	861	--	944	944	--	939	939	--
0331-Sales Tax Account, Local Revenue Fund	--	--	--	--	-1	--	-1	--	--	-1
0332-Vehicle License Fee Account, Local Revenue Fund	--	--	--	--	1	--	1	1	--	2
0333-Sales Tax Growth Account, Local Revenue Fund	--	-1	--	-1	--	--	-1	--	--	-1
0335-Registered Environmental Health Specialist Fund	38	428	420	46	483	439	90	483	500	73
0336-Mine Reclamation Account	361	5,164	5,273	252	5,755	5,811	196	5,755	5,777	174
0338-Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	19,187	6,241	13,749	11,679	14,253	15,705	10,227	14,233	15,604	8,856
0342-State School Fund	1,672	19,281	16,983	3,970	19,281	19,281	3,970	19,281	19,281	3,970
0347-School Land Bank Fund	69,212	-48,843	1,735	18,634	440	1,957	17,117	440	2,073	15,484
0348-Senate Operating Fund	7	--	--	7	--	--	7	--	--	7

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Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	2022-23	2022-23	2022-23	2022-23
0351-Mental Health Subaccount, Sales Tax Account	--	1,148,655	1,148,655	--	1,256,625	1,256,625	--	1,339,125	1,339,125	--
0352-Social Services Subaccount, Sales Tax Account	--	2,296,188	2,296,188	--	2,409,972	2,409,972	--	2,535,301	2,535,301	--
0353-Health Subaccount, Sales Tax Account	--	2,860	2,860	--	85,621	85,621	--	137,542	137,542	--
0354-Caseload Subaccount, Sales Tax Growth Account	--	113,784	113,784	--	125,329	125,329	--	75,530	75,530	--
0361-General Growth Subaccount, Sales Tax Growth Account	--	337,008	337,008	--	241,774	241,774	--	89,219	89,219	--
0365-Historic Property Maintenance Fund	2,311	620	1,080	1,851	655	1,137	1,369	726	1,137	958
0367-Indian Gaming Special Distribution Fund	60,766	65,266	31,944	94,088	65,503	35,145	124,446	65,503	35,954	153,995
0371-California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	585	1,150	1,247	488	1,150	1,146	492	1,150	1,430	212
0375-Disaster Response-Emergency Operations Account, Special Fund for Economic Uncertainties	23	--	--	23	--	--	23	--	--	23
0376-Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	1,818	2,208	2,481	1,545	2,263	3,758	50	2,895	2,582	363
0378-False Claims Act Fund	729	17,143	16,180	1,692	22,366	22,215	1,843	22,366	22,860	1,349
0381-Public Interest Research, Development, and Demonstration Fund	14,021	62	770	13,313	32	834	12,511	32	907	11,636
0382-Renewable Resource Trust Fund	42,817	-19,671	1,189	21,957	110	1,341	20,726	110	1,430	19,406
0384-The Salmon and Steelhead Trout Restoration Account	4	--	--	4	--	--	4	--	--	4
0386-Solid Waste Disposal Site Cleanup Trust Fund	10,225	1,096	3,446	7,875	2,481	5,770	4,586	5,117	5,711	3,992
0387-Integrated Waste Management Account, Integrated Waste Management Fund	25,592	58,276	54,378	29,490	64,881	62,694	31,677	57,780	61,609	27,848
0392-State Parks and Recreation Fund	30,220	235,618	139,980	125,858	245,154	272,180	98,832	251,300	271,861	78,271
0396-Self-Insurance Plans Fund	3,811	3,342	4,492	2,661	3,484	4,761	1,384	4,651	4,753	1,282
0399-Structural Pest Control Education and Enforcement Fund	1,117	428	338	1,207	465	340	1,332	467	344	1,455



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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0400-Real Estate Appraisers Regulation Fund	4,190	6,065	5,200	5,055	5,638	6,663	4,030	5,920	6,561	3,389
0407-Teacher Credentials Fund	27,259	9,338	23,864	12,733	9,260	15,715	6,278	18,463	14,163	10,578
0408-Test Development and Administration Account, Teacher Credentials Fund	3,710	2,377	4,745	1,342	6,489	7,127	704	562	456	810
0410-Transcript Reimbursement Fund	36	200	62	174	--	--	174	--	--	174
0412-Transportation Rate Fund	503	2	--	505	--	--	505	--	--	505
0421-Vehicle Inspection and Repair Fund	227,284	105,626	142,792	190,118	104,663	156,895	137,886	135,181	158,828	114,239
0425-Victim - Witness Assistance Fund	7	2	--	9	2	--	11	2	--	13
0429-Local Jurisdiction Energy Assistance Account	500	1	--	501	1	--	502	1	--	503
0434-Air Toxics Inventory and Assessment Account	2,838	1,467	650	3,655	804	738	3,721	754	737	3,738
0436-Underground Storage Tank Tester Account	12	20	18	14	20	19	15	20	20	15
0437-State Assistance For Fire Equipment Account	2,919	100	100	2,919	100	100	2,919	100	100	2,919
0439-Underground Storage Tank Cleanup Fund	1,044,957	-272,293	318,119	454,545	298,275	501,655	251,165	801,111	301,368	750,908
0447-Wildlife Restoration Fund	-15,578	3,729	4,011	-15,860	1,162	277	-14,975	1,162	260	-14,073
0448-Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account	91,767	-53,203	4,888	33,676	7,242	7,555	33,363	7,242	8,321	32,284
0449-Winter Recreation Fund	842	250	395	697	250	363	584	250	353	481
0452-Elevator Safety Account	25,679	26,917	28,685	23,911	31,126	39,113	15,924	33,126	43,436	5,614
0453-Pressure Vessel Account	930	5,465	5,936	459	5,450	6,208	-299	5,450	6,164	-1,013
0457-Tax Credit Allocation Fee Account	94,007	-47,687	3,811	42,509	14,461	6,099	50,871	14,461	6,841	58,491
0458-Site Operation and Maintenance Account, Hazardous Substance Account	84	398	369	113	22,480	394	22,199	310	403	22,106
0459-Telephone Medical Advice Services Fund	1,093	-1,093	--	--	--	--	--	--	--	--
0460-Dealers Record of Sale Special Account	7,618	43,496	27,598	23,516	29,578	26,573	26,521	29,578	34,344	21,755
0461-Public Utilities Commission Transportation Reimbursement Account	46,748	11,882	23,985	34,645	13,452	27,692	20,405	13,452	30,549	3,308
0462-Public Utilities Commission Utilities Reimbursement Account	-9,582	264,791	156,242	98,967	249,132	254,004	94,095	162,912	228,834	28,173

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0464-California High-Cost Fund-A Administrative Committee Fund	12,331	33,183	37,447	8,067	46,032	41,570	12,529	18,019	25,455	5,093
0465-Energy Resources Programs Account	42,334	73,634	68,079	47,889	69,200	77,652	39,437	73,700	83,832	29,305
0467-State Notes Expense Account	250	--	--	250	--	--	250	--	--	250
0470-California High-Cost Fund-B Administrative Committee Fund	96,891	-51,980	6,625	38,286	-3,524	12,677	22,085	476	12,048	10,513
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	412,170	47,865	394,289	65,746	505,149	334,379	236,516	242,109	373,134	105,491
0475-Underground Storage Tank Fund	109	1	--	110	1	--	111	1	--	112
0478-Vectorborne Disease Account	76	157	152	81	186	159	108	191	151	148
0479-Energy Technologies Research, Development and Demonstration Account	3,042	-2,997	--	45	1	--	46	1	--	47
0481-Garment Manufacturers Special Account	9,058	6,495	6,970	8,583	215	500	8,298	215	500	8,013
0483-Deaf and Disabled Telecommunications Program	55,254	30,381	48,517	37,118	64,914	67,199	34,833	52,252	66,952	20,133
Administrative Committee Fund	688	39	23	704	50	157	597	50	150	497
0485-Armory Discretionary Improvement Account	752	-142	--	610	--	--	610	--	--	610
0487-Financial Responsibility Penalty Account	433	9	26	416	5	59	362	5	59	308
0492-State Athletic Commission Neurological Examination Account	64,453	47,295	59,836	51,912	96,035	108,398	39,549	74,782	108,296	6,035
0493-California Teleconnect Fund Administrative Committee Fund	-461,834	--	--	-461,834	--	252,892	-714,726	--	684,391	-1,399,117
0496-Developmental Disabilities Services Account	152	--	--	152	150	150	152	150	150	152
0497-Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account	4,210	996	2,791	2,415	1,212	1,676	1,951	1,212	1,709	1,454
0557-Toxic Substances Control Account	21,259	117,998	101,745	37,512	286,646	319,009	5,149	206,284	209,497	1,936
0558-Farm and Ranch Solid Waste Cleanup and Abatement Account	1,446	1,014	1,113	1,347	1,006	1,287	1,066	1,006	1,188	884

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0566-Department of Justice Child Abuse Fund	1,459	189	434	1,214	257	496	975	257	509	723
0567-Gambling Control Fund	95,912	-37,316	19,960	38,636	23,696	24,578	37,754	23,696	24,993	36,457
0569-Gambling Control Fines and Penalties Account	11,181	-1,745	973	8,463	301	343	8,421	301	1,332	7,390
0577-Abandoned Watercraft Abatement Fund	588	2,750	2,750	588	2,750	2,750	588	2,750	2,750	588
0582-High Polluter Repair or Removal Account	81,501	-14,132	48,454	18,915	46,682	54,186	11,411	47,016	54,210	4,217
0585-Counties Children and Families Account, California Children and Families Trust Fund	48,892	324,684	324,684	48,892	348,227	353,127	43,992	269,752	269,752	43,992
0587-Family Law Trust Fund	10,227	-5,996	1,408	2,823	2,136	1,794	3,165	2,056	1,760	3,461
0593-Coastal Access Account, State Coastal Conservancy Fund	1,895	625	786	1,734	625	764	1,595	625	758	1,462
0623-California Children and Families First Trust Fund	36,532	9,935	13,773	32,694	-18,508	13,153	1,033	39,497	12,880	27,650
0631-Mass Media Communications Account, California Children and Families Trust Fund	16,196	25,210	25,210	16,196	27,284	27,344	16,136	21,091	21,091	16,136
0634-Education Account, California Children and Families Trust Fund	53,170	22,119	22,119	53,170	23,847	23,897	53,120	18,687	18,687	53,120
0636-Child Care Account, California Children and Families Trust Fund	27,136	13,166	13,166	27,136	14,202	14,232	27,106	11,105	11,105	27,106
0637-Research and Development Account, California Children and Families Trust Fund	44,034	13,380	13,380	44,034	14,416	14,446	44,004	11,319	11,319	44,004
0638-Administration Account, California Children and Families Trust Fund	7,347	4,253	4,807	6,793	4,594	5,855	5,532	3,562	4,559	4,535
0639-Unallocated Account, California Children and Families Trust Fund	13,662	8,220	8,220	13,662	8,911	8,931	13,642	6,847	6,847	13,642
0642-Domestic Violence Training and Education Fund	1,109	515	399	1,225	538	699	1,064	538	696	906
0643-Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	1	--	--	1	--	--	1	--	--	1
0648-Mobilehome-Manufactured Home Revolving Fund	5,269	22,532	19,510	8,291	20,898	24,667	4,522	20,898	24,716	704
0704-Accountancy Fund, Professions and Vocations Fund	20,833	7,905	15,858	12,880	16,565	19,314	10,131	17,022	19,167	7,986

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
0706-California Architects Board Fund	5,706	3,020	4,217	4,509	3,829	5,349	2,989	3,273	4,656	1,606
0717-Cemetery and Funeral Fund	5,021	4,375	4,560	4,836	3,975	6,613	2,198	3,910	5,947	161
0735-Contractors License Fund	-448	73,265	70,952	1,865	84,065	80,650	5,280	95,727	83,308	17,699
0741-State Dentistry Fund	14,180	13,677	15,410	12,447	18,520	20,262	10,705	21,417	20,810	11,312
0752-Home Furnishings and Thermal Insulation Fund	5,243	5,083	4,268	6,058	5,125	6,726	4,457	5,183	6,139	3,501
0755-Licensed Midwifery Fund	402	60	133	329	88	134	283	106	128	261
0757-California Board of Architectural Examiners - Landscape Architects Fund	1,301	829	876	1,254	846	1,375	725	837	1,204	358
0758-Contingent Fund of the Medical Board of California	17,803	59,941	69,804	7,940	82,288	79,646	10,582	70,561	81,068	75
0759-Physical Therapy Fund	4,849	6,380	5,772	5,457	6,203	7,074	4,586	6,250	7,347	3,489
0761-Board of Registered Nursing Fund, Professions and Vocations Fund	46,989	41,742	53,878	34,853	66,092	65,575	35,370	70,131	63,892	41,609
0763-State Optometry Fund, Professions and Vocations Fund	2,091	1,823	1,863	2,051	2,742	3,077	1,716	4,235	4,054	1,897
0767-Pharmacy Board Contingent Fund, Professions and Vocations Fund	8,024	30,592	28,440	10,176	32,492	33,137	9,531	32,322	34,348	7,505
0769-Private Investigator Fund	424	94	85	433	--	17	416	-399	17	--
0770-Professional Engineers, Land Surveyor's, and Geologist's Fund	4,879	8,559	11,087	2,351	12,311	12,227	2,435	11,119	13,466	88
0771-Court Reporters Fund	606	1,191	1,027	770	1,345	1,320	795	1,344	1,314	825
0773-Behavioral Science Examiners Fund, Professions and Vocations Fund	3,597	13,041	11,102	5,536	18,312	14,120	9,728	18,560	14,217	14,071
0775-Structural Pest Control Fund	1,477	6,550	5,213	2,814	6,551	7,379	1,986	6,537	6,465	2,058
0777-Veterinary Medical Board Contingent Fund	2,752	7,606	5,326	5,032	7,335	7,465	4,902	7,362	7,684	4,580
0779-Vocational Nursing and Psychiatric Technicians Fund	4,253	17,721	17,898	4,076	18,224	19,642	2,658	19,313	19,220	2,751
0932-Trial Court Trust Fund	106,112	1,200,870	1,144,948	162,034	1,228,509	1,268,559	121,984	1,220,976	1,253,035	89,925
0933-Managed Care Fund	23,297	93,412	90,347	26,362	99,770	112,234	13,898	134,594	132,732	15,760
0940-Bosco-Keene Renewable Resources Investment Fund	2,023	978	1,071	1,930	1,200	1,237	1,893	1,200	1,232	1,861
1003-Cleanup Loans and Environmental Assistance to Neighborhoods Account	4,882	-40	--	4,842	-40	1,000	3,802	-40	1,000	2,762
1006-Rural CUPA Reimbursement Account	913	--	-63	976	--	--	976	--	--	976

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
1008-Firearms Safety and Enforcement Special Fund	17,164	5,883	9,169	13,878	10,077	11,118	12,837	10,077	11,389	11,525
1010-Natural Heritage Preservation Tax Credit Reimbursement Account	-7,608	--	--	-7,608	--	--	-7,608	--	--	-7,608
1011-Budget Stabilization Account	17,350,422	-3,063,000	--	14,287,422	5,016,000	--	19,303,422	1,565,000	--	20,868,422
1017-Umbilical Cord Blood Collection Program Fund	9,514	3,398	2,500	10,412	3,398	2,500	11,310	3,398	2,500	12,208
1018-Lake Tahoe Science and Lake Improvement Account, General Fund	2,331	855	1,518	1,668	1,555	1,148	2,075	1,205	1,098	2,182
1019-Safety Net Reserve Fund	900,000	-450,000	--	450,000	450,000	--	900,000	--	--	900,000
1027-California Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Account	1,542	--	1,542	--	--	-486,713	486,713	--	225,000	261,713
1029-The Public School System Stabilization Account	--	--	-3,080,928	3,080,928	--	-3,582,440	6,663,368	--	-3,061,243	9,724,611
1031-California Institute for Regenerative Medicine Licensing Revenues and Royalties Fund	--	4	--	4	21	--	25	--	--	25
2503-SR-710 Rehabilitation Account	499	--	-1	500	--	--	500	2,375	1,675	1,200
2504-Advance Mitigation Account, State Transportation Fund	92,408	30,461	--	122,869	214	30,000	93,083	155	30,000	63,238
3001-Public Beach Restoration Fund	3,163	--	--	3,163	--	--	3,163	--	--	3,163
3002-Electrician Certification Fund	10,881	2,400	3,069	10,212	2,050	3,085	9,177	2,050	3,091	8,136
3004-Garment Industry Regulations Fund	2,060	2,560	3,101	1,519	2,520	3,258	781	2,520	3,258	43
3007-Traffic Congestion Relief Fund	74,324	-33,173	4,700	36,451	-7,995	938	27,518	-8,229	938	18,351
3010-Pierces Disease Management Account	13,004	3,871	3,764	13,111	3,831	3,458	13,484	3,831	3,499	13,816
3013-California Central Coast State Veterans Cemetery at Fort Ord Operations Fund	38	90	77	51	90	75	66	90	74	82
3015-Gas Consumption Surcharge Fund	15,850	580,322	557,651	38,521	582,198	563,309	57,410	582,198	563,173	76,435
3016-Missing Persons DNA Data Base Fund	5,107	3,691	3,434	5,364	3,095	4,062	4,397	3,095	4,162	3,330
3017-Occupational Therapy Fund	1,803	2,490	2,760	1,533	2,853	3,588	798	3,079	3,594	283
3018-Drug and Device Safety Fund	3,152	6,662	5,061	4,753	6,408	8,620	2,541	6,728	8,590	679

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3019-Substance Abuse Treatment Trust Fund	277	--	--	277	--	--	277	--	--	277
3020-Tobacco Settlement Fund	1,215	--	--	1,215	--	--	1,215	--	--	1,215
3022-Apprenticeship Training Contribution Fund	10,104	17,699	13,951	13,852	17,700	15,225	16,327	17,700	15,200	18,827
3024-Rigid Container Account	46	46	24	68	212	180	100	212	180	132
3025-Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account	1,688	982	906	1,764	1,512	818	2,458	1,512	823	3,147
3027-Trauma Care Fund	6	--	--	6	--	--	6	--	--	6
3030-Workers Occupational Safety and Health Education Fund	1,186	1,046	1,140	1,092	1,015	1,099	1,008	1,015	1,148	875
3033-California Memorial Scholarship Fund	2	--	--	2	-2	--	--	--	--	--
3034-Antiterrorism Fund	2,394	885	1,354	1,925	887	1,431	1,381	885	1,474	792
3035-Environmental Quality Assessment Fund	1	--	--	1	--	--	1	--	--	1
3036-Alcohol Beverage Control Fund	12,157	72,279	51,608	32,828	44,080	46,553	30,355	63,014	62,664	30,705
3037-State Court Facilities Construction Fund	211,521	77,461	156,218	132,764	442,954	389,164	186,554	193,805	379,458	901
3039-Dentally Underserved Account, State Dentistry Fund	1,369	7	357	1,019	13	134	898	11	135	774
3042-Victims of Corporate Fraud Compensation Fund	15,073	-5,187	4,046	5,840	1,898	1,588	6,150	1,898	1,603	6,445
3046-Oil, Gas, and Geothermal Administrative Fund	3,419	120,015	103,034	20,400	95,035	111,318	4,117	124,187	125,433	2,871
3053-Public Rights Law Enforcement Special Fund	911	8,812	6,497	3,226	25,039	17,610	10,655	25,039	17,897	17,797
3054-Health Care Benefits Fund	1,063	2,000	2,000	1,063	2,000	2,000	1,063	2,000	2,000	1,063
3056-Safe Drinking Water and Toxic Enforcement Fund	7,558	3,254	4,067	6,745	3,062	4,745	5,062	3,062	2,913	5,211
3057-Dam Safety Fund	9,837	21,677	21,502	10,012	18,682	23,263	5,431	22,731	23,640	4,522
3058-Water Rights Fund	4,832	27,554	27,099	5,287	30,042	31,694	3,635	32,345	34,063	1,917
3060-Appellate Court Trust Fund	25,717	-112	5,082	20,523	5,307	7,713	18,117	10,391	7,564	20,944
3062-Energy Facility License and Compliance Fund	13,577	4,421	6,261	11,737	4,036	6,888	8,885	4,036	7,076	5,845
3063-State Responsibility Area Fire Prevention Fund	2,286	--	936	1,350	--	--	1,350	--	--	1,350
3064-Mental Health Practitioner Education Fund	1,184	412	822	774	412	851	335	412	771	-24

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Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3065-Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund	140,309	40,402	87,914	92,797	61,182	89,897	64,082	82,752	89,851	56,983
3066-Court Facilities Trust Fund	13,370	95,647	109,010	7	97,828	94,030	3,805	95,760	99,030	535
3067-Cigarette and Tobacco Products Compliance Fund	11,392	10,655	12,545	9,502	10,618	13,772	6,348	10,618	13,203	3,763
3068-Vocational Nurse Education Fund	934	241	230	945	241	240	946	241	242	945
3069-Naturopathic Doctors Fund	451	534	357	628	523	448	703	524	408	819
3070-Nontoxic Dry Cleaning Incentive Trust Fund	545	6	29	522	15	94	443	10	99	354
3071-Car Wash Worker Restitution Fund	2,847	445	421	2,871	300	421	2,750	300	421	2,629
3072-Car Wash Worker Fund	4,348	585	819	4,114	400	866	3,648	400	847	3,201
3074-Medical Marijuana Program Fund	11	--	5	6	--	6	--	--	--	--
3075-Unlawful Sales Reduction Fund	85	--	--	85	--	--	85	--	--	85
3078-Labor and Workforce Development Fund	206,046	-56,565	35,770	113,711	70,320	41,400	142,631	70,320	12,604	200,347
3079-Childrens Medical Services Rebate Fund	148,252	57,194	67,722	137,724	15,367	15,052	138,039	20,650	20,335	138,354
3080-AIDS Drug Assistance Program Rebate Fund	616,440	320,057	358,238	578,259	467,650	337,143	708,766	353,322	331,948	730,140
3081-Cannery Inspection Fund	2,673	4,750	3,222	4,201	4,814	3,575	5,440	4,862	4,452	5,850
3082-School Facilities Emergency Repair Account	7,510	--	6,637	873	--	359	514	--	--	514
3083-Welcome Center Fund	210	90	69	231	90	111	210	90	111	189
3084-State Certified Unified Program Agency Account	309	2,374	1,550	1,133	2,374	2,287	1,220	2,374	2,337	1,257
3085-Mental Health Services Fund	191,085	2,846,134	2,962,045	75,174	3,526,674	3,576,029	25,819	3,651,930	3,610,883	66,866
3086-DNA Identification Fund	5,315	31,684	32,523	4,476	44,649	60,903	-11,778	44,649	68,831	-35,960
3087-Unfair Competition Law Fund	5,514	28,224	26,737	7,001	34,682	34,876	6,807	34,682	35,985	5,504
3088-Registry of Charitable Trusts Fund	7,020	5,277	5,959	6,338	4,953	6,917	4,374	4,953	8,915	412
3089-Public Utilities Commission Public Advocate's Office Account	10,500	45,211	42,381	13,330	48,115	51,265	10,180	51,635	52,051	9,764
3091-Certified Access Specialist Fund	1,991	363	411	1,943	363	414	1,892	363	398	1,857
3095-Film Promotion and Marketing Fund	34	10	7	37	10	10	37	10	10	37
3096-Non-designated Public Hospital Supplemental Fund	3,628	20	-697	4,345	4,102	3,658	4,789	432	--	5,221

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Fund	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Beginning Reserve	Revenues	Expenditures	Ending Reserve
	2020-21	2020-21	2020-21	2021-22	2021-22	2021-22	2022-23	2022-23	2022-23	2022-23
3097-Private Hospital Supplemental Fund	101,483	21,961	116,256	7,188	42,745	21,510	28,423	47,309	26,423	49,309
3098-State Department of Public Health Licensing and Certification Program Fund	21,251	222,567	222,858	20,960	262,495	272,344	11,111	296,708	307,819	--
3099-Mental Health Facility Licensing Fund	1,732	513	81	2,164	398	410	2,152	398	413	2,137
3101-Analytical Laboratory Account, Department of Food and Agriculture Fund	8,250	733	2,387	6,596	510	496	6,610	510	499	6,621
3103-Hatchery and Inland Fisheries Fund	2,985	28,914	22,097	9,802	26,500	24,444	11,858	26,500	23,870	14,488
3107-Transportation Debt Service Fund	--	1,702,691	1,702,691	--	1,589,461	1,589,461	--	1,408,033	1,408,033	--
3108-Professional Fiduciary Fund	258	679	594	343	744	701	386	808	1,102	92
3109-Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund	43,557	24,422	59,789	8,190	24,250	24,047	8,393	24,250	24,240	8,403
3110-Gambling Addiction Program Fund	1,676	1,473	156	2,993	252	158	3,087	241	157	3,171
3111-Retail Food Safety and Defense Fund	63	--	--	63	--	--	63	--	--	63
3112-Equity in Prevention and Services for Domestic Abuse Fund	143	--	--	143	--	--	143	--	--	143
3113-Residential and Outpatient Program Licensing Fund	4,244	5,053	8,412	885	8,685	9,569	1	9,420	9,420	1
3114-Birth Defects Monitoring Program Fund	2,283	2,879	2,597	2,565	2,728	2,803	2,490	2,988	2,819	2,659
3117-Alternative and Renewable Fuel and Vehicle Technology Fund	256,230	88,181	325,191	19,220	111,200	112,426	17,994	111,200	114,081	15,113
3119-Air Quality Improvement Fund	15,209	42,512	31,826	25,895	42,600	32,268	36,227	42,600	32,449	46,378
3120-State Fire Marshal Fireworks Enforcement and Disposal Fund	217	--	--	217	--	--	217	--	--	217
3121-Occupational Safety and Health Fund	55,968	98,781	100,450	54,299	111,787	117,003	49,083	111,787	118,558	42,312
3122-Enhanced Fleet Modernization Subaccount, High Polluter Repair or Removal Account	15,774	31,129	32,931	13,972	33,782	33,412	14,342	34,115	33,410	15,047
3123-Coastal Act Services Fund	3,564	1,175	1,518	3,221	1,175	1,838	2,558	1,475	1,811	2,222
3131-California Bingo Fund	708	--	--	708	--	--	708	--	--	708
3132-Charity Bingo Mitigation Fund	5	--	--	5	--	--	5	--	--	5



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3133-Managed Care Administrative Fines and Penalties Fund	3,772	-404	--	3,368	--	--	3,368	--	--	3,368
3134-School District Account, Underground Storage Tank Cleanup Fund	617	36	--	653	2,011	2,000	664	11	--	675
3136-Foreclosure Consultant Regulation Fund	14	1	--	15	--	--	15	--	--	15
3137-Emergency Medical Technician Certification Fund	1,226	1,584	1,714	1,096	1,615	2,022	689	1,615	1,747	557
3138-Immediate and Critical Needs Account, State Court Facilities Construction Fund	172,874	143,812	203,310	113,376	-226,895	--	-113,519	--	--	-113,519
3139-Specialized License Plate Fund	1,058	493	713	838	755	918	675	755	914	516
3140-State Dental Hygiene Fund	2,184	1,887	2,132	1,939	1,867	2,699	1,107	3,276	3,006	1,377
3141-California Advanced Services Fund	147,377	-9,406	50,523	87,448	118,060	81,466	124,042	53,117	86,698	90,461
3142-State Dental Assistant Fund	2,910	189	156	2,943	--	33	2,910	-2,877	33	--
3144-Building Standards Administration Special Revolving Fund	10,451	-4,500	2,764	3,187	4,950	3,877	4,260	4,950	3,739	5,471
3145-Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund	2,047	112	--	2,159	30	--	2,189	30	--	2,219
3147-State Water Pollution Control Revolving Fund Small Community Grant Fund	22,115	10,787	8,000	24,902	10,582	8,000	27,484	10,582	8,000	30,066
3149-Local Safety and Protection Account, Transportation Tax Fund	709	--	--	709	--	--	709	--	--	709
3150-State Public Works Enforcement Fund	21,707	7,285	13,320	15,672	12,100	13,866	13,906	12,100	14,605	11,401
3151-Internal Health Information Integrity Quality Improvement Account	1	--	--	1	--	--	1	--	--	1
3152-Labor Enforcement and Compliance Fund	60,351	91,530	92,086	59,795	101,433	102,244	58,984	101,433	112,551	47,866
3153-Horse Racing Fund	1,145	18,074	15,982	3,237	17,535	17,535	3,237	17,458	17,472	3,223
3155-Lead-Related Construction Fund	357	1,034	1,052	339	1,182	1,066	455	1,182	1,399	238
3156-Childrens Health and Human Services Special Fund	512,407	2,088	100,000	414,495	949	--	415,444	949	--	416,393
3157-Recreational Health Fund	557	3	--	560	--	--	560	--	--	560
3158-Hospital Quality Assurance Revenue Fund	892,963	4,798,382	4,562,043	1,129,302	3,883,743	3,748,576	1,264,469	2,621,177	3,820,228	65,418

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3160-Wastewater Operator Certification Fund	2,534	1,056	1,701	1,889	1,067	1,991	965	1,067	1,975	57
3164-Renewable Energy Resources Development Fee Trust Fund	159	--	--	159	--	--	159	--	--	159
3165-Enterprise Zone Fund	363	2	25	340	43	--	383	43	--	426
3167-Skilled Nursing Facility Quality and Accountability Fund	5,875	887	-12,666	19,428	544	384	19,588	1,070	16,650	4,008
3168-Emergency Medical Air Transportation and Children's Coverage Fund	4,574	3,269	5,608	2,235	3,580	4,351	1,464	2,403	3,811	56
3170-Heritage Enrichment Resource Fund	661	114	25	750	114	44	820	114	44	890
3171-Local Revenue Fund 2011	--	-12,000	-12,000	--	-12,900	-12,900	--	-12,000	-12,000	--
3172-Public Hospital Investment, Improvement, and Incentive Fund	618	499,838	499,838	618	--	--	618	--	--	618
3195-Carpet Stewardship Account, Integrated Waste Management Fund	688	394	603	479	394	691	182	394	692	-116
3200-CalWORKS Maintenance of Effort Subaccount, Sales Tax Account	--	742,048	742,048	--	752,888	752,888	--	752,888	752,888	--
3201-Low Income Health Program MCE Out-of-Network Emergency Care Services Fund	19,909	84	--	19,993	46	--	20,039	46	--	20,085
3202-Architectural Paint Stewardship Account, Integrated Waste Management Fund	570	386	359	597	279	459	417	279	460	236
3205-Appliance Efficiency Enforcement Subaccount, Energy Resources Programs Account	2,901	1,949	3,682	1,168	3,004	3,492	680	3,004	3,242	442
3209-Office of Patient Advocate Trust Fund	3,069	2,203	2,003	3,269	2,311	2,257	3,323	2,306	2,257	3,372
3210-Davis-Dolwig Account, California Water Resources Development Bond Fund	11,975	10,114	21,187	902	10,000	10,000	902	10,000	10,000	902
3211-Electric Program Investment Charge Fund	44,973	229,859	274,092	740	148,000	148,248	492	148,000	148,380	112
3212-Timber Regulation and Forest Restoration Fund	23,386	54,020	47,829	29,577	46,000	52,242	23,335	46,000	50,787	18,548
3213-Long-Term Care Quality Assurance Fund	325,667	350,791	584,113	92,345	527,131	447,165	172,311	523,154	592,657	102,808
3216-Protective Services Subaccount, Support Services Account	--	2,397,201	2,397,201	--	2,650,136	2,650,136	--	2,836,976	2,836,976	--

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3217-Behavioral Health Subaccount, Support Services Account	--	1,483,255	1,483,255	--	1,764,294	1,764,294	--	1,971,894	1,971,894	--
3220-Law Enforcement Services Growth Subaccount, Sales and Use Tax Growth Account	--	-1	--	-1	--	--	-1	--	--	-1
3221-Trial Court Security Subaccount, Law Enforcement Services Account	--	566,994	566,994	--	597,259	597,259	--	619,616	619,616	--
3222-Enhancing Law Enforcement Activities Subaccount, Law Enforcement Services Account	--	489,900	489,900	--	489,900	489,900	--	489,900	489,900	--
3223-Community Corrections Subaccount, Law Enforcement Services Account	--	1,365,962	1,365,962	--	1,592,954	1,592,954	--	1,760,631	1,760,631	--
3224-District Attorney and Public Defender Subaccount, Law Enforcement Services Account	--	41,571	41,571	--	56,704	56,704	--	67,882	67,882	--
3226-Juvenile Reentry Grant Special Account, Juvenile Justice Subaccount	--	9,347	9,347	--	11,018	11,018	--	12,252	12,252	--
3227-Youthful Offender Block Grant Special Account, Juvenile Justice Subaccount	--	160,022	160,022	--	188,616	188,616	--	209,739	209,739	--
3228-Greenhouse Gas Reduction Fund	3,721,957	2,477,653	2,979,841	3,219,769	3,385,041	5,935,151	669,659	2,112,405	2,581,305	200,759
3230-Juvenile Justice Growth Special Account, Law Enforcement Services Growth Subaccount	--	30,266	30,266	--	22,357	22,357	--	13,737	13,737	--
3231-Enhancing Law Enforcement Activities Growth Special Account, Enhancing Law Enforcement Activities Subaccount	--	242,378	242,378	--	268,050	268,050	--	297,281	297,281	--
3232-District Attorney and Public Defender Growth Special Account, Law Enforcement Services Growth Subaccount	--	15,133	15,133	--	11,178	11,178	--	6,868	6,868	--
3233-Community Corrections Growth Special Account, Law Enforcement Services Growth Subaccount	--	226,993	226,993	--	167,677	167,677	--	103,026	103,026	--

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3234-Trial Court Security Growth Special Account, Law Enforcement Services Growth Subaccount	--	30,266	30,266	--	22,357	22,357	--	13,737	13,737	--
3235-Behavioral Health Services Growth Special Account, Support Services Growth Subaccount	--	281,039	281,039	--	207,600	207,600	--	127,557	127,557	--
3236-Protective Services Growth Special Account, Support Services Growth Subaccount	--	252,934	252,934	--	186,840	186,840	--	114,800	114,800	--
3237-Cost of Implementation Account, Air Pollution Control Fund	18,137	99,663	89,863	27,937	94,693	101,318	21,312	99,364	105,629	15,047
3238-State Parks Revenue Incentive Subaccount, State Parks and Recreation Fund	2,496	5,294	2,000	5,790	3,074	4,502	4,362	3,074	4,502	2,934
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	3,206	512	635	3,083	567	1,230	2,420	567	872	2,115
3244-Political Disclosure, Accountability, Transparency, and Access Fund	722	707	768	661	631	668	624	631	627	628
3245-Disability Access and Education Revolving Fund	2,092	861	721	2,232	861	788	2,305	861	756	2,410
3246-Fair Employment and Housing Enforcement and Litigation Fund	2,694	388	36	3,046	500	576	2,970	500	591	2,879
3248-Family Support Subaccount, Sales Tax Account	--	440,789	440,789	--	420,221	420,221	--	412,918	412,918	--
3249-Child Poverty and Family Supplemental Support Subaccount, Sales Tax Account	--	102,919	102,919	--	251,580	251,580	--	358,231	358,231	--
3251-Prepaid Mobile Telephony Services Surcharge Fund	1	--	--	1	--	--	1	--	--	1
3252-CURES Fund	3,893	1,891	1,899	3,885	3,145	3,882	3,148	3,002	2,952	3,198
3254-Business Programs Modernization Fund	3,768	1,911	1,337	4,342	1,864	3,567	2,639	1,864	1,512	2,991
3255-Home Care Fund	1,423	8,878	7,414	2,887	7,201	7,509	2,579	8,717	7,509	3,787
3256-Specialized First Aid Training Program Approval Fund	92	8	--	100	9	--	109	9	--	118
3257-Used Mattress Recycling Fund	2,013	--	12	2,001	--	12	1,989	--	12	1,977

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3258-Mattress Recovery and Recycling Penalty Account, Used Mattress Recycling Fund	22	2	--	24	10	--	34	10	--	44
3259-Recidivism Reduction Fund	7,316	--	--	7,316	--	--	7,316	--	--	7,316
3260-Regional Railroad Accident Preparedness and Immediate Response Fund	1,271	--	--	1,271	-1,086	--	185	--	--	185
3261-Vessel Operator Certification Account, Harbors and Watercraft Revolving Fund	2,035	400	943	1,492	400	1,028	864	400	998	266
3262-Expedited Claim Account, Underground Storage Tank Cleanup Fund	37,714	--	--	37,714	--	--	37,714	--	--	37,714
3263-College Access Tax Credit Fund	1,200	514	859	855	245	518	582	245	479	348
3264-Site Cleanup Subaccount	20,138	500	15,772	4,866	41,650	43,822	2,694	68,350	38,812	32,232
3265-Prepaid MTS PUC Account	32	--	--	32	--	--	32	--	--	32
3266-Prepaid MTS 911 Account	14	--	--	14	--	--	14	--	--	14
3267-Reusable Grocery Bag Fund	656	124	--	780	--	--	780	--	--	780
3268-Senior Citizens and Disabled Citizens Property Tax Postponement Fund	15,336	5,581	6,678	14,239	6,141	7,311	13,069	6,141	6,818	12,392
3270-Local Charges for Prepaid Mobile Telephony Service Fund	141	1,111	1,252	--	1,164	1,164	--	1,164	1,164	--
3273-Employment Opportunity Fund	1,436	--	1,436	--	--	--	--	--	--	--
3274-Social Services Subaccount, Vehicle License Fee Account	--	216,223	216,223	--	212,632	212,632	--	212,632	212,632	--
3276-CaiWORKs Maintenance of Effort Subaccount, Vehicle License Fee Account	--	363,384	363,384	--	367,663	367,663	--	367,663	367,663	--
3278-Mental Health Subaccount, Vehicle License Fee Account	--	--	--	--	51,725	51,725	--	51,725	51,725	--
3279-Health Subaccount, Vehicle License Fee Account	--	1,017,203	1,017,203	--	1,053,168	1,053,168	--	1,053,168	1,053,168	--
3280-General Growth Subaccount, Vehicle License Fee Growth Account	--	291,246	291,246	--	--	--	--	72,363	72,363	--
3281-Family Support Subaccount, Vehicle License Fee Account	--	185,798	185,798	--	182,713	182,713	--	182,713	182,713	--
3282-Child Poverty and Family Supplemental Support Subaccount, Vehicle License Fee Account	--	290,884	290,884	--	412,396	412,396	--	412,396	412,396	--

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3285-Electronic Recording Authorization Fund	126	110	122	114	252	308	58	252	333	-23
3286-Safe Neighborhoods and Schools Fund	5,693	-66,629	-67,852	6,916	-74,363	-75,112	7,665	-83,649	-95,316	19,332
3287-Second Chance Fund	22,658	66,629	62,556	26,731	74,363	75,306	25,788	83,649	95,543	13,894
3288-Cannabis Control Fund	78,414	163,804	114,386	127,832	173,995	174,060	127,767	179,241	163,262	143,746
3290-Road Maintenance and Rehabilitation Account, State Transportation Fund	659,187	3,186,652	3,139,017	706,822	3,507,738	3,671,439	543,121	3,786,876	3,863,967	466,030
3291-Trade Corridor Enhancement Account, State Transportation Fund	652,478	354,403	164,016	842,865	372,208	242,949	972,124	404,973	489,065	888,032
3292-State Project Infrastructure Fund	756,618	-743,903	--	12,715	-117,215	-104,500	--	--	--	--
3295-Education and Research Account	2,105	--	200	1,905	200	228	1,877	200	229	1,848
3297-Major League Sporting Event Raffle Fund	2,309	486	600	2,195	790	729	2,256	790	744	2,302
3299-Oil and Gas Environmental Remediation Account	109	29	6	132	1,311	54	1,389	200	71	1,518
3301-Lead-Acid Battery Cleanup Fund	12,265	20,070	11,444	20,891	27,670	14,997	33,564	39,800	14,295	59,069
3302-Safe Energy Infrastructure and Excavation Fund	8,854	-392	4,520	3,942	6,109	5,073	4,978	3,012	4,749	3,241
3303-Ammunition Safety and Enforcement Special Fund	6,152	2,360	2,832	5,680	1,974	3,984	3,670	1,974	3,908	1,736
3304-California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	1	1,341	1,341	1	1,901	1,901	1	1,901	1,606	296
3305-Healthcare Treatment Fund	638,284	875,156	1,041,897	471,543	535,837	929,122	78,258	720,516	785,437	13,337
3306-Graduate Medical Education Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	43,049	36,389	2,747	76,691	36,437	36,966	76,162	36,068	35,866	76,364
3307-State Dental Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	16,130	27,291	32,060	11,361	27,327	25,323	13,365	27,050	27,050	13,365
3308-Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	1,372	--	--	1,372	--	--	1,372	--	--	1,372

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3309-Tobacco Prevention and Control Programs Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	79,091	--	--	79,091	--	--	79,091	--	--	79,091
3310-Medical Research Program Account, California Healthcare, Research and Prevention	108,930	53,363	49,446	112,847	52,400	52,341	112,906	43,934	44,138	112,702
3311-Health Care Services Plan Fines and Penalties Fund	43,151	2,773	26,005	19,919	2,520	12,531	9,908	2,520	12,428	--
3312-Natural Resources and Parks Preservation Fund	95,310	-95,310	--	--	--	-95,310	95,310	--	-50,000	145,310
3313-Southern California Veterans Cemetery Master Development Fund	24,500	--	700	23,800	--	--	23,800	--	--	23,800
3314-California Cannabis Tax Fund	321,377	328,826	2,897	647,306	-65,223	9,879	572,204	59,954	14,419	617,739
3315-Household Movers Fund, Professions and Vocations Fund	3,415	3,649	2,002	5,062	3,782	2,400	6,444	3,839	2,908	7,375
3318-Department of Public Health Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	6,627	5,458	10,094	1,991	5,465	4,948	2,508	5,410	5,410	2,508
3319-Department of Tax and Fee Administration Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	7,929	10,917	4,770	14,076	10,163	6,300	17,939	4,323	4,520	17,742
3320-Department of Justice Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	10,387	33,189	22,590	20,986	32,603	31,991	21,598	32,279	26,821	27,056
3321-Department of Education Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	-488	20,812	12,330	7,994	20,436	27,408	1,022	17,134	17,299	857

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3322-Department of Public Health Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	8,855	117,933	126,788	--	115,804	89,111	26,693	97,094	110,434	13,353
3323-Medi-Cal Emergency Medical Transport Fund	16,817	92,757	97,134	12,440	75,427	57,836	30,031	68,692	54,999	43,724
3324-Safe and Affordable Drinking Water Fund	--	130,000	130,000	--	130,000	130,000	--	130,000	130,000	--
3328-Pharmaceutical and Sharps Stewardship Fund	807	3,833	615	4,025	4,000	3,798	4,227	2,430	3,621	3,036
3329-Mobilehome Dispute Resolution Fund	2,947	2,713	3,753	1,907	3,100	3,958	1,049	3,100	3,958	191
3330-TNC Access for All Fund	21,609	5,711	--	27,320	45,000	45,000	27,320	45,000	45,000	27,320
3331-Medi-Cal Drug Rebate Fund	175,365	1,435,323	1,240,421	370,267	1,562,916	1,474,916	458,267	1,708,339	1,852,874	313,732
3333-Cannabis Tax Fund - Department of Tax and Fee Administration	3,170	12,425	12,425	3,170	9,347	10,708	1,809	9,750	9,750	1,809
3334-The Health Care Services Special Fund	1,031,357	1,738,578	2,769,657	278	2,517,180	2,517,457	1	2,065,534	2,065,534	1
3335-Cannabis Tax Fund - Cannabis Control	--	15,517	15,492	25	--	--	25	13,674	13,674	25
3338-Cannabis Tax Fund - Department of Fish and Wildlife	--	7,783	7,783	--	9,084	9,084	--	10,431	10,431	--
3339-Cannabis Tax Fund - State Water Resources Control Board	--	10,097	10,097	--	10,728	10,728	--	10,723	10,723	--
3340-Cannabis Tax Fund - Department of Pesticide Regulation	939	3,418	2,864	1,493	2,726	4,219	--	2,729	2,729	--
3341-Cannabis Tax Fund - State Controller's Office	--	--	--	--	--	--	--	502	502	--
3342-Cannabis Tax Fund - Department of Finance	--	--	--	--	440	440	--	--	--	--
3345-Cannabis Tax Fund - Employment Development Department	2,531	3,633	3,633	2,531	3,630	3,630	2,531	3,630	3,630	2,531
3346-Cannabis Tax Fund - Department of Cannabis Control - Allocation 2	10,000	10,000	2,678	17,322	10,000	10,000	17,322	10,000	10,000	17,322
3347-Cannabis Tax Fund - California Highway Patrol - Allocation 2	2,572	3,000	1,557	4,015	3,000	7,015	--	3,000	3,000	--



**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3348-Cannabis Tax Fund - Governor's Office of Business and Economic Development - Allocation 2	386	30,000	30,000	386	40,000	40,000	386	50,000	50,000	386
3349-Cannabis Tax Fund - University of California San Diego Center for Medicinal Cannabis Research - Allocation 2	2,000	2,000	4,000	--	2,000	2,000	--	2,000	2,000	--
3350-Cannabis Tax Fund - Department of Health Care Services, Youth Education, Prevention, Early Intervention and Treatment Account - Allocation 3	15,147	202,688	202,688	15,147	401,766	401,766	15,147	356,921	356,921	15,147
3351-Cannabis Tax Fund - Department of Fish and Wildlife, Environmental Restoration and Protection Account - Allocation 3	--	41,356	41,356	--	80,353	80,353	--	71,384	71,384	--
3352-Cannabis Tax Fund - Department of Parks and Recreation, Environmental Restoration and Protection Account - Allocation 3	--	24,691	24,691	--	53,569	53,569	--	47,590	47,590	--
3353-Cannabis Tax Fund - California Highway Patrol, State and Local Government Law Enforcement Account - Allocation 3	12,648	22,508	2,293	32,863	42,006	74,869	--	50,000	50,000	--
3354-Cannabis Tax Fund - Board of State and Community Corrections, State and Local Government Law Enforcement Account - Allocation 3	27,511	45,464	10,270	62,705	60,215	93,903	29,017	60,215	68,974	20,258
3357-The Supportive Housing Program Subaccount, Mental Health Services Fund	--	107,952	107,952	--	140,000	140,000	--	140,000	140,000	--
3360-Financial Empowerment Fund	--	5,360	1,060	4,300	--	1,340	2,960	--	1,386	1,574
3361-California Earthquake Safety Fund	--	17,283	17,283	--	--	--	--	--	--	--
3362-PACE Oversight Fund of the State Department of Health Care Services	--	90	87	3	771	748	26	778	803	1
3363-Financial Protection Fund	29	257,032	104,025	153,036	112,062	132,957	132,141	112,785	140,958	103,968
3364-Department of Fish and Wildlife - California Environmental Quality Act Fund	--	6,290	5,517	773	6,290	5,789	1,274	6,290	6,484	1,080

**SCHEDULE 10 AT 2022-23 GOVERNOR'S BUDGET  
SUMMARY OF FUND CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Beginning Reserve 2022-23	Revenues 2022-23	Expenditures 2022-23	Ending Reserve 2022-23
3366-California Electronic Cigarette Excise Tax Fund	--	--	--	--	3,000	3,000	--	1,397	1,397	--
3372-Data Brokers' Registry Fund	113	251	50	314	187	189	312	187	228	271
3373-Building Initiative for Low-Emissions Development Program Fund	--	40,000	40,000	--	20,018	20,000	18	20,018	20,000	36
3375-Loan Repayment Program Account, Healthcare Treatment Fund	--	--	--	--	323,523	28,477	295,046	11,724	41,400	265,370
3376-Cannabis Tax Fund - Governor's Office of Business and Economic Development	--	--	--	--	15,573	15,573	--	15,574	15,574	--
3377-Center for Data Insights and Innovation Fund	--	--	--	--	443	443	--	443	443	--
3378-Small Business Hiring Credit Fund	--	--	-100,000	100,000	--	-32,000	132,000	--	--	132,000
3379-Golden State Stimulus Emergency Fund	--	--	-16,000	16,000	--	--	16,000	--	--	16,000
3380-Horse and Jockey Safety and Welfare Account	--	490	--	490	978	898	570	978	898	650
3381-Health Care Affordability Reserve Fund	--	--	--	--	333,439	--	333,439	--	--	333,439
3390-Mercury Thermostat Collection Program Fund	--	--	--	--	--	--	--	281	281	--
3391-Small and Rural Hospital Relief Fund	--	--	--	--	--	--	--	2,442	2,442	--
3392-Nesting Bird Habitat Incentive Program Account, Fish and Game Preservation Fund	--	--	--	--	--	--	--	2,100	699	1,401
3394-California Electronic Cigarette Excise Tax Fund, HPCOP	--	--	--	--	--	--	--	1,221	1,221	--
3395-California Electronic Cigarette Excise Tax Fund, UC Medical Education	--	--	--	--	--	--	--	1,709	1,709	--
3397-Opioid Settlement Fund	--	--	--	--	--	--	--	--	60,000	-60,000
8059-State Community Corrections Performance Incentive Fund	431	--	-66	497	--	7	490	--	7	483
8080-Clean Energy Job Creation Fund	123,616	--	--	123,616	-61,476	--	62,140	--	--	62,140
8507-Home & Community-Based Services American Rescue Plan Fund	--	--	--	--	--	-1,255,211	1,255,211	--	392,294	862,917
<b>Totals, Special Funds</b>	<b>\$43,742,145</b>	<b>\$54,465,888</b>	<b>\$58,560,327</b>	<b>\$39,647,706</b>	<b>\$70,870,118</b>	<b>\$64,086,655</b>	<b>\$46,431,169</b>	<b>\$65,751,793</b>	<b>\$65,302,785</b>	<b>\$46,880,177</b>
<b>GRAND TOTALS</b>	<b>\$50,073,705</b>	<b>\$248,598,351</b>	<b>\$222,013,452</b>	<b>\$76,658,604</b>	<b>\$267,539,294</b>	<b>\$274,116,424</b>	<b>\$70,081,474</b>	<b>\$261,470,282</b>	<b>\$278,429,586</b>	<b>\$53,122,170</b>

**SCHEDULE 11 AT 2022-23 GOVERNOR'S BUDGET**  
**STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA**  
(Dollars in Thousands)

(This statement does not include bonds issued under authority of state instrumentalities that are not general obligations of the State of California)

Fund	Bond Act	Final Maturity	General Obligation Bonds				Proposed Sales		As of December 1, 2021	As of December 1, 2021			
			Authorized	Unissued	Outstanding	Redeemed **	Jan-June 2022	Jul-Dec 2022			Resolution Authorization	Commercial Paper Outstanding	
6032	LEGISLATIVE, JUDICIAL, EXECUTIVE												
	Voting Modernization (2002)	2029	\$2,000,000	\$19,260	\$41,125	\$145,615	\$0	\$0	\$13,260	\$1,035			
	Total, Legislative, Judicial, Executive		\$2,000,000	\$19,260	\$41,125	\$145,615	\$0	\$0	\$13,260	\$1,035			
0714	BUSINESS, CONSUMER SERVICES & HOUSING												
	Housing & Homeless (1990)	2022	\$150,000	\$0	\$190	\$149,810	\$0	\$0	\$0	\$0			
6037	Housing and Emergency Shelter (2002)	2040	2,100,000	71,395	106,135	1,922,470	14,849	22,286	64,395	0			
6066	Housing and Emergency Shelter (2006)	2046	2,850,000	262,330	844,210	1,743,460	19,318	15,304	193,130	16,985			
6082	Veterans Housing and Homeless Prevention (2014)	2031	6,000,000	387,040	157,570	55,390	44,727	49,560	88,560	48,560			
6089	Veterans and Affordable Housing (2018)	2031	3,000,000	2,782,420	169,150	48,430	104,286	121,898	62,420	47,380			
	Total, Business, Consumer Services & Housing		\$8,700,000	\$3,503,185	\$1,277,255	\$3,919,560	\$163,180	\$178,608	\$418,505	\$113,925			
0703	TRANSPORTATION												
	Clean Air & Transp Improv (1990)	2039	\$1,990,000	\$0	\$306,795	\$1,683,205	\$0	\$0	\$0	\$0			
6053	Highway Safe, Traffic Red, Air Qual, Port, Sec (2006)	2047	19,925,000	760,555	14,218,680	\$4,945,765	86,692	73,825	119,815	103,085			
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	0	935	\$999,065	0	0	0	0			
6043	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2048	9,990,000	5,301,455	3,001,940	\$1,646,605	1,431,670	1,519,129	5,301,455	67,970			
0653	Seismic Retrofit (1996)	2039	2,000,000	0	695,670	\$1,304,330	0	0	0	0			
	Total, Transportation		\$34,865,000	\$6,062,010	\$18,224,020	\$10,576,970	\$1,518,362	\$1,592,954	\$5,421,270	\$171,055			
6088	NATURAL RESOURCES												
	Ca Drought, Water, Parks, Climate, Coastal Protection (2018)	2045	\$4,100,000	\$3,631,875	\$163,875	\$284,250	\$336,356	\$426,438	\$812,575	\$243,865			
0722	* Ca Park & Recreational Facil (1984) <sup>1)</sup>	2027	368,900	0	3,885	365,015	0	0	0	0			
0721	* Ca Parklands (1980)	2024	285,000	0	480	284,520	0	0	0	0			
0707	* Ca Safe Drinking Water (1976) <sup>1)</sup>	2027	172,500	0	1,330	171,170	0	0	0	0			
0707	* Ca Safe Drinking Water (1984)	2027	75,000	0	680	74,320	0	0	0	0			
0707	* Ca Safe Drinking Water (1986)	2030	100,000	0	8,455	91,545	0	0	0	0			
0793	Ca Safe Drinking Water (1988)	2040	75,000	0	13,245	61,755	0	0	0	0			
6001	Ca Safe Drinking Water (2000) <sup>4)</sup>	2040	1,884,000	43,346	1,025,355	815,299	0	0	43,346	0			
6051	Ca Safe Drinking Water (2006) <sup>4)</sup> & <sup>5)</sup>	2047	5,266,357	814,697	3,249,765	1,201,895	67,315	65,229	224,035	125,020			
0786	* Ca Wildlife, Coast, & Park Land Cons (1988) <sup>1)</sup>	2032	768,670	0	42,035	726,635	0	0	0	0			
0740	* Clean Water (1984)	2024	325,000	0	2,605	322,395	0	0	0	0			
6029	Clean Water, Clean Air, and Parks (2002) <sup>6)</sup>	2046	2,596,643	125,373	1,640,835	830,435	13,481	13,481	109,623	22,260			
0716	* Community Parklands (1986)	2022	100,000	0	415	99,585	0	0	0	0			
6052	Disaster Prep and Flood Prevent (2006) <sup>4)</sup>	2050	3,990,000	530,542	2,720,200	739,258	124,814	126,456	222,290	110,080			
0742	* Fish & Wildlife Habitat Enhance (1984)	2033	85,000	0	2,720	82,280	0	0	0	0			
0402	Safe, Clean, Reliable Water Supply (1986) <sup>4)</sup>	2040	969,500	62,915	343,105	563,480	0	0	62,915	0			
0005	Safe Neighborhood Parks (2000)	2046	2,100,000	21,000	976,220	1,100,780	2,754	2,732	21,000	9,295			
0742	* State, Urban & Coastal Park (1976)	2029	280,000	0	1,405	278,595	0	0	0	0			
0744	* Water Conserv & Water Quality (1986) <sup>4)</sup>	2031	136,500	230	10,005	126,265	0	0	230	0			
0790	Water Conserv (1986) <sup>4)</sup>	2036	54,765	0	7,905	46,860	0	0	0	0			
6031	Water Security, Coastal & Beach Protection (2002) <sup>4)</sup>	2046	3,345,000	215,084	2,196,645	933,271	13,541	10,753	59,174	37,100			
6083	Water Quality, Supply, and Infrastructure Improvement (2014) <sup>5)</sup>	2050	7,465,000	5,493,490	1,525,115	446,395	225,704	247,813	535,920	248,855			
	Total, Natural Resources		\$34,542,835	\$10,938,552	\$13,958,280	\$9,646,003	\$783,965	\$892,902	\$2,091,108	\$796,475			
0737	ENVIRONMENTAL PROTECTION												
	Clean Water & Water Conserv (1978)	2028	\$375,000	\$0	\$1,715	\$373,285	\$0	\$0	\$0	\$0			
0764	Clean Water & Water Reclam (1988)	2029	65,000	0	6,935	58,065	0	0	0	0			
	Total, Environmental Protection		\$440,000	\$0	\$8,650	\$431,350	\$0	\$0	\$0	\$0			
6046	HEALTH AND HUMAN SERVICES												
	Children's Hospital Projects (2004)	2040	\$750,000	\$1,530	\$526,110	\$222,360	\$0	\$0	\$1,530	\$0			
6079	Children's Hospital Projects (2008)	2047	980,000	60,395	777,165	142,440	250	250	60,395	250			
6090	Children's Hospital (2018)	2039	1,500,000	1,376,600	7,880	115,520	13,250	11,089	376,950	113,210			
	Total, Health and Human Services		\$3,230,000	\$1,438,525	\$1,311,155	\$480,320	\$13,500	\$11,339	\$438,875	\$113,460			
0711	YOUTH AND ADULT CORRECTIONAL												
	Co Corr Facil Cap Expend (1986)	2022	\$495,000	\$0	\$2,075	\$492,925	\$0	\$0	\$0	\$0			
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2029	500,000	0	15,215	484,785	0	0	0	0			
0746	* New Prison Construction (1986)	2034	500,000	0	905	499,095	0	0	0	0			
0747	New Prison Construction (1988)	2030	817,000	1,245	2,195	813,560	1,245	1,245	1,245	0			
0751	New Prison Construction (1990)	2029	450,000	605	585	448,810	0	0	307	0			
	Total, Youth and Adult Correctional		\$2,762,000	\$1,850	\$20,975	\$2,739,175	\$0	\$0	\$1,552	\$0			

**SCHEDULE 11 AT 2022-23 GOVERNOR'S BUDGET**  
**STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA**  
(Dollars in Thousands)

(This statement does not include bonds issued under authority of state instrumentalities that are not general obligations of the State of California)

Fund	Bond Act	Final Maturity	General Obligation Bonds				Proposed Sales			As of December 1, 2021	
			Authorized	Unissued	Outstanding	Redeemed **	Jan-June 2022	Jul-Dec 2022	Resolution Authorization	Commercial Paper Outstanding	
<b>EDUCATION--K-12</b>											
0794	Ca Library Constr & Renov (1988) <sup>v</sup>	2030	\$72,405	\$0	\$3,870	\$68,535	\$0	\$0	\$0	\$0	\$0
6000	Ca Library Constr & Renov (2000)	2040	350,000	5,040	194,150	150,810	0	0	5,040	0	0
0119	Class Size Reduction K-U Pub. Ed. Facil (1988) K-12	2039	2,497,005	100	2,497,005	4,202,895	0	0	100	0	0
0657	Public Education Facil (1996) K-12 <sup>2)</sup>	2034	2,012,035	0	422,140	1,589,895	0	0	0	0	0
6036	Public Education Facil (2002) K-12	2046	11,400,000	5,455	6,788,525	4,605,020	45	1,534	5,455	785	0
6044	Public Education Facil (2004) K-12	2046	10,000,000	16,160	6,306,325	3,677,515	0	8,487	16,160	3,460	0
6057	Public Education Facil (2006) K-12	2048	7,329,000	170,120	5,280,505	1,878,375	8,287	18,372	170,120	12,005	0
6086	Public Education Facil (2016) K-12	2051	7,000,000	2,175,765	4,217,410	606,825	773,444	729,271	60,205	15,985	0
0739	* School Bldg & Earthquake (1974)	2026	150,000	0	6,650	143,350	0	0	0	0	0
0708	School Facilities (1990)	2033	800,000	0	40,770	759,230	0	0	0	0	0
0745	School Facilities (1992)	2036	1,900,000	10,280	118,720	1,771,000	0	0	10,280	0	0
0776	1988 School Facil Bond Act (Nov) <sup>v</sup>	2032	797,745	0	16,800	780,945	0	0	0	0	0
0774	1990 School Facil Bond Act (Jun) <sup>v</sup>	2032	797,875	0	24,590	773,285	0	0	0	0	0
0765	1992 School Facil Bond Act (Nov) <sup>v</sup>	2035	888,211	0	61,495	826,716	0	0	0	0	0
	Total, Education--K-12		\$50,207,271	\$2,382,920	\$25,979,955	\$21,844,396	\$781,776	\$757,664	\$267,360	\$32,235	
<b>HIGHER EDUCATION</b>											
0574	Class Size Reduction K-U Pub. Ed. Facil (1988) HI-Ed	2039	\$2,500,000	\$0	\$1,222,070	\$1,277,930	\$0	\$0	\$0	\$0	\$0
0785	Higher Education Facil (1988)	2032	600,000	0	8,525	591,475	0	0	0	0	0
0791	Higher Education Facil (Jun 1990)	2040	450,000	540	14,650	434,810	0	0	540	0	0
0705	Higher Education Facil (Jun 1992)	2040	900,000	0	95,300	804,700	0	0	0	0	0
0658	Public Education Facil (1996) HI-Ed	2032	975,000	4,650	286,065	684,285	0	0	4,650	0	0
6028	Public Education Facil (2002) HI-Ed	2039	1,650,000	0	1,028,950	621,050	0	0	0	0	0
6041	Public Education Facil (2004) HI-Ed	2040	2,300,000	58,019	1,619,445	622,536	0	0	58,019	0	0
6048/6049	Public Education Facil (2006) HI-Ed	2043	3,087,000	38,775	2,408,860	638,365	0	0	38,775	0	0
6087	Public Education Facil (2016) CCC	2051	2,000,000	1,504,170	463,585	32,245	374,214	209,663	213,960	15,720	0
6047	Stem Cell Research and Cures (2004)	2039	3,000,000	122,590	1,007,690	1,869,720	19,761	6,835	122,590	10,985	0
6091	Stem Cell Research and Cures (2020)	2031	5,500,000	5,319,365	180,635	0	102,872	88,730	119,365	0	0
	Total, Higher Education		\$22,962,000	\$7,048,109	\$8,336,775	\$7,577,116	\$496,847	\$305,228	\$557,899	\$26,705	
<b>GENERAL GOVERNMENT</b>											
0768	Earthquake Safety & Public Bldg. Rehab (1980) <sup>6)</sup>	2030	\$292,510	\$0	\$14,085	\$278,425	\$0	\$0	\$0	\$0	\$0
0701	Veterans' Homes (2000)	2039	50,000	975	30,055	18,970	0	0	975	0	0
	Total, General Government		\$342,510	\$975	\$44,140	\$297,395	\$0	\$0	\$975	\$0	\$0
	Total, All Agencies		\$168,251,616	\$31,389,386	\$69,202,330	\$57,659,900	\$3,777,630	\$3,738,695	\$9,210,804	\$1,254,890	
<b>SELF-LIQUIDATING BONDS ***</b>											
	* Ca Water Resources Dev (1959)	2024	\$1,750,000	\$167,600	\$2,005	\$1,580,395	\$0	\$0	\$0	\$0	\$0
	Veterans and Affordable Housing (2018) CalVet	2050	1,000,000	803,365	182,305	14,330	0	0	803,365	0	0
	Veterans Bonds <sup>3)</sup>	2048	2,960,000	0	356,985	2,603,035	0	0	0	0	0
	Total, Self-Liquidating Bonds		\$5,710,000	\$970,965	\$541,275	\$4,197,760	\$0	\$0	\$803,365	\$0	\$0
	<b>Total</b>		<b>\$163,961,616</b>	<b>\$32,360,351</b>	<b>\$69,743,605</b>	<b>\$61,857,660</b>	<b>\$3,777,630</b>	<b>\$3,738,695</b>	<b>\$10,014,169</b>	<b>\$1,254,890</b>	

\* Bond acts not legally permitted to utilize commercial paper

\*\* Reflects the amount of authorization for each bond act that has been reduced as a result of general obligation bonds redeemed or commercial paper redeemed or issued

\*\*\* The Self-Liquidating bonds are public service enterprises that have dedicated revenues to finance the respective debt service expenditures

<sup>1/</sup> Chapter 39, Statutes of 2012 (SB 1018), reduced the voter authorized amount

<sup>2/</sup> Chapter 39, Statutes of 2012 (SB 1018) & Chapter 28, Statutes of 2013 (SB 71), reduced the voter authorized amount

<sup>3/</sup> Chapter 727, Statutes of 2013 (AB 639), reduced the voter authorized amount

<sup>4/</sup> Chapter 188, Statutes of 2014 (AB 1471), reduced the voter authorized amount

<sup>5/</sup> Chapter 652, Statutes of 2017 (SB 5), reduced the voter authorized amount

<sup>6/</sup> Chapter 18, Statutes of 2020 (AB 92) reduced the voter authorized amount

Source:  
State Treasurer's Office, all information except "Proposed Sales"  
Department of Finance, information under "Proposed Sales"

**Schedule 12A AT 2022-23 GOVERNOR'S BUDGET  
STATE APPROPRIATIONS LIMIT SUMMARY**

(Dollars in Millions)

	2020-21		2021-22		2022-23	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
<b>Schedule 8</b>						
Revenues and Transfers	\$194,132	\$54,466	\$196,669	\$70,870	\$195,718	\$65,752
Less/Add: Transfers	-8,040	6,448	-2,840	-6,293	1,915	-1,877
		<u>Total</u>		<u>Total</u>		<u>Total</u>
		\$248,598		\$267,539		\$261,470
		-1,592		-9,133		38
<b>Schedule 12B</b>						
Less: Revenues to Excluded Funds	0	-23,590	0	-22,956	0	-20,483
<b>Schedule 12C</b>						
Less: Non-Tax Revenues to Included Funds	-2,142	-6,225	-5,062	-6,558	-7,194	-6,798
<b>Schedule 12D</b>						
Add: Transfers from Other Funds to Included Funds	314	-142	230	-154	246	-162
<b>TOTAL, SAL REVENUES AND TRANSFERS</b>	<u>\$184,264</u>	<u>\$30,957</u>	<u>\$188,997</u>	<u>\$34,909</u>	<u>\$190,685</u>	<u>\$36,432</u>
		172		77		85
		<u>\$215,221</u>		<u>\$223,907</u>		<u>\$227,118</u>
<b>Schedule 12E</b>						
Less: Exclusions	-55,338	-25,025	-86,774	-27,830	-73,129	-28,314
<b>TOTAL, SAL APPROPRIATIONS</b>		<u>\$134,858</u>		<u>\$109,303</u>		<u>\$125,675</u>
		-80,363		-114,604		-101,443
<b>CALCULATION OF LIMIT ROOM</b>						
Appropriations Limit (Sec. 12.00)		\$115,860		\$125,695		\$131,365
Less: Total SAL Appropriations		134,858		109,303		125,675
Appropriation Limit Room		<u>-\$18,998</u>		<u>\$16,392</u>		<u>\$5,690</u>

**SCHEDULE 12B AT 2022-23 GOVERNOR'S BUDGET  
REVENUES TO EXCLUDED FUNDS**  
(Dollars in Thousands)

	<b>Actual 2020-21</b>	<b>Estimated 2021-22</b>	<b>Estimated 2022-23</b>
<b>MAJOR REVENUES:</b>			
4110400-Cigarette Tax	\$1,889,994	\$1,885,979	\$1,638,197
4114000-Mobilehome In-Lieu Tax	1,458	1,864	1,864
4115600-Motor Vehicles - Other Fees	190,041	187,980	188,315
<b>Total, MAJOR TAXES AND LICENSES</b>	<b>\$2,081,493</b>	<b>\$2,075,823</b>	<b>\$1,828,376</b>
<b>MINOR REVENUES:</b>			
<b>REGULATORY TAXES AND LICENSES:</b>			
4120000-Beverage Container Redemption Fees	\$1,535,041	\$1,288,874	\$1,288,874
4120400-Building Construction Filing Fees - Physically Handicapped	15,283	15,589	15,589
4120700-Cannabis Licensing Fees	4,731	171,731	176,883
4120800-Corporation Fees - Domestic Corporations	14,177	14,177	14,177
4121000-Corporation Fees - Foreign Corporations	1,372	1,369	1,369
4121200-Delinquent Fees	28,438	12,685	13,507
4121600-Elevator and Boiler Inspection Fees	29,462	33,660	35,660
4121800-Employment Agency Filing Fees	615	500	500
4122000-Employment Agency License Fees	5,337	5,255	5,255
4122200-Energy Resources Surcharge	523,992	673,716	678,216
4122800-Filing Financing Statements	3,472	3,472	3,472
4123000-Fish and Game - Licenses, Tags, and Permits	122,821	117,512	123,695
4123200-Fish and Game - Taxes	2,484	2,484	2,484
4123400-Genetic Disease Testing Fees	141,634	131,576	180,026
4123720-Horse Racing Licenses	18,674	18,411	18,334
4123740-Horse Racing Miscellaneous	52	2	2
4123800-Industrial Homework Fees	1	1	1
4124000-Insurance Company - Examination Fees	25,040	23,448	28,725
4124200-Insurance Company - License Fees and Penalties	70,215	73,757	77,029
4124400-Insurance Company - General Fees	37,191	39,589	40,911
4124600-Insurance Company - Proposition 103 Fees	35,622	38,099	40,202
4124800-Insurance Fraud Assessment - Automobile	52,931	53,095	53,258
4125000-Insurance Fraud Assessment - General	13,587	13,360	13,360
4125200-Insurance Fraud Assessment - Workers Compensation	78,345	78,345	86,136
4125400-Liquor License Fees	71,946	43,780	62,714
4125600-New Motor Vehicle Dealer License Fee	1,758	1,959	1,959
4125800-Notary Public License Fees	906	905	905
4126000-Off Highway Vehicle Fees	17,137	17,000	17,000
4126400-Processing Fee	333	334	334
4126600-Public Utilities Commission - Quarterly Fees	317,145	352,200	269,500
4126800-Public Utilities Commission - Penalties on Quarterly Fees	--	2	2
4127000-Real Estate - Examination Fees	4,005	4,163	4,163
4127200-Real Estate - License Fees	44,057	40,283	40,873
4127300-Refinery Fees	4,293	4,293	4,293
4127400-Renewal Fees	433,106	398,228	414,421
4128000-Subdivision Filing Fees	8,216	8,334	8,334
4128400-Teacher Credential Fees	23,150	12,236	13,818
4128600-Teacher Examination Fees	2,352	3,267	--
4129000-Other Fees and Licenses	18,989	10,678	10,678
4129200-Other Regulatory Fees	7,865,258	7,198,841	6,006,708
4129400-Other Regulatory Licenses and Permits	844,392	900,688	991,854
4129600-Other Regulatory Taxes	141,719	114,815	143,967
<b>Total, REGULATORY TAXES AND LICENSES</b>	<b>\$12,559,279</b>	<b>\$11,922,713</b>	<b>\$10,889,188</b>
<b>REVENUE FROM LOCAL AGENCIES:</b>			
4130000-Architecture Public Building Fees	\$78,858	\$80,435	\$80,435
4131000-Crimes of Public Offense Fines	22,015	20,000	20,000
4131500-Felony Conviction Penalties	37,144	40,002	40,002
4132000-Fingerprint Identification Card Fees	69,160	73,760	73,760
4132500-Fish and Game Fines	513	513	513
4133000-Fish and Game Fines - Additional Assessments	57	57	57

**SCHEDULE 12B AT 2022-23 GOVERNOR'S BUDGET  
REVENUES TO EXCLUDED FUNDS**  
(Dollars in Thousands)

	<b>Actual 2020-21</b>	<b>Estimated 2021-22</b>	<b>Estimated 2022-23</b>
4134000-Local Agencies - Interest on Loans	286	255	297
4134500-Local Agencies - Cost Recoveries	100	100	100
4135000-Local Agencies - Miscellaneous Revenue	1,136,310	640,253	643,595
4136500-Traffic Violation Penalties	9	--	--
<b>Total, REVENUE FROM LOCAL AGENCIES</b>	<b>\$1,344,452</b>	<b>\$855,375</b>	<b>\$858,759</b>
<b>SERVICES TO THE PUBLIC:</b>			
4140000-Document Sales	\$4,081	\$4,197	\$4,226
4140500-Emergency Telephone User's Surcharge	184,514	184,424	184,514
4142500-License Plate Fees - Personalized Plates	75,071	76,981	78,067
4143500-Miscellaneous Services to the Public	165,409	129,616	131,824
4144000-Parental Fees	-197	360	1,100
4144500-Parking Lot Revenues	14,132	14,326	14,326
4145500-Secretary of State - Fees	46,304	46,224	6,428
4146000-State Beach and Park Service Fees	129,343	129,343	130,243
<b>Total, SERVICES TO THE PUBLIC</b>	<b>\$618,657</b>	<b>\$585,471</b>	<b>\$550,728</b>
<b>USE OF PROPERTY AND MONEY:</b>			
4150000-Geothermal Resources Well Fees	\$3,272	\$3,722	\$3,722
4150500-Interest Income - Interfund Loans	571	132	132
4151000-Interest Income - Other Loans	4,323	5,154	5,154
4151500-Miscellaneous Revenue - Use of Property and Money	19,939	20,089	20,089
4152500-Rental of State Property	11,271	14,549	12,243
4154000-Royalties - Federal Land	23,538	23,871	23,871
4160000-Investment Income - Condemnation Deposits Fund	115	115	115
4161000-Investment Income - Other	263	263	263
4162000-Investment Income - Pooled Money Investments	381	356	356
4163000-Investment Income - Surplus Money Investments	113,109	87,309	86,624
<b>Total, USE OF PROPERTY AND MONEY</b>	<b>\$176,782</b>	<b>\$155,560</b>	<b>\$152,569</b>
<b>MISCELLANEOUS:</b>			
4170400-Capital Asset Sales Proceeds	\$224	\$456	\$456
4170600-Carbon Allowances Auction Proceeds	2,623,651	3,560,000	2,297,000
4170700-Civil and Criminal Violation Assessment	93,916	115,179	107,416
4170800-Confiscated Property Sales	9	9	9
4171000-Cost Recoveries - Delinquent Receivables	159	180	180
4171100-Cost Recoveries - Other	108,140	108,087	109,087
4171200-Court Filing Fees and Surcharges	485,545	500,813	499,882
4171300-Donations	3,171	2,743	2,743
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	8,101	6,482	6,463
4171500-Escheat - Unclaimed Property	--	8	8
4172000-Fines and Forfeitures	179,468	173,831	173,447
4172200-Fine and Penalties - Horse Racing	--	253	253
4172500-Miscellaneous Revenue	2,283,272	2,242,219	2,360,140
4172800-Parking Violations	4,591	4,591	4,591
4172900-Penalty Assessments - Criminal Fines	117,884	111,407	100,160
4173000-Penalty Assessments - Other	473,394	182,111	180,015
4173100-Personal Income Tax - Penalties and Interest	23,598	23,598	23,598
4173400-Settlements and Judgments - Anti-Trust Actions - Attorney General	9,779	12,055	12,055
4173500-Settlements and Judgments - Other	220,555	102,374	104,481
4173600-State Public Land Sales	--	--	10,429
4173800-Traffic Violations	13,550	11,497	10,089
4173900-Tribal Gaming Revenues	64,848	65,224	65,224
4174100-Unemployment and Disability Insurance Contributions - Penalties and Interest	103,266	145,799	144,035
4180050-Cash Adjustment for Transportation Funds	-7,890	-7,995	-8,229
4521000-Impound Revenue	30	0	0
<b>Total, MISCELLANEOUS</b>	<b>\$6,809,261</b>	<b>\$7,360,921</b>	<b>\$6,203,532</b>
<b>TOTAL, MINOR REVENUES</b>	<b>\$21,508,431</b>	<b>\$20,880,040</b>	<b>\$18,654,776</b>
<b>TOTALS, Revenue to Excluded Funds (MAJOR and MINOR)</b>	<b>\$23,589,924</b>	<b>\$22,955,863</b>	<b>\$20,483,152</b>

**SCHEDULE 12C AT 2022-23 GOVERNOR'S BUDGET  
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT**

(Dollars in Thousands)

	Actual 2020-21		Estimated 2021-22		Estimated 2022-23	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
<b>MAJOR REVENUES:</b>						
4113000-Identification Card Fees	\$0	\$34,098	\$0	\$34,029	\$0	\$33,960
4113800-Lien Sale Application Fees	0	662	0	576	0	502
4115000-Motor Vehicles - Driver's License Fees	2	329,617	0	266,694	0	353,516
4115401-Motor Vehicles - Registration Fees - SAL Excludable	0	3,513,604	0	3,833,256	0	3,905,886
4115450-Transportation Improvement Fee	0	1,909,883	0	1,989,882	0	2,069,078
4115600-Motor Vehicles - Other Fees	0	83,807	0	86,498	0	89,265
<b>Total, MAJOR TAXES AND LICENSES</b>	<b>\$2</b>	<b>\$5,871,671</b>	<b>\$0</b>	<b>\$6,210,935</b>	<b>\$0</b>	<b>\$6,452,207</b>
<b>MINOR REVENUES:</b>						
<b>REGULATORY TAXES AND LICENSES:</b>						
4120600-Candidate Filing Fee	24	0	1,720	0	625	0
4123000-Fish and Game - Licenses, Tags, and Permits	0	1,288	0	0	0	0
4123720-Horse Racing Licenses	416	0	0	0	0	0
4123740-Horse Racing Miscellaneous	1	0	0	0	0	0
4125400-Liquor License Fees	0	1,104	0	1,114	0	1,125
4126000-Off Highway Vehicle Fees	0	6,766	0	6,828	0	6,891
4126400-Processing Fee	650	0	783	0	783	0
4129200-Other Regulatory Fees	2,102	5,632	1,711	7,570	1,711	7,570
4129400-Other Regulatory Licenses and Permits	6,727	34,884	5,346	47,383	5,046	49,593
4129600-Other Regulatory Taxes	0	19,986	0	27,600	0	39,600
<b>Total, REGULATORY TAXES AND LICENSES</b>	<b>\$9,920</b>	<b>\$69,660</b>	<b>\$9,560</b>	<b>\$90,495</b>	<b>\$8,165</b>	<b>\$104,779</b>
<b>REVENUE FROM LOCAL AGENCIES:</b>						
4131000-Crimes of Public Offense Fines	50	0	56	0	57	0
4134500-Local Agencies - Cost Recoveries	27,501	5,836	31,168	5,601	28,936	5,375
4135000-Local Agencies - Miscellaneous Revenue	183,705	3	162,509	1	120,180	1
4135500-Narcotic Fines	1,249	0	1,000	0	1,000	0
<b>Total, REVENUE FROM LOCAL AGENCIES</b>	<b>\$212,505</b>	<b>\$5,839</b>	<b>\$194,733</b>	<b>\$5,602</b>	<b>\$150,173</b>	<b>\$5,376</b>
<b>SERVICES TO THE PUBLIC:</b>						
4140000-Document Sales	163	2,542	155	3,737	155	3,768
4141000-Fire Prevention and Suppression	0	12	0	0	0	0
4142500-License Plate Fees - Personalized Plates	0	2	0	1	0	1
4143000-Medicare Receipts - Federal Government	1,859	0	1,890	0	1,890	0
4143500-Miscellaneous Services to the Public	714	79,516	726	79,595	3,691	79,674
4144500-Parking Lot Revenues	0	495	0	494	0	494
4145000-Pay Patients Board Charges	211	0	205	0	205	0
4145500-Secretary of State - Fees	159	0	166	0	166	0
<b>Total, SERVICES TO THE PUBLIC</b>	<b>\$3,106</b>	<b>\$82,567</b>	<b>\$3,142</b>	<b>\$83,827</b>	<b>\$6,107</b>	<b>\$83,937</b>
<b>USE OF PROPERTY AND MONEY</b>						
4151500-Miscellaneous Revenue - Use of Property and Money	1,832	4,430	1,835	804	1,835	417
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	156	0	234	0	209	0
4152500-Rental of State Property	17,782	54,098	22,027	54,652	20,931	49,406
4155000-Royalties - State Lands	74,008	0	100,052	0	73,802	0
<b>Total, USE OF PROPERTY AND MONEY</b>	<b>\$93,778</b>	<b>\$58,528</b>	<b>\$124,148</b>	<b>\$55,456</b>	<b>\$96,777</b>	<b>\$49,823</b>
<b>MISCELLANEOUS:</b>						
4170100-Abandoned Property Revenue	623,973	0	492,066	0	506,016	0
4170700-Civil and Criminal Violation Assessment	513	251	300	325	300	325
4170800-Confiscated Property Sales	8,776	0	7,500	0	7,500	0
4171000-Cost Recoveries - Delinquent Receivables	6	129	6	115	6	115
4171100-Cost Recoveries - Other	707,606	3,977	3,751,603	6,047	6,046,573	6,047
4171300-Donations	50	0	0	0	0	0
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	100,206	2,616	97,648	2,612	97,648	2,789
4171500-Escheat - Unclaimed Property	15	0	0	0	0	0
4172000-Fines and Forfeitures	1,285	0	2,393	0	2,393	0
4172200-Fine and Penalties - Horse Racing	116	0	0	0	0	0
4172400-Forest Product Sales	0	54,012	0	46,000	0	46,000
4172500-Miscellaneous Revenue	74,695	24,279	146,416	4,994	36,621	6,014
4172800-Parking Violations	11,053	0	11,500	0	11,500	0
4173000-Penalty Assessments - Other	53,716	3,195	43,318	3,101	43,318	3,101
4173110-Individual Shared Responsibility Penalty Assessments	187,902	0	165,537	0	169,059	0
4173200-Proceeds from Estates of Deceased Persons	744	0	1,059	0	1,059	0
4173300-Sales - Other	0	238	0	0	0	0
4173500-Settlements and Judgments - Other	50,649	4,963	10,284	0	10,284	0
4173600-State Public Land Sales	0	33,627	0	39,925	0	28,561
4173800-Traffic Violations	0	8,923	0	8,692	0	8,467
4173900-Tribal Gaming Revenues	900	0	333	0	333	0
4174200-Uninsured Motorist Fees	419	100	608	88	608	77
<b>Total, MISCELLANEOUS</b>	<b>\$1,822,624</b>	<b>\$136,310</b>	<b>\$4,730,571</b>	<b>\$111,899</b>	<b>\$6,933,218</b>	<b>\$101,496</b>
<b>TOTAL, MINOR REVENUES</b>	<b>\$2,141,933</b>	<b>\$352,904</b>	<b>\$5,062,154</b>	<b>\$347,279</b>	<b>\$7,194,440</b>	<b>\$345,411</b>
<b>TOTALS, Non-Tax Revenues (MAJOR AND MINOR)</b>	<b>\$2,141,935</b>	<b>\$6,224,575</b>	<b>\$5,062,154</b>	<b>\$6,558,214</b>	<b>\$7,194,440</b>	<b>\$6,797,618</b>



**SCHEDULE 12D AT 2022-23 GOVERNOR'S BUDGET**  
**STATE APPROPRIATIONS LIMIT**  
**TRANSFER FROM OTHER FUNDS TO INCLUDED FUNDS**  
(Dollars in Thousands)

	Actual 2020-21		Estimated 2021-22		Estimated 2022-23	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenue Transfer from California Environmental License Plate Fund (0140) to Motor Vehicle Account, State Transportation Fund (0044) per Public Resources Code Section 21191	\$ --	\$1,117	\$ --	\$1,117	\$ --	\$1,117
Revenue Transfer from College Access Tax Credit Fund (3263) to the General Fund (0001) per Revenue and Taxation Code Sections 17053.86 (Ch. 367/2014) and 17053.87 (Ch. 527/2017)	480	--	245	--	245	--
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Government Code Section 16475	28	-28	60	-60	60	-60
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.4(b)	34,473	-34,473	34,845	-34,845	36,895	-36,895
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.5(b)	42,426	-42,426	43,574	-43,574	43,574	-43,574
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)	56,120	-56,120	66,334	-66,334	72,343	-72,343
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.	19,966	--	13,533	--	14,430	--
Revenue Transfer from the California Memorial Scholarship Fund (3033) to the General Fund (0001) per Government Code Section 16346 (Chapter 892, Statutes of 1961)	--	--	2	--	--	--
Revenue Transfer from the California Olympic Training Account (0442) to the General Fund (0001) per Government Code Section 7592	42	--	42	--	38	--
Revenue Transfer from the Greenhouse Gas Reduction Fund (3228) to the General Fund (0001) per Revenue and Taxation Code 6377.1	58,700	--	65,100	--	72,200	--
Revenue Transfer from the Natural Resources and Parks Preservation Fund (3312) to the General Fund (0001) per Item 3790-311-3312, Budget Act of 2020	95,310	--	--	--	--	--
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)	-3,588	--	-3,588	--	-3,588	--
Revenue transfer from Site Operation and Maintenance Account, Hazardous Substance Account (0458) to Toxic Substances Control Account (0557) per Item 3960-011-0458, Annual Budget Act.	--	28	--	140	--	140
<b>TOTAL TRANSFERS</b>	<b>\$313,953</b>	<b>-\$141,898</b>	<b>\$230,143</b>	<b>-\$153,552</b>	<b>\$246,193</b>	<b>-\$161,611</b>

**SCHEDULE 12E AT 2022-23 GOVERNOR'S BUDGET**  
**STATE APPROPRIATIONS LIMIT**  
**EXCLUDED APPROPRIATIONS**  
(Dollars in Millions)

	<b>Fund</b>	<b>Actual 2020-21</b>	<b>Estimated 2021-22</b>	<b>Estimated 2022-23</b>
<b>DEBT SERVICE:</b>				
9600 Bond Interest and Redemption				
(9600-510-0001)	General	\$4,916	\$5,075	\$5,343
(9600-510-3107)	Special	1,703	1,589	1,408
No Place Like Home bond				
(0977-501-3357) & (0977-601-3357)	Special	108	140	140
<b>TOTAL -- DEBT SERVICE</b>		<b>\$6,727</b>	<b>\$6,804</b>	<b>\$6,891</b>
<b>QUALIFIED CAPITAL OUTLAY PROJECTS:</b>				
Various (Ch. 3 Except DOT)	General	\$86	\$1,279	\$1,249
Various (Ch. 3 Except DOT)	Special	2	4	0
Various Qualified Capital Outlay Projects	General	1,401	19,106	11,796
Various Qualified Capital Outlay Projects	Special	1,132	2,090	1,371
Lease-Revenue Bonds (Capital Outlay)	General	609	591	604
Lease-Revenue Bonds (Capital Outlay)	Special	4	3	15
<b>TOTAL -- CAPITAL OUTLAY</b>		<b>\$3,234</b>	<b>\$23,073</b>	<b>\$15,035</b>
<b>SUBVENTIONS:</b>				
6100 K-12 / LCFF Apportionments	General	\$27,367	\$34,881	\$34,400
6100 K-12 Education Protection Account	General	12,659	12,269	12,815
6100 County Offices of Education Apportionments	General	527	451	424
6100 Subventions Not Counted in Local Limits	General	-16,837	-19,350	-21,032
6870 Community Colleges Apportionments	General	2,075	2,662	2,582
6870 Community Colleges Education Protection Account	General	1,565	1,516	1,584
<b>SUBVENTIONS -- EDUCATION</b>		<b>\$27,356</b>	<b>\$32,429</b>	<b>\$30,773</b>
5195 1991 State-Local Realignment				
Vehicle License Collection Account	Special	\$14	\$14	\$14
Vehicle License Fees	Special	2,365	2,325	2,398
Sales Tax	Special	4,036	4,403	4,567
5196 2011 State-Local Realignment				
Vehicle License Fees	Special	759	783	808
Sales Tax	Special	8,015	8,625	8,997
9100 Tax Relief (9100-101-0001)	General	397	415	415
9210 Criminal Justice Fee Backfill	General	0	65	65
9210 Criminal Justice Fee Backfill (AB 177)	General	0	25	50
9210 Property Tax Backfill (9210-102-0001)	General	0	11	0
9210 Special Districts Backfill (9210-101-0001)	General	0	100	0
<b>SUBVENTIONS -- OTHER</b>		<b>\$15,586</b>	<b>\$16,766</b>	<b>\$17,314</b>
<b>COURT AND FEDERAL MANDATES:</b>				
Various Court and Federal Mandates (HHS)	General	\$13,731	\$15,400	\$17,387
Various Court and Federal Mandates	General	4,767	5,578	5,447
Various Court and Federal Mandates	Special	255	267	279
<b>TOTAL -- MANDATES</b>		<b>\$18,753</b>	<b>\$21,245</b>	<b>\$23,113</b>
<b>SCA2/SB1</b>				
Retail Sales and Use Tax: Diesel	Special	\$282	\$374	\$381
<b>TOTAL -- SCA2/SB1</b>		<b>\$282</b>	<b>\$374</b>	<b>\$381</b>
<b>PROPOSITION 111:</b>				
Motor Vehicle Fuel Tax: Gasoline	Special	\$5,374	\$6,104	\$6,735
Motor Vehicle Fuel Tax: Diesel	Special	976	1,109	1,201
<b>TOTAL -- PROPOSITION 111</b>		<b>\$6,350</b>	<b>\$7,213</b>	<b>\$7,936</b>
<b>EMERGENCY EXPENDITURES:</b>				
CA Small Business COVID-19 Relief Grant Program	General	\$2,075	\$0	\$0
Golden State Stimulus 2.0	General	0	6,700	0
<b>TOTAL -- EMERGENCY EXPENDITURES</b>		<b>\$2,075</b>	<b>\$6,700</b>	<b>\$0</b>
<b>TOTAL EXCLUSIONS:</b>		<b>\$80,363</b>	<b>\$114,604</b>	<b>\$101,443</b>
General Fund		\$55,338	\$86,774	\$73,129
Special Funds		\$25,025	\$27,830	\$28,314

**SCHEDULE 13 AT 2022-23 GOVERNOR'S BUDGET  
PROPOSITION 98 FINAL CERTIFICATION**

(Dollars in Thousands)

	<b>2019-20</b>
<b>State Appropriations Limit General Fund Revenues</b>	143,406,014
Proposition 98 General Fund	\$54,482,813
Education Protection Account	(\$4,749,994)
Local Revenues	\$24,846,349
<b>Total State and Local Prop 98</b>	\$79,329,162
Prop 98 Test	1
Appropriations over/(under) the Prop 98 Guarantee	-
 <b>Proposition 98 Factors</b>	
K-14 Appropriations	\$79,329,162
K-12 Average Daily Attendance	5,896,938
Full-time Equivalent Students	1,113,324
Civilian Population	39,442,876
K-12 Average Daily Attendance (% growth)	-0.43%
Per Capita Personal Income (Test 2)(% growth)	3.85%
Per Capita General Fund plus 0.5% (Test 3)(% growth)	1.06%
Test 1 Percentage	37.99%
 <b>Proposition 98 Re-benchings (included in calculation):</b>	
One-Time:	(\$51,097)
Ongoing:	-

# Finance Glossary of Accounting and Budgeting Terms

The following terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, the annual Budget (Appropriations) Bill, the Enacted Budget, and other documents. Definitions are provided for terms that are common to many of these publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation. Certain terms may be interpreted or used differently depending on the context, the audience, or the purpose.

## **Abatement**

A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See SAM 8366 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, SAM 7455.)

## **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 legacy 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 incurred, generally when goods/services are received or when contracts are performed. Also referred to as the full accrual basis of accounting. (SAM 7440.)

**Administration**

Refers to the Governor's Office and those individuals, departments, and offices reporting to it (e.g., the Department of Finance).

**Administration Program Costs**

The indirect costs of a program, typically a share of the costs of the administrative units serving the entire department (e.g., the Director's Office, Legal, Personnel, Accounting, and Business Services). "Distributed Administration" costs represent the distribution of the indirect costs to the various program activities of a department. In most departments, all administrative costs are distributed. (See also "Indirect Costs" and "Statewide Cost Allocation Plan.")

**Administratively Established Positions**

Positions authorized by the Department of Finance during a fiscal year that were not included in the Budget. Such positions terminate at the end of the fiscal year, or in order to continue, must meet certain criteria under Budget Act Control Section 31.00. (CS 31.00.)

**Agency**

A legal or an official reference to a government organization at any level in the state organizational hierarchy. (See the UCM—Organization Codes.)

or:

A government organization belonging to the highest level of the state organizational hierarchy as defined in the UCM. An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member.

**Allocation**

A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations (e.g., the allocation of employee compensation funding from the statewide 9800 Budget Act items to departmental appropriation items). (SAM 9200 et seq.)

**Allotment**

The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization.

**Amendment**

A proposed or accepted change to a bill in the Legislature, the California Constitution, statutes enacted by the Legislature, or ballot initiative.

**A-Pages**

A common reference to the Governor's Budget Summary. Budget highlights now contained in the Governor's Budget Summary were once contained in front of the Governor's Budget on pages A-1, 2, etc., and were, therefore, called the A-Pages.

**Appropriated Revenue**

Revenue which, as it is earned, is reserved and appropriated for a specific purpose. An example is student fees received by state colleges that are by law appropriated for the support of the colleges. The revenue does not become available for expenditure until it is earned.

**Appropriation**

Authorization for a specific agency to make expenditures or create obligations from a specific fund for a specific purpose. Appropriations are usually limited in amount and period of time during which the expenditure is to be recognized. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating "without regard to fiscal year" shall be available from year-to-year until fully expended. Legislation or the California Constitution can provide continuous appropriations, and voters can also make appropriations by approving ballot measures. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted into the fund. Federal funds have four years to liquidate. (GC 16304, 16304.1, SAM 8325, 8326.)

**Appropriation Without Regard to Fiscal Year (AWRTFY)**

An appropriation for a specified amount that is available from year-to-year until fully expended.

**Appropriations Limit, State (SAL)**

The constitutional limit on the growth of certain appropriations from tax proceeds, generally set to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. (Article XIII B, § 8; GC 7900 et seq.; CS 12.00.)

**Appropriation Schedule**

The detail of an appropriation (e.g., in the Budget Act), showing the distribution of the appropriation to each of the programs or projects thereof.

**Assembly**

California's lower house of the Legislature composed of 80 members. As a result of Proposition 140 (passed in 1990) and Proposition 28 (passed in 2012), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. (Article IV, § 2 (a).)

**Audit**

Typically a review of financial reports or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform

audits of state agencies: the State Controller's Office, the Department of Finance, and the California State Auditor. Many state departments also have internal audit units to review their own internal functions and program activities. (*SAM 20000, etc.*)

### **Augmentation**

An increase to a previously authorized appropriation or allotment. This increase can be authorized by Budget Act provisional language, control sections, or other legislation. Usually, a Budget Revision or an Executive Order is processed to the State Controller's Office to implement the increase.

### **Authorized**

Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.

### **Authorized Positions**

In the Salaries and Wages publication, the past year total authorized positions represent the number of actual positions filled for that year as reported by the State Controller's Office. For current year, total authorized positions include all regular ongoing positions approved in the Budget Act for that year, adjustments to limited-term positions and temporary help, and positions authorized through enacted legislation. For budget year, the number of authorized positions is the same as current year except for adjustments to remove expiring positions. (*GC 19818.*)

### **Availability Period**

The time period during which an appropriation may be encumbered (i.e., committed for expenditure), usually specified by the law creating the appropriation. If no specific time is provided in legislation, the period of availability is three years. Unless otherwise provided, Budget Act appropriations are available for one year. However, based on project phase, capital outlay projects may have up to three years to encumber. An appropriation with the term "without regard to fiscal year" has an unlimited period of availability and may be encumbered at any time until the funding is exhausted. (See also "Encumbrances.")

### **Balance Available**

In regard to a fund, it is the excess of resources over uses. For budgeting purposes, the balance available in a fund condition is the carry-in balance, net of any prior year adjustments, plus revenues and transfers, minus expenditures. For accounting purposes, the balance available in a fund is the net of assets over liabilities and reserves that are available for expenditure.

For appropriations, it is the unobligated, or unencumbered, balance still available.

### **Baseline Budget**

Also referred to as Workload Budget. (See "Workload Budget.")

### **Bill**

A draft of a proposed law presented to the Legislature for enactment. (A bill has greater legal formality and standing than a resolution.)

## **Bond Funds**

For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self-liquidating general obligation bond proceeds. These funds do not account for the debt retirement because the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in non-governmental cost funds. (SAM 14400.)

## **Budget**

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. (GC 13320, 13335; SAM 6120.)

## **Budget Act (BA)**

An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget and amended by the Legislature. (SAM 6333.)

## **Budget Bill**

Legislation presenting the Governor's spending proposal for the next fiscal year. The Budget Bill is prepared by the Department of Finance and submitted to each house of the Legislature in January (accompanying the Governor's Budget). The Budget Bill's authors are typically the budget committee chairpersons.

The California Constitution requires the Legislature to pass the Budget Bill and send it to the Governor for signature by June 15 each year. The Budget Bill becomes the Budget Act upon signature by the Governor, after any line-item vetoes. (Art. IV, § 12(c); GC 13338; SAM 6325, 6333.)

## **Budget Change Proposal (BCP)**

A proposal to change the level of service or funding sources for activities authorized by the Legislature, propose new program activities not currently authorized, or to eliminate existing programs. The Department of Finance annually issues a Budget Letter with specific instructions for preparing BCPs. (SAM 6120.)

## **Budget Cycle**

The period of time required to prepare the state financial plan and enact that portion of it applying to the budget year. Significant events in the cycle include:

- Preparation of the Governor's proposed budget (most activities occur between July 1 and January 10).
- Submission of the Governor's Budget and the Budget Bill to the Legislature (by January 10).
- Submission to the Legislature of proposed adjustments to the Governor's Budget
  - April 1—adjustments other than Capital Outlay and May Revision.
  - May 1—Capital Outlay appropriation adjustments.
  - May 14—May Revision adjustments for changes in General Fund revenues, expenditure adjustments to reflect updated revenue, and funding for Proposition 98, caseload, and population.



- Review and revision of the Governor's Budget by the Legislature.
- Return of the revised budget to the Governor by June 15, for signature after any line-item vetoes.
- Signing of the budget by the Governor. (*Art. IV. § 10, GC 13308, SAM 6150.*)

### **Budget Letter**

Budget and accounting policies and instructions issued by the Department of Finance to supplement the budgeting and accounting chapters of the State Administrative Manual.

### **Budget Period**

The FI\$Cal (PeopleSoft) Terminology for Fiscal Year. (See also "Fiscal Year.")

### **Budget—Program**

A program budget expresses the operating plan in terms of the costs of activities (programs) to be undertaken to achieve specific goals and objectives.

The Governor's Budget is a program budget, but also includes detailed categorization of proposed expenditures for goods and services (Expenditures by Category) related to the state operations of each department. (*GC 13336; SAM 6210, 6220.*)

### **Budget Position Transparency and Expenditure by Category Redistribution**

On a biennial basis beginning with the 2016-17 Budget, the salaries and wages associated with historically vacant positions have been reallocated to expenditure categories where resources are actually being expended in the current and budget years. Reductions in Regular Ongoing Positions as a result of this process are for display purposes only and do not impact departments' ability to hire up to their legislatively authorized staffing level.

Budget Position Transparency represents a department's historically vacant positions and associated salaries and wages expenditures that are being reallocated. Expenditure by Category Redistribution represents the reallocation of the salaries and wages dollars to staff benefits and/or operating expenses and equipment.

### **Budget Request**

A term used in the FI\$Cal (Hyperion) System reflecting any change to the currently enacted budget or proposed budget. This may be a Budget Change Proposal, revenue estimate change, or legislative action. A budget request is a way for each department to submit incremental requests for, or to make adjustments to, funding.

### **Budget Revision (BR)**

A document prepared by the department that cites a legal authority to authorize a change in an appropriation. A BR must be approved by the Department of Finance. Typically, BRs either increase the appropriation or make adjustments to the categories or programs within the appropriation as scheduled. (*SAM 6533, 6542, 6545.*)

**Budget Year (BY)**

The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year). (See also "Fiscal Year.")

**Business Unit**

The four-digit code assigned to each state governmental entity (or a program) for fiscal system purposes. The business unit is the first segment of the budget item/appropriation number. (*UCM—Organization Codes.*)

**Capital Outlay (CO)**

A character representing expenditures of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction. (*CS 3.00.*)

**Carryover**

The unencumbered balance of an appropriation that continues to be available for expenditure in years subsequent to the year of enactment. For example, if an appropriation has multiple years available to encumber, any unencumbered balance at the end of the first year is carried over to the following fiscal year.

**Cash Basis of Accounting**

The basis of accounting in which revenues and expenditures are recognized when cash is received or disbursed. (*SAM 7440.*)

**Cash Flow Statement**

A statement of cash receipts and disbursements for a specified period of time.

**Category (as used in Fi\$Cal/Hyperion)**

A grouping of related types of expenditures, such as personal services, operating expenses and equipment, special items of expense, unclassified, local costs, capital costs, and internal cost recovery; or, revenues (including revenue transfers). The Governor's Budget includes an "Expenditures by Category" section for each department at this level. (*UCM—Account Codes.*)

**Changes in Authorized Positions**

A schedule in the Governor's Budget that reflects staffing changes made subsequent to the adoption of the current year budget and enacted legislation. This schedule documents changes in positions for various reasons. Some examples are: actual expenditures in the past year, as well as transfers, positions established, selected re-classifications, and proposed new positions included in BCPs, for the current or budget year.

**Chapter**

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the year in which it became law. For example, *Chapter 1, Statutes of 2017*, would refer to the first bill enacted in 2017.

**Character of Expenditures**

A classification identifying the major purpose of an expenditure, such as state operations, local assistance, capital outlay, or unclassified. (*UCM—Fund Source/Appropriation Coding.*)

**Chart of Accounts (COA) Crosswalk**

A detailed guide found on the Department of Finance's website that crosswalks the Account Category Code to the legacy general ledger, receipts and object of expenditures codes in the Uniform Codes Manual. (See also "Account" and "Uniform Codes Manual.")

**Claim Schedule**

A manual request from a state department to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The claim schedule identifies the appropriation or account to be charged, the payee(s), the amount(s) to be paid, and an affidavit attesting to the validity of the request. Claims against the state for which there is no provision for payment (e.g., no appropriation available for payment), will be submitted to the Department of General Services. (See also "Voucher.") (*SAM 8422.10, 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 8326.*)

**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; SAM 8326.*)

**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—Organization Codes.*)

**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.
- 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.; SAM 7310.)

**Detailed Budget Adjustments**

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

**Detail of Appropriations and Adjustments**

A budget display for each organization that reflects appropriations and adjustments by fund source for each character of expenditure (i.e., state operations, local assistance, and capital outlay). (SAM 6478.)

**Employee Compensation/Retirement**

Salary, benefit, employer retirement rate contribution adjustments, and any other related statewide compensation adjustments for state employees. Various 9800 Items of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some others); that is, they appropriate the incremental adjustment proposed for the salary and benefit adjustments for the budget year. The base salary and benefit levels are included in individual agency/departmental budgets.

**Enacted Budget**

A publication produced by Finance to reflect budget details as enacted. It is similar in detail as in the Governor's Budget. A PDF of this publication is available on Finance's eBudget website.

**Enactment Year (ENY)**

See Year of Appropriation (YOA).

**Encumbrance**

The commitment of all or part of an appropriation. Encumbrances represent valid obligations related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the individual department's budget documents and their individual annual financial reports. For the General Fund budgetary purposes, the Department of Finance makes a statewide adjustment to remove the total outstanding encumbrances from overall General Fund expenditures and show the amount as a reserve in the fund balance, in accordance with Government Code section 13307. For other funds, such encumbrance adjustments are not made in the budget totals, and encumbrances are treated as budgetary expenditures that decrease the fund balance of these funds. (SAM 8340.)

**Enrolled Bill Report (EBR)**

An analysis prepared by Finance on legislative measures passed by both houses and referred to the Governor, to provide the Governor's Office with information concerning the measure, with a recommendation for action by the Governor. While approved bill analyses become public information, EBRs do not. Note that EBRs are not prepared for Constitutional Amendments, or for Concurrent, Joint, or single house resolutions, because these are not acted upon by the Governor. (SAM 6965.)

**Enrollment, Caseload, and Population Adjustments**

These adjustments are generally formula or population driven and are components of the workload budget. (See "Workload Budget.")

**Executive Branch**

One of the three branches of state government, responsible for implementing and administering the state's laws and programs. The Governor's Office and those individuals, departments, and offices reporting to it (the Administration), are part of the Executive Branch.

**Executive Order (EO)**

A budget document issued by the Department of Finance ordering the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by Budget Act provisional language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a statewide basis, involves two or more appropriations, or makes certain transfers or loans between funds.

**Exempt Employees**

State employees exempt from civil service pursuant to subdivision (e), (f), or (g), of Section 4 of Article VII of the California Constitution. Examples include department directors and other gubernatorial appointees. (SAM 0400.)

**Expenditure**

Expenditures reported on a department's year-end financial reports and "past year" budget documents consist of amounts paid and accruals (including outstanding encumbrances and payables) for obligations created for the last fiscal year. "Current year" and "budget year" expenditures in budget documents are estimates for the respective fiscal year. (See "Encumbrance," also referred to as "budgetary expenditures.") (SAM 8360.)

**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 accounting period of the federal government, which begins on October 1 and ends the following September 30. For example, a reference to federal fiscal

year 2020 means the period beginning October 1, 2019 and ending September 30, 2020.

### **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\$CaI**

The acronym for the Financial Information System for California, the state's integrated financial and administrative IT system that supports accounting, budgeting, cash management, and procurement functions.

## **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 2020-21, this is the time period beginning July 1, 2020 and ending June 30, 2021. (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 segregates moneys or other resources in the State Treasury for obligations, subject to specific restrictions or limitations. A separate self-balancing set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its revenue and expenditures. (SAM 7400.)



**Fund Balance**

For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the excess of a fund's resources over its expenditures.

**Fund Condition Statement**

A budget display, included in the Governor's Budget, summarizing the operations of a fund for the past, current, and budget years. The display includes the beginning balance, prior year adjustments, revenue, transfers, loans, expenditures, the ending balance, and any reserves. Fund Condition Statements are required for all special funds. The Fund Condition Statement for the General Fund is Summary Schedule 1. Other funds are displayed at the discretion of the Department of Finance.

**General Fund (GF)**

For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues that are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are personal income tax, sales and use tax, and corporation taxes. The major uses of the General Fund are education (K-12 and higher education), health and human services programs, and correctional programs.

**Generally Accepted Accounting Principles (GAAP)**

The accounting principles, rules, conventions, and procedures that are used for accounting and financial reporting. GAAP for governments are set by the Governmental Accounting Standards Board (GASB), the accounting and financial reporting standards setting body for state and local governments.

**Governmental Cost Funds**

For legal basis accounting and budgeting purposes, funds that derive revenue from taxes, licenses, and/or fees.

**Governor's Budget**

The publication the Governor presents to the Legislature by January 10 each year. It contains recommendations and estimates for the state's financial operations for the budget year. It also displays the actual revenues and expenditures of the state for the prior fiscal year, and updates estimates for the current year revenues and expenditures. This publication is also produced in a web format known as the Governor's Proposed Budget Detail on the Department of Finance's website. (*Article IV, § 12; SAM 6120, et seq.*)

**Governor's Budget Summary**

A companion publication to the Governor's Budget that outlines the Governor's policies, goals, and objectives for the budget year. It provides a perspective on significant fiscal and/or structural proposals. This publication is also produced in a web format known as the Governor's Proposed Budget Summary on the Department of Finance's website.

**Grants**

Typically used to describe amounts of money received by an organization for a specific purpose but with no obligation to repay (in contrast to a loan, although the

award may stipulate repayment of funds under certain circumstances). For example, the state receives some federal grants for the implementation of health and community development programs, and the state also awards various grants to local governments, private organizations, and individuals according to criteria applicable to a given program.

### **Indirect Costs**

A cost that cannot be easily identified to a specific cost objective (e.g., program, organizational unit, project), but it is used for a common or joint purpose. Indirect costs benefit more than one cost objective and, therefore, must be allocated.

### **Initiative**

The power of the electors to propose statutes or Constitutional amendments and to adopt or reject them. An initiative must be limited to a single subject and be filed with the Secretary of State with the appropriate number of voter signatures in order to be placed on the ballot. (*Article II, § 8.*)

### **Item**

A coding scheme or structure for an appropriation reflecting the respective Business Unit, reference number, and fund (if applicable). (See "Appropriation.")

### **Judgments**

Usually refers to decisions made by courts against the state. Payment of judgments is subject to a variety of controls and procedures.

### **Language Sheets**

Copies of the current Budget Act appropriation items provided to the Department of Finance and departmental staff each fall to update for the proposed Governor's Budget. These updated language sheets become the proposed Budget Bill. In the spring, language sheets for the Budget Bill are updated to reflect revisions to the proposed appropriation amounts, Item schedule(s) and provisions, and become the Budget Act.

### **Legislative Analyst's Office (LAO)**

A non-partisan organization that provides advice to the Legislature on fiscal and policy matters. For example, the LAO annually publishes a detailed analysis of the Governor's Budget, which becomes the initial basis for legislative hearings on the Budget Bill. (*SAM 7360.*)

### **Legislative Counsel Bureau**

A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze, and render opinions on legal matters for the legislative members.

### **Legislative Counsel's Digest**

A summary of what a legislative measure does, contrasting existing law and the proposed change. This summary appears on the first page of a bill.

### **Legislature, California**

A two-house body of elected representatives vested with the responsibility and

power to make laws affecting the state (except as limited by the veto power of the Governor). (See also "Assembly" and "Senate.")

**Line Item**

See "Object of Expenditure."

**Local Assistance (LA)**

The character of expenditures made for the support of local government or other locally administered activities.

**Major Regulation**

Any proposed rulemaking action adopting, amending, or repealing a regulation subject to review by the Office of Administrative Law (OAL) that will have an economic impact on California business enterprises and individuals in an amount exceeding 50 million dollars in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented (as estimated by the agency), computed without regard to any offsetting benefits or costs that might result directly or indirectly from that adoption, amendment, or repeal. An agency proposing a major regulation must submit a Standardized Regulatory Impact Assessment to the Department of Finance for review, and the agency must include Finance's comments and the agency's response when transmitting the proposed major regulation to OAL. (GC sections 11346-11348 of Article 5, Chapter 3.5, Part 1, Division 3, Title 2; SAM 6600-6616; California Code of Regulation, title 1, sections 2000-2004.)

**Mandates**

See "State-Mandated Local Program."

**May Revision**

An annual update to the Governor's Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year. (See also "Finance Letter.") (SAM 6130; GC 13308.)

**Merit Salary Adjustment (MSA)**

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

Merit salary adjustments for employees of the University of California and the California State University are determined in accordance with rules established by the regents and the trustees, respectively.

Funding typically is not provided for MSAs in the budget; given normal attrition rates, additional costs usually must be absorbed within existing resources. (GC 19832.)

### **Minor Capital Outlay**

Construction projects, or equipment acquired to complete a construction project, estimated to cost less than \$656,000 plus any escalation per Public Contract Code section 10108. (SAM 6807.)

### **Modified Accrual Basis**

The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or soon enough 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. (SAM 7440.)

### **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, a classification for funds used to budget and account for revenues derived from sources other than general and special taxes, licenses, and fees, or certain other state revenues. Generally, expenditures of these funds do not represent a cost of government.

### **Object of Expenditure (Objects)**

A classification of expenditures based on the type of goods or services received. For example, the budget category of Personal Services includes the objects of Salaries and Wages and Staff Benefits. The Governor's Budget includes an "Expenditures by Category" section for each department at this level. These objects may be further subdivided into line items/object details such as State Employees' Retirement and Workers' Compensation. (See also "Account.") (UCM—Account Codes.)

### **Obligations**

Amounts that a governmental unit may legally be required to pay out of its resources. Budgetary authority must be available before obligations can be created. For budgetary purposes, obligations include payables for goods or services received, but not yet paid for, and outstanding encumbrances (i.e., commitments for goods and services not yet received nor paid for).

### **One-Time Cost**

A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. Departments make baseline adjustments to remove prior year one-time costs and appropriately reduce their expenditure authority in subsequent years' budgets.

**Operating Expenses and Equipment (OE&E)**

A category of a support appropriation that includes objects of expenditure/accounts such as general expenses, printing, communication, travel, data processing, equipment, and accessories for the equipment. (SAM 6451.)

**Out-of-State Travel (OST) blanket**

A request by a state agency for Governor's Office approval of the proposed out-of-state trips to be taken by that agency's personnel during the fiscal year. (SAM 0760-0765.)

**Overhead**

Those elements of cost necessary in the production of an article or the performance of a service that are of such a nature that the amount applicable to the product or service cannot be determined directly. Usually they relate to those costs that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, or supervision. (See also "Indirect Costs.")

**Overhead Unit**

An organizational unit that benefits the production of an article or a service but that cannot be directly associated with an article or service to distribute all of its expenditures to elements and/or work authorizations. The cost of overhead units are distributed to operating units or programs within the department. (See "Administration Program Costs.")

**Past Year**

The most recently completed fiscal year. (See also "Fiscal Year.")

**Performance Budget**

A budget wherein proposed expenditures are organized and tracked primarily by measurable performance objectives for activities or work programs. A performance budget may also incorporate other bases of expenditure classification, such as character and object, but these are given a subordinate status to activity performance.

**Personal Services**

A category of expenditure that includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. (See also "Object of Expenditure.") (SAM 6403.)

**Plan of Financial Adjustment (PFA)**

A plan proposed by a department, approved by the Department of Finance, and the State Controller's Office (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. For departments using FI\$Cal, the SCO transfers the funds for PFA transactions using FI\$Cal's PFA functionality, which permits the allocation of costs based on the criteria for cost distribution in the approved PFA. (SAM 8452 et seq.)

**Pooled Money Investment Account (PMIA)**

A State Treasurer's Office accountability account maintained by the State Controller's Office to account for short-term investments purchased by the State Treasurer's Office as designated by the Pooled Money Investment Board on behalf of various funds.

**Pooled Money Investment Board (PMIB)**

A board comprised of the Director of Finance, the State Treasurer, and the State Controller, the purpose of which is to design an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available monies invested, consistent with the goals of safety, liquidity, and yield. (SAM 7350.)

**Positions**

See "Authorized Positions."

**Price Increase**

A budget adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

**Prior Year Adjustment**

In a Fund Condition Statement in the Governor's Budget, an adjustment for the difference between previously estimated accruals used in the development of the last Governor's Budget and actual expenditures or revenues. The adjustment amount is generally included to realign the beginning fund balance to ensure accurate fund balances.

**Pro Rata**

The amount of state administrative costs, paid from the General Fund and the Central Service Cost Recovery Fund (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and Department of Finance for the general administration of state government), that are apportioned to and recovered from special funds (other than the General Fund, Central Service Cost Recovery Fund, and federal funds) as determined by the Department of Finance. (GC 11010, 11270-11275, 13332.03; SAM 8753, 8754.)

**Program Budget**

See "Budget—Program or Traditional."

**Program Cost Accounting**

A level of accounting that identifies costs by activities performed in achievement of a purpose in contrast to the traditional line-item format. The purpose of accounting at this level is to produce cost data sufficiently accurate for allocating and managing program resources. (SAM 7131.)

**Programs**

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

**Project Approval Lifecycle**

The process to assess the full implications of a proposed information technology project that contains analyses of options, cost estimates, and other information. (SAM 4920-4928.)

**Proposed New Positions**

A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also "Changes in Authorized Positions.")

**Proposition 98**

An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 (K-14), beginning with fiscal year 1988-89. The term is also used to refer to any expenditures that fulfill the guarantee. (*Article XVI, § 8.*)

**Provision**

Language in a bill or act that imposes requirements or constraints upon actions or expenditures of the state. Provisions are often used to constrain the expenditure of appropriations but may also be used to provide additional or exceptional authority. (Exceptional authority usually begins with the phrase "Notwithstanding...".)

**Public Service Enterprise Funds**

For legal basis accounting purposes, the fund classification that identifies funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user (primarily the general public). Self-supporting enterprises that render goods or services for a direct charge to other state departments or governmental entities, account for their transactions in a Working Capital and Revolving Fund. (*UCM—Fund Codes—Structure (Source Classification).*)

**Reappropriation**

The extension of an appropriation's availability for encumbrance and/or expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by statute for one year at a time, but may be for some greater or lesser period.

**Recall**

The power of the electors to remove an elected officer. (*Article II, § 13.*)

**Redemption**

The act of redeeming a bond or other security by the issuing agency.

**Reference Code**

A three-digit code identifying whether the item is from the Budget Act or some other source (e.g., legislation), and its character (e.g., state operations). This is the middle segment of the budget item/appropriation number. (*UCM—Fund Source/Appropriation Coding.*)

**Referendum**

The power of the electors to approve or reject statutes or parts of statutes, with specified exceptions and meeting specified deadlines and number of voters' signatures. (*Article II, § 9.*)

**Refund to Reverted Appropriations**

A receipt account to record the return of monies (e.g., abatements and reimbursements) to appropriations that have reverted. (*SAM 7680.*)

**Reimbursement Warrant (or Revenue Anticipation Warrant)**

A warrant that has been sold by the State Controller's Office as a result of a cash shortage in the General Fund, the proceeds of which will be used to reimburse the General Cash Revolving Fund. The Reimbursement Warrant may or may not be registered by the State Treasurer's Office. The registering does not affect the terms of repayment or other aspects of the Reimbursement Warrant. (*GC 17240-17255.*)

**Reimbursements**

An amount received as a payment for the cost of services performed/to be performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. (*SAM 6463.*)

**Reserve**

An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects.

**Revenue**

Any addition to cash or other current assets (e.g., accounts receivables) that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. (*UCM—Account Codes.*)

**Revenue Anticipation Notes (RANs)**

A cash management tool generally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. RANs are not a budget deficit-financing tool.



**Revenue Anticipation Warrant (RAW)**

See "Reimbursement Warrant."

**Reversion**

The return of the unused portion of an appropriation to the fund from which the appropriation was made, normally two years (four years for federal funds) after the last day of an appropriation's availability period. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit. The reversion may also occur upon order of Finance. (GC 16304, 16304.1.)

**Reverted Appropriation**

An appropriation that is reverted to its fund source after the date its liquidation period has expired.

**Revolving Fund**

Generally refers to a cash account known as an office revolving fund (ORF). It is not a fund but an advance from a primary support item. Departments may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State Controller's Office transfer from a department appropriation. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. (SAM 8100, et seq.)

**SAL**

See "Appropriations Limit, State."

**Salaries and Wages Supplement**

An annual publication, issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance's website. (See "Schedule 7A.")

**Schedule**

The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the programs, or projects thereof.

or:

A supplemental schedule submitted by departments to detail certain expenditures.

or:

A summary listing in the Governor's Budget.

**Schedule 7A**

A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance's website. (See "Salaries and Wages Supplement.") (SAM 6415-6418.)

**Schedule 8**

A detailed listing generated from the State Controller's Office payroll records for a department's past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. (SAM 6424-6429, 6448.)

**Schedule of Federal Funds and Reimbursements, Supplementary**

A supplemental schedule (DF-301) submitted by departments during budget preparation that displays federal expenditures by source. (SAM 6460.)

**Schedule of Operating Expenses and Equipment, Supplementary**

A supplemental schedule (DF-300) submitted by departments during budget preparation that details by object the expenses included in the Operating Expenses and Equipment category. (SAM 6454, 6457.)

**Section 1.50**

Section of the Budget Act that (1) specifies a certain format and style for the codes used in the Budget Act, (2) authorizes the Department of Finance to revise codes used in the Budget Act to provide compatibility with the Governor's Budget and records of the State Controller's Office, and (3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act or in other spending authority outside of the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the distribution of any unallocated amounts within an appropriation, adjustments of schedules to facilitate departmental accounting operations, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement. The Section also authorizes Finance to make certain technical corrections related to the implementation of and conversion into FISCAL.

**Section 1.80**

Section of the Budget Act that includes periods of availability for Budget Act appropriations.

**Section 8.50**

A Control Section of the Budget Act that provides the authority to increase federal fund spending authority.

**Section 26.00**

A Control Section of the Budget Act that provides the authority for the transfer of funds from one program or function within a schedule to another program or function within the same schedule, subject to specified limitations and reporting requirements to the Legislature. (SAM 6548.)

**Section 28.00**

A Control Section of the Budget Act that authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of

unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements to the Legislature. Appropriation authority for unanticipated federal funds is contained in Section 8.50. (SAM 6551-6557.)

**Section 28.50**

A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements to the Legislature. (SAM 6551-6557.)

**Section 30.00**

A Control Section of the Budget Act that amends Government Code section 13340 to sunset continuous appropriations.

**Section 31.00**

A Control Section of the Budget Act that grants departments the authority to administratively establish or reclassify positions. This section states that administratively establishing positions outside of the budget process requires both Finance's approval and legislative notification. Administratively established positions are to be temporary and expire June 30 of the current year, unless extended by Finance and the Legislature during the following budget cycle. Additionally, Section 31.00 requires Finance to review all reclassification requests involving a position meeting a specified threshold.

**Senate**

The upper house of California's Legislature consisting of 40 members. As a result of Proposition 140 (1990, term limits) and Proposition 28 (2012, limits on Legislators' terms in office), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. (Article IV, § 2 (a).)

**Service Revolving Fund**

A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. (SAM 8471.)

**Settlements**

Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. (See also "Judgments.") (GC 965.)

**Shared Revenue**

A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

**Sinking Fund**

A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

**Special Fund for Economic Uncertainties**

A fund in the General Fund (a similar reserve is included in each special fund), authorized by statute and Budget Act Control Section 12.30, to provide for emergency situations. (GC 16418, 16418.5.)

**Special Funds**

For legal basis budgeting purposes, funds created by statute, or administratively per Government Code section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

**Special Items of Expense**

An expenditure/account category that covers non-recurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). (SAM 6469; UCM—Account Codes.)

**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—Account Codes.)

**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, 8494; Budget Act Items 9670.*)

**Traditional Budget**

See "Budget—Program or Traditional."

**Transfers**

As displayed in fund condition statements, transfers reflect the movement of

resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

**Trigger**

An event that causes an action or actions. Budget "trigger" mechanisms have been enacted in statute under which various budgeted programs are automatically reduced if revenues fall below expenditures by a specific amount.

**Unanticipated Cost/Funding Shortage**

A lack or shortage of (1) cash in a fund, (2) expenditure authority due to an insufficient appropriation, or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis). (See Budget Act Items 9840 and 9850.)

**Unencumbered Balance**

The balance of an appropriation not yet committed for specific purposes. (See "Encumbrance.")

**Uniform Codes Manual (UCM)**

A document maintained by the Department of Finance that sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, business units, programs, funds, receipts, line items, and objects of expenditure. The Accounts used in FI\$Cal combine the legacy general ledger code, receipt and object of expenditure codes in a single classification code. (See also "Account" and "Chart of Accounts Crosswalk")

**Unscheduled Reimbursements**

Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., CS 28.50).

**Urgency Statute/Legislation**

A measure that contains an "urgency clause" requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health, or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. (*Article IV, § 8 (d)*). However, the Budget Bill and other bills providing for appropriations related to the Budget Bill may be passed by a majority vote to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. (*Article IV § 12 (e) (1)*.)

**Veto**

The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. (*Article IV, §10 (e)*; SAM 6345.)

**Voucher**

A request-from a state department using FISCAL to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The voucher identifies the appropriation or account to be charged, the payee, the amount(s) to be paid, and an affidavit attesting to the validity of the request.

**Warrant**

An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. (SAM 8400 et seq.)

**Without Regard to Fiscal Year (WRTFY)**

Where an appropriation has no period of limitation on its availability.

**Working Capital and Revolving Fund**

For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. In contrast, self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

**Workload Budget**

Workload Budget means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, population, statutory cost-of-living adjustments, chaptered legislation, one-time expenditures, full-year costs of partial-year programs, costs incurred pursuant to Constitutional requirements, federal mandates, court-ordered mandates, state employee merit salary adjustments, and state agency operating expense and equipment cost adjustments. (GC 13308.05.) This definition is related to the calculation of the workload budget required by Section 36 of Article 13 of the California Constitution.

**Year of Appropriation (YOA)**

Refers to the first fiscal year of enactment or availability, whichever is later. Also referred to as the Enactment Year, or ENY.

**Year of Budget (YOB)**

The fiscal year revenues and expenditures are recognized. For revenues, this is generally the fiscal year when revenues are earned, measurable, and "available." For expenditures, this is generally the fiscal year when obligations, including encumbrances, have been created during the availability period of the appropriation. When the availability period of encumbrance of an appropriation is one year (e.g., most Budget Act items), the YOB is the same as the year of appropriation (YOA) and the year of completion (YOC). However, when the availability period is more than one year, the YOB may be any fiscal year during the availability period, including the YOA or the YOC, as appropriate. For example, an appropriation created in 2016-17 and is available for three years, the YOA is 2016 and the YOC is 2018. If an obligation is created in 2017-18, the YOB for this obligation is 2017. In FISCAL (PeopleSoft), the YOB is referred to as Budget Period. The rules of

recognition are not the same for all funds depending on the appropriate basis of accounting for the fund types or other factors.

**Year of Completion (YOC)**

The last fiscal year for which the appropriation is available for expenditure or encumbrance.

\* *Abbreviations used in the references cited:*

<i>Article</i>	<i>Article of California Constitution</i>
<i>BA</i>	<i>Budget Act</i>
<i>CS</i>	<i>Control Section of Budget Act</i>
<i>GC</i>	<i>Government Code</i>
<i>SAM</i>	<i>State Administrative Manual</i>
<i>UCM</i>	<i>Uniform Codes Manual</i>