

**General Fund Multiyear Forecast
2025-26 May Revision**

(Dollars in Millions)

	2024-25	2025-26	2026-27	2027-28	2028-29
RESOURCES:					
Prior Year Balance	\$41,886	\$34,321	\$22,504	\$8,251	-\$10,826
Revenues/Transfers	\$220,771	\$207,458	\$212,675	\$222,610	\$235,180
Transfer to Budget Stabilization Account	-\$24	\$0	\$0	\$0	\$0
Withdrawal from the Budget Stabilization Account	\$4,926	\$7,100	\$0	\$0	\$0
Total Resources	\$267,559	\$248,880	\$235,179	\$230,861	\$224,354
EXPENDITURES:					
Proposition 98	\$85,305	\$80,747	\$82,545	\$87,351	\$92,689
Proposition 28 Arts and Music Education	\$0	\$0	\$0	\$0	\$0
Non-Proposition 98	\$147,932	\$145,629	\$144,383	\$154,337	\$155,151
Prop 2 Infrastructure/Deferred Maintenance	\$0	\$0	\$0	\$0	\$0
Unallocated Prop 2 Debt Payments	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$233,238	\$226,376	\$226,927	\$241,687	\$247,840
FUND BALANCES:					
	\$34,321	\$22,504	\$8,251	-\$10,826	-\$23,486
Reserve for Encumbrances	\$18,001	\$18,001	\$18,001	\$18,001	\$18,001
SFEU	\$16,321	\$4,503	-\$9,749	-\$28,827	-\$41,487
Safety Net Reserve	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account (Mandatory Deposits)	\$16,493	\$9,393	\$9,393	\$9,393	\$9,393
Budget Stabilization Account (Total Deposits)	\$18,292	\$11,192	\$11,192	\$11,192	\$11,192
Public School System Stabilization Account	\$540	\$0	\$0	\$0	\$0
Total Reserves	\$35,153	\$15,695	\$1,443	-\$17,635	-\$30,295
BSA mandatory balance as a percentage of General Fund Tax Proceeds	6.8%	4.6%	4.5%	4.2%	4.0%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	13.1%	6.3%	0.6%	-7.6%	-13.5%
Operating Surplus/Deficit with BSA Transfer	-\$7,565	-\$11,817	-\$14,252	-\$19,078	-\$12,660

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Payments Under Proposition 2

2025-26 May Revision

(Dollars in Millions)

	Outstanding Amount at Start of 2025-26 ^{2/}	Proposed Use of 2025-26 Pay Down	Proposed Use of 2026-27 Pay Down	Proposed Use of 2027-28 Pay Down	Proposed Use of 2028-29 Pay Down
State Retirement Liabilities					
1 State Retiree Health	92,027	385	395	405	420
2a State Employee Pensions—SB 84 Loan from SMIF		590	556	556	556
2b State Employee Pensions	64,088	573	624	709	788
3 Teachers' Pensions ^{1/}	85,532	0	0	0	0
4 Judges' Pensions	2,437	0	0	0	0
Total	\$244,084	\$1,548	\$1,575	\$1,670	\$1,764

^{1/} The state portion of the unfunded liability for teachers' pensions is \$10.169 billion.

^{2/} For retiree health and pensions, the amounts reflect latest actuarial report available.

Projections of 2025-26 General Fund

(Dollars in Millions)

	2025-26 May Revision^{1/}	2024^{2/} Budget Act	2023 Budget Act	2022 Budget Act	2021 Budget Act
Total Revenues and Transfers	\$214,558	\$217,093	\$205,936	\$234,524	Not Available
Total Expenditures	\$226,376	\$219,078	\$222,409	\$232,526	Not Available

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2025-26 General Fund total resources and total expenditures be accompanied by the projections for the same year from the previous four budget acts. Each forecast is based on the assumptions in place at that time.

The 2025-26 May Revision multiyear projection is based on existing state/federal law and state policies, adjusted for changes included in the 2025-26 May Revision. It reflects various assumptions depending on the particular program regarding changes in enrollment, caseload, and population. The projections also use various cost escalation and COLA factors.

^{1/}Pursuant to Proposition 2 of 2014, the 2025-26 May Revision projected revenues and transfers are increased by a withdrawal of \$7.1 billion from the Budget Stabilization Account (BSA) and the estimated required transfer of \$1.548 billion to the BSA is suspended. The budget includes \$1.548 billion to pay down debt as reflected on the previous page.

^{2/}The 2024 Budget Act included a withdrawal of \$4.926 billion from the BSA and suspended the required transfer of \$1.533 billion.