



# Urban Montessori Charter School

## Regular Board Meeting

Amended on January 14, 2021 at 6:10 PM PST

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### Date and Time

Thursday January 21, 2021 at 6:15 PM PST

### Location

Join Zoom Meeting

[https://us02web.zoom.us/j/5102904005?](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09)

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Meeting ID: 510 290 4005

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This meeting will be audio recorded. The public can find documents related to this agenda either linked directly on the agenda or under "Other files" after selecting the meeting in BoardOnTrack prior to viewing the agenda. Downloading the "packet" may not include all of the "Other files" that are still otherwise available to the public.

PER GOVERNOR NEWSOM'S SHELTER IN PLACE EXECUTIVE ORDER DATED MARCH 19, 2020 ([HERE](#)) AND BY ORDER OF THE HEALTH OFFICER OF THE COUNTY OF ALAMEDA DATED NOVEMBER 18, 2020 ([HERE](#)): THIS WILL BE A VIRTUAL-ONLY MEETING

Important Notice: Due to increased demand, dial-in by phone audio conferencing capabilities may be unavailable. During this time, Zoom strongly recommends using computer audio capabilities (or via phone with the Zoom app) while on wifi.

If you have any trouble getting on the Zoom, please text 510-290-4005 for support.

Members: Loren Bentley Tammero, Olivia Couch, Jan Faraguna, Christina Greenberg, Greg Klein, Davis Leung, Hae-Sin Thomas, Stacey Wang

Urban Montessori Charter School welcomes your participation at Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of the organization in public. Your participation assures us of continuing community interest in our school and assists the Board in making the best decisions for our school. To assist you in the ease of speaking/participating in our meetings, guidelines are provided at the bottom of this agenda. All materials for all board and committee meetings, including audio recordings of Regular Board Meetings, are available via on our [BoardOnTrack public portal](#) and is also accessible via the [UMCS School Calendar](#).

## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>6:15 PM</b>
<b>A. Call the Meeting to Order</b>		Davis Leung	1 m
This meeting is being audio-recorded.			
<b>B. Record Attendance</b>		Greg Klein	1 m
<b>C. Review of Action/Discussion Items</b>	Discuss	Davis Leung	1 m
With input from the board, the Chair may decide, based upon a number of factors, to reorder the action/discussion items to best suit the needs of the meeting. No additional action/discussion items will be added at this time.			
<b>D. Board and Community Appreciations</b>		Davis Leung	5 m
Members of the Board and UMCS community may provide appreciations and affirmations during this time.			
<b>E. Board Member Comment</b>		Davis Leung	5 m
Any board member wishing to speak to an issue regarding UMCS that does not pertain to an agenda item may do so at this time. No further discussion or action will take place following each board member’s comments.			
<b>F. Presentations from the Floor</b>		Davis Leung	10 m
PRESENTATIONS ON NON-AGENDA ITEMS – Any person wishing to speak to any item not on the agenda will be granted three minutes to make a presentation. Speakers requiring translation shall have double time.			
<i>“What if [we] listened to others so deeply that they felt loved, accepted, and safe in [our] presence, no matter what they had to say?” -- Steve Shapiro, Author</i>			
<b>II. Head of School Report</b>			<b>6:38 PM</b>
The Head of School and their designees will present topics of interest to the Board and the general public.			

	<b>Purpose</b>	<b>Presenter</b>	<b>Time</b>
<b>A. Head of School Report</b>	Discuss	Krishna Feeney	25 m

Report topics this meeting **may** include:

1. Recent and upcoming events
2. Professional learning and development
3. Updates on Learning Everywhere/Road to Reopening

<b>B. Public Hearing: DRAFT: UMCS School Plan for Student Achievement</b>	Discuss	Krishna Feeney	10 m
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- [DRAFT: UMCS School Plan for Student Achievement](#)

**III. Finance Committee** **7:13 PM**

<b>A. Discussion Item - Committee Report, including year to date financial report</b> Financial report through December 31, 2020.	Discuss	Stacey Wang	15 m
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**IV. Academic Oversight Committee** **7:28 PM**

<b>A. Discussion Item - Committee Report</b>	Discuss	Hae-Sin Thomas	15 m
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**V. Family Advisory Council** **7:43 PM**

<b>A. Committee Report</b>	Discuss	Olivia Couch	15 m
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**VI. Executive & Governance Committee** **7:58 PM**

<b>A. Discussion Item: Committee Updates, including candidates for board service, Form 700, and training</b> <a href="#">Form 700</a>	Discuss	Christina Greenberg	10 m
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**VII. Other Business** **8:08 PM**

<b>A. Oakland and California Updates</b>	Discuss	Hae-Sin Thomas	10 m
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Updates and current events related to Oakland USD, Alameda County Office of Education, and California, and the potential implications for UMCS.

<b>B. Approve Minutes from December 3, 2020 Regular Meeting</b>	Approve Minutes	Greg Klein	1 m
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Approve minutes for Regular Board Meeting on December 3, 2020

<b>C. Approve Minutes from December 3, 2020 Special Meeting</b>	Approve Minutes	Greg Klein	1 m
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Approve minutes for Special Board Meeting on December 3, 2020

<b>D. Action Item - Vote on General Consent Report</b>	Vote	Davis Leung	3 m
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	Purpose	Presenter	Time
General Consent Report for January 21, 2021			
1. <a href="#">Contract</a> for SIS change in 2021/22 2. UMCS PPP Forgiveness Board Resolution 3. UMCS SARC			

[items may be linked above in the agenda or in the "Other files" or Documents section of this meeting on BoardOnTrack.]

E. Collect New Business items for Future Meetings	Discuss	Davis Leung	5 m
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**VIII. Closed Session 8:28 PM**

A. Public Employee Performance Evaluation - Head of School	Discuss	Davis Leung	15 m
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"Closed Session" is always agendized ahead of time as a "Discuss" item. If any votes are taken during any Closed Session, those are reported out publicly upon return to Open Session.

**IX. Return to Open Session 8:43 PM**

A. Report out of any closed session action(s)	Vote	Davis Leung	1 m
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"Return to Open Session" is always agendized ahead of time as a "Vote" item. It is not meant to indicate the the Board *shall* take an action at this time. If any votes are taken during any Closed Session, those are reported out publicly at this time on the agenda.

**X. Closing Items 8:44 PM**

A. Adjourn Meeting	FYI	Davis Leung	1 m
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THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY The Governing Board's presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed.

SPECIAL PRESENTATIONS MAY BE MADE Notice is hereby given that, consistent with the requirements of the Bagley-Keene Open Meeting Act, special presentations not mentioned in the agenda may be made at this meeting. However, any such presentation will be for information only.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting UMCS at 4551 Steele Street, Oakland, CA 94619 or [info@urbanmontessori.org](mailto:info@urbanmontessori.org).

FOR MORE INFORMATION For more information concerning this agenda or for materials relating to this meeting, please contact UMCS at 4551 Steele Street, Oakland,

CA 94619 or [board@urbanmontessori.org](mailto:board@urbanmontessori.org). All materials are available via the Governance Section of our website: <http://www.urbanmontessori.org/governance> or directly via our [BoardOnTrack public portal](#).

## Cover Sheet

### Discussion Item - Committee Report, including year to date financial report

<b>Section:</b>	III. Finance Committee
<b>Item:</b> financial report	A. Discussion Item - Committee Report, including year to date
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	UMCS-January Presentation.pdf UMCS-December Financials.pdf

**Urban Montessori  
Income Statement  
As of Dec FY2021**

	Actual			YTD	Budget							
	Oct	Nov	Dec		Actual YTD	Approved Budget v2	Previous Forecast	Current Forecast	Previous Forecast vs. Current Forecast	Approved Budget v2 vs. Current Forecast	Current Forecast Remaining	% Current Forecast Spent
<b>SUMMARY</b>												
<b>Revenue</b>												
LCFF Entitlement	318,558	405,364	149,017	1,093,445	3,249,293	3,370,831	3,362,044	(8,787)	112,751	2,268,599	33%	
Federal Revenue	-	-	16,986	179,423	395,941	367,353	353,263	(14,090)	(42,678)	173,840	51%	
Other State Revenues	19,725	25,892	-	95,226	358,251	390,642	389,804	(837)	31,554	294,579	24%	
Local Revenues	139	26,488	9,720	36,471	81,193	81,457	89,519	8,062	8,326	53,047	41%	
Fundraising and Grants	193	4,683	9,012	21,239	203,000	203,000	203,000	-	-	181,761	10%	
<b>Total Revenue</b>	<b>338,615</b>	<b>462,427</b>	<b>184,734</b>	<b>1,425,804</b>	<b>4,287,677</b>	<b>4,413,282</b>	<b>4,397,630</b>	<b>(15,652)</b>	<b>109,953</b>	<b>2,971,826</b>	<b>32%</b>	
<b>Expenses</b>												
Compensation and Benefits	289,840	274,854	277,446	1,471,509	3,186,643	3,260,736	3,260,736	-	(74,094)	1,789,227	45%	
Books and Supplies	9,835	6,986	1,718	41,482	167,878	201,376	167,703	33,673	175	126,221	25%	
Services and Other Operating Expenditures	75,228	86,566	59,501	402,669	832,651	845,626	889,293	(43,667)	(56,642)	486,624	45%	
Depreciation	-	-	747	747	-	-	5,231	(5,231)	(5,231)	4,483	14%	
Other Outflows	-	-	-	431	-	-	-	-	-	(431)		
<b>Total Expenses</b>	<b>374,903</b>	<b>368,406</b>	<b>339,411</b>	<b>1,916,839</b>	<b>4,187,171</b>	<b>4,307,738</b>	<b>4,322,963</b>	<b>(15,225)</b>	<b>(135,792)</b>	<b>2,406,125</b>	<b>44%</b>	
<b>Operating Income</b>	<b>(36,288)</b>	<b>94,021</b>	<b>(154,677)</b>	<b>(491,035)</b>	<b>100,506</b>	<b>105,544</b>	<b>74,667</b>	<b>(30,877)</b>	<b>(25,839)</b>	<b>565,702</b>		
<b>Fund Balance</b>												
Beginning Balance (Audited)					291,877	291,877	291,877					
Operating Income					100,506	105,544	74,667					
<b>Ending Fund Balance</b>					<b>392,383</b>	<b>397,421</b>	<b>366,544</b>					
Fund Balance as a % of Expenses						9%	9%			8%		

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<b>KEY ASSUMPTIONS</b>												
<b>Enrollment Summary</b>												
K-3					253	244	243	(1)	(10)			
4-6					114	123	123	-	9			
7-8					36	28	28	-	(8)			
<b>Total Enrolled</b>					<b>403</b>	<b>395</b>	<b>394</b>	<b>(1)</b>	<b>(9)</b>			
<b>ADA %</b>												
K-3					91.6%	95.5%	95.5%	0.0%	3.9%			
4-6					89.7%	95.5%	95.5%	0.0%	5.8%			
7-8					82.7%	95.5%	95.5%	0.0%	12.8%			
<b>Average ADA %</b>					<b>90.3%</b>	<b>95.5%</b>	<b>95.5%</b>	<b>0.0%</b>	<b>5.2%</b>			
<b>ADA</b>												
K-3					231.86	233.02	232.07	(0.96)	0.20			
4-6					102.29	117.47	117.47	-	15.18			
7-8					29.79	26.74	26.74	-	(3.05)			
<b>Total ADA</b>					<b>363.94</b>	<b>377.23</b>	<b>376.27</b>	<b>(0.96)</b>	<b>12.33</b>			



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<b>REVENUE</b>											
<b>LCFF Entitlement</b>											
8011 Charter Schools General Purpose Entitlement - State Aid	149,017	149,017	149,017	612,625	2,034,656	1,718,964	1,714,359	(4,605)	(320,296)	1,101,734	36%
8012 Education Protection Account Entitlement	169,541	-	-	169,541	299,115	702,920	701,140	(1,780)	402,025	531,599	24%
8096 Charter Schools in Lieu of Property Taxes	-	256,347	-	311,279	915,522	948,947	946,545	(2,402)	31,022	635,266	33%
<b>SUBTOTAL - LCFF Entitlement</b>	<b>318,558</b>	<b>405,364</b>	<b>149,017</b>	<b>1,093,445</b>	<b>3,249,293</b>	<b>3,370,831</b>	<b>3,362,044</b>	<b>(8,787)</b>	<b>112,751</b>	<b>2,268,599</b>	<b>33%</b>
<b>Federal Revenue</b>											
8181 Special Education - Entitlement	-	-	-	-	49,125	49,125	49,125	-	-	49,125	0%
8220 Child Nutrition Programs	-	-	-	-	45,105	44,210	35,190	(9,020)	(9,915)	35,190	0%
8290 No Child Left Behind	-	-	-	162,437	-	209,519	209,519	-	209,519	47,082	78%
8291 Title I	-	-	16,986	16,986	45,694	45,694	41,575	(4,119)	(4,119)	24,589	41%
8292 Title II	-	-	-	-	8,805	8,805	7,854	(951)	(951)	7,854	0%
8294 Title IV	-	-	-	-	10,000	10,000	10,000	-	-	10,000	0%
8299 CARES Funding	-	-	-	-	237,212	-	-	-	(237,212)	-	-
<b>SUBTOTAL - Federal Revenue</b>	<b>-</b>	<b>-</b>	<b>16,986</b>	<b>179,423</b>	<b>395,941</b>	<b>367,353</b>	<b>353,263</b>	<b>(14,090)</b>	<b>(42,678)</b>	<b>173,840</b>	<b>51%</b>
<b>Other State Revenue</b>											
8381 Special Education - Entitlement (State)	19,725	19,725	-	61,366	234,662	237,430	237,231	(199)	2,569	175,865	26%
8382 Special Education Reimbursement (State)	-	-	-	-	39,600	39,600	39,600	-	-	39,600	0%
8520 Child Nutrition - State	-	31	-	31	2,209	2,166	1,724	(442)	(486)	1,693	2%
8550 Mandated Cost Reimbursements	-	6,136	-	6,136	6,136	6,136	6,136	-	-	(0)	100%
8560 State Lottery Revenue	-	-	-	-	75,644	77,617	77,421	(196)	1,777	77,421	0%
8590 COVID-19 LEA Response Funds	-	-	-	27,693	-	27,693	27,693	-	27,693	-	100%
<b>SUBTOTAL - Other State Revenue</b>	<b>19,725</b>	<b>25,892</b>	<b>-</b>	<b>95,226</b>	<b>358,251</b>	<b>390,642</b>	<b>389,804</b>	<b>(837)</b>	<b>31,554</b>	<b>294,579</b>	<b>24%</b>
<b>Local Revenue</b>											
8634 Food Service Sales	-	-	-	-	6,568	6,568	3,000	(3,568)	(3,568)	3,000	0%
8699 All Other Local Revenue	139	11,630	-	11,894	-	264	11,894	11,630	11,894	0	100%
8702 Oakland Measure G1	-	-	-	-	74,625	74,625	74,625	-	-	74,625	0%
8999 Uncategorized Revenue	-	14,858	9,720	24,578	-	-	-	-	-	(24,578)	-
<b>SUBTOTAL - Local Revenue</b>	<b>139</b>	<b>26,488</b>	<b>9,720</b>	<b>36,471</b>	<b>81,193</b>	<b>81,457</b>	<b>89,519</b>	<b>8,062</b>	<b>8,326</b>	<b>53,047</b>	<b>41%</b>
<b>Fundraising and Grants</b>											
8801 Walkathon	-	-	-	23	25,000	25,000	25,000	-	-	24,977	0%
8802 Private Grants	-	-	-	-	125,000	125,000	125,000	-	-	125,000	0%
8803 All In for Learning	-	-	-	-	25,000	25,000	25,000	-	-	25,000	0%
8811 Fall Campaign	-	2,832	9,012	11,843	15,000	15,000	15,000	-	-	3,157	79%
8812 Other Fundraising (Movie Night, Apparel, etc)	193	1,852	-	9,372	10,000	10,000	10,000	-	-	628	94%
8814 Field Trips Donations	-	-	-	-	3,000	3,000	3,000	-	-	3,000	0%
<b>SUBTOTAL - Fundraising and Grants</b>	<b>193</b>	<b>4,683</b>	<b>9,012</b>	<b>21,239</b>	<b>203,000</b>	<b>203,000</b>	<b>203,000</b>	<b>-</b>	<b>-</b>	<b>181,761</b>	<b>10%</b>
<b>TOTAL REVENUE</b>	<b>338,615</b>	<b>462,427</b>	<b>184,734</b>	<b>1,425,804</b>	<b>4,287,677</b>	<b>4,413,282</b>	<b>4,397,630</b>	<b>(15,652)</b>	<b>109,953</b>	<b>2,971,826</b>	<b>32%</b>

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<b>EXPENSES</b>												
<b>Compensation &amp; Benefits</b>												
<b>Certificated Salaries</b>												
1100	Lead Teacher Salaries	78,135	90,330	78,483	411,387	850,506	888,001	888,001	-	(37,495)	476,614	46%
1148	Special Ed Teacher Salaries	34,571	39,271	34,021	181,105	374,231	385,231	385,231	-	(11,000)	204,126	47%
1150	Support Teacher Salaries	47,496	50,372	44,791	231,700	477,545	498,545	498,545	-	(21,000)	266,845	46%
1170	Measure G1 Stipends	-	-	-	-	58,000	58,000	58,000	-	-	58,000	0%
1300	Certificated Supervisor & Administrator Salaries	17,171	17,921	17,921	104,524	206,048	207,548	207,548	-	(1,500)	103,024	50%
	<b>SUBTOTAL - Certificated Salaries</b>	<b>177,374</b>	<b>197,894</b>	<b>175,215</b>	<b>928,716</b>	<b>1,966,331</b>	<b>2,037,326</b>	<b>2,037,326</b>	<b>-</b>	<b>(70,995)</b>	<b>1,108,609</b>	<b>46%</b>
<b>Classified Salaries</b>												
2100	Distance Learning Support Staff	13,592	14,522	12,567	64,773	136,148	138,398	138,398	-	(2,250)	73,625	47%
2102	Student Support Staff	9,314	9,656	8,735	43,596	130,608	117,446	117,446	-	13,162	73,850	37%
2400	Classified Clerical & Office Salaries	16,105	18,573	16,805	101,161	192,900	195,900	195,900	-	(3,000)	94,739	52%
2900	Classified Substitutes	-	-	-	-	33,200	34,700	34,700	-	(1,500)	34,700	0%
	<b>SUBTOTAL - Classified Salaries</b>	<b>39,012</b>	<b>42,751</b>	<b>38,107</b>	<b>209,530</b>	<b>492,856</b>	<b>486,444</b>	<b>486,444</b>	<b>-</b>	<b>6,412</b>	<b>276,915</b>	<b>43%</b>
<b>Employee Benefits</b>												
3100	STRS	26,111	29,050	25,783	135,795	346,062	355,160	355,160	-	(9,098)	219,365	38%
3300	OASDI-Medicare-Alternative	6,380	7,130	6,293	33,814	55,274	56,722	56,722	-	(1,448)	22,908	60%
3400	Health & Welfare Benefits	40,962	(1,971)	25,832	134,656	272,580	270,447	270,447	-	2,133	135,790	50%
3500	Unemployment Insurance	-	-	0	1,035	11,734	11,734	11,734	-	-	10,699	9%
3600	Workers Comp Insurance	-	-	6,214	27,963	41,806	42,904	42,904	-	(1,098)	14,941	65%
	<b>SUBTOTAL - Employee Benefits</b>	<b>73,454</b>	<b>34,209</b>	<b>64,123</b>	<b>333,263</b>	<b>727,456</b>	<b>736,966</b>	<b>736,966</b>	<b>-</b>	<b>(9,510)</b>	<b>403,703</b>	<b>45%</b>
<b>Books &amp; Supplies</b>												
4100	Approved Textbooks & Core Curricula Materials	-	5,162	-	5,162	15,000	15,000	15,000	-	-	9,838	34%
4200	Books & Other Reference Materials	-	-	-	-	1,000	1,000	1,000	-	-	1,000	0%
4320	Educational Software	1,851	101	101	4,455	4,000	4,253	8,253	(4,000)	(4,253)	3,798	54%
4325	Instructional Materials & Supplies	380	-	275	655	8,000	8,000	4,000	4,000	4,000	3,345	16%
4326	Art & Music Supplies	-	-	-	-	5,000	5,000	5,000	-	-	5,000	0%
4330	Office Supplies	55	46	-	536	4,000	4,000	4,000	-	-	3,464	13%
4335	PE Supplies	-	-	-	-	1,000	1,000	1,000	-	-	1,000	0%
4340	SpEd Materials & Supplies	-	-	-	-	1,500	1,500	1,500	-	-	1,500	0%
4400	Noncapitalized Equipment	-	-	-	-	-	35,000	19,000	16,000	(19,000)	19,000	0%
4410	Classroom Furniture, Equipment & Supplies	399	(35)	-	1,202	2,000	2,000	2,000	-	-	798	60%
4420	Computers: individual items less than \$5k	4,012	-	367	19,363	30,000	30,000	30,000	-	-	10,637	65%
4430	Non Classroom Related Furniture, Equipment & Supplies	-	-	-	502	2,000	2,000	2,000	-	-	1,498	25%
4710	Student Food Services	3,139	1,712	975	9,607	88,378	86,623	68,950	17,673	19,428	59,343	14%
4720	Other Food	-	-	-	-	6,000	6,000	6,000	-	-	6,000	0%
	<b>SUBTOTAL - Books and Supplies</b>	<b>9,835</b>	<b>6,986</b>	<b>1,718</b>	<b>41,482</b>	<b>167,878</b>	<b>201,376</b>	<b>167,703</b>	<b>33,673</b>	<b>175</b>	<b>126,221</b>	<b>25%</b>
<b>Services &amp; Other Operating Expenses</b>												
5215	Travel - Mileage, Parking, Tolls	-	-	-	-	500	500	500	-	-	500	0%
5305	Dues & Membership - Professional	-	1,965	-	1,965	6,000	6,000	6,000	-	-	4,035	33%
5450	Insurance - Other	-	-	10,694	48,124	64,168	64,168	64,168	-	-	16,044	75%
5515	Janitorial, Gardening Services & Supplies	21,317	-	6,000	33,386	80,000	90,000	90,000	-	(10,000)	56,614	37%
5520	Security	167	-	-	585	600	1,200	1,200	-	(600)	615	49%
5535	Utilities - All Utilities	234	5,024	3,272	17,741	50,000	50,000	50,000	-	-	32,259	35%
5605	Equipment Leases	1,108	1,108	1,108	6,649	14,024	14,024	14,024	-	-	7,374	47%
5610	Rent	36,677	36,677	-	73,354	146,708	146,708	146,708	-	-	73,354	50%
5615	Repairs and Maintenance - Building	-	-	-	35,205	40,000	40,000	40,000	-	-	4,795	88%

**Urban Montessori  
Income Statement  
As of Dec FY2021**

		Actual			YTD	Budget						
		Oct	Nov	Dec	Actual YTD	Approved Budget v2	Previous Forecast	Current Forecast	Previous Forecast vs. Current Forecast	Approved Budget v2 vs. Current Forecast	Current Forecast Remaining	% Current Forecast Spent
5803	Accounting Fees	-	7,875	-	12,285	19,300	19,300	19,300	-	-	7,015	64%
5805	Administrative Fees	-	-	-	-	6,386	6,386	6,386	-	-	6,386	0%
5809	Banking Fees	-	-	-	75	600	600	600	-	-	525	13%
5812	Business Services	9,500	9,500	9,500	57,000	114,000	114,000	114,000	-	-	57,000	50%
5815	Consultants - Instructional	-	-	-	-	2,500	2,500	2,500	-	-	2,500	0%
5824	District Oversight Fees	5,195	-	-	5,195	34,271	35,553	35,460	93	(1,189)	30,265	15%
5826	Directors Contingency	-	-	-	-	45,000	45,000	45,000	-	-	45,000	0%
5827	Middle School Program expenses (8816 offset)	-	-	-	-	1,808	1,808	1,808	-	-	1,808	0%
5830	Field Trips Expenses	-	-	-	-	3,000	3,000	3,000	-	-	3,000	0%
5833	Fines and Penalties	-	-	50	117	500	500	500	-	-	383	23%
5836	Fingerprinting	-	74	-	336	1,595	1,595	1,595	-	-	1,259	21%
5839	Fundraising Expenses	-	-	9,722	9,722	5,000	5,000	9,722	(4,722)	(4,722)	(0)	100%
5843	Interest - Loans Less than 1 Year	-	-	-	-	5,000	5,000	5,000	-	-	5,000	0%
5845	Legal Fees	52	140	208	6,232	15,000	15,000	15,000	-	-	8,768	42%
5851	Marketing and Student Recruiting	-	-	-	-	3,500	3,500	7,500	(4,000)	(4,000)	7,500	0%
5857	Payroll Fees	397	461	435	2,408	6,000	6,000	6,000	-	-	3,592	40%
5860	Printing and Reproduction	716	716	716	4,766	7,500	7,500	7,500	-	-	2,734	64%
5861	Prior Yr Exp (not accrued)	-	38	-	1,131	-	1,093	1,131	(38)	(1,131)	0	100%
5863	Professional Development	-	12,396	10,103	29,831	13,000	13,000	30,000	(17,000)	(17,000)	169	99%
5869	Special Education Contract Instructors	-	-	4,168	14,996	85,000	85,000	85,000	-	-	70,004	18%
5875	Staff Recruiting	-	-	-	-	4,000	4,000	4,000	-	-	4,000	0%
5878	Student Assessment	-	3,913	-	3,913	5,000	5,000	5,000	-	-	1,088	78%
5880	Student Health Services	-	-	-	-	5,000	5,000	5,000	-	-	5,000	0%
5881	Student Information System	750	750	750	21,150	23,000	23,000	35,000	(12,000)	(12,000)	13,850	60%
5887	Technology Services	1,887	4,909	816	8,496	3,000	3,000	9,000	(6,000)	(6,000)	504	94%
5910	Communications - Internet / Website Fees	3	3	883	1,754	9,492	9,492	9,492	-	-	7,738	18%
5915	Postage and Delivery	221	175	230	676	3,200	3,200	3,200	-	-	2,524	21%
5920	Communications - Telephone & Fax	(2,997)	843	845	5,580	9,000	9,000	9,000	-	-	3,420	62%
<b>SUBTOTAL - Services &amp; Other Operating Exp.</b>		<b>75,228</b>	<b>86,566</b>	<b>59,501</b>	<b>402,669</b>	<b>832,651</b>	<b>845,626</b>	<b>889,293</b>	<b>(43,667)</b>	<b>(56,642)</b>	<b>486,624</b>	<b>45%</b>
<b>Capital Outlay &amp; Depreciation</b>												
6900	Depreciation	-	-	747	747	-	-	5,231	(5,231)	(5,231)	4,483	14%
<b>SUBTOTAL - Capital Outlay &amp; Depreciation</b>		<b>-</b>	<b>-</b>	<b>747</b>	<b>747</b>	<b>-</b>	<b>-</b>	<b>5,231</b>	<b>(5,231)</b>	<b>(5,231)</b>	<b>4,483</b>	<b>14%</b>
<b>Other Outflows</b>												
7999	Uncategorized Expense	-	-	-	431	-	-	-	-	-	(431)	
<b>SUBTOTAL - Other Outflows</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(431)</b>	
<b>TOTAL EXPENSES</b>		<b>374,903</b>	<b>368,406</b>	<b>339,411</b>	<b>1,916,839</b>	<b>4,187,171</b>	<b>4,307,738</b>	<b>4,322,963</b>	<b>(15,225)</b>	<b>(135,792)</b>	<b>2,406,125</b>	<b>44%</b>

**Urban Montessori  
Monthly Cash Forecast  
As of Dec FY2021**

	2020-21													
	Actuals & Forecast												Forecast	Remaining Balance
	Jul Actuals	Aug Actuals	Sep Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast		
<b>Beginning Cash</b>	<b>589,932</b>	<b>681,740</b>	<b>707,046</b>	<b>626,317</b>	<b>639,894</b>	<b>712,037</b>	<b>514,885</b>	<b>774,971</b>	<b>766,511</b>	<b>537,984</b>	<b>595,320</b>	<b>394,627</b>		
<b>REVENUE</b>														
LCFF Entitlement	-	137,719	82,787	318,558	405,364	149,017	391,799	222,259	149,518	354,498	98,469	98,469	3,362,044	953,588
Federal Revenue	-	-	162,437	-	-	16,986	3,519	18,376	3,519	28,081	18,376	50,601	353,263	51,367
Other State Revenue	9,763	12,153	27,693	19,725	25,892	-	66,610	31,144	4,857	4,857	23,596	19,972	389,804	143,541
Other Local Revenue	-	125	-	139	26,488	9,720	(24,078)	500	500	500	500	500	89,519	74,625
Fundraising & Grants	1,438	3,857	2,055	193	4,683	9,012	130,274	30,297	5,297	5,297	5,297	5,297	203,000	-
<b>TOTAL REVENUE</b>	<b>11,201</b>	<b>153,855</b>	<b>274,972</b>	<b>338,615</b>	<b>462,427</b>	<b>184,734</b>	<b>568,124</b>	<b>302,577</b>	<b>163,692</b>	<b>393,234</b>	<b>146,239</b>	<b>174,839</b>	<b>4,397,630</b>	<b>1,223,121</b>
<b>EXPENSES</b>														
Certificated Salaries	24,592	176,866	176,775	177,374	197,894	175,215	183,900	171,242	171,242	171,242	171,242	239,742	2,037,326	-
Classified Salaries	16,871	34,170	38,618	39,012	42,751	38,107	46,152	46,152	46,152	46,152	46,152	46,152	486,444	-
Employee Benefits	42,355	49,653	69,470	73,454	34,209	64,123	97,015	61,578	61,578	56,969	67,177	59,384	736,966	-
Books & Supplies	4,535	7,030	11,378	9,835	6,986	1,718	29,761	17,269	16,880	16,741	17,613	16,466	167,703	11,492
Services & Other Operating Expenses	84,614	36,419	60,342	75,228	86,566	59,501	65,263	55,196	100,737	49,164	49,118	104,612	889,293	62,535
Capital Outlay & Depreciation	-	-	-	-	-	747	747	747	747	747	747	747	5,231	-
Other Outflows	181	230	20	-	-	-	(431)	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>173,147</b>	<b>304,369</b>	<b>356,602</b>	<b>374,903</b>	<b>368,406</b>	<b>339,411</b>	<b>422,408</b>	<b>352,185</b>	<b>397,336</b>	<b>341,016</b>	<b>352,049</b>	<b>467,103</b>	<b>4,322,963</b>	<b>74,027</b>
<b>Operating Cash Inflow (Outflow)</b>	<b>(161,947)</b>	<b>(150,514)</b>	<b>(81,630)</b>	<b>(36,288)</b>	<b>94,021</b>	<b>(154,677)</b>	<b>145,716</b>	<b>(49,609)</b>	<b>(233,644)</b>	<b>52,219</b>	<b>(205,811)</b>	<b>(292,264)</b>	<b>74,667</b>	<b>1,149,094</b>
Revenues - Prior Year Accruals	307,522	182,769	-	25,478	-	-	137,761	36,032	-	-	-	-	-	-
Accounts Receivable - Current Year	-	-	(550)	(1,450)	500	500	1,000	-	-	-	-	-	-	-
Other Assets	21,102	-	-	-	(1,965)	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	(44,086)	747	747	747	747	747	747	747	747
Expenses - Prior Year Accruals	(1,197)	-	-	(7,599)	-	-	(24,222)	-	-	-	-	-	-	-
Accounts Payable - Current Year	(24,397)	(9,612)	(3,940)	27,819	(24,939)	(4,176)	(5,287)	-	-	-	-	-	-	-
Summerholdback for Teachers	(49,275)	2,662	5,391	5,617	4,527	5,286	4,370	4,370	4,370	4,370	4,370	4,370	-	-
<b>Ending Cash</b>	<b>681,740</b>	<b>707,046</b>	<b>626,317</b>	<b>639,894</b>	<b>712,037</b>	<b>514,885</b>	<b>774,971</b>	<b>766,511</b>	<b>537,984</b>	<b>595,320</b>	<b>394,627</b>	<b>107,480</b>		

**Urban Montessori**  
**Balance Sheet**  
**As of Dec FY2021**

	<b>Jun FY2020</b>	<b>Dec FY2021</b>
<b>ASSETS</b>		
Cash Balance	589,932	514,885
Accounts Receivable	689,562	174,794
Prepays	21,102	1,965
Fixed Assets, Net	20,850	64,936
<b>TOTAL ASSETS</b>	<b>1,321,447</b>	<b>756,579</b>
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	141,616	97,123
Due to Others	102,400	102,400
Current Loans and Other Payables	56,539	27,199
Long-Term Loans and Other Liabilities	729,014	729,014
Beginning Net Assets	285,317	291,877
Net Income (Loss) to Date	6,560	(491,035)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,321,447</b>	<b>756,578</b>

# Urban Montessori Charter School Board Financial Update

ALEJANDRA RODRIGUEZ

JANUARY 21, 2021



# Contents



1. 2020-21 Financial Update
2. State Budget & Federal Stimulus Update
3. 2021-22 Budget Development
4. Exhibits
  - A. YTD Financials
  - B. Cash Flow
  - C. Balance Sheet

# 2020-21 Financial Update

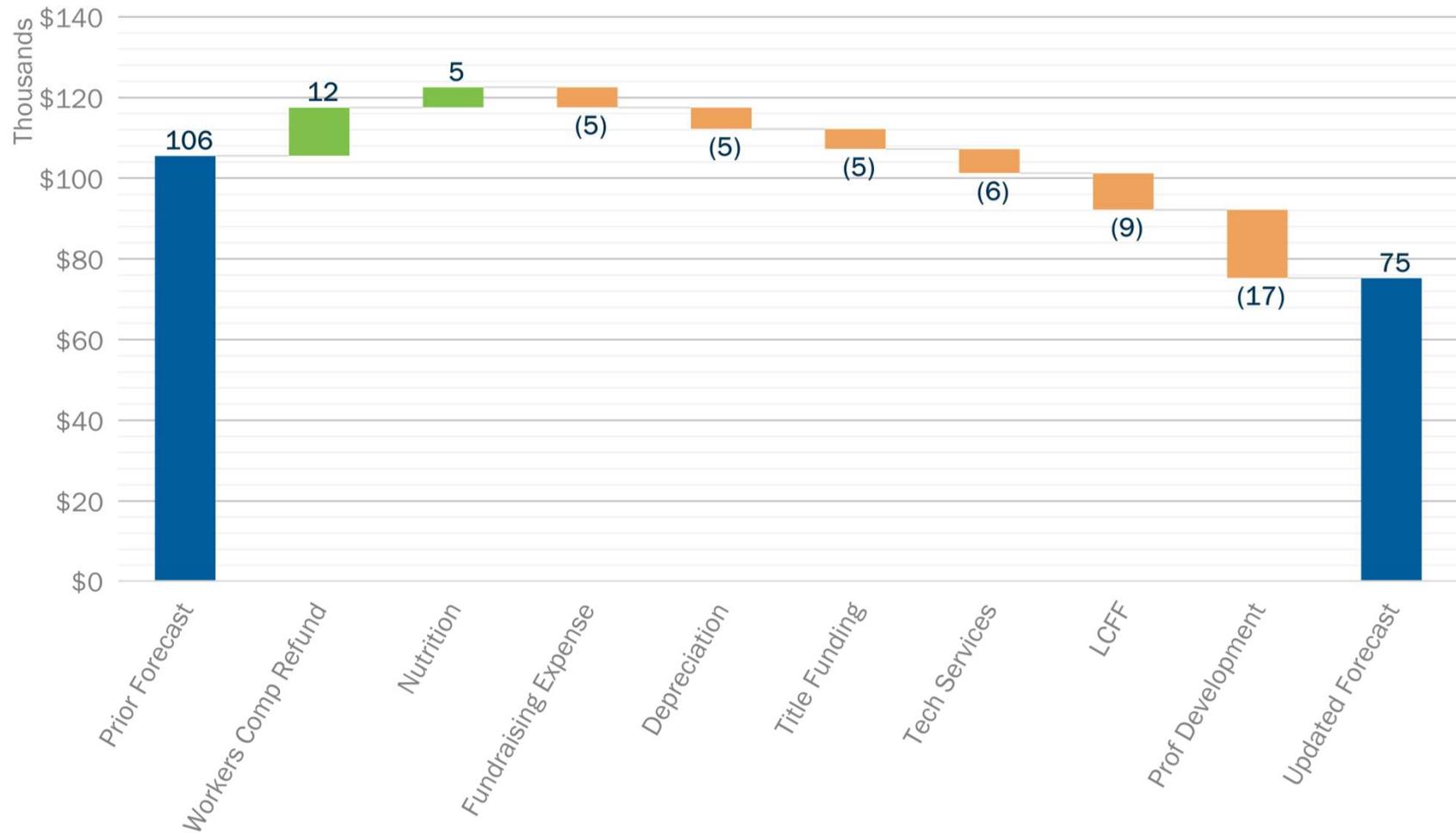




# 2020-21 Forecast Update



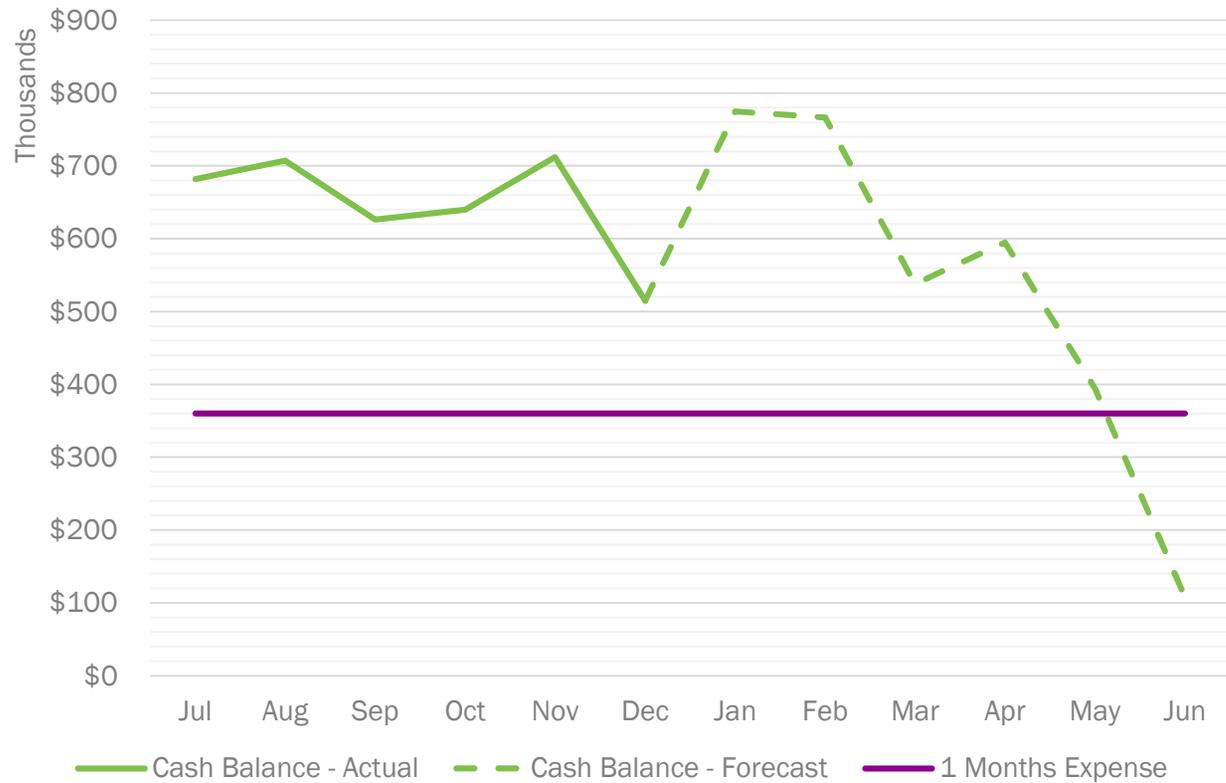
**Despite decrease in operating income, on track to meet year-end goals**



# 2020-21 Monthly Cash Balance Projection



## Cash slightly tighter, yet no receivable sales anticipated

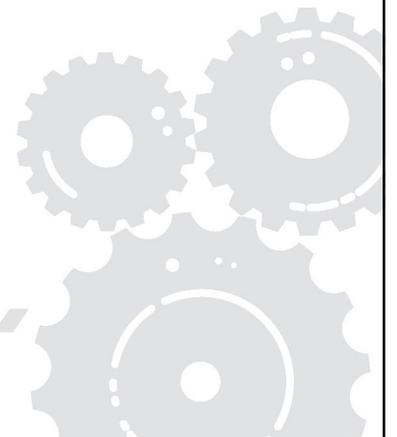


### Assumptions:

- Spring deferral schedule still in place
- Spend down of all budget categories

Cash is being monitored closely and will make any potential financing decisions as information emerges.

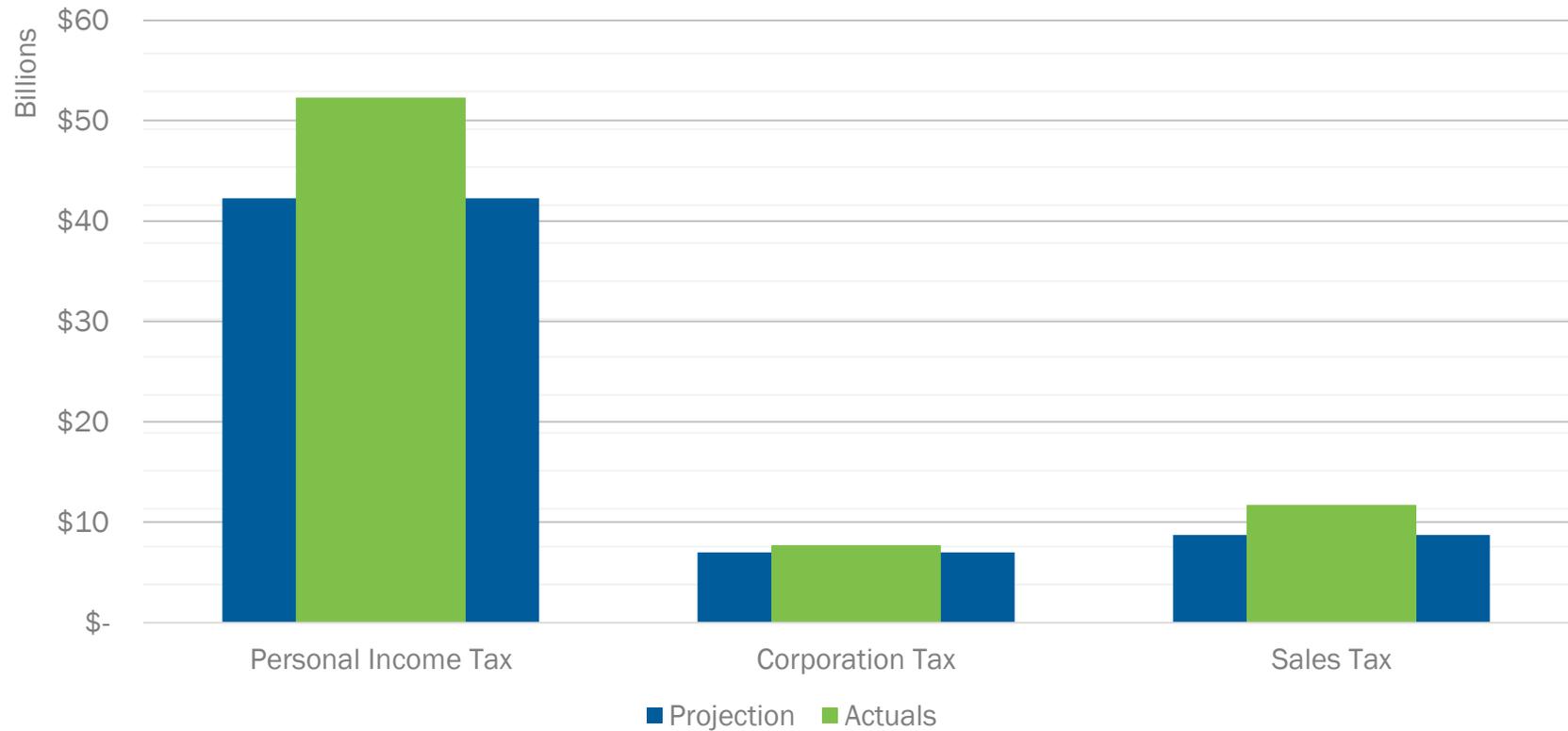
# State Budget and Federal Stimulus Update



# State Outlook



## Tax receipts through November beating projections by 24%



State estimated to end year \$15.5B better than budget

# Governor's January Budget: Spending on FY21



## Big COVID-related funds: New In-Person Instruction & Expanded Learning Grants

### IN-PERSON INSTRUCTION GRANT

- Available for TK – 6<sup>th</sup> grade
- Requires safety plan submitted to County Office of Ed; current in-person schools do not need to create new plan
- Must certify students at home have online access
- Two timelines: Round 1 - Plan submitted by 2/1, continuous instruction must begin by 2/16; Round 2 – Plan by 3/1, instruction begins by 3/15
- Round 1 eligible for \$450/ADA base, with add-ons like LCFF; Round 2 rate drops to \$338/ADA base
- Use is flexible; spend through 12/31/21

### EXPANDED LEARNING TIME AND ACADEMIC INTERVENTION

- \$4.6B in one-time funding (2.3x reopening grant!)
- Targeted for low-income, ELL, foster & homeless youth
- Extended school year & academic interventions
- Very limited detail but mention of flexibility

# Governor's January Budget: Proposal for FY22



## Overall positive outlook on funding, expecting to return to “normal”

### COLA

- 3.84% for LCFF (incl. 2.3% reinstated from FY21 and new 1.5%)
- 1.5% COLA for other state funding streams like SpEd

### Deferrals

- No plans yet to walk back currently scheduled FY21 deferrals
- Pay \$7.3B of \$11B in deferrals in FY22; only June deferral remains

### ADA

- In-person instruction expected as default mode
- No “hold harmless” or growth caps; normal ADA tracking expected

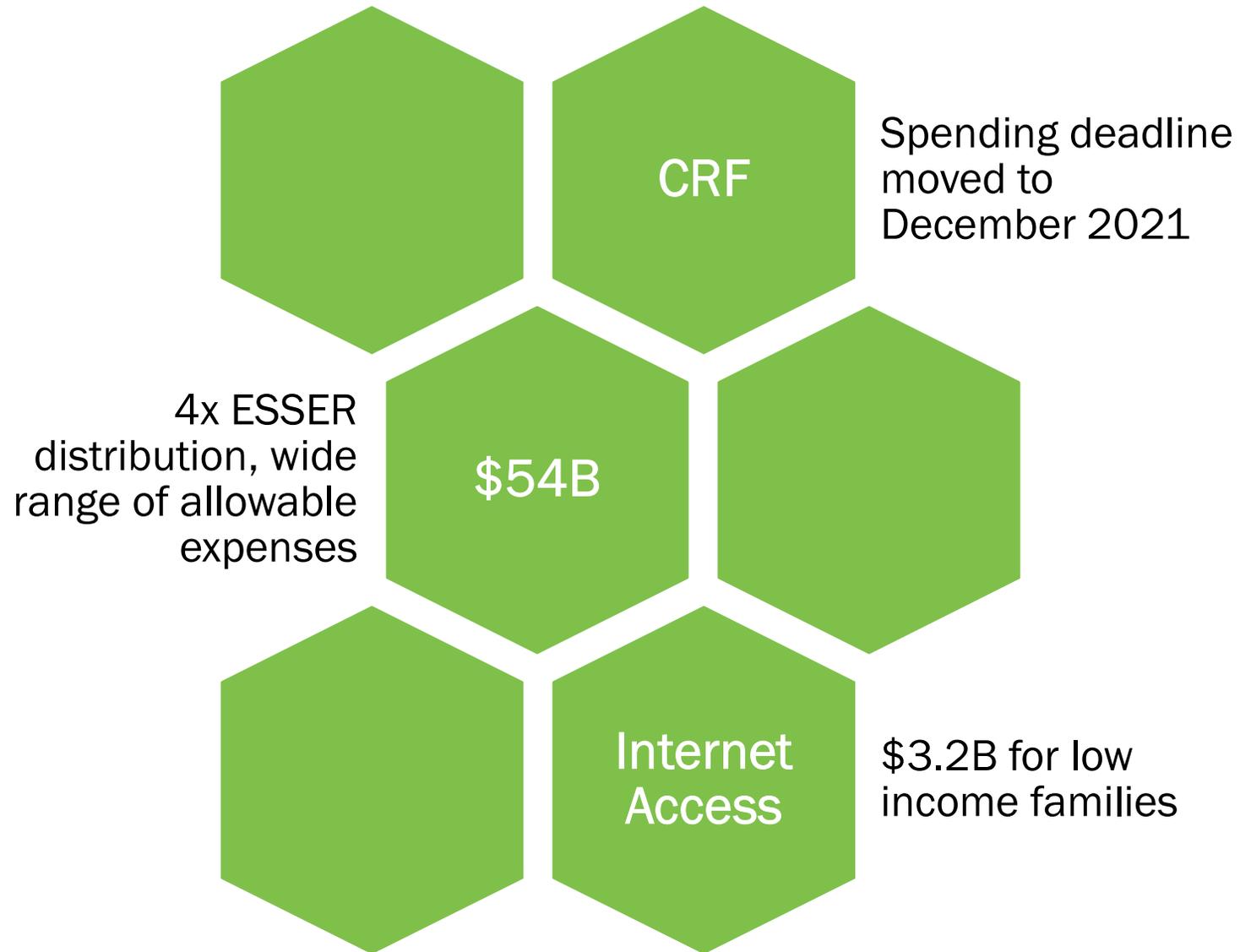
### STRS/PERS

- School STRS contribution down to 15.92% from 16%
- School PERS contribution expected to hold at 23%

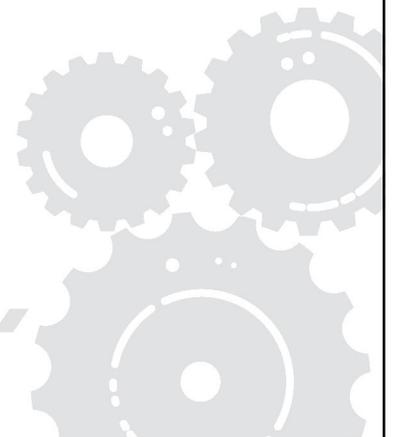
### Other Funds

- \$545M for teacher training & development; distribution TBD
- Other smaller funds mentioned, details scarce so far

# Federal Stimulus Package December 2020



# 2021-22 Budget Development

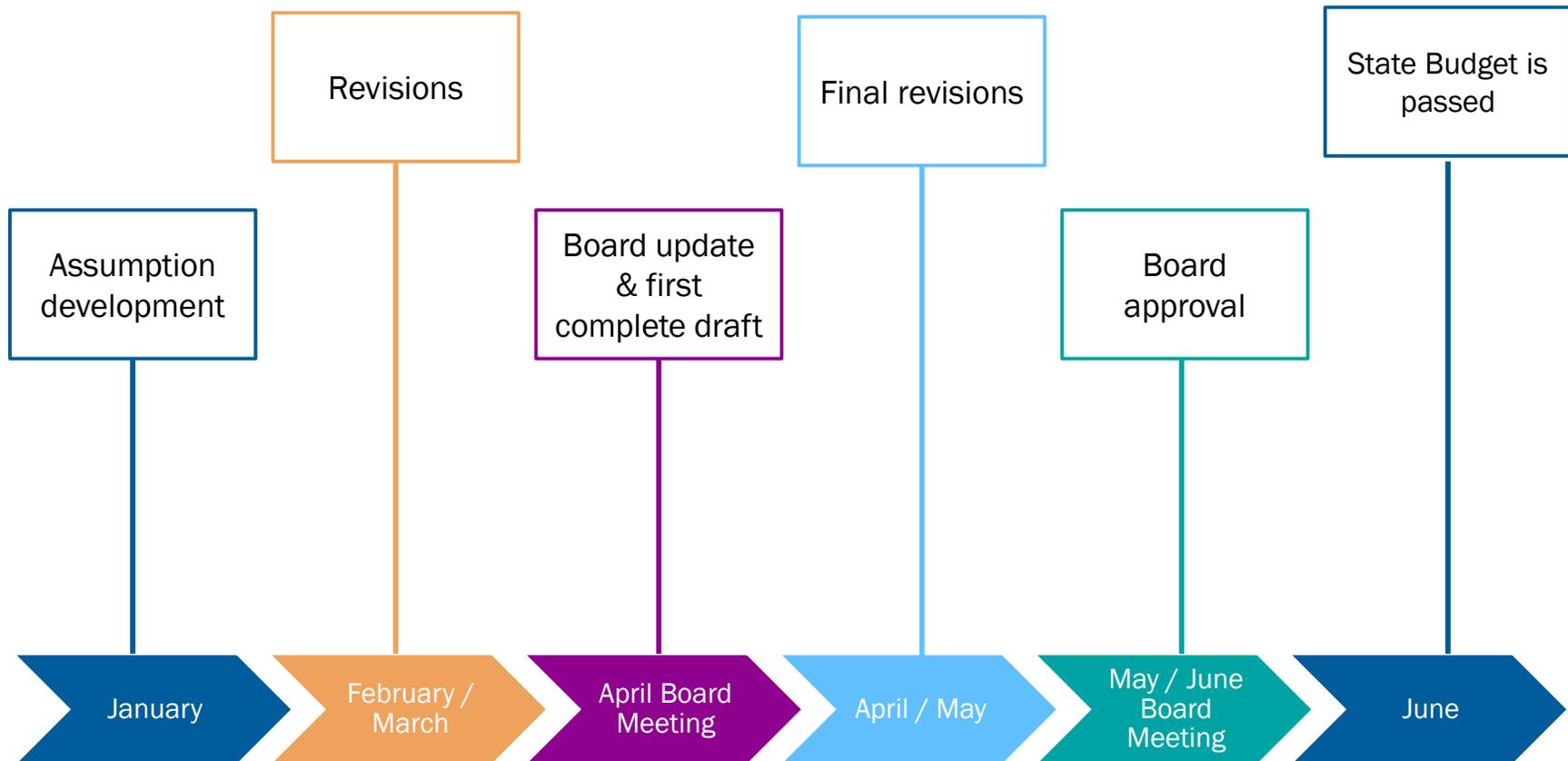




# Budget Development



**Process begins in early spring with budget approval by June 30**



# Cover Sheet

## Oakland and California Updates

**Section:** VII. Other Business  
**Item:** A. Oakland and California Updates  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:**  
21-0012 Board Policy - Students - BP NTBD - Enrollment Stabilization.pdf  
OUSD Board Meeting Agenda 1.13.21.pdf  
FullBudgetSummary.pdf

<b>Board Office Use: Legislative File Info.</b>	
File ID Number	21-0012
Introduction Date	1/13/2021
Enactment Number	
Enactment Date	



**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
Community Schools, Thriving Students

## Memo

**To** Board of Education

**From** Shanthi Gonzales, OUSD Board President

**Board Meeting Date** January 13, 2020

**Subject** Background on Draft Enrollment Stabilization Policy

**Action** Introduction of New Legislation Item

### Background

Over the last twenty years, enrollment in OUSD has declined from approximately 52,000 to an estimated 35,000 in 2021-22. This decline has contributed to underfunding of the District, with OUSD having lower salaries than other districts in Alameda County and having difficulty recruiting and retaining staff. OUSD also struggles to provide all the supports that students need, especially with regard to mental health, early intervention, and adequate support for new teachers.

The District urgently needs a cohesive, intentional strategy to reverse this long-term trend.

The Board has adopted policies that address the surplus real estate that has resulted from declining enrollment. One example is that Asset Management Policy, which calls for portable removal and identifies ways to monetize surplus properties. Another policy requires an Enrollment Impact Analysis, which examines the potential impact on enrollment of decisions before the Board.

The Community of Schools Policy details several steps to address improved school quality, which is clearly related to enrollment. However, none of these policies presents a comprehensive approach to reversing the decline in enrollment.

This policy calls for dedicating central staff positions to supporting schools to reach out to families; for schools, board members and central departments to identify ways to support enrollment growth and stabilization; and for the District to stop using resources to promote enrollment in competing schools.

If adopted by the Board, this policy would go into effect immediately. This is important because implementation will require changes to OUSD's enrollment system.

**Discussion**

After being introduced as a New Legislative Matter, there will be opportunities for community engagement, starting with members of the Enrollment Working Group. In late February the policy would come back for a first read and then a vote.

**Fiscal Impact**

The exact fiscal impact is to be determined. However, there will be a budgetary impact for 2021-22 due to the required positions and program budget to support schools with outreach work.

**Attachment**

Draft Enrollment Stabilization Policy

# **OAKLAND UNIFIED SCHOOL DISTRICT**

## **Board Policy**

### Students

## **BP NTBD**

### Enrollment Stabilization

#### Rationale

Enrollment is chief driver of revenue for the School District. Declining enrollment has been a driver in OUSD's budget difficulties over the last twenty years, leading to budget cuts, layoffs and school closures. This policy affirms the expectation that enrollment stabilization and growth is a top priority for OUSD and that all OUSD employees and officials are expected to make every effort to stabilize and grow enrollment in OUSD-operated schools.

#### District Supports for Schools

OUSD is responsible for supporting schools in maintaining and growing their enrollment.

OUSD shall create and maintain an annual budget, starting in the 21-22 school year, to support schools with growing and maintaining enrollment, with both universal and targeted supports. This budget shall include dedicated staff whose job it is to support schools with marketing and community outreach, including but not limited to school websites, social media accounts, creating videos and other materials, creation of PTAs or booster organizations, outreach to prospective parents, holding community events, etc. Each August, all school principals shall be informed of supports available to assist them in their efforts to grow and maintain enrollment.

#### Responsibilities of Schools

Schools are critical partners in efforts to grow enrollment and bring additional resources for students into our district.

Each school's governance team shall create an annual enrollment stabilization plan as part of their Single Plan for Student Achievement (SPSA), which will detail their plans to grow to a sustainable size, or to maintain their size if not applicable. The plan shall be submitted to the Superintendent or designee on a date determined by the Superintendent. The Superintendent shall determine what supports and/or consequences, if any, are appropriate to ensure that timely submittal of such plans.

Each school will be expected to hold community outreach events that are publicized and intended to inform prospective parents and the broader community about the school's offerings and achievements. The plan should detail the school's planned outreach events as well as strategies to identify and recruit prospective parents (mailings, preschool visits, social media, tours, etc). If the school has a persistent challenge with declining enrollment, their plan should include a root cause analysis for the decline and strategies to reverse the decline.

Network Superintendents are responsible for supporting schools in the creation and implementation of their plans, and will be held accountable for how well they support schools with their enrollment stabilization work.

#### Shared Responsibility for Enrollment Stability

Board Members share responsibility for promoting the success of schools in their respective districts, and are expected to celebrate their schools publicly and share information regularly about school programs, academic growth and other achievements.

As enrollment stability affects all OUSD employees as the chief driver of revenue for the district, all central departments shall be required to specify in their annual work plans how they plan to support the stabilization and growth of OUSD's enrollment.

#### No Resources for Competing Systems

Acknowledging the fiscal and academic responsibilities of OUSD to its schools and the limited resources available, effective upon passage of this policy, no OUSD resources shall be used to support the enrollment or marketing of competing schools, whether charter or private.

This includes but is not limited to OUSD's enrollment system, school maps, parent guides and other enrollment materials, OUSD facilities, enrollment fairs, and teacher recruitment events. Competing schools shall not be invited to participate in or be included in OUSD-run recruitment fairs or OUSD-run enrollment events or to recruit students on OUSD-operated campuses. Questions about what constitutes the use of OUSD resources to support enrollment or marketing shall be referred to the Board of Education for resolution rather than through adoption of administrative regulations.

The Superintendent or her designee shall report on the work to stabilize enrollment in OUSD-operated schools at least once per quarter in writing and at least once per year through a presentation at a public board meeting.

The Superintendent or her designee shall produce administrative regulations to guide the implementation of this policy, which shall be shared with the board for their approval, within 120 days of the passage of this policy.

# Governor's Budget Summary

## 2021-22



To the California Legislature  
Regular Session 2021-22

Gavin Newsom, Governor  
State of California



GOVERNOR  
Gavin Newsom

January 8, 2021

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

I am proud to advance a Budget that will support and expedite our recovery from the health and economic crisis caused by COVID-19 so our state comes back stronger than before.

While the novel coronavirus presented us with new challenges, our North Star has remained the same: inclusion, economic growth and a brighter future for all. Our response to COVID-19, and in turn this Budget, advances investments that help improve access to healthcare, quality education, childcare and economic security through this pandemic and beyond. This Budget leverages California's many strengths, among them our people, our innovation and our diversity. It remains anchored in the principles of equity, opportunity and responsible governing that have undergirded our previous budgets.

Our shared prudent fiscal management provided the necessary foundation for our efforts to rise to the ongoing challenge of COVID-19. We are working with \$34 billion in budget resiliency—budgetary reserves and surplus—that will support our progress toward an equitable and broad-based recovery. Thanks to tough decisions in the past and present, we are better prepared to weather the storm and help struggling Californians where they need it most.

It is undeniable that the pandemic has laid bare, and indeed deepened, inequalities that threaten the California Dream. We have worked together to tackle these inequalities over the last two years—in healthcare, housing, education, the economy and more—and we must do so with even greater urgency to truly recover from COVID-19.

Always with an eye to the future, the Budget includes a total \$14 billion investment in our economic recovery—including early action beginning this month—to provide immediate relief for working families and small businesses most affected by the pandemic. It advances four priorities for immediate action: the Golden State Stimulus to put money into Californians' pockets, doubling down on our support to small business, an extension of the eviction protections that we worked in partnership to enact and supporting California schools in bringing students back safely for in-person instruction. Our investments in schools also focus on increasing educational opportunities for California's diverse youth and providing them with opportunities for extended learning time.



We are also proposing a California Jobs Initiative, investments in workforce development, housing infrastructure, and state deferred maintenance to accelerate job creation. The Budget also continues to build on our State's leadership in tackling climate change, including support for California's agricultural industry to advance the state's climate resilience objectives and our zero-emission vehicle goal by 2035.

The Budget also focuses on expanding opportunity with investments for Californians from early childhood to college—including expanded investments in transitional kindergarten programs to more funding for the University of California, California State University and community colleges.

The Budget also builds on our work to tackle the homelessness crisis and build more affordable housing. It advances investments in preventing and fighting wildfires.

Taken together, these proposals help us tackle the challenges we faced as a state before, during and through the pandemic. The Budget makes progress towards the goal we set when we took office to put the California Dream within reach of more Californians.

Thank you once again for your partnership throughout these times of unprecedented challenge for our state. I look forward to continuing to work together on these critical issues for all Californians and enact a 2021-22 Budget that gets us closer to California for All.

With respect,

/s/ Gavin Newsom

Gavin Newsom

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# INTRODUCTION

As California enters 2021, the state's health and economy are threatened by the highest infection rate of the COVID-19 Pandemic. However, with increasing distribution of vaccines, California is poised to begin an equitable and broad-based recovery. The state has benefited from years of fiscal prudence—enabling investments to position the state for this recovery. The Governor's Budget includes a \$14 billion investment—including early action beginning this month—to provide immediate relief for individuals and small businesses disproportionately impacted by the pandemic, the safe reopening of schools and for extended learning time, and investment in strategies for creating quality jobs.

The Budget also continues the Governor's sustained focus on expanding opportunity with investments for Californians from early childhood to college—including expanded transitional kindergarten programs and more funding for the University of California, California State University and California Community Colleges.

The Budget makes new proposals to address the affordability of health care and housing, and supports the increase in the state's minimum wage to \$14 per hour. The Budget includes significant new strategies to reduce the impacts of climate change, with focused investments to support the state's zero-emission vehicle goals and an additional \$1 billion to address a comprehensive wildfire and forest resilience strategy.

Finally, the Budget promotes effective government with additional investments to improve the state's ability to respond rapidly to emergencies and continues the critical

## INTRODUCTION

work to improve government efficiency and bring government services into the digital age.

The Budget continues to reflect the principle that maintaining a balanced budget and strong budget resiliency is a necessary predicate for expanding programs, especially given the increased uncertainty caused by the COVID-19 Pandemic.

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## OVERALL BUDGET STRUCTURE

The state entered the COVID-19 Recession on a strong fiscal foundation after years of building reserves, paying down debt, and a focus on maintaining structurally balanced budgets over the long term. This enabled the state to protect programs during the Recession while responding immediately to combat the pandemic.

The Budget reflects \$34 billion in budget resiliency—budgetary reserves and discretionary surplus—that will advance progress toward a broad-based and equitable recovery. Of this amount, the reserves include: \$15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$450 million in the Safety Net Reserve; \$3 billion in the Public School System Stabilization Account; and an estimated \$2.9 billion in the state's operating reserve.

The Budget continues progress in paying down the state's retirement liabilities and reflects \$3 billion in additional payments required by Proposition 2 in 2021-22 and nearly \$6.5 billion over the next three years. In addition, the improved revenue picture allows the state to delay \$2 billion in scheduled program suspensions for one year.

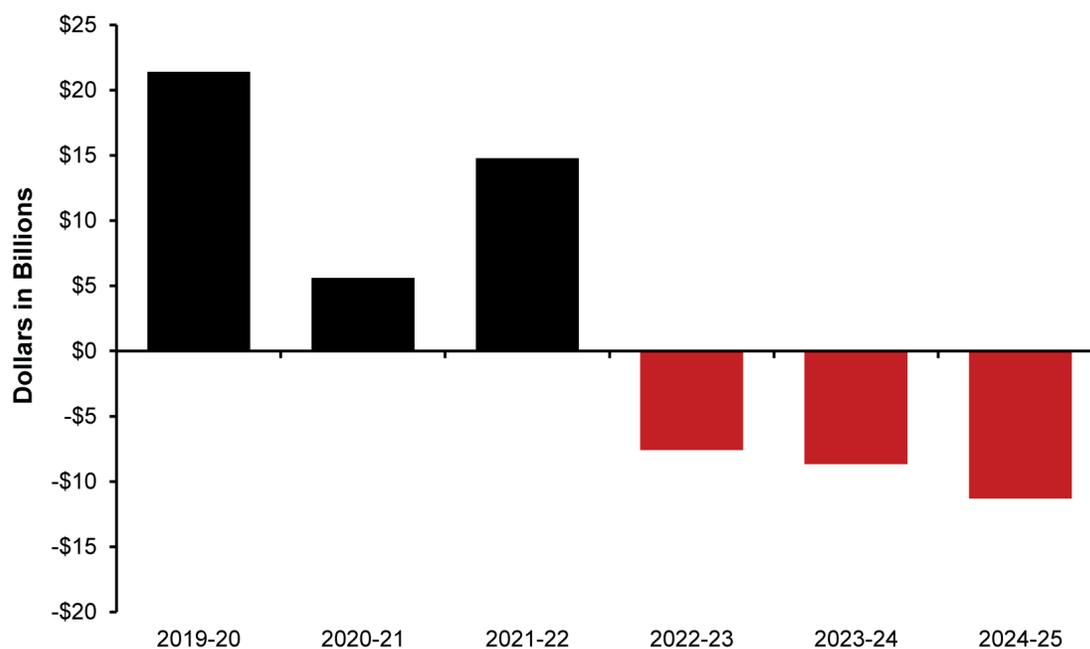
Since the 2020 Budget Act, the economic outlook and revenue forecast have improved. However, risks to the forecast remain higher than usual, and economic inequality has intensified since the pandemic began. In December, over 4 million Californians were still receiving some form of unemployment benefits, and only about half of the jobs lost from the start of the pandemic had been recovered. The Budget forecast was finalized before the provision of critical federal relief in the Coronavirus Response and Relief Supplemental Appropriations Act, and the forecast will be updated in May to reflect the positive impacts of this Act. Further federal relief is critical to help people and businesses struggling to survive and recover from the pandemic.

Budget resiliency will be critical to protect programs in the future, as expenditures are projected to grow faster than revenues, with a structural deficit of \$7.6 billion projected for 2022-23 that is forecast to grow to over \$11 billion by 2024-25.

This will also constrain the state's ability to undertake expanded ongoing commitments.

Finally, initial estimates project that Proposition 4, the State Appropriations Limit or "Gann Limit," will be exceeded for just the second time since its passage in 1979. The limit is currently projected to be exceeded by \$102 million. Any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund. An updated calculation of this limit will be included in the May Revision.

**Budget Projects Surplus, But Future Shortfalls Projected <sup>1/</sup>**



<sup>1/</sup> Budget shortfalls or surplus, measured by the annual Governor's Budget.

## IMMEDIATE ACTIONS

In December, the state approved two vaccines for distribution and is expediting their equitable distribution. As the state continues to respond to the COVID-19 Pandemic, the Budget supports expanding hospital capacity, testing, contact tracing, and securing needed personal protective equipment. The state also continues efforts to support the health care workforce and vulnerable populations, including individuals experiencing homelessness, farmworkers, and seniors.

## INTRODUCTION

### **IMMEDIATE RELIEF TO INDIVIDUALS AND SMALL BUSINESSES**

In recognition of the disproportionate impact the COVID-19 Pandemic has had on low-income Californians and small businesses, the Budget proposes \$3 billion of pandemic relief for immediate action in January. This package includes:

- \$2.4 billion for the Golden State Stimulus—a \$600 state payment to low-income workers who were eligible to receive the earned income tax credit in 2019.
- An additional \$575 million for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic, bringing total relief this year for small businesses to over \$1 billion.
- Immediate and targeted fee relief for impacted industries, including restaurants and personal services.

The federal COVID-19 relief bill approved in late December extends unemployment benefits by 11 weeks and adds \$300 to weekly payments, provides one-time \$600 payments to individuals, and includes support for small business, local transit, and schools. (The Potential Estimates for California: Coronavirus Response and Relief Supplemental Appropriations Act figure summarizes the major provisions of the federal COVID-19 relief bill.) This relief package will provide needed support in the first few months of 2021 to households hardest hit by the pandemic. However, more federal relief is needed, as the economic impacts of the pandemic are projected to extend beyond the first quarter of 2021.

### **SAFE REOPENING OF SCHOOLS AND ADDRESSING PANDEMIC IMPACTS ON STUDENTS**

The vast majority of California's K-12 and higher education students have shifted to distance learning since March 2020. While school districts and teachers have done a tremendous amount to improve the quality of education from the first emergency programs, continued distance learning poses challenges to student achievement and well-being—especially for the youngest students and those in special education.

The Budget proposes immediate action in January to provide \$2 billion for the safe reopening of schools beginning in February, with a priority for returning the youngest children (transitional kindergarten through 2nd grade) and those with the greatest needs first, then returning other grade levels to in-person instruction through the spring. These payments to school districts will be structured to extend only to those districts that are already open or make plans to return students to campus for safe in-person instruction. This will accompany guidance from the California Department of Public

**Potential Estimates for California  
Coronavirus Response and Relief Supplemental Appropriations Act**

(Dollars in Billions)

Cost Areas	Available Nationwide	California Estimate
<b>Individuals and Families</b>	<b>\$326.4</b>	<b>\$42.4</b>
Unemployment Insurance Benefits	\$120.0	\$20.0
Economic Impact Payments (\$600 per person)	\$166.0	\$18.3
Food Assistance	\$13.0	\$1.3
Rental and Utility Assistance	\$25.0	\$2.6
Funeral/Burial Assistance	\$2.4	\$0.2
<b>Test, Trace, Vaccinate</b>	<b>\$54.1</b>	<b>\$2.2</b>
Testing and Contact Tracing	\$19.5	\$1.8
Testing in Rural and Underserved Communities	\$2.8	TBD
Vaccine Development	\$19.7	-
Vaccine Manufacturing and Distribution	\$8.8	\$0.4
Strategic National Stockpile (PPE)	\$3.3	-
<b>Health/Mental Health</b>	<b>\$10.3</b>	<b>\$0.7</b>
Provider Relief	\$3.0	\$0.2
Increase Medicare Provider Payments	\$3.0	TBD
Mental Health and Substance Use Disorders	\$4.3	\$0.5
<b>Business and Transportation Support</b>	<b>\$408.1</b>	<b>\$50.1</b>
Small Business Support/Paycheck Protection (excluding airlines)	\$310.0	\$45.2
Live Venues	\$15.0	TBD
Child Care/Head Start	\$10.3	\$1.0
Agriculture (Farmers, Ranchers)	\$13.0	\$0.6
Loans to Underserved Communities	\$15.0	TBD
Airlines (Paycheck Protection) and Airport Improvements	\$18.0	\$0.4
Transit/Bus/Amtrak	\$17.0	\$2.0
State Highways	\$9.8	\$0.9
<b>Education</b>	<b>\$81.1</b>	<b>\$10.1</b>
Primary and Secondary	\$54.3	\$6.8
Governor's Emergency Education Relief (GEER) Funds	\$1.3	\$0.2
GEER - Private Schools	\$2.8	\$0.2
Higher Education	\$22.7	\$2.9
<b>Broadband/Telehealth</b>	<b>\$7.0</b>	<b>TBD</b>
<b>Totals</b>	<b>\$887.0</b>	<b>\$105.5</b>

Health on safety measures, including testing schedules for students, teachers and staff, as well as a revised framework for state technical assistance, transparency and enforcement.

The Budget also includes \$4.6 billion Proposition 98 General Fund for extending learning time, including summer school programs and other strategies to address the



## INTRODUCTION

pandemic's impacts on student learning. To provide time to plan for these interventions, the Budget proposes early action by the Legislature this spring to approve these funds.

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## EDUCATION, JOBS AND ECONOMIC RECOVERY

The K-12 and higher education systems are critical to positioning the state for sustained recovery and growth, and the Budget prioritizes funding for these systems. To accelerate job creation and an equitable recovery, the Budget includes targeted short-term business incentives, including micro-grants for entrepreneurship in underserved communities.

### K-14 EDUCATION

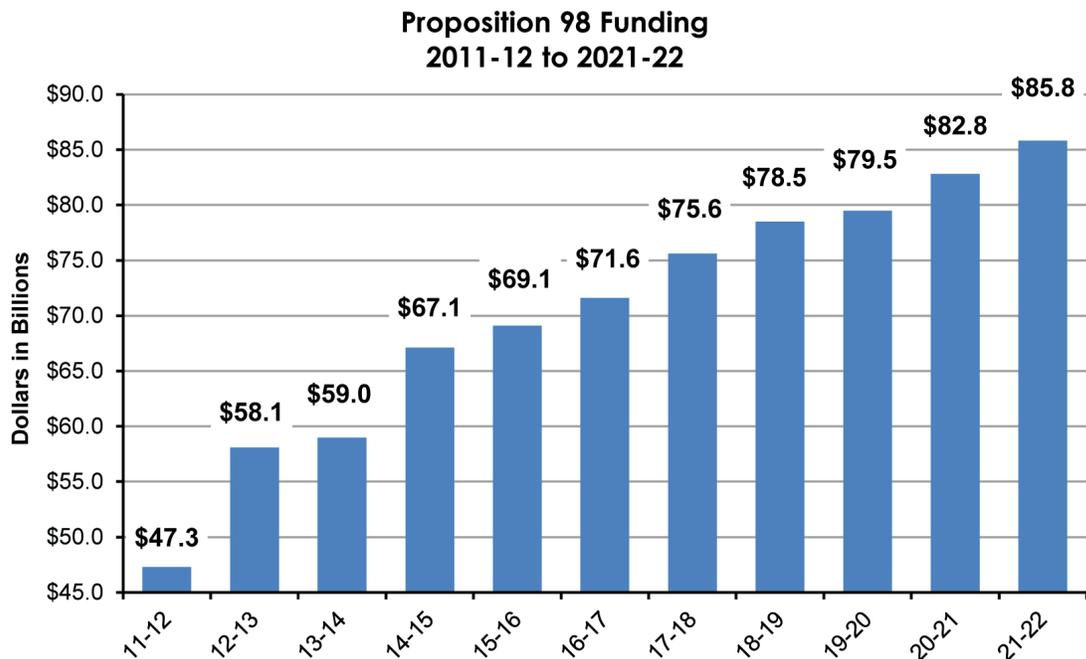
Under Proposition 98, the Budget's improved revenue estimate results in not only significantly more funding for schools, but also the highest funding level ever at \$85.8 billion. The 2020 Budget Act included a supplemental payment in addition to the Guarantee because of a projected anomaly in the school funding formula. Even though this anomaly no longer exists, the Budget continues to commit \$2.3 billion General Fund one-time in recognition of the additional costs schools face as they respond to the pandemic.

The Budget directs a significant portion of additional funding to paying down nearly two-thirds of the deferrals implemented last year and provides a 3.84-percent cost-of-living adjustment to the Local Control Funding Formula. The significant growth in capital gains and overall General Fund revenue growth also triggers deposits of roughly \$3 billion into the Public School System Stabilization Account, resulting in a statutory cap of 10 percent on local school district reserves in 2022-23.

### ADDRESSING STUDENT MENTAL HEALTH

The Budget recognizes the toll the COVID-19 Pandemic has taken on mental health—especially students'—and proposes \$400 million in one-time funding to implement an incentive plan through Medi-Cal managed care plans, in partnership with county behavioral health departments, to increase the number of students receiving preventative and early intervention behavioral health services by schools.

The Budget also includes \$265 million one-time Proposition 98 General Fund to develop a range of community school models that holistically address the needs of children, \$50 million one-time Proposition 98 General Fund to create statewide resources and provide professional development on social emotional learning and trauma-informed



practices, and \$25 million one-time Mental Health Services Fund to fund partnership grants between county behavioral health departments and school districts.

### EARLY EDUCATION AND CHILD CARE

Since 2019, the state has invested approximately \$400 million ongoing to expand early education and child care. The COVID-19 Pandemic has disrupted the child care system and federal funding has been critical to reducing long-term losses in this system. The Budget focuses on avoiding further loss in this system and builds on the recommendations made in the Master Plan for Early Learning and Care. It expands high-quality transitional kindergarten programs for all four-year-olds by allocating \$250 million one-time Proposition 98 General Fund in incentive funds for districts that expand these programs. The Budget also includes \$200 million one-time General Fund for transitional kindergarten and kindergarten facilities and \$50 million one-time Proposition 98 General Fund for professional development focused on preparing teachers for early childhood programs.

The Administration has already begun the collective bargaining process with representatives of child care providers to negotiate a memorandum of understanding that governs the payments made to these providers. The Budget also reflects \$44 million ongoing Cannabis Funds for 4,500 more child care vouchers, including \$21.5 million in 2020-21.

## INTRODUCTION

### HIGHER EDUCATION AND WORKFORCE

California's higher education system continues to be exceptional, and more must be done to provide opportunities for underrepresented student groups and to reverse the significant pandemic-related decline in enrollment experienced in the community college system.

The Budget proposes early action for community college funding to provide emergency financial assistance and to re-engage students who have left higher education during the pandemic. The Budget also includes additional student supports for all three of the state's higher education systems for the coming year.

The Budget proposes a total of \$786 million General Fund for the University of California and the California State University with an expectation that they focus on measurable goals to address equity gaps, further maintain online educational opportunities, and expand dual admissions and other innovative strategies that reduce time to degree completion. The Budget also assumes resident tuition and fees remain flat in 2021-22.

The pandemic will likely have a permanent impact on the types of available jobs and the skills needed by employers. Workforce retraining, especially for those now unemployed, is a high priority in the Budget, which proposes for early action \$25 million one-time General Fund to immediately expand existing High Roads Training Program apprenticeship programs that will result in thousands of new jobs and training for new careers. The Budget also includes additional funding for the California Apprenticeship Initiative work-based learning opportunities through the community colleges.

The Budget proposes \$250 million one-time General Fund to support workforce development and better linkages between higher education and gainful employment. This will focus on communities that have been systematically excluded from opportunities to build skills and create wealth.

### ACCELERATING ECONOMIC RECOVERY AND JOB CREATION

Advancing an equitable and broad-based recovery is a focus of the Budget as unemployment levels remain high and economic inequality has been exacerbated by the pandemic. This effort builds on actions taken in 2020 to support small businesses, including the elimination of the first year of the minimum franchise tax, expansion of small business loan guarantees, and creation of a new Main Street hiring tax credit. The Budget includes the following to accelerate economic recovery and job creation:

- \$777.5 million for a California Jobs Initiative to provide incentives targeted at accelerating investment and job creation;
- \$353 million for workforce development;
- \$1.5 billion for the infrastructure and incentives to implement the state's zero-emission vehicle goals;
- \$500 million for infill infrastructure to accelerate housing development;
- \$385 million for targeted investments to build a more sustainable agricultural industry; and
- \$300 million for deferred maintenance and greening of state infrastructure.

The Budget proposes early action on a portion of these incentives in the spring to accelerate recovery before the 2021-22 fiscal year begins in July.

The Governor's Future of Work Commission was established to develop recommendations to California leaders to support inclusive, long-term economic growth and prosperity for all Californians. The Commission plans to issue a report this month that will focus on the impact of technology on the workforce, job quality, wages and working conditions, worker safety nets, and workforce training.

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## **ADDRESSING HEALTH CARE AFFORDABILITY AND AGING**

The COVID-19 Pandemic has accentuated the need for health care for all. While responding to the COVID-19 Pandemic, the state continues to work on long-term plans to reduce the costs of health care by lowering prescription drug costs; the Budget includes the creation of a new Office of Health Care Affordability. The Office will increase quality and cost transparency, develop cost targets, and evaluate consequences for entities that fail to meet the targets.

During the pandemic, Covered California has extended enrollment periods to encourage individuals to enroll who may have lost their jobs and employer-based insurance due to the pandemic. The Budget also creates the Office of Medicare Innovation and Integration to support long-term care innovation in commercial Medicare Advantage Plans to leverage and integrate models under Medi-Cal, such as the Home and Community Based Services Waiver.

The Budget proposes to implement the California Advancing and Innovating Medi-Cal (CalAIM) initiative to reduce variation and complexity in the state's Medi-Cal program,

## INTRODUCTION

manage member risk and need, and improve outcomes through payment reform. CalAIM will target and coordinate care for vulnerable populations with complex health needs that currently drive high-costs. The effort will include housing-related services and flexible wrap-around services so health plans may avoid costlier alternatives to hospitalization, skilled nursing facility admission, and/or discharge delay.

The Budget recognizes the extraordinary challenges older Californians and their families face during the COVID-19 Pandemic, and proposes a range of investments to increase opportunities for Californians to age well over the next decade, including developing new strategies with the federal government to leverage Medicare to provide additional long-term services and supports.

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## HOUSING AND HOMELESSNESS

The state continues to make progress in addressing the housing availability and affordability crisis that has been exacerbated by the COVID-19 Pandemic. In addition to the \$500 million one-time General Fund for infill infrastructure mentioned earlier in this Chapter, the Budget also proposes an additional \$500 million in low-income housing tax credits to support low-income housing development. The Administration is streamlining and reorganizing state housing programs to maximize housing production, while also continuing to support below-market rate housing.

Through Homekey—a recent effort to acquire motels for homeless housing to respond to the COVID-19 Pandemic—the state has awarded \$846 million to 51 local agencies to secure over 6,000 units of permanent housing for individuals and families who had been homeless. However, a comprehensive response to homelessness requires a continuum of supports. For too long, the state and local governments have provided only short-term mitigation strategies, and have not developed a comprehensive framework for addressing permanent solutions. The Budget includes \$1.75 billion one-time General Fund to purchase additional motels, develop short-term community mental health facilities, and purchase or preserve housing dedicated to seniors. The Budget also proposes changes to the state's Medi-Cal system to better support behavioral health and housing services that can help to prevent homelessness.

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## EMERGENCY RESPONSE AND PREPAREDNESS

In 2020, the state experienced catastrophic wildfires that consumed over four million acres, far more than any previous year in the state's history. The historic emergency response, while combatting the COVID-19 Pandemic at the same time, strained the

state's emergency response capabilities. The Administration is developing a spring proposal to strengthen the Governor's Office of Emergency Services' ability to respond to emergencies and support recovery efforts, especially in vulnerable communities.

Building on significant investments in the state's firefighting capabilities, the Budget adds \$143 million General Fund to support 30 new fire crews, and also includes \$48 million to continue phasing in Black Hawk helicopters and large air tankers.

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## **CLIMATE CHANGE ACTION**

As mentioned earlier in this Chapter, the Budget proposes a \$1.5 billion comprehensive strategy to achieve the state's zero-emission vehicle goals by 2035 and 2045, including securitizing up to \$1 billion to accelerate the pace and scale of the infrastructure needed to support zero-emission vehicles.

The Budget proposes an additional \$1 billion to support a coordinated forest health and fire prevention strategy that maximizes technology and science-based approaches to protect state forestlands. The Budget proposes \$323 million for early action in the spring to start these forest health and fire prevention projects before the next fire season.

The Budget includes strategic investments for the Department of Fish and Wildlife to enhance its ability to protect the state's unique biodiversity in the face of climate change, and to support California's agriculture industry as it addresses continued challenges while also producing nutritious food and advancing the state's climate resilience objectives.

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## **ENVIRONMENTAL JUSTICE**

The Budget includes \$300 million one-time General Fund for toxic site cleanup and investigations of high-priority contaminated properties in impacted communities across the state, which will be prioritized based on public health risk criteria. Further, the Budget creates incentives to clean up and develop these sites for future housing. The Budget also proposes comprehensive governance and fiscal reform for the Department of Toxic Substances Control that will provide for the support needed in the long term to address future cleanups of orphan sites and the reduction of harmful toxic substances in the environment.

## INTRODUCTION

The Budget includes a multi-faceted approach to reducing harmful pesticides and supports the transition of the agricultural industry to integrated pest management and more regenerative practices.

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## RESULTS-ORIENTED GOVERNMENT AND DIGITAL TRANSFORMATION

The COVID-19 Pandemic has required many businesses to be flexible, creative, and innovative. As the employer of a workforce of over 250,000, the state also responded immediately by putting in place a statewide telework program and new ways to conduct state business. This shift has meant the state must also evaluate its portfolio of state leases to determine spaces that can be released and/or consolidated.

The Budget assumes a five-percent permanent reduction in state operations expenditures, challenging departments and agencies to find more efficient means to provide services to Californians.

The Budget also makes major investments to provide additional support to the California Department of Technology to bolster its ability to review and improve upon critical state information technology systems before a failure occurs. In addition, the Office of Digital Innovation continues to lead state government in the transformation of consumer-facing services.

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## PLANNING FOR THE FUTURE

There are considerable risks to the forecast, including more widespread bankruptcies and a fall in the stock market, which could affect higher-income workers who contribute heavily to revenues. A strong reserve has supported the state in its direct response to the COVID-19 Pandemic and protected the state's core funding responsibilities. Reserves will be critical to balancing the budget in future years along with other solutions to bring spending and revenues into alignment. For now, the state must do all that it can to avoid further hardship by continuing to fight the COVID-19 Pandemic and support the populations most impacted, while also making targeted investments to accelerate an equitable and broad-based recovery.

While the state is currently in the midst of a second and more serious wave of the COVID-19 Pandemic, vaccinations are arriving in the state and science and medicine continue to make advances in treating the virus. California will overcome this challenge as it has overcome challenges in the past. The state, its businesses and its people will recover and will emerge stronger and more resilient. The Budget allocates funding to

address the inequities exacerbated by the pandemic and to prepare the state for the future.



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# SUMMARY CHARTS

This section provides various statewide budget charts and tables.

## SUMMARY CHARTS

**2021-22 Governor's Budget**  
**General Fund Budget Summary**  
(Dollars in Millions)

	<b>2020-21</b>	<b>2021-22</b>
<b>Prior Year Balance</b>	\$5,359	\$12,203
Revenues and Transfers	\$162,742	\$158,370
<b>Total Resources Available</b>	<b>\$168,101</b>	<b>\$170,573</b>
Non-Proposition 98 Expenditures	\$98,956	\$103,681
Proposition 98 Expenditures	\$56,942	\$60,834
<b>Total Expenditures</b>	<b>\$155,898</b>	<b>\$164,515</b>
<b>Fund Balance</b>	<b>\$12,203</b>	<b>\$6,058</b>
Reserve for Liquidation of Encumbrances	\$3,175	\$3,175
Special Fund for Economic Uncertainties	\$9,028	\$2,883
<b>Public School System Stabilization Account</b>	<b>\$747</b>	<b>\$2,988</b>
<b>Safety Net Reserve</b>	<b>\$450</b>	<b>\$450</b>
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$12,536</b>	<b>\$15,574</b>

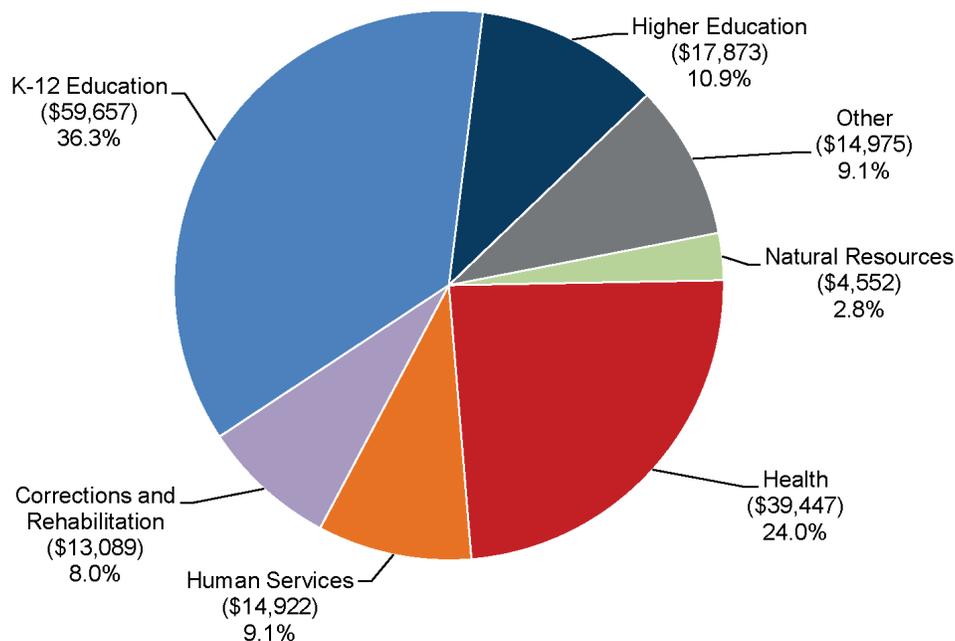
Note: Numbers may not add due to rounding.

**General Fund Expenditures by Agency**  
(Dollars in Millions)

	2020-21	2021-22	Change from 2020-21	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$6,135	\$4,494	-\$1,641	-26.7%
Business, Consumer Services & Housing	911	961	50	5.5%
Transportation	245	421	176	71.8%
Natural Resources	4,449	4,552	103	2.3%
Environmental Protection	2,480	460	-2,020	-81.5%
Health and Human Services	43,274	54,369	11,095	25.6%
Corrections and Rehabilitation	12,342	13,089	747	6.1%
K-12 Education	57,836	59,657	1,821	3.1%
Higher Education	16,861	17,873	1,012	6.0%
Labor and Workforce Development	161	684	523	324.8%
Government Operations	2,111	3,051	940	44.5%
General Government:				
Non-Agency Departments	943	1,001	58	6.2%
Tax Relief/Local Government	1,182	437	-745	-63.0%
Statewide Expenditures	6,968	3,466	-3,502	-50.3%
<b>Total</b>	<b>\$155,898</b>	<b>\$164,515</b>	<b>\$8,616</b>	<b>5.5%</b>

Note: Numbers may not add due to rounding.

**2021-22**  
**General Fund Expenditures**  
(Dollars in Millions)



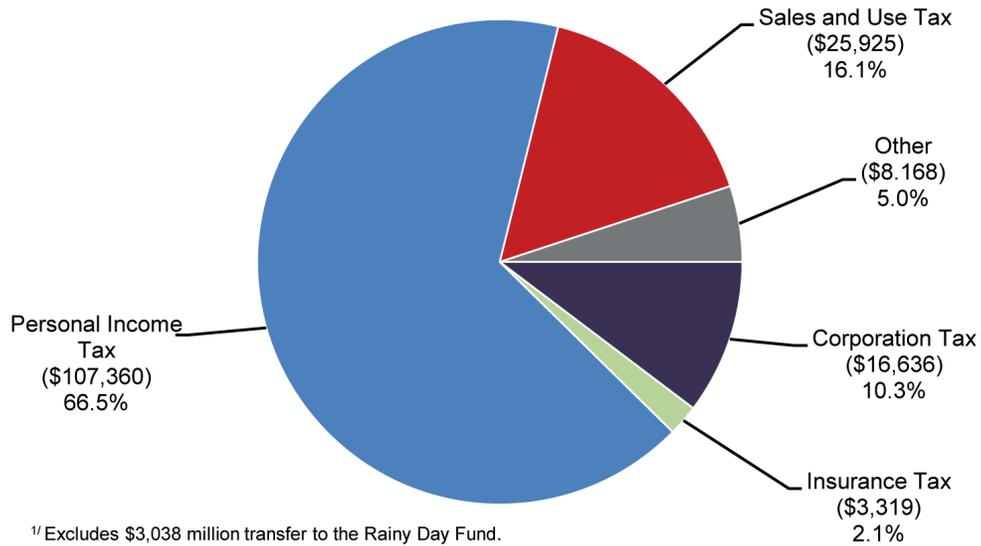
SUMMARY CHARTS

**General Fund Revenue Sources**  
(Dollars in Millions)

	2020-21	2021-22	Change from 2020-21	
			Dollar Change	Percent Change
Personal Income Tax	\$102,208	\$107,360	\$5,152	5.0%
Sales and Use Tax	26,508	25,925	-583	-2.2%
Corporation Tax	16,948	16,636	-312	-1.8%
Insurance Tax	3,253	3,319	66	2.0%
Alcoholic Beverage Taxes and Fees	385	389	4	1.0%
Cigarette Tax	55	46	-9	-16.4%
Motor Vehicle Fees	40	36	-4	-10.0%
Other	8,761	7,697	-1,064	-12.1%
<b>Subtotal</b>	<b>\$158,158</b>	<b>\$161,408</b>	<b>\$3,250</b>	<b>2.1%</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	4,584	-3,038	-7,622	-166.3%
<b>Total</b>	<b>\$162,742</b>	<b>\$158,370</b>	<b>-\$4,372</b>	<b>-2.7%</b>

Note: Numbers may not add due to rounding.

**2021-22**  
**General Fund Revenues and Transfers<sup>1/</sup>**  
(Dollars in Millions)



**2021-22 Total State Expenditures by Agency**

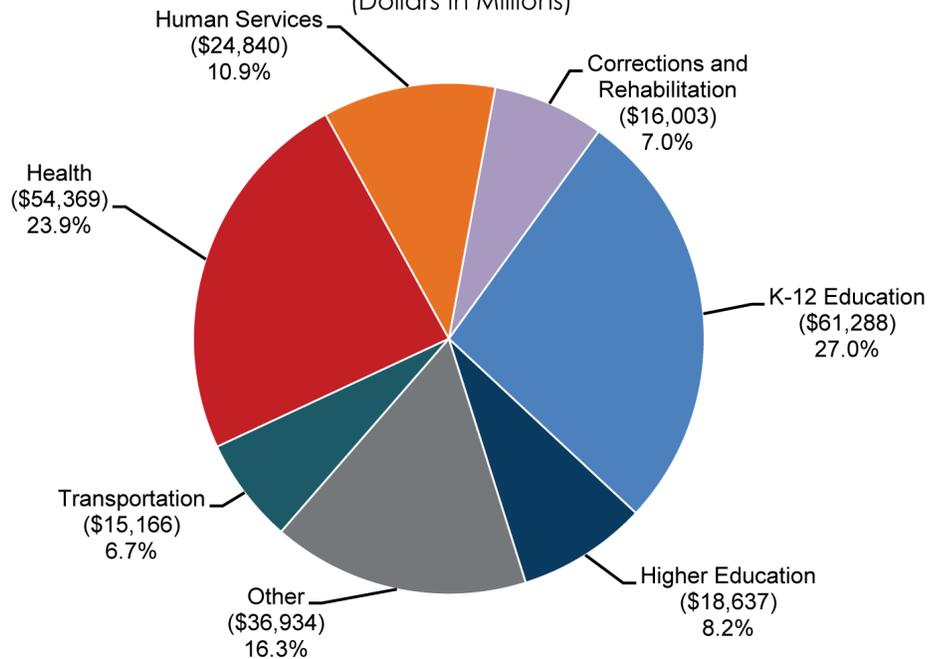
(Dollars in Millions)

	<b>General Fund</b>	<b>Special Funds</b>	<b>Bond Funds</b>	<b>Totals</b>
Legislative, Judicial, Executive	\$4,494	\$3,759	\$267	\$8,520
Business, Consumer Services & Housing	961	1,183	936	3,080
Transportation	421	14,532	214	15,166
Natural Resources	4,552	2,043	813	7,408
Environmental Protection	460	3,785	17	4,262
Health and Human Services	54,369	24,840	-	79,209
Corrections and Rehabilitation	13,089	2,913	-	16,002
K-12 Education	59,657	116	1,515	61,288
Higher Education	17,873	139	625	18,637
Labor and Workforce Development	684	855	-	1,539
Government Operations	3,051	337	8	3,396
General Government:				
Non-Agency Departments	1,001	1,842	2	2,845
Tax Relief/Local Government	437	3,051	-	3,488
Statewide Expenditures	3,466	-1,071	1	2,396
<b>Total</b>	<b>\$164,515</b>	<b>\$58,324</b>	<b>\$4,397</b>	<b>\$227,237</b>

Note: Numbers may not add due to rounding.

**2021-22  
Total State Expenditures  
(Including Selected Bond Funds)**

(Dollars in Millions)



SUMMARY CHARTS

**2021-22 Revenue Sources**

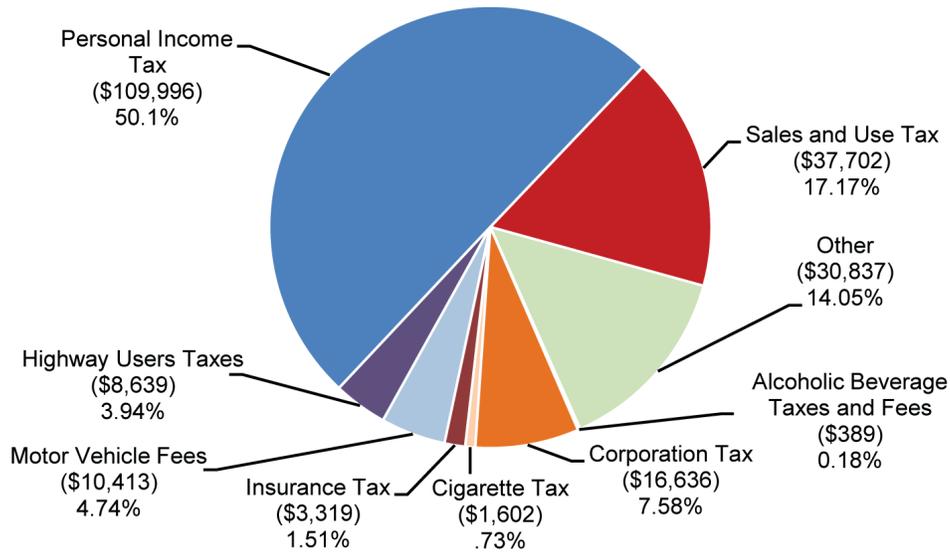
(Dollars in Millions)

	<b>General Fund</b>	<b>Special Funds</b>	<b>Total</b>	<b>Change From 2020-21</b>
Personal Income Tax	\$107,360	\$2,636	\$109,996	\$5,247
Sales and Use Tax	25,925	11,777	37,702	-738
Corporation Tax	16,636	-	16,636	-312
Highway Users Taxes	-	8,639	8,639	616
Insurance Tax	3,319	-	3,319	66
Alcoholic Beverage Taxes and Fees	389	-	389	4
Cigarette Tax	46	1,556	1,602	-234
Motor Vehicle Fees	36	10,377	10,413	132
Other	7,697	23,140	30,837	-145
<b>Subtotal</b>	<b>\$161,408</b>	<b>\$58,125</b>	<b>\$219,533</b>	<b>\$4,636</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	-3,038	3,038	-	-
<b>Total</b>	<b>\$158,370</b>	<b>\$61,163</b>	<b>\$219,533</b>	<b>\$4,636</b>

Note: Numbers may not add due to rounding.

**2021-22 Total Revenues and Transfers**

(Dollars in Millions)



**Immediate Action Package**  
**Safely Reopen Schools and Accelerate Economic Recovery**

(Dollars in Millions)

Proposal	Description	Funding
<b>Reopen Schools</b>		<b>\$2,000</b>
<b>Safe Reopening of K-12 Schools</b>	Provide Proposition 98 General Fund for health and safety supplies and services to support in-person instruction for grades K-6.	2,000
<b>Direct Support for Workers and Small Business</b>		<b>\$3,046</b>
<b>Low-Income Tax Refund</b>	Provide tax refund payments of \$600 to nearly 4 million low-income Californians.	2,400
<b>Small Business Aid</b>	Provide additional funds for small business grants, including small non-profit cultural institutions.	575
<b>Fee Waivers for Heavily Impacted Service Industries</b>	Provide license and fee waivers for businesses and individuals heavily impacted by COVID-19, including those licensed by the Board of Barbering and Cosmetology and Department of Alcoholic Beverage Control.	71
<b>Total Immediate Action Package</b>		<b>\$5,046</b>



## SUMMARY CHARTS

**Early Action Package**  
**Address Pandemic Impacts on Students and Accelerate Economic Recovery**

(Dollars in Millions)

Proposal	Description	Funding
<b>Student Supports</b>		<b>\$4,677</b>
<b>K-12</b>		
<b>Extended Learning Time</b>	Provide Proposition 98 General Fund to expand learning time with an emphasis on increasing in-person instructional minutes and evidenced-based interventions and supports to students that are either one grade-level or more behind or credit deficient in core subject matters.	4,557
<b>Higher Education</b>		
<b>Emergency Financial Assistance</b>	Provide Proposition 98 General Fund for emergency financial assistance for community college students.	100
<b>Community College Retention Rates and Enrollment</b>	Provide Proposition 98 General Fund to support efforts to bolster community college student retention rates and enrollment.	20
<b>Jobs and Workforce Training</b>		<b>\$973</b>
<b>Jobs and Regional Development— CalCompetes</b>	Expand CalCompetes Tax credit, which includes making tax credits refundable.	340
<b>Wildfire and Forest Resilience</b>	Accelerate fire prevention projects before the 2021 fire season by increasing the pace and scale of existing fire prevention efforts to reduce wildfire risk and jumpstart economic recovery in the forest sector.	323
<b>Jobs through Jump Starting Housing Development Locally</b>	Provide Infill Infrastructure Grants to bolster housing production and support job creation.	250
<b>Small Businesses— California Dream Start-up Grants</b>	Provide micro-grants of up to \$10,000 to seed entrepreneurship and small business creation in underserved groups.	35
<b>Workforce Development— High Roads Apprenticeship Program</b>	Expand existing High Roads Training Program that will result in thousands of new apprenticeships and pre-apprenticeships, leading to thousands of new jobs and training for new careers.	25
<b>Environmental Sustainability</b>		<b>\$561</b>
<b>Cap &amp; Trade Expenditure Plan</b>	Protect public health in disadvantaged communities and support implementation of Executive Order N-79-20 to accelerate zero-emission vehicles.	394
<b>Sustainable Agriculture</b>	Provide technical assistance for underserved farmers, support for regulatory relief efforts, farming water efficiencies, sustainable ground water management, and climate smart agriculture programs.	162
<b>Bottle Bill</b>	Expand pilot programs to increase consumer redemption of beverage containers in communities underserved by recycling centers.	5
<b>Housing and Homeless</b>		<b>\$262</b>
<b>Homekey Housing</b>	Expand Homekey competitive grants to local governments to purchase and rehabilitate housing and convert them into interim or permanent long-term housing.	250
<b>Trial Court Workload for Eviction Protections</b>	Provide trial courts with resources to process the anticipated increase in unlawful detainer and small claims filings resulting from AB 3088.	12
<b>Other</b>		<b>\$56</b>
<b>County Probation Departments</b>	Enhance services for juvenile and adult populations under the jurisdiction of county probation departments.	50
<b>California Creative Corps</b>	Provide resources for the Arts Council to partner with various organizations to develop a media, outreach, and engagement campaign to inspire safe and healthy behavior and increase the trust factor across California's diverse populations to increase vaccine adoption.	5
<b>GO-Biz Staffing Resources</b>	Administer various grant programs within the California Jobs Initiative and create an Energy Unit to facilitate the implementation of projects that will help to achieve climate goals and increase energy reliability.	1
<b>Total Early Action Package</b>		<b>\$6,529</b>

# EQUITABLE AND BROAD-BASED RECOVERY

As it recovers from the COVID-19 Recession, California will continue to leverage what is unique to the state—a culture of innovation, a world-class educational system, a commitment to climate science, and a strong and skilled workforce.

The COVID-19 Pandemic and the resulting recession brought a halt to more than ten years of economic growth and ushered in a nationwide recession in February 2020. California's unemployment rate increased from a record low of 3.9 percent in February to a record high of 16.4 percent in April and May. The pandemic also exacerbated underemployment; the percentage of the working age population in the labor force decreased from 62.3 percent in the first quarter of 2020 to 59.8 percent in the second quarter, as parents and others dropped out of the workforce. Almost half of all leisure and hospitality workers, typically a low-wage sector, lost their jobs; higher wage sectors such as professional and business services largely were able to shift to working from home. There were still 1.4 million fewer employed Californians in November than in February. Before the recent federal COVID-19 relief bill, the Coronavirus Response and Relief Supplemental Appropriations Act was enacted in late December, millions of Californians were expected to lose needed unemployment insurance or other forms of support starting at the end of 2020.

Many businesses struggling now can return to profitability in the future as the economy recovers from the COVID-19 Pandemic. There will also be other opportunities for growth, but the pattern of jobs will likely be different, as will the types of businesses that are poised for growth.

## EQUITABLE AND BROAD-BASED RECOVERY

The Budget proposes a broad-based recovery package to support businesses, individuals and job creation both during the pandemic and as the state recovers. It totals \$14 billion, including \$3.5 billion in immediate relief for individuals and small businesses disproportionately impacted by the pandemic. This package will support the next generation of innovators, and help prepare the workforce for the jobs of the future. Given the urgent need, the Administration proposes that the Legislature take action in early 2021 on the majority of the package. It is summarized in the table below.

## EQUITABLE AND BROAD-BASED RECOVERY

## Equitable and Broad-Based Recovery Package

(Dollars in Thousands)

<b>Immediate Relief</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>	<b>Timing</b>
Golden State Stimulus	\$ 2,400,000	\$ -	\$ 2,400,000	Early Action
1st Round of Small Business Grants	\$ 500,000	\$ -	\$ 500,000	DREOA
2nd Round of Small Business Grants	\$ 550,000	\$ -	\$ 550,000	Early Action
Fee Waivers	\$ 70,600	\$ -	\$ 70,600	Early Action
Cultural Institutions Grants	\$ 25,000	\$ -	\$ 25,000	Early Action
<b>Immediate Relief Total</b>	<b>\$ 3,545,600</b>	<b>\$ -</b>	<b>\$ 3,545,600</b>	
<b>California Jobs Initiative</b>				
<u>Jobs and Regional Development</u>				
Increase CalCompetes Tax Credits*	\$ 90,000	\$ 90,000	\$ 180,000	Early Action
CalCompetes Grant Program	\$ 250,000	\$ -	\$ 250,000	Early Action
<u>Small Businesses</u>				
Main Street Small Business Tax Credit*	\$ -	\$ 100,000	\$ 100,000	2021 Budget
California Dream Fund	\$ 35,000	\$ -	\$ 35,000	Early Action
California Rebuilding Fund	\$ 12,500	\$ -	\$ 12,500	DREOA
IBank's Small Business Finance Center	\$ -	\$ 50,000	\$ 50,000	2021 Budget
Small Business Loan Guarantees	\$ -	\$ 50,000	\$ 50,000	2021 Budget
<u>Climate Innovation</u>				
California Alternative Energy and Advanced Transportation Financing Authority Sales Tax Exclusion*	\$ -	\$ 100,000	\$ 100,000	2021 Budget
<b>California Jobs Initiative Total</b>	<b>\$ 387,500</b>	<b>\$ 390,000</b>	<b>\$ 777,500</b>	
<b>Workforce Development</b>				
<u>Higher Education</u>				
California Institutes for Science and Innovation	\$ -	\$ 20,000	\$ 20,000	2021 Budget
UC Programs in Medical Education (PRIME)	\$ -	\$ 12,900	\$ 12,900	2021 Budget
Computing Talent Initiative	\$ -	\$ 10,000	\$ 10,000	2021 Budget
Work-Based Learning (Prop 98)	\$ -	\$ 20,000	\$ 20,000	2021 Budget
California Apprenticeship Initiative (Prop 98)	\$ -	\$ 15,000	\$ 15,000	2021 Budget
Workforce Development and Higher Education	\$ -	\$ 250,000	\$ 250,000	2021 Budget
<u>Labor</u>				
Apprenticeship Programs	\$ 25,000	\$ -	\$ 25,000	Early Action
<b>Workforce Development Total</b>	<b>\$ 25,000</b>	<b>\$ 327,900</b>	<b>\$ 352,900</b>	
<b>Other</b>				
Schools Reopening	\$ 2,000,000	\$ -	\$ 2,000,000	Early Action
Schools Extended Learning Time	\$ 4,557,000	\$ -	\$ 4,557,000	Early Action
Housing	\$ 250,000	\$ 250,000	\$ 500,000	Early Action/2021 Budget
Deferred Maintenance	\$ -	\$ 300,000	\$ 300,000	2021 Budget
Agriculture Package	\$ 162,400	\$ 222,200	\$ 384,600	Early Action/2021 Budget
Climate Catalyst Fund: Forest Resilience	\$ 47,000	\$ -	\$ 47,000	Early Action
Zero-Emission Vehicle Package	\$ 239,000	\$ 226,000	\$ 465,000	Early Action/2021 Budget
Zero-Emission Vehicle Securitization	\$ -	\$ 1,000,000	\$ 1,000,000	2021 Budget
<b>Other Total</b>	<b>\$ 7,255,400</b>	<b>\$ 1,998,200</b>	<b>\$ 9,253,600</b>	
<b>Equitable and Broad-Based Recovery Total</b>	<b>\$ 11,213,500</b>	<b>\$ 2,716,100</b>	<b>\$ 13,929,600</b>	

\*The actual General Fund impact will be spread over multiple fiscal years.

In addition to the other immediate relief for individuals and small businesses, the California Jobs Initiative and workforce development proposals described in this Chapter, the \$14 billion recovery package also includes the following components:

## EQUITABLE AND BROAD-BASED RECOVERY

- **Safe Reopening of Schools**—Early action to support the safe return to in-person instruction will not only address the learning gap, but will allow parents who have been shouldering a heavy burden during the distance learning model to return to the workforce or regain full-time employment. The Budget includes \$2 billion for the safe reopening of schools beginning in February. See the K-12 Education Chapter for more information.
- **Student Learning Measures**—The Budget also proposes early legislative action on \$4.6 billion Proposition 98 General Fund for extending learning time, including summer school programs and other strategies to address the pandemic's impacts on student learning. See the K-12 Education Chapter for more information.
- **Zero-Emission Vehicle Investments**—The Budget includes \$465 million for zero-emission vehicles, to spur economic activity while supporting the state's zero-emission targets. The Budget also includes the securitization of approximately \$1 billion in future revenues for job-creating construction of electric vehicle charging and hydrogen fueling stations necessary to accelerate zero-emission vehicle adoption. See the Climate Change Chapter for more information.
- **Infill Infrastructure Grant Program**—The Budget includes \$500 million one-time General Fund, \$250 million for early action by the Legislature, to create jobs and long-term housing development. See the Housing and Homelessness Chapter for more information.
- **Agricultural Investments**—Recognizing that many agricultural sectors continue to struggle during the pandemic, the Budget includes a total of \$384.6 million to support farmers with technical assistance, regulatory changes, and climate smart agriculture investments. See the Sustainable Agriculture Chapter for more information.
- **Deferred Maintenance**—Maintenance of the state's existing infrastructure provides jobs to Californians. The Budget includes \$300 million one-time General Fund for the most critical statewide deferred maintenance, including greening of state infrastructure. See the Climate Change Chapter and the 2021 Five-Year Infrastructure Plan for further information.

Government investment in infrastructure projects also creates good jobs. While not enumerated in the recovery package, the Budget also includes \$10 billion—and a total of \$52 billion over the next five years—for state infrastructure such as highways, roads, High-Speed Rail, state buildings, and K-14 school buildings and will include the

acceleration of projects to the extent practicable. See the Infrastructure section below and the 2021 Five-Year Infrastructure Plan for further information.

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## IMMEDIATE RELIEF FOR INDIVIDUALS AND BUSINESSES

Even with the recent additional federal COVID-19 relief funding, Californians continue to face significant hardships—especially those with the lowest income levels who have been hardest hit by the COVID-19 Recession. The state will continue to work with Congress and the incoming Administration to advance the state's priorities for future stimulus packages, including additional support for state and local relief along with the flexibility to prioritize how the funds are used to address gaps in federal assistance and increases in programs to support those facing the greatest hardships.

The Budget includes additional state actions to provide immediate relief to low-income families, small businesses, and nonprofits that have been hardest hit by the pandemic. These proposals are for immediate action by the Legislature in early 2021.

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### GOLDEN STATE STIMULUS

As discussed in the Revenue Estimates Chapter, the Golden State Stimulus is a tax refund for low-income households intended to provide cash support to families who are most likely to have suffered economically from the COVID-19 Pandemic. Regardless of income, all Californians pay a variety of taxes, including on the purchase of taxable goods. Totalling \$2.4 billion, this proposal would refund \$600 of those taxes to all 2019 taxpayers who received a California Earned Income Tax Credit (Cal EITC) in 2020 as well as to 2020 taxpayers with individual tax identification numbers (ITINs) who receive a Cal EITC in 2021.

Focusing on EITC recipients allows for a timely identification and location of the population that likely started 2020 with few resources. Lower-wage workers also disproportionately lost their jobs during the pandemic. The payments would be sent mostly in February and March of 2021 (ITIN taxpayers would receive the additional tax refund after they file their 2020 tax return, typically in February through April of 2021). The timing of these refunds is meant to help low-income households immediately with expenses like food and rent.

## EQUITABLE AND BROAD-BASED RECOVERY

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### SMALL BUSINESS GRANTS

In November, the Administration and the Legislature announced the creation of an emergency COVID-19 Relief Grant Program with a \$500 million one-time General Fund allocation. The program is administered by the California Office of the Small Business Advocate (CalOSBA) within the Governor's Office of Business and Economic Development (GO-Biz) for small businesses that have been impacted by the COVID-19 Pandemic and the related health and safety restrictions.

Grants up to \$25,000 will be distributed across the state, with priority given to regions and industries impacted by health and safety guidance and stay-at-home orders, disadvantaged communities, and underserved small business groups.

Relief is critical to small business retention and is more effective with layered support. CalOSBA's selected intermediary will partner with a statewide network of mission lenders and nonprofits with strong connections to the targeted small businesses to provide an equitable distribution and additional wrap-around services including loans and technical assistance.

To provide continued assistance to small businesses and nonprofits, the Budget includes an additional \$550 million one-time General Fund allocation for relief grants to impacted small businesses and nonprofits. This additional investment will bring total investments to \$1.05 billion to help meet the expected demand.

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### CULTURAL INSTITUTIONS

Cultural institutions have a mission to engage in the conservation, interpretation and dissemination of cultural, scientific, and environmental knowledge, and promote activities meant to inform and educate Californians on associated aspects of culture, history, science, and the environment. Smaller cultural institutions, including museums and art galleries, have been constrained by the COVID-19 Pandemic in their ability to educate the community and remain financially viable. The Budget includes \$25 million one-time General Fund to provide grants to the smallest cultural institutions in the state that have been impacted by the pandemic.

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### FEE WAIVERS FOR COVID-19 IMPACTED BUSINESSES

The Budget includes \$70.6 million one-time General Fund to provide fee waivers to individuals (including barbers, cosmetologists, and manicurists) and smaller entities

(restaurants and bars) heavily impacted by health and safety restrictions imposed in response to the pandemic. Licensees of the Board of Barbering and Cosmetology will receive relief from annual license renewals over the next two-year renewal period. Restaurants and bars will also be eligible for fee waivers in 2021.

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## CALIFORNIA JOBS INITIATIVE

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

In order to support California business owners as they reopen their doors, rehire staff, and expedite the state's economic recovery, the Administration proposes the California Jobs Initiative. This initiative focuses on job creation and retention, regional development, small businesses, and climate innovation.

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## JOBS AND REGIONAL DEVELOPMENT

### INCREASED INVESTMENT IN CALCOMPETES

The California Competes Tax Credit (CalCompetes) has been in effect since 2014 and incentivizes businesses to locate in California or to stay, grow, and create quality full-time jobs in the state. Since its inception, the Governor's Office of Business and Economic Development (GO-Biz) has awarded nearly 1,100 businesses over \$1.2 billion in tax credits for commitments to create 124,000 new, full-time jobs and made over \$24 billion in capital investments in the state. The total credit amount is capped at \$180 million per year plus any unallocated or recaptured credits from the prior year. The competitive allocation is based on twelve different factors, including the number of full-time jobs created and whether the jobs are at risk of being created in another state. The CalCompetes credit is a non-refundable tax credit. If a business earns a credit (by achieving all of its contractual milestones for that tax year) in a particular year and the earned credit exceeds the business' current year tax liability, the business receives no immediate benefit from the excess credit, but the excess credit can be carried forward to offset tax in six subsequent tax years.

In recent years, the CalCompetes program has received applications far in excess of available credits. As California recovers from the COVID-19 Recession, the Budget



## EQUITABLE AND BROAD-BASED RECOVERY

increases the amount of credit available for allocation by \$90 million in both 2020-21 and 2021-22 for a total of \$270 million per year. This will provide additional incentives to accelerate job creation in the state. This is part of a package of proposals on which the Administration requests the Legislature take early action in 2021.

### **INCREASED INVESTMENT IN CALIFORNIA'S BUSINESSES**

The CalCompetes program has demonstrated tremendous success, but more needs to be done given the historic COVID-19 Pandemic. The Budget includes \$250 million one-time General Fund to increase business investment in California. This is part of a package of proposals on which the Administration requests the Legislature take early action in 2021. This funding will establish a grant component of CalCompetes with a more targeted focus. To be eligible for a grant, businesses will need to meet one or more of the following criteria: establish at least 500 net new jobs; make a significant infrastructure investment; commit to a high-need, high-opportunity area of the state; or receive a designation from the Director of GO-Biz that the application is a strategic priority of the state. Similar to the CalCompetes Tax Credit program, applicants will be brought to the CalCompetes Committee for approval.

Establishing a grant component in CalCompetes will expand the pool of businesses that can benefit from the program. There are three types of businesses that would benefit from grants: (1) companies that continuously reinvest profits into the business, generating either significant research and development tax credits and/or net operating losses (NOLs) resulting in little to no tax liability; (2) smaller businesses with relatively low income tax liability; and (3) startups with little to no tax liability.

A CalCompetes grant program is an additional incentive for businesses conducting multi-state site selection analyses for future growth, and is intended to improve the quality of the applicant pool in terms of job creation.

The new program will dedicate at least \$50 million of the \$250 million one-time General Fund to high-need, high-opportunity areas of the state.

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### **SMALL BUSINESSES**

Small businesses are critical drivers of economic growth and mobility—creating two-thirds of net new jobs, building wealth in communities, and innovating to solve global problems. California's 4.1 million small businesses represent 99.8 percent of all businesses and employ 48.5 percent of the private workforce. The COVID-19 Pandemic and its related economic impact have transformed the landscape of California's small

businesses. Opportunities exist for new business creation as entrepreneurs and small businesses innovate. The Budget includes several investments to assist small businesses in recovery and future growth and innovation.

### **MAIN STREET SMALL BUSINESS TAX CREDIT**

Chapter 41, Statutes of 2020 (SB 1447) was enacted in September 2020 and created a hiring credit against California state income taxes or sales and use taxes for qualified small business employers. This credit is capped at an aggregate amount of \$100 million and is intended to help struggling small businesses. It also encourages hiring new employees and rehiring former employees. The Budget allocates an additional \$100 million in 2021-22 to create a similar hiring credit.

### **MITIGATING THE SALT DEDUCTION LIMITATION FOR S-CORPORATIONS SHAREHOLDERS**

The Budget contains a provision that allows S-corporation shareholders a credit against tax equal to 13.3 percent of their S-corporation income in order to help them recoup some of the tax benefits lost by Californians when the State and Local Tax (SALT) deduction was limited as part of the 2017 federal Tax Cut and Jobs Act. The Elective S-corporation Tax is expected to on net to produce a revenue gain between \$0 and \$20 million starting in 2021-22.

### **THE CALIFORNIA DREAM FUND**

The COVID-19 Pandemic has produced unprecedented market fluctuation, causing lenders and their investors to tighten restrictions on credit and reduce available capital, especially in higher-risk industries impacted by the pandemic. People of color, women and immigrants are the backbone of the state's economy, but these communities have historically had trouble accessing capital, particularly during volatile markets.

For illustrative purposes, based on 2012 census data, one report provides the following example: if the number of people of color and women-owned businesses matched their percentage of the labor force, and if their business revenues equaled traditional firms, they could have produced \$6.8 trillion in gross receipts nationwide—nearly three times their actual output of \$2.4 trillion in that year. Addressing this systemic inequity is critical as California is one of the most diverse states in the country with people of color accounting for 63 percent of the state's population.

The Budget includes \$35 million one-time General Fund to support micro-grants up to \$10,000 to seed entrepreneurship and small business creation in underserved groups that are facing opportunity gaps. These California Dream Fund startup grants will be

## EQUITABLE AND BROAD-BASED RECOVERY

made available through small business technical assistance centers to eligible startups actively participating in trainings and advisory services to help provide greater acceleration rates and successful outcomes. This is part of a package of proposals on which the Administration requests the Legislature take action early in 2021.

### **IBANK'S SMALL BUSINESS FINANCE CENTER AND THE CALIFORNIA REBUILDING FUND**

The California Infrastructure and Economic Development Bank's (IBank) Small Business Finance Center manages small business loan and disaster loan guarantees, Climate Tech guarantees, and direct lending programs such as Jump Start start-up loans; in addition, it can quickly add new programs aimed at small businesses. These programs provide financial assistance needed by small businesses and will contribute to the long-term recovery of California's economy.

The 2020 Budget Act provided \$25 million one-time General Fund as the anchor investment to help create the California Rebuilding Fund, intended to aggregate funding from private, philanthropic, and public sector sources to address the capital needs of California's small businesses as they reopen and recover from the impacts of the COVID-19 Recession. The California Rebuilding Fund is intended to serve the smallest of small businesses that make up an essential part California's economy. With recent state commitments of up to \$37.5 million, including the additional allocation of \$12.5 million one-time General Fund announced by the Administration on November 30, 2020, the Fund is expected to provide over \$125 million of capital available for loans to small businesses.

The Budget includes \$50 million one-time General Fund to use across IBank's programs, with a focus on programs that benefit underserved businesses in California.

### **IBANK SMALL BUSINESS LOAN GUARANTEE PROGRAM**

Originally funded by the General Fund and the State Small Business Credit Initiative (SSBCI) created by the federal Small Business Jobs Act of 2010, the Small Business Loan Guarantee Program is the principal program of the Small Business Finance Center. The \$84 million authorization from SSBCI received in 2011 was used to guarantee up to 80 percent of loan amounts in support of small businesses and funds continue to revolve and serve thousands of additional small businesses through this year.

However, the program is approaching full capacity and requires additional funding. The current funds available for small business guarantees (from the IBank Small Business Loan Guarantee Program) will be fully leveraged by Summer 2021. The Budget includes \$50 million one-time General Fund so this program can continue to provide loans as

## EQUITABLE AND BROAD-BASED RECOVERY

businesses recover from the COVID-19 Recession. This will be leveraged to provide up to \$250 million in loans. This program is utilized by larger small businesses with larger loan sizes (average amount of \$500,000 or more).

The IBank funding discussed in this Chapter will assist small business recovery once the influx of grants at the federal and state level are fully utilized.

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### CLIMATE INNOVATION

#### CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY (CAEATFA) SALES TAX EXCLUSION

The CAEATFA offers sales and use tax exclusions to innovative manufacturers that promote alternative energy and advanced transportation. To encourage economic development along with the development of green technologies, the Budget proposes an additional one-time investment of \$100 million in 2021-22 to the CAEATFA sales tax exclusion program.

#### CLIMATE CATALYST FUND

The 2020 Budget Act included statutory changes to establish the Climate Catalyst Fund, a financing tool to provide revolving loans for climate-related projects. The Budget includes \$47 million one-time General Fund in 2020-21 in the wildfire and forest resilience package and \$50 million one-time General Fund for agriculture-specific activities (i.e., methane reduction projects; equipment replacement; water efficiency; healthy soils; and energy efficiency for food processing) that will be deposited for use in the Climate Catalyst Fund. For additional information, see the Climate Change and Sustainable Agriculture Chapters.

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### WORKFORCE DEVELOPMENT

While exacerbating trends have been underway for years, the pandemic has increased the need for worker training programs—many new jobs may require more telework, and will necessitate the development of new skills. In many cases, getting Californians back to work after the COVID-19 Pandemic will require additional workforce retraining opportunities and further coordination between California's universities, colleges, community colleges, and local workforce partners. To address this need, the Budget includes one-time and ongoing investments totaling \$332.9 million General Fund and

## EQUITABLE AND BROAD-BASED RECOVERY

\$35 million Proposition 98 General Fund, as specified below, in areas that will support an equitable recovery.

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### **SUPPORTING LINKAGES BETWEEN HIGHER EDUCATION AND EMPLOYMENT OPPORTUNITIES**

As referenced in the Higher Education Chapter, the Budget sets aside \$250 million one-time General Fund to support forthcoming proposals that are focused on workforce development, segment alignment, and improving linkages between higher education institutions and employers.

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### **EXPANDING WORK-BASED LEARNING OPPORTUNITIES**

As referenced in the Higher Education Chapter, California's Community Colleges are central to training and developing the skilled workforce needed for the state to meet its ever-changing workforce needs and the state must prepare students with the skills needed by employers not only today, but into the future. The Budget includes \$35 million Proposition 98 General Fund to support the following investments in work-based learning:

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

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### **OTHER HIGHER EDUCATION INVESTMENTS SUPPORTING WORKFORCE DEVELOPMENT**

As referenced in the Higher Education Chapter, the Budget reflects the following higher education workforce development related proposals:

- Connecting Student Learning Objectives with Workforce Needs—Given the proposed investments in the California Community Colleges, California State

## EQUITABLE AND BROAD-BASED RECOVERY

University, and University of California, the Administration expects the segments to better connect student learning objectives to workforce and industry needs.

- California Institutes for Science and Innovation—The Budget provides \$20 million one-time General Fund to four science and innovation institutes established on University of California campuses to support stipends for students over a five-year period and for research teams to link with industry partners to better align educational programs with workforce needs.
- UC Programs in Medical Education (PRIME)—The Budget provides \$12.9 million ongoing General Fund to support and expand existing UC Programs in Medical Education and to establish a new UC Program in Medical Education focused on Native American communities. The University of California is also encouraged to use these funds to support PRIME programs that would serve underrepresented areas of the state, and may establish additional PRIME programs that are state priorities.
- Computing Talent Initiative—The Budget provides \$10 million one-time General Fund to the California State University, Monterey Bay to support the Computing Talent Initiative. The Initiative will support a computer science acceleration program that will guide several cohorts of underrepresented computer science college students through a series of educational and employment-related modules and workshops, and help connect these students with industry professionals who can help them obtain employment in the sector.

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## LABOR AND WORKFORCE DEVELOPMENT PROGRAMS

As referenced in the Labor and Workforce Development Chapter, the Budget proposal, upon which the Administration is asking the Legislature to take early action, includes an expansion of the High Roads Training Program. An additional \$25 million one-time General Fund through the California Workforce Development Board will provide over 2,000 new apprenticeships and pre-apprenticeships to support the state's economic recovery. The proposal includes:

- Construction—\$8.5 million to expand construction apprenticeship and multi-craft pre-apprenticeship programs that will result in approximately 650 jobs.
- Forestry and Agriculture—\$6.5 million for training center jobs with utility tree contractors for wildfire prevention, resulting in 500 jobs.

## EQUITABLE AND BROAD-BASED RECOVERY

- Healthcare—\$4 million to expand training for allied health roles to address COVID-19-related health care needs, including respiratory technicians and medical assistants, and a pilot for Registered Dental Assistants in partnership with the California Dental Association, resulting in 350 jobs.
- Trade and Logistics—\$4 million through Youth Works for a pilot training partnership program for youth in Ontario, Los Angeles, Visalia, and the Bay Area, resulting in 500 jobs.
- Information Technology—\$2 million to expand cybersecurity apprenticeships with public and private employers, resulting in 200 jobs.

## INFRASTRUCTURE

The Administration recognizes the important role that infrastructure investments make in promoting economic stimulus. While many capital projects were paused in 2020 due to fiscal uncertainties related to the COVID-19 Pandemic, the 2021 Five-Year Infrastructure Plan (Plan) demonstrates renewed commitment to these investments as a contributor to California's economic recovery.

In addition to statewide investments in climate resilience and broadband programs, the Plan proposes \$52 billion in state infrastructure over the next five years, with investments in projects to renovate state office buildings, state hospitals and correctional facilities, and to replace fire stations and courthouses, among others. These investments in core state infrastructure will create jobs to support economic growth and recovery.

In addition, the Administration continues to prioritize economic recovery and investments in California's transportation infrastructure. The Department of Transportation (Caltrans) has continued to use new transportation revenues to accelerate construction projects and support job creation in the transportation sector. Caltrans estimates that approximately 11,000 jobs are created for every billion dollars spent on highway infrastructure. The California Transportation Commission invested \$22 billion for more than 1,200 projects in 2020, which created thousands of jobs. The projects funded will support a safe, sustainable transportation system that reduces congestion, improves the environment, and facilitates job creation and economic development throughout the state.

Nearly 40 percent of the funds approved by the Commission during the past year come from SB 1, the Road Repair and Accountability Act of 2017, which increased and stabilized state transportation funding. Since this legislation became law, project

## EQUITABLE AND BROAD-BASED RECOVERY

allocations made by the Commission from all state and federal sources have generated an estimated 350,000 jobs. While fuel tax revenues used to fund transportation projects have leveled off temporarily due to reduced travel during the COVID-19 Pandemic, the Budget maintains current planning and engineering staffing levels to continue developing and designing previously programmed projects. Not only does Caltrans plan to award all of the projects it currently has programmed for construction in the coming year, but the continued project development work will support preparedness as additional stimulus funding becomes available.

While these state infrastructure investments are important, the federal government needs to provide additional funding for public works projects to assist with a swift recovery.



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# COVID-19 PANDEMIC RESPONSE

Since the onset of the COVID-19 Pandemic, California has taken action to save lives by mitigating active community transmission of COVID-19, including issuing a statewide stay-at-home order and instituting the use of masks and physical distancing. Collectively, these actions have mitigated the significant early surges in cases and hospitalizations as seen in other states. The state then prepared further by securing a reliable supply chain of personal protective equipment (PPE), expanding COVID-19 testing capabilities, and building additional health care capacity, including alternate care sites. These actions gave hospitals and health care systems time to plan and better prepare for a surge in hospitalizations and intensive care unit (ICU) admissions. Altogether, these actions have saved the lives of many Californians.

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## STATEWIDE EMERGENCY RESPONSE

Under the authorities of the Emergency Services Act and other laws governing public health emergencies, jointly led by the Governor's Office of Emergency Services (Cal OES) and the Health and Human Services Agency (CHHS), the state responded swiftly—coordinating actions with local authorities and deploying federal, state, mutual aid, and private sector resources to support communities across the state. Many of the innovative programs established to serve the state are the first of their kind—establishing California as a leader in responding to the pandemic and developing a path for recovery and resiliency.

## COVID-19 PANDEMIC RESPONSE

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### VACCINE DISTRIBUTION

COVID-19 vaccines are now available and California received its first shipments in mid-December. The state formed a Western States Scientific Safety Review Workgroup with Nevada, Oregon and Washington, comprised of immunization and public health experts to provide an independent review and recommendation for the states to ensure safety and maintain public confidence in vaccine implementation. The state is also planning a public awareness campaign to encourage vaccine adoption across the state's diverse communities.

While supplies of the vaccines are currently limited, they will be made available according to approved state guidelines. Health care workers and residents in long-term care settings have been approved to receive vaccines first, followed by other Californians at high risk of becoming infected or severely ill from COVID-19. The state continues to release guidance for the next phases of individuals prioritized for vaccinations. The state has formed a Drafting Guidelines Workgroup of subject matter experts, ethicists and academics to draft an allocation framework to prioritize each phase of vaccine distribution. A community Vaccine Advisory Committee was also formed to provide feedback to state health officials on the allocation framework. The state is working closely with community partners and stakeholders to help guide the planning process and expedite a fair and equitable distribution of the vaccine.

The Budget includes over \$300 million as an initial estimate for vaccine distribution, including a public awareness campaign to increase vaccine adoption.

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### SUPPORT FOR THE COVID-19 PANDEMIC RESPONSE

The COVID-19 Pandemic response includes the following core response efforts that have been critical to not only mitigating the spread of COVID-19, but also preparing and expanding the health care system for a surge of cases, as well as providing for the necessary supports to reopen schools.

- **PPE and Other Procurements**—One of the most important tools in the fight against the spread of the virus is the use of PPE. In the initial phase of the pandemic, it was critical that the state secure enough PPE for Californians, and the state responded to that need by implementing a comprehensive procurement and distribution strategy. The state built a dedicated PPE pipeline with manufacturers who produce N95 respirators, surgical masks, ventilators, hand sanitizer, gowns, face shields, and with those performing ventilator repair and refurbishment. As a result, the state has

## COVID-19 PANDEMIC RESPONSE

provided nearly 1 billion units of PPE to various sectors. Most notably, 384 million units of PPE have been allocated to the health sector, 30 million units were supplied to the agriculture sector, and 136 million units were distributed to the education sector to support the safe return to in-person instruction.

- **Laboratory Testing**—Timely, equitable, and cost-effective testing supports California's goal of continuing to flatten the curve while enabling critical sectors of the economy to remain open. Despite efforts to expand the existing public and private laboratory footprint, the state's overall testing capacity remained inadequate, especially as flu season began. The state used its market power to combat global supply chain challenges and high testing costs by building its own laboratory—the Valencia Branch Laboratory—that has the capacity to process up to 150,000 tests per day. In addition, the state is pursuing broad-based testing in K-12 schools, and the May Revision will include estimated costs for Medi-Cal eligible students.
- **California Connected (Contact Tracing)**—Recognizing the need to conduct case investigations and notify those who may have been exposed to the virus of the need to quarantine, the state partnered with UC San Francisco to develop a training program for contact tracers. State departments identified over 3,000 employees as available for redirection to the contact tracing effort, and as of late-December 2020, roughly 1,900 employees were deployed to counties to assist. Through this effort, about 10,000 state and local employees are available to conduct contact tracing investigations statewide. Also in December, the state deployed a mobile exposure notification technology, CA Notify, to help notify Californians of potential exposure.
- **Health Corps**—Established to recruit and deploy health care professionals to facilities across the state to address the healthcare surge and to maintain capacity in the state's health care system, the Health Corps includes physicians, nurses, emergency medical technicians, paramedics, physician assistants, respiratory therapists and behavioral health professionals. They have been utilized in skilled nursing facilities, assisted living facilities, correctional facilities, alternative care sites, and general acute care hospitals. Since April, Health Corps has covered 2,892 direct patient care shifts in 143 facilities, as well as approximately 2,000 standby shifts across the state. Health Corps fills an essential role within emergency staffing. It serves as a critical option for facilities to provide staffing augmentations in non-acute care settings, stabilizing the patient and facility without transfer into a hospital.

## COVID-19 PANDEMIC RESPONSE

- **Hospital Surge Preparation**—To assist with decompression from the hospital system of lower acuity patients, the state is adding COVID-19 hospital surge beds in addition to the surge beds that hospital systems have already added. Currently, the state has 11 alternate care sites that could be activated in 24-96 hours should they be needed. The total number of beds in these alternate care sites is 1,668. In addition to the alternate care sites, the state has 22 California Medical Stations, which are 50-bed field hospitals, that can be rapidly deployed. In total, the state has approximately 3,500 additional medical beds beyond surge capacity within the hospital system. Additionally, the state is helping to decompress hospitals through the use of residential care facilities for the elderly.
- **Hotels for Health Care Workers**—This program provides hotel rooms to health care workers providing critical care to COVID-19 patients or who may come in contact with those infected with the virus to help prevent them from bringing the virus home. The program has provided over 1.5 million free or subsidized hotel room nights for health care workers, first responders, correctional officers, and other workers while they isolate safely apart from their families between work shifts and quarantine when necessary.
- **Community Engagement**—Originally launched in 2019, the state has invested \$50 million in a preparedness campaign to bolster resiliency by connecting vulnerable populations with culturally and linguistically competent community support. Through partnerships formed with community based organizations, volunteer and service teams (including CERT and AmeriCorps), and a dynamic communication campaign, LISTOS was leveraged during the COVID-19 Pandemic to educate millions of Californians about emergency preparedness. The state has expanded the community outreach effort with an additional \$62.5 million General Fund appropriated in 2020 that is leveraging additional philanthropic resources to fund paid media and provide for direct engagement with trusted community organizations.

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## PROTECTING AT-RISK POPULATIONS

The state has implemented several programs to protect vulnerable populations from contracting COVID-19. In addition, the state continues extraordinary actions within its institutions to protect public health, including the State Hospitals and state prisons.

- **Great Plates Delivered**—This program provides meals to adults age 65 and older and adults age 60-64 who are at high risk, while also supporting local restaurants

and other food providers that have closed or are struggling to remain open. This program is jointly run and managed by Cal OES, CHHS, and California Department of Aging. Over 20.4 million meals have been served under this program.

- **Housing for the Harvest**—This program enables agricultural workers who test positive or are exposed to COVID-19 to safely isolate. The Housing for the Harvest program has provided over 900 hotel room nights for agricultural workers to keep these critical workers safe.
- **Project Roomkey**—This program provides hotel and motel rooms to people experiencing homelessness and who are at-risk of contracting COVID-19. Under this program, the state has made over 15,500 hotel rooms available, providing over 800,000 overnight stays for unhoused Californians.
- **State Hospitals**—To address the impacts of COVID-19 at the State Hospital system, the following activities have been implemented: isolation and testing at state hospitals, outside medical invoicing, surge capacity, increased PPE requirements, and other supports for patients and employees. State Hospitals are also taking a number of preparatory steps to ensure the effective delivery of vaccines for their health care workers and patients.
- **State Prisons**—CDCR has taken proactive measures to reduce the presence and spread of COVID-19 in its institutions, including: restricting inmate movement; activating spaces to create physical distancing; modifying the parole suitability hearing process to take place by video and telephone conference; restricting family visitation and instead providing inmates with free telephone calls and video visitation opportunities; and initiating a staff screening process upon entering facilities. CDCR has also implemented expanded employee testing at all institutions.

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## DATA-DRIVEN DECISION-MAKING

### BLUEPRINT FOR A SAFER ECONOMY

In August 2020, California unveiled the *Blueprint for a Safer Economy*, a framework for managing restrictions on activities based on epidemiological data in counties. California's framework for reopening also uniquely includes a health equity metric. This metric recognizes that a county cannot open more business sectors unless it addresses disease transmission in communities that are disproportionately impacted by economic, social, education, transportation, housing, and environmental factors. The metric requires counties to reduce test positivity rates in the least well-off communities to

## COVID-19 PANDEMIC RESPONSE

match or approach the county average, which gives counties the incentive to test and trace contacts in the communities that have the greatest need.

In November, as case rates and hospitalizations surged in California and across the country, the state implemented a regional stay-at-home order. Absent this action, many hospital ICUs would have reached capacity more quickly. The state continues to use science and data to modify guidance and protective measures, including the updated guidance for school reopening.

### DEPLOYMENT OF INNOVATIVE TECHNOLOGY

California has deployed and updated dashboards to collect, develop, and display data for decision-making and for public transparency. The state created a centralized portal to inform the public at [covid19.ca.gov](https://covid19.ca.gov). California has utilized technology tools to accelerate the availability of information, including a website to connect businesses with PPE, a website to connect volunteers with opportunities to help, and a teachers' resource portal. Additionally, California has been able to track the impacts of policy decisions by looking at mobility data, venue visits, economic data, and survey data. These approaches have prioritized privacy.

In addition, the state has developed a model (California COVID Assessment Tool (ICAT)) that contains assessments of the spread of COVID-19, short-term forecasts of disease trends, and scenarios of the course of the disease from modeling groups across the country. Together, these tools allow scientists, researchers, technologists and all Californians to better understand the spread of COVID-19. To build on this model, the Budget includes funding for a newly created consortium that will engage public health decision-makers and investigators at the University of California to promote timely, actionable insights into public health problems in California.

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### DIRECT EMERGENCY RESPONSE EXPENDITURES

Current estimates of total direct COVID-19 Pandemic emergency response costs are approximately \$13 billion, with an estimated net General Fund impact of approximately \$2.5 billion. This represents costs incurred in the prior fiscal year as well as projected costs in fiscal years 2020-21 and 2021-22. Since the 2020 Budget Act, the Department of Finance has regularly updated these estimates on its website.

The 2020 Budget Act reflected a total of \$8.6 billion in state direct emergency response costs across 2019-20 and 2020-21, of which \$5.7 billion was for planned expenditures and an additional \$2.9 billion was for contingency costs. The following chart summarizes

## COVID-19 PANDEMIC RESPONSE

current estimates compared to the estimates included in the 2020 Budget Act. These estimates will be refined as circumstances evolve and the Administration continues to maximize the use of federal funds.

Significant changes since the 2020 Budget Act include increased efforts to mitigate the spread of COVID-19 within state institutions, state laboratory testing, and emergency support for small businesses allocated in December. There are also some downward revisions of estimates reflecting changing conditions and more accurate projections related to additional PPE procurement and hospital surge efforts.

While total costs are projected to increase overall compared to 2020 Budget Act levels, federal funds are expected to offset a greater share of these costs, which has partially offset the net General Fund increase. The chart below reflects categories of the state's direct response efforts and their respective cost estimates. Many of these programs and categories are eligible for FEMA reimbursement. This chart does not include COVID-19 expenditures related to certain health and human services programs. (See the Health and Human Services Chapter for more details.)



## COVID-19 PANDEMIC RESPONSE

## COVID-19 Direct Response Cost Estimates: Total Expenditures

Cost Category	2020 Budget Act Estimate	2021 Governor's Budget Estimate	Difference
<b>State Response Operations</b>	<b>\$589,128,000</b>	<b>\$2,529,273,000</b>	<b>\$1,940,145,000</b>
State Hospitals	\$0	\$82,698,000	\$82,698,000
Testing	\$0	\$37,102,000	\$37,102,000
Surge Capacity (Norwalk)	\$0	\$2,568,000	\$2,568,000
Other Staffing and Operational Costs	\$0	\$43,028,000	\$43,028,000
National Guard	\$0	\$32,848,000	\$32,848,000
Corrections and Rehabilitations	\$17,300,000	\$1,418,988,000	\$1,401,688,000
Community Supervision	\$2,971,000	\$45,340,000	\$42,369,000
Temporary Suspension of Prison Intake	\$14,329,000	\$240,895,000	\$226,566,000
Reentry Housing	\$0	\$15,000,000	\$15,000,000
Project Hope	\$0	\$1,929,000	\$1,929,000
Personal Protective Equipment	\$0	\$89,296,000	\$89,296,000
Medical Surge/Tents	\$0	\$240,741,000	\$240,741,000
Testing (Employee)	\$0	\$378,926,000	\$378,926,000
Testing (Inmate)	\$0	\$175,533,000	\$175,533,000
Cleaning	\$0	\$29,180,000	\$29,180,000
Other Staffing and Operational Costs	\$0	\$202,148,000	\$202,148,000
Other State Agency Response Operations Costs	\$571,828,000	\$994,739,000	\$422,911,000
<b>Procurements</b>	<b>\$4,363,764,000</b>	<b>\$3,366,496,000</b>	<b>-\$997,268,000</b>
OES Masks Contract (Global Healthcare Product Solutions, LLC)	\$1,567,500,000	\$920,600,000	-\$646,900,000
DGS and Other Procurements	\$2,796,264,000	\$2,445,896,000	-\$350,368,000
<b>Hospital and Medical Surge (to support 5,000 beds)</b>	<b>\$1,325,023,000</b>	<b>\$1,091,631,000</b>	<b>-\$233,392,000</b>
Staffing Costs	\$854,523,000	\$768,421,000	-\$86,102,000
Facilities and Operating Costs	\$470,500,000	\$323,210,000	-\$147,290,000
<b>Hotels for Health Care Workers/Support Staff</b>	<b>\$507,650,000</b>	<b>\$368,957,000</b>	<b>-\$138,693,000</b>
<b>Housing for the Harvest</b>	<b>\$0</b>	<b>\$9,623,000</b>	<b>\$9,623,000</b>
<b>Vulnerable Populations and Other Support Services</b>	<b>\$638,602,000</b>	<b>\$1,888,547,000</b>	<b>\$1,249,945,000</b>
Project Roomkey	\$100,000,000	\$162,000,000	\$62,000,000
Food Banks	\$70,000,000	\$165,500,000	\$95,500,000
Support for Small Businesses	\$50,000,000	\$562,500,000	\$512,500,000
Great Plates Delivered	\$25,000,000	\$25,000,000	\$0
Other Program Allocations	\$393,602,000	\$973,547,000	\$579,945,000
<b>Statewide Testing</b>	<b>\$527,000,000</b>	<b>\$2,544,045,000</b>	<b>\$2,017,045,000</b>
PerkinElmer	\$0	\$1,365,363,000	\$1,365,363,000
Logistics Health, Inc. (Optum)	\$0	\$726,000,000	\$726,000,000
FedEx Specimen Transportation	\$0	\$19,989,000	\$19,989,000
Other Statewide Testing	\$527,000,000	\$432,693,000	-\$94,307,000
<b>Contact Tracing and Tracking</b>	<b>\$173,750,000</b>	<b>\$646,339,000</b>	<b>\$472,589,000</b>
<b>Vaccine Task Force</b>	<b>\$0</b>	<b>\$372,400,000</b>	<b>\$372,400,000</b>
<b>Other Response Costs</b>	<b>\$470,122,000</b>	<b>\$0</b>	<b>-\$470,122,000</b>
<b>Community Engagement</b>	<b>\$0</b>	<b>\$162,500,000</b>	<b>\$162,500,000</b>
<b>Totals</b>	<b>\$8,595,039,000</b>	<b>\$12,979,811,000</b>	<b>\$4,384,772,000</b>

## CORONAVIRUS RELIEF FUNDS (CRF)

The 2020 Budget Act established a process to allocate \$9.5 billion in CRF provided in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the largest of the bills enacted early in the COVID-19 Pandemic. Based on data through September 30, the state had obligated or spent nearly \$8.7 billion of the \$9.5 billion authorized by the CARES Act and included in the 2020 Budget Act. These funds have been instrumental in helping to mitigate learning loss for students (\$4.4 billion), protect vulnerable populations from COVID-19, and support front-line efforts to combat the virus, including nearly \$1.3 billion to counties and \$500 million to cities to support local priorities.

At the state level, funds have supported nearly \$2.5 billion in costs for emergency operations, testing and contact tracing, and various medical and public health expenses. In addition, critical investments were made to provide additional housing for the homeless, and reduce the spread of COVID-19 in congregate shelters and camps. These funds were also used to purchase additional emergency food supplies and diapers to be distributed through California food banks. Finally, CRF was also leveraged to free up other federal funds to extend emergency child care benefits into 2021. The figure below details where funds pay for a portion of the state's direct disaster response costs.

**Allocation of CRF for COVID-19 Direct Response Costs**

Cost Category	2021 Governor's Budget Estimate	Estimated CRF Share
State Response Operations	\$2,529,273,000	\$574,695,000
Procurements	\$3,366,496,000	\$653,240,000
Hospital and Medical Surge	\$1,091,631,000	\$230,180,000
Hotels for Health Care Workers/Support Staff	\$368,957,000	\$32,544,000
Vulnerable Populations/Other Support Services	\$1,888,547,000	\$618,650,000
Statewide Testing	\$2,544,045,000	\$195,851,000
Contact Tracing and Tracking	\$646,339,000	\$155,977,000
<b>Totals</b>	<b>\$12,435,288,000</b>	<b>\$2,461,137,000</b>

While the deadline to spend to spend CRF was extended through December 31, 2021, the state has been finalizing the allocation and prioritization of the remaining \$800 million in funds to pay for additional emergency response costs, public health expenses, and public safety payroll costs as authorized by the U.S. Treasury. Through these actions, funds will remain in California and no funds will be returned to Washington.

## COVID-19 PANDEMIC RESPONSE

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### FEDERAL RELIEF

To address the direct and indirect effects of COVID-19, the federal government provided additional funding to help pay for emergency response, testing and contact tracing, health care, and to provide financial relief to individuals, families, and businesses as well as state and local governments, including schools and higher education institutions. As of early December, the estimated funding that the state expects to receive from the four bills passed by Congress in the spring of 2020 totaled approximately \$136 billion. These funds support various state programs, such as unemployment insurance, Medi-Cal, and K-12 schools. Combined with direct payments 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 will benefit from approximately \$298 billion provided through these federal actions.

This federal relief coupled with actions by the Federal Reserve helped stabilize the economy, with transfers mitigating the fall in wages. The stimulus checks, unemployment benefits, and Paycheck Protection Program allowed more people to continue to pay rent and utilities, and more businesses to retain workers and stay in business. As of November, U.S. personal income was 3.8 percent higher than November 2019. However, personal consumption expenditures are down by 1.3 percent, reflecting the disparate impacts on lower-income people and a higher savings rate by higher-income people.

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### RECENT FEDERAL COVID-19 RELIEF BILL

In late December, as many federal programs were expiring, Congress passed a fifth relief bill, the Coronavirus Response and Relief Supplemental Appropriations Act, totaling about \$900 billion, primarily to extend unemployment insurance and provide direct payments to individuals and families, businesses, and the health care industry, as well as to provide more funding for testing, contact tracing, and vaccine distribution. While California expects approximately \$100 billion, notably excluded from this most recent bill is additional funding for state and local government. However, this bill extends the deadline to spend the Coronavirus Relief Funds through December 31, 2021.

The passage of the federal relief bill will provide much-needed support for people and businesses until March 2021, especially those that remain unemployed due to the

## COVID-19 PANDEMIC RESPONSE

COVID-19 Pandemic. However, additional federal support beyond this bill will be critical to help people and businesses struggling to survive and recover from the pandemic.

Over one-third of the recent relief will provide additional financial assistance to individuals and families facing hardships from the COVID-19 Pandemic. Key provisions to support individuals include the following:

- Unemployment Insurance Benefits—Extended benefits were made available to individuals who have lost their jobs due to COVID-19, including self-employed workers and provide an additional \$300 per week supplement. These benefits will be available for an additional 11 weeks through March 14, 2021.
- Economic Impact Payments—A second economic impact payment was included for individuals and families, including those who receive Social Security retirement, Supplemental Security Income, or disability benefits. The checks will be \$600 for each person in the household using the same income-based criteria in the CARES Act. Individuals in households with mixed immigration status will now be eligible for these payments, which will be retroactive to the CARES Act, providing \$1,200 per adult and \$500 per child.

The following chart reflects the estimates for California based on a preliminary review of the components of the recent federal relief bill.

## COVID-19 PANDEMIC RESPONSE

**Potential Estimates for California  
Coronavirus Response and Relief Supplemental Appropriations Act**

(Dollars in Billions)

Cost Areas	Available Nationwide	California Estimate
<b>Individuals and Families</b>	<b>\$326.4</b>	<b>\$42.4</b>
Unemployment Insurance Benefits	\$120.0	\$20.0
Economic Impact Payments (\$600 per person)	\$166.0	\$18.3
Food Assistance	\$13.0	\$1.3
Rental and Utility Assistance	\$25.0	\$2.6
Funeral/Burial Assistance	\$2.4	\$0.2
<b>Test, Trace, Vaccinate</b>	<b>\$54.1</b>	<b>\$2.2</b>
Testing and Contact Tracing	\$19.5	\$1.8
Testing in Rural and Underserved Communities	\$2.8	TBD
Vaccine Development	\$19.7	-
Vaccine Manufacturing and Distribution	\$8.8	\$0.4
Strategic National Stockpile (PPE)	\$3.3	-
<b>Health/Mental Health</b>	<b>\$10.3</b>	<b>\$0.7</b>
Provider Relief	\$3.0	\$0.2
Increase Medicare Provider Payments	\$3.0	TBD
Mental Health and Substance Use Disorders	\$4.3	\$0.5
<b>Business and Transportation Support</b>	<b>\$408.1</b>	<b>\$50.1</b>
Small Business Support/Paycheck Protection (excluding airlines)	\$310.0	\$45.2
Live Venues	\$15.0	TBD
Child Care/Head Start	\$10.3	\$1.0
Agriculture (Farmers, Ranchers)	\$13.0	\$0.6
Loans to Underserved Communities	\$15.0	TBD
Airlines (Paycheck Protection) and Airport Improvements	\$18.0	\$0.4
Transit/Bus/Amtrak	\$17.0	\$2.0
State Highways	\$9.8	\$0.9
<b>Education</b>	<b>\$81.1</b>	<b>\$10.1</b>
Primary and Secondary	\$54.3	\$6.8
Governor's Emergency Education Relief (GEER) Funds	\$1.3	\$0.2
GEER - Private Schools	\$2.8	\$0.2
Higher Education	\$22.7	\$2.9
<b>Broadband/Telehealth</b>	<b>\$7.0</b>	<b>TBD</b>
<b>Totals</b>	<b>\$887.0</b>	<b>\$105.5</b>

# EMERGENCY RESPONSE

Over the past five years, the state has experienced unprecedented emergencies, including severe drought, earthquakes, intense storms with associated flooding, and now the historic COVID-19 Pandemic.

Additionally, the impacts of climate change continue to intensify and lengthen the fire season in California. In 2020, 9,000 wildfires burned over 4 million acres—more than all of the acres burned in 2017 and 2018 combined. Six of the largest wildfires in the state's history occurred in August and September of 2020.

Accordingly, the 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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## OFFICE OF EMERGENCY SERVICES

The state is responsible for mitigating the effects of disasters and for protecting the lives and property of the people of California. Under the authorities of the California Emergency Services Act, the California Governor's Office of Emergency Services (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.

## EMERGENCY RESPONSE

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 \$1.9 billion (\$443.1 million General Fund) and 1,119.2 positions for Cal OES.

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### **STRENGTHENING CALIFORNIA'S EMERGENCY CAPACITY AND CAPABILITIES**

California's emergencies and disasters have become more frequent, complicated, and often involve numerous counties and regions across the state. Consequently, Cal OES is developing a spring proposal to strengthen its ability to respond to increasingly complex disasters, security threats, and emergencies; lead multi-faceted, long-term recovery efforts across California; and strengthen equity and connections with vulnerable communities. The areas of focus for this proposal are:

- **Reducing Reliance on Redirected Staff**—When major emergencies or disasters occur, Cal OES redirects existing staff to operate the California's State Operations Center or Regional Emergency Operations Centers to respond to the events. Staff are also redirected to support Joint Field Offices embedded within the community to support recovery operations. Cal OES will explore ways to address the delays and incomplete work resulting from this coordinated redirection of staff and leadership teams from core Cal OES functions to support emergency response and recovery activities, which adversely impacts the organization's ability to fulfill its responsibilities and ultimately support response and recovery efforts.
- **Technology and Data Analytics**—The recent disasters have highlighted the need for greater technological capabilities to access and utilize data swiftly for situational awareness and in a manner that supports data-informed decision-making in real time. Cal OES has partnered with state technology experts to design dashboards to capture and utilize data, but more resources are needed to support technology and data capabilities on an ongoing basis.
- **Strengthening Equity and Connections with Communities**—California's disasters have had a significant impact on communities across the diverse state, but some communities have been hit harder than others. A strong connection between California's diverse communities and the emergency response network is key to better planning and preparation for disasters and swiftly meeting community needs during and after the emergency event. Cal OES is exploring ways to further

strengthen connections with all communities by building upon the work of the LISTOS campaign and reviewing approaches to advance equity and enhance cultural competence in delivering emergency response.

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## ENHANCING EMERGENCY PREPAREDNESS AND RESPONSE

The Budget includes an additional \$282 million General Fund for Cal OES for the following targeted investments:

- California Disaster Assistance Act (CDAA)—\$256.1 million one-time General Fund to assist local governments in serving their communities during and in the wake of emergency events. This funding will be used to repair, restore, or replace public real property damaged or destroyed during disaster events or reimburse local governments for eligible costs associated with emergency activities undertaken in response to a state of emergency proclamation by the Governor.
- California Earthquake Early Warning System—\$17.3 million one-time General Fund to support the California Earthquake Early Warning System while ongoing revenue options continue to be evaluated and pursued. Following years of research and development, initial operation of the system began in October 2019 and is anticipated to be fully operational statewide by June 2021. The system continues to improve and be integrated with critical infrastructure facilities, such as manufacturing, hospitals, schools, transportation systems, and public safety offices.
- Regional Hazardous Materials Response—\$3.6 million ongoing General Fund to build the state's ability to respond to regional emergencies involving hazardous materials. California has 12 Regional Hazardous Material Response teams positioned throughout the state to respond to hazardous material incidents. These teams are specially equipped to be immediate response resources to mitigate these types of emergencies. This will continue the state's investment to bolster this critical statewide emergency response function.
- Deferred Maintenance—\$5 million one-time General Fund to address identified deferred maintenance needs, as described in the Five-Year Infrastructure Plan.

Additionally, the early action package proposes \$25 million one-time General Fund in 2020-21 for Cal OES (\$21.9 million) and the Department of Forestry and Fire Protection (\$3.1 million) to support implementation of a home hardening pilot grant program, as referenced in the Wildfire and Forest Resilience Expenditure Plan section of the Climate Change Chapter.



## EMERGENCY RESPONSE

### DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection (CAL FIRE) provides resource management and wildland fire protection services covering over 31 million acres. It operates 234 fire stations and also staffs local fire departments when funded by local governments. CAL FIRE contracts with county agencies in six counties to provide wildland fire protection services. The Budget includes \$2.9 billion (\$2 billion General Fund) and 8,735.1 positions for CAL FIRE.

In recent years, the state has made strategic investments to bolster the state's firefighting capabilities in light of the ongoing wildfire crisis. This has included adding more firefighters to provide surge capacity throughout the fire season and beyond based on fire conditions, increasing the number of year-round fire engines, and implementing enhanced technology such as wildfire prediction and modeling software and fire detection cameras.

However, the ongoing impacts 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.

- CAL FIRE Emergency Preparedness and Response: Additional Fire Crews—\$143.3 million one-time General Fund in 2021-22, \$124.5 million ongoing General Fund, and \$24.2 million one-time General Fund in out-years for related capital outlay costs for CAL FIRE and the California Conservation Corps (CCC) to support 30 additional fire crews, including 16 seasonal firefighter crews and 14 CCC crews. In recognition of the continuing climate impacts on fuel conditions and existing population trends in the California Department of Corrections and Rehabilitation's Conservation Camp program, these fire crews will enable CAL FIRE to respond to larger and more damaging wildfires throughout the fire season and complete priority fuel reduction projects to reduce wildfire risk in fire-threatened areas.
- Wildfire and Forest Resilience Strategy—The Budget also includes \$1 billion for a comprehensive package of resources to increase the pace and scale of forest health activities and decrease fire risk, including \$581 million for CAL FIRE in 2020-21 and 2021-22, as explained in the Climate Change Chapter.

Additionally, the Administration has initiated the integration of new firefighting aircraft into CAL FIRE's fleet to meet the challenges associated with increased wildfire activity. The Budget includes \$48.4 million to support the phasing in of these aircraft as quickly as possible to enhance CAL FIRE's ability to respond to wildfire incidents.

- **Black Hawk Helicopters**—The replacement of CAL FIRE's Vietnam War-era helicopter fleet with new technologically advanced S70i Black Hawk helicopters was initiated in 2017-18, and the 2020 Budget Act included funding to purchase the remaining 3 helicopters to complete the replacement of all 12 CAL FIRE helicopters. Three new Black Hawk helicopters have been deployed so far, and it is estimated that four more Black Hawk helicopters will be put into operation sometime during the 2021 fire season (for a total of seven). CAL FIRE expects to put the remaining five helicopters into operation in 2022.
- **Large Air Tankers**—The 2019 and 2020 Budget Acts included funding for CAL FIRE to phase in the seven large C-130H large air tankers that will be transferred from the federal government starting in 2021-22. The air tankers, currently owned by the U.S. Coast Guard, are being retrofitted by the U.S. Air Force utilizing \$150 million in federal funding. CAL FIRE is continuing to prepare for the arrival of these aircraft by training and certifying new dedicated flight crews and mechanics, and cross-training and certifying its existing pilots to fly the aircraft for maximum operational efficiency and effective wildland fire response. The Administration is actively working with its federal partners to meet the expected 2021-22 arrival of the aircraft.

The Budget also includes \$5 million one-time General Fund to provide a research grant to California State University, San Marcos to study enhanced firefighting equipment and strategies to protect firefighters from conditions present during wildfires in the wildland urban interface.

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## UTILITY WILDFIRE MITIGATION AND SAFETY

Chapter 81, Statutes of 2019 and Chapter 79, Statutes of 2019 established a new Wildfire Safety Division (Division) within the Public Utilities Commission effective January 1, 2020. In its first year, the Division has made significant progress towards fulfilling its mission of advancing long-term utility wildfire safety. This includes:

## EMERGENCY RESPONSE

- Reviewing and approving utility wildfire mitigation plans, issuing safety certificates to electrical utilities, conducting safety culture assessments, and performing its statutorily mandated oversight responsibilities.
- Developing a strategic roadmap, through a public process, to guide the work of the Division in collaboration with key stakeholders—including CAL FIRE, Cal OES, and the Forest Management Task Force.
- Drafting performance metrics to evaluate wildfire mitigation plans as well as a field audit program to monitor utilities' compliance with their plan.

These wildfire mitigation efforts will continue in collaboration with local, state, and federal partners to help the state reduce the risks associated with utility-caused wildfires.

## 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.

The upward revision of General Fund revenues has resulted in significant increases in the Proposition 98 Guarantee. Proposition 98 funding for K-12 schools and community colleges for 2021-22 is \$85.8 billion. This represents an increased investment of \$14.9 billion in schools and community colleges above the level funded in the 2020 Budget Act, and the highest level of funding for K-14 schools ever. When combined with a one-time supplemental allocation of \$2.3 billion and the benefit of CalSTRS and CalPERS rates (\$1.1 billion), the state funding available to schools increases to \$89.2 billion.

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### **ADDRESSING IMMEDIATE NEEDS TO REOPEN SCHOOLS SAFELY**

Since March 2020, as a result of the COVID-19 Pandemic, a majority of the state's school-age children have not had access to in-person instruction. These conditions are affecting children's learning, health, and social-emotional well-being. Additionally, a November 2020 report from the federal Centers for Disease Control and Prevention

## K-12 EDUCATION

reported that nationally the proportion of mental health–related visits (to hospital emergency departments) for children aged 5–11 years and adolescents aged 12–17 years increased by approximately 24 percent and 31 percent, respectively, compared with those in 2019.

The 2020 Budget Act included significant investments of more than \$6.7 billion to enable schools to mitigate COVID-19 Pandemic impacts on students, and provided schools with guidance and resources to maximize safe in-person services to students. The Administration continues to respond to the needs of the state's public education system in real time, recognizing that impacts of the pandemic on student learning and mental health continue. As part of these efforts, the Administration is working with the Legislature to take early action that will provide resources to address some of the most pressing needs of schools and students so that additional resources will be available for in-person learning in the 2020-21 school year.

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### **IN-PERSON INSTRUCTION GRANTS**

COVID-19 Pandemic-related disruptions to student learning and support services are best mitigated by providing students with access to in-person instruction. This is most important for students with other barriers to distance learning, especially those with disabilities, those struggling with behavioral health issues, and the state's youngest learners. It is the expectation of the Administration that as many of these students as possible have the option to receive in-person instruction in the 2020-21 school year, subject to public health directives, and that all students have access to in-person instruction in 2021-22.

To that end, the Budget includes \$2 billion one-time Proposition 98 General Fund available beginning in February 2021, to augment resources for schools to offer in-person instruction safely. This funding will be available on a per-pupil basis for all county schools, school districts, and charter schools (with the exception of non-classroom based charters schools and independent study programs) that are open for in-person instruction by specified dates. For schools that continue offering or begin offering in-person instruction for at least all TK-2nd grade students, all students with disabilities, youth in foster care, homeless youth, and students without access to technology or high-speed Internet by February 16, and all 3rd-6th grade students by March 15, base grant amounts will be \$450, increasing to more than \$700 per pupil for schools with a high enrollment of low-income students, youth in foster care, and English language learners. Schools with later start dates will qualify for a proportionally lower base grant, except those in counties with high rates of community spread. Schools in

counties with high rates of community spread will be eligible for the full February grant amount if they open for in-person instruction pursuant to state and local health guidance once their rates of community spread sufficiently decline. Funds may be used for any purpose that supports in-person instruction, including:

- Enhancing and expanding COVID-19 testing
- Purchasing personal protective equipment
- Improving ventilation and the safety of indoor or outdoor learning spaces
- Teacher or classified staff salaries for those providing and supporting in-person instruction
- Social and mental health support services provided in conjunction with in-person instruction

As a condition of receiving grant funds, schools will be required to complete a COVID-19 School Safety Plan in compliance with state Department of Public Health and occupational health safety requirements, and will be required to adopt and implement a plan for COVID-19 surveillance testing for staff and students that aligns with state public health guidance.

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## **EXPANDED LEARNING TIME AND ACADEMIC INTERVENTIONS GRANTS**

K-12 students have had significant educational disruptions related to the COVID-19 Pandemic school closures. Although the state has allocated significant additional funding to schools, including \$4.4 billion from the Coronavirus Relief Funds allocated to the state. These funds have helped districts distribute computers and mobile hot spots and support to improve on-line instruction. Nevertheless, the pandemic and distance learning poses challenges to student achievement and well-being, especially for the youngest students, students in special education, and students in jeopardy of not completing graduation requirements.

To address learning loss due to the pandemic, the Administration proposes to allocate \$4.6 billion in one-time Proposition 98 General Fund for early action by the Legislature. This will provide districts with time to design targeted interventions that focus on students from low-income families, English language learners, youth in foster care, and homeless youth, including an extended school year or summer school. These funds will be eligible for targeted strategies that address learning loss related to the pandemic, including community learning hubs.

## K-12 EDUCATION

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### FEDERAL COVID-19 RELIEF FUNDS

The recent federal COVID-19 relief bill provides \$54.3 billion Elementary and Secondary Schools Emergency Relief Fund (ESSER) for public K-12 schools and \$4 billion Governor's Emergency Education Relief Fund (GEER) for both public and private pre-kindergarten through higher education institutions. Based on prior allocations, California could receive more than \$6 billion ESSER (of which 90 percent would go directly to Title I schools) and \$400 million GEER. These resources will assist schools in reopening and remaining open for in-person instruction and addressing the immediate needs of students.

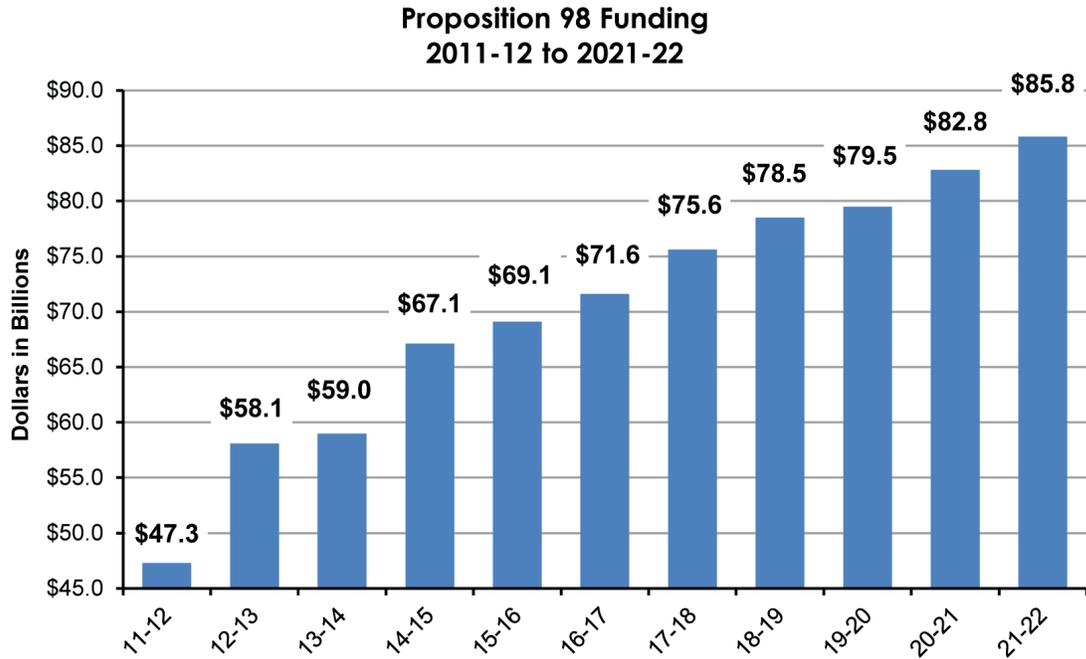
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### PROPOSITION 98

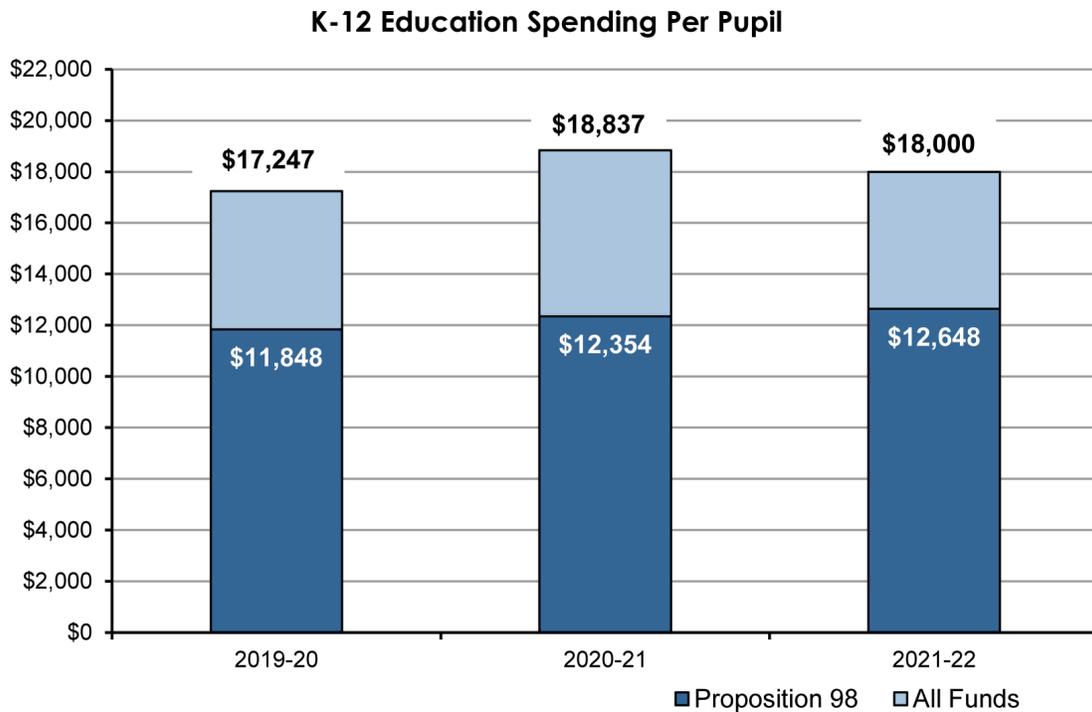
The annual funding level for K-12 schools and community colleges is determined by the Proposition 98 formula, a constitutional initiative approved by California voters in 1988 that guarantees K-12 schools and community colleges a minimum level of funding from state and local property taxes. Proposition 98 is designed to increase education funding each year by either: (1) funding K-14 education at its 1986-87 proportion of General Fund (known as Test 1), (2) applying growth in average daily attendance (ADA) and growth in per capita personal income to the prior year Proposition 98 funding level (known as Test 2), or (3) applying growth in ADA and growth in per capita General Fund to the prior year Proposition 98 funding level (known as Test 3). Largely due to projected increases in revenues and year-over-year declines in ADA, Test 1 is projected to be operative for all fiscal years 2019-20 through 2021-22.

Proposition 98 funding for K-12 schools and community colleges for 2021-22 is \$85.8 billion, the highest level of funding for K-14 schools ever (Proposition 98 Funding). This represents an increase of \$14.9 billion over the 2020-21 level funded in the 2020 Budget Act. The Proposition 98 funding levels for the 2019-20 and 2020-21 fiscal years increased from 2020 Budget Act levels by \$1.9 billion and \$11.9 billion, respectively, due almost exclusively to increased General Fund revenues in all fiscal years.

Reflecting the changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be \$18,837 in 2020-21 and \$18,000 in 2021-22—the highest levels ever (K-12 Education Spending Per Pupil). The decrease between 2020-21 and 2021-22 reflects the significant allocation of one-time federal funds in 2020-21. Ongoing K-12 per-pupil expenditures of Proposition 98 funds



are \$12,648 in 2021-22, an increase of \$1,994 per pupil over the level provided in the 2020 Budget Act.





## K-12 EDUCATION

### LOCAL CONTROL FUNDING FORMULA (LCFF)

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

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

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

Due to a significant reduction in available revenues, the 2020 Budget Act did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. To make up for this, the Budget funds the LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31 percent) and the 2021-22 cost-of-living adjustment (1.5 percent), creating a compounded combined cost-of-living adjustment of 3.84 percent, and increasing ongoing LCFF funding by \$2 billion Proposition 98 General Fund, when adjusted for declining ADA. This increase brings total LCFF funding to \$64.5 billion, and funds all local educational agencies at their full LCFF target level.

## PUBLIC SCHOOL SYSTEM STABILIZATION ACCOUNT

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

- State General Fund revenues from capital gains exceed 8 percent of total revenues;
- Proposition 98 Test 1 is operative;
- Proposition 98 maintenance factor obligations created prior to 2014-15 have been paid;
- The Proposition 98 required minimum funding level is not suspended; and
- The Proposition 98 funding level is greater than the prior year's funding level less any deposits into the Account, adjusted for attendance growth and inflation.

The Budget projects that deposits into the Account are required in 2020-21 and 2021-22. Pursuant to Proposition 2, the amount deposited into the Account is the difference between the Test 1 funding level and the prior year funding level adjusted for growth and inflation, but not more than the amount of capital gains revenues in excess of 8 percent of total revenues. This results in required deposits of \$747 million in 2020-21 and \$2.2 billion in 2021-22, for a projected Account balance of \$3 billion.

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 Proposition 98 Guarantee (approximately \$2.3 billion). The balance of \$3 billion in 2021-22 triggers school district reserve caps beginning in 2022-23.

## DEFERRALS

Pandemic-driven revenue reductions anticipated at the 2020 Budget Act created the need to defer LCFF apportionments, in the amounts of \$1.9 billion in 2019-20, growing to more than \$11 billion in 2020-21. The Budget pays off the full K-12 deferral in 2019-20 and \$7.3 billion of the K-12 deferral in 2020-21, leaving an ongoing K-12 deferral balance of \$3.7 billion in 2021-22. At this new lower level, local educational agencies will experience only a few weeks of delay in receiving apportionment in 2021-22 (as

## K-12 EDUCATION

opposed to ten-months of delay in 2020-21), as it will only impact their June 2022 apportionment, which will be delayed into July 2022.

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### **ADDITIONAL FUNDING FOR K-14 EDUCATION**

The Budget reflects \$3.4 billion in non-Proposition 98 General Fund for K-14 education. In addition, K-14 schools are expected to receive billions of additional federal funds from the recently approved federal COVID-19 relief bill.

### **SUPPLEMENTAL PAYMENT**

The 2020 Budget Act included a multi-year plan to supplement Proposition 98 and mitigate projected declines due to revenue reductions. Specifically, the 2020 Budget Act projected that the Proposition 98 funding levels in 2019-20 and 2020-21 would drop below the target funding level (Test 2), by a total of approximately \$12.4 billion. To accelerate the recovery from this anticipated funding reduction, the 2020 Budget Act included annual supplemental appropriations above the constitutionally required Proposition 98 funding level, beginning in 2021-22, in an amount equal to one and one-half percent of General Fund revenues per year, up to \$12.4 billion. The 2020 Budget Act also proposed to increase K-14 schools' share of the General Fund from approximately 38 percent of the General Fund in Test 1 years to 40 percent of General Fund.

Instead of a \$12.4 billion drop in Proposition 98 funding in 2019-20 and 2020-21, the Budget now projects a decline of \$511 million and the Guarantee is now at a level that, under previous projections, would have taken years to reach. As a result, the Budget proposes to remove the supplemental payment from statute. However, in recognition of the extraordinary needs of students and the public school system related to the COVID-19 Pandemic, the Budget includes a one-time supplementary payment to K-14 schools of \$2.3 billion in 2021-22.

### **CALPERS/CALSTRS CONTRIBUTIONS**

The 2019 Budget Act included \$850 million one-time General Fund to buy down local educational agency employer contribution rates for the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) in 2019-20 and 2020-21, as well as \$2.3 billion one-time General Fund to pay down the employers' share of long-term unfunded liability. To provide local educational agencies with increased fiscal relief, the 2020 Budget redirected the \$2.3 billion General Fund paid to CalSTRS and CalPERS towards long-term unfunded liabilities to instead

further reduce employer contribution rates in 2020-21 and 2021-22. For 2021-22, CalSTRS will apply \$820 million to reduce the employer rate from 18.1 percent to approximately 15.92 percent, and CalPERS will apply \$330 million to reduce the Schools Pool employer contribution rate from 24.9 percent to 23 percent.

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## OTHER POLICY ISSUES

### AVERAGE DAILY ATTENDANCE (ADA) COLLECTION

The 2020 Budget Act included several policies designed to support funding stability for local educational agencies given the COVID-19 Pandemic. These policies included:

- An ADA hold-harmless for 2020-21 apportionment calculation.
- Requirements for distance learning supports for students with exceptional needs, English language learner students, youth in foster care, youth experiencing homelessness, and students in need of mental health supports.
- Requirements for minimum daily interaction with students in distance learning.
- Requirements for documenting student participation and engagement, and for creating and implementing tiered re-engagement strategies for students who do not participate.

Building on lessons learned from the 2020-21 school year, the Budget establishes new expectations for local educational agencies in how they serve students and how the state funds them. Specifically:

- The Budget assumes that in-person instruction is the default mode of instruction in 2021-22. In specific circumstances, and as a result of health and safety concerns, there may continue to be a need to offer alternative models of instruction for some students. The Administration is committed to working with the Legislature and stakeholders throughout the spring on the frameworks for out-of-classroom instruction, including the independent study program, to support more efficient and effective models of instruction, and allow local educational agencies to use well-designed models of instruction if in-person instruction is suspended temporarily for health and safety reasons in 2021-22 and beyond.
- The Budget does not include a new ADA hold harmless in 2021-22. However, because of the ADA hold harmless provided in the 2020 Budget Act, local educational agencies that experience enrollment declines in 2021-22 will retain the

## K-12 EDUCATION

ability to receive apportionment based on the higher of their 2019-20 or 2020-21 ADA, pursuant to the existing hold harmless provisions included in LCFF statute.

### **FISCAL ACCOUNTABILITY**

As previously discussed, a critical component of the LCFF is the additional funding provided to local educational agencies through supplemental and concentration grants. The Administration remains focused on equity and ensuring that funds are allocated to support services for those students with the greatest need. The 2020 Budget Act provided funding for initiatives to increase transparency around local educational agencies' use of these funds, through the creation of an online local control and accountability plan (LCAP) portal and co-location of school accountability documents on a single website. These resources are currently under development and will complement recent changes to the LCAP template that provide additional information on the actual expenditure of supplemental and concentration grant funds.

To build on this work, the Budget includes statutory changes to address concerns that some local educational agencies allocate funds for increased and improved services and then leave them unspent, reallocating them for other purposes in future years. This statutory language requires that, once established, a local educational agency's responsibility to increase and improve services continues until fulfilled, and increases the specificity required of county offices of education in their review of local educational agencies' LCAPs.

### **ADULTS IN CHARTER SCHOOLS**

State law does not allow charter schools to receive state apportionment funding for students above 19 years of age, unless a student has been continuously enrolled and is making satisfactory progress towards a high school diploma, or the charter school provides instruction exclusively in partnership with a specified state or federal job-training program. However, there is inconsistency in how some charter schools interpret the phrase "exclusively in partnership with" a state or federal job-training program. This has resulted in tens of millions of dollars in LCFF funding, at a rate that is increasing every year, being allocated for adult students in charter school programs that do not align with the intent of the existing statute. The Budget clarifies the existing law, eliminates any uncertainty, and provides the Department of Education with the authority to collect information from charter schools that receive funding for adult students and validate their compliance with the governing statutes. The proposal would preserve existing programs funded in 2019-20 after a review of the program.

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## ADDRESSING EQUITY

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### INVESTING IN EDUCATORS

The demands on teachers, administrators, and classified staff during the COVID-19 Pandemic have been intense and unprecedented. These essential workers have balanced the challenges of developing and delivering curriculum in a distance learning or hybrid context, providing intensive and targeted in-person instruction in small groups for those students most disadvantaged by distance learning, and addressing the acute needs of students and families experiencing elevated levels of stress and economic insecurity. Educators will continue to contend with a wide range of challenges as students return to campus. Additionally, in some cases the pandemic has accelerated retirements, reduced the number of prospective teachers, and otherwise led to changes exacerbating existing educator shortages.

The Administration is committed to providing educators with the tools they need, both in the short term and long term, to successfully meet the needs of students. The Budget includes a comprehensive \$315.3 million package for educator professional development, with emphases on developing quality training in high-need areas and providing timely access to training, specifically:

- \$250 million one-time Proposition 98 General Fund for the Educator Effectiveness Block Grant to provide local educational agencies with resources to expedite professional development for teachers, administrators, and other in-person staff, in high-need areas including accelerated learning, re-engaging students, restorative practices, and implicit bias training.
- \$50 million one-time Proposition 98 General Fund to create statewide resources and provide targeted professional development on social-emotional learning and trauma-informed practices (also referenced in the Student Health and Well-Being section below).
- \$8.3 million one-time Proposition 98 General Fund for the California Early Math Initiative to provide teachers with professional development in mathematics teaching strategies for young children pre-K through third grade through the statewide system of support.
- \$7 million one-time non-Proposition 98 General Fund to the University of California Subject Matter Projects to create high-quality professional development

## K-12 EDUCATION

on learning loss in core subject matter content areas like reading and math, and in ethnic studies (also referenced in the Higher Education Chapter).

- \$5 million one-time Proposition 98 General Fund to fund professional development and instructional materials for local educational agencies who are offering, or would like to offer, courses on ethnic studies.

The Administration is also committed to increasing the number of well-prepared teachers in the public school system. A well-prepared educator workforce is a significant factor in improving student achievement and in closing the achievement gap. This is especially true post-pandemic, as students deal with the long-term academic impacts of COVID-19. Current teacher shortages, further exacerbated by retirements and teachers leaving the profession due to the pandemic, require efforts to strengthen the teacher pipeline. The Budget includes \$225 million to improve the state's teacher pipeline, specifically:

- \$100 million one-time non-Proposition 98 General Fund for continued investment in the Golden State Teacher Grant Program, which provides grants to students enrolled in teacher preparation programs who commit to working in high-need fields and at schools with high rates of under-prepared teachers (also referenced in the Higher Education Chapter).
- \$100 million one-time Proposition 98 General Fund to expand the Teacher Residency Program, which supports clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need communities and subject areas, including special education, bilingual education, and STEM.
- \$25 million one-time Proposition 98 General Fund to expand the Classified School Employees Credentialing Program, which provides grants to local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

Additionally, the Budget creates new pathways for prospective teachers to establish basic skills and subject matter competency, through coursework and upgrades to existing examinations.

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### **FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)**

Historical data from the California Student Aid Commission indicate that underrepresented students are less likely to complete the FAFSA, thereby causing many

Pell grant-eligible students to forego available state and federal financial aid funding. Recent data trends indicated that FAFSA filings among underrepresented student populations have decreased this year.

To address these concerns, the Budget requires local educational agencies to confirm that all high school seniors complete a FAFSA or California Dream Act Application beginning in the 2021-22 academic year.

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## SPECIAL EDUCATION

Nationwide, local educational agencies are required by federal law to provide appropriate and comprehensive educational programs for students with disabilities, from ages 3 through 22. However, federal funding for support services for these students does not reflect the rising cost of special education services. Congress has set a goal of 40 percent for the federal share of costs of special education services, but averages only about 10 percent of costs in California. Additionally, the federal government provides the state with only a fraction of the funding necessary to support mandated services for preschool-age children with disabilities. Recognizing the federal funding deficiencies, the state significantly augments federal funding to local educational agencies for special education services, providing approximately \$3.9 billion in 2020-21, compared to the federal allocation of \$1.4 billion.

It is a priority of the Administration to improve local educational agencies' ability to effectively support students with disabilities. The achievement gap is most pronounced 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. While investments described earlier in this section will provide local educational agencies with critical resources to address the acute needs of students with disabilities in the near term, the Administration remains dedicated to continuing to build out systemic supports to close the achievement gap of students with disabilities. Over the last two years, the Administration has worked with the Legislature to augment special education funding by more than \$1.5 billion, including adding \$545 million ongoing Proposition 98 General Fund to the special education base funding formula. These investments were targeted to effective strategies to address the complex needs of students with disabilities and their educators, including:

- Providing additional resources to local educational agencies for direct services for students,



## K-12 EDUCATION

- Investing in educators' professional development and expanding the educator pipeline,
- Expanding and improving supportive services for students and families, and
- Investing in improved collaboration and coordination among state and local agencies.

The Budget builds on these strategies by further investing in early interventions, which research suggests provide the best outcomes for students and long-term savings for local educational agencies, and improving the ability of local educational agencies to draw down federal funds for medical interventions. Specifically, the Budget provides:

- \$300 million ongoing Proposition 98 General Fund for the Special Education Early Intervention Grant to increase the availability of evidence-based services for infants, toddlers, and preschoolers.
- \$5 million one-time Proposition 98 General Fund to establish professional learning networks to increase local educational agency capacity to access federal Medi-Cal funds, and \$250,000 for a lead county office of education to provide guidance for Medi-Cal billing within the statewide system of support. The Administration will continue to evaluate the need for additional resources to support local educational agencies in accessing Medi-Cal reimbursement.
- \$500,000 one-time Proposition 98 General Fund for a study to examine certification and oversight of non-public school special education placements.

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## STUDENT HEALTH AND WELL-BEING

Conditions associated with poverty, including food insecurity, housing and employment instability, and inadequate health care, create substantial and compounding barriers to learning. These barriers have been further exacerbated by the COVID-19 Pandemic, which has increased economic challenges, particularly for low-income families. Approximately 3.7 million students, or 60 percent of the K-12 student population, are from socioeconomically disadvantaged households.

In order to stem the long-term effects of the pandemic, the Budget includes the following investments aimed at equipping schools and educators with the resources necessary to effectively partner with other governmental entities in addressing the overall well-being of the children they serve.

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## COMMUNITY SCHOOLS

Community school programs can help to mitigate the educational disadvantages associated with poverty and improve students' attendance, behavior, and achievement by making schools a hub for community resources. These programs offer a unique model to more efficiently and effectively provide integrated educational, health, and mental health services to students with a wide range of needs. Currently, some county offices of education and school districts support community school initiatives that offer coordinated access to a range of community services, on- or off-campus, including before and after school care.

The 2020 Budget Act included \$45 million in federal funds to county offices of education to support existing community school programs. The Budget builds on this investment with an additional \$264.9 million one-time Proposition 98 General Fund to enable local educational agencies to expand existing networks of community schools and establish new community schools, and to coordinate a wide range of services to these schools, with priority given to schools in high-poverty communities. This funding will be available to develop new and expand existing models of community schools.

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## STUDENT MENTAL HEALTH

Isolation and uncertainty caused by the COVID-19 Pandemic have impacted children as well as adults. Preliminary data suggest that depression and anxiety may have increased in children during the pandemic. These issues are complex and require the collaborative work of many across several state and local agencies.

To support children and families with behavioral health challenges and promote wellness on school campuses, the Budget includes several initiatives to increase services to children and improve coordination between county behavioral health departments and public school systems. As discussed in the Health and Human Services Chapter, the Budget provides \$400 million one-time in a mix of federal funds and General Fund, available over multiple years, for the Department of Health Care Services to implement an incentive program through Medi-Cal Managed Care Plans, administered by county behavioral health departments and schools. This innovative effort would build infrastructure, partnerships, and statewide capacity to increase the number of students receiving preventive and early intervention behavioral health services from schools, providers in schools, or school-based health centers.

## K-12 EDUCATION

The Budget also includes an additional \$25 million one-time Mental Health Services Fund, available over multiple years, to expand the Mental Health Student Services Act Partnership Grant Program, which funds partnerships between county behavioral health department and schools. Priority for the grants will be given to high-poverty and rural schools, with funds supporting suicide and drop-out prevention services, outreach to high-risk youth, and other strategies that respond to the mental health needs of students.

The Budget provides \$25 million ongoing Proposition 98 General Fund to fund innovative partnerships with county behavioral health to support student mental health services. This funding would be provided to local educational agencies to match funding in county Mental Health Services Act spending plans dedicated to the mental health needs of students.

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### SCHOOL CLIMATE SURVEYS

To support widespread access and use of school climate surveys, the Budget includes \$10 million one-time Proposition 98 General Fund for a county office of education to:

- Make information available on valid, reliable, and appropriate school climate surveys for purposes of helping local educational agencies better assess community needs stemming from the COVID-19 Pandemic and distance learning, including surveys for students, families, and educators.
- Provide grants to local educational agencies to implement enhanced survey instruments and support start-up costs associated with conducting annual school climate surveys.
- Provide training for local educational agencies on interpreting data and using responses collected to inform continuous improvement efforts.

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### EARLY LEARNING

Since 2019, the state has invested approximately \$400 million ongoing to expand early education and child care. The COVID-19 Pandemic has disrupted the child care system and federal funding has been critical to reducing long-term losses in this system. The Budget focuses on avoiding further loss in this system and builds on the recommendations made in the Master Plan for Early Learning and Care.

As discussed in the Health and Human Services Chapter, the Master Plan for Early Learning and Care was released on December 1, 2020, and provides recommendations and a multi-year plan 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 (TK) 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 through practices and training, with specific focus on children with disabilities and dual language learners; and
- Expanding early learning and care infrastructure.

The Budget begins the implementation of the Master Plan by expanding access to TK. TK is the first year of a two-year kindergarten program, and is available to all children who turn five on or between September 2 and December 2 of each calendar year. Additionally, at their own discretion, many local educational agencies currently offer TK to children who turn five after December 2. These local educational agencies do not receive state funding for these students until they turn five.

To encourage more local educational agencies to offer TK to younger children (thereby expanding access to publicly-funded preschool), the Budget includes \$250 million one-time Proposition 98 General Fund, available over multiple years, to provide grants to local educational agencies that offer early access to TK, to help them cover up-front costs associated with expanding their TK programs. Additionally, to increase the number of highly qualified teachers available to serve TK students, the Budget includes \$50 million one-time Proposition 98 General Fund to support the preparation of TK teachers and provide both TK and kindergarten teachers with training in providing instruction in inclusive classrooms, support for English language learners, social-emotional learning, trauma-informed practices, restorative practices, and mitigating implicit biases.

Access to appropriate facilities is also essential to expanding access to TK, as well as full-day early education programming. The state has made significant recent investments in the development of kindergarten facilities, with the goal of moving more

## K-12 EDUCATION

programs from part-day to full-day to improve educational outcomes for children and to better accommodate working parents. The 2018 Budget Act included a total of \$100 million one-time General Fund for eligible school districts to construct new, or retrofit existing, facilities for full-day kindergarten programs. Building upon this investment, and consistent with the goal of converting existing part-day kindergarten programs to full-day programs, the Budget includes \$200 million one-time General Fund for school districts to construct and retrofit existing facilities to support TK and full-day kindergarten programs.

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## CRADLE-TO-CAREER DATA SYSTEM

California is developing a comprehensive longitudinal data system—the infrastructure that enables policymakers, practitioners, and the public to understand how individuals use state programs to move along a path to achievement. Accordingly, the state established the California Cradle-to-Career Data System Act in 2019 to guide the planning for, and development of, a longitudinal data system.

Since enactment, over a dozen state agencies, numerous data experts, and a wide range of stakeholders have engaged in an intensive and collaborative planning process involving over 50 public meetings. The process resulted in consensus regarding a series of concrete plans and proposals to connect information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies.

Learning lessons from other states and leveraging advances in technology, California's data system will lead the nation in multiple ways. First, the system will incorporate design principles that promote “futureproofing” to the greatest extent possible, avoiding challenges associated with outdated technical infrastructure. Second, the system will reflect a “whole child” approach to serving Californians from cradle to career, incorporating data from education-adjacent programs and institutions such as health and human services. Third, the system will focus not only on what can be learned from integrated data, such as insights about obstacles facing students transitioning from K-12 to postsecondary institutions, but also on what can be done with integrated data, such as developing tools for students and families to navigate those same institutions.

The COVID-19 Pandemic has underscored the importance of implementing the state's vision for the Cradle-to-Career Data System. Preliminary evidence on the adverse mental health impacts of the pandemic—and corresponding solutions—can be informed by actual data linked between educational and health systems. Furthermore,

as the state accelerates its economic recovery, the data system can support tools that empower students and families to plan for and pursue careers.

To support the continued development of the Cradle-to-Career Data System, the Budget provides \$15 million General Fund, of which \$3 million is one-time, to establish an office within the Government Operations Agency to provide support and resources for:

- The acquisition, development, and maintenance of the system's analytical tools, including data storage and querying functions;
- The administration and maintenance of the data system;
- Updating the K-12 California Longitudinal Pupil Achievement Data System (CalPADS) data system software to facilitate smoother system compatibility;
- Expanding eTranscript functionality to additional colleges and universities;
- The hiring of management level data system coordinators at the University of California, California State University, California Student Aid Commission, and California Community Colleges Chancellor's Office; and
- Governance and operational costs.

Additionally, the Budget provides \$3.8 million ongoing Proposition 98 General Fund to support the California Career Guidance Initiative (CCGI). CCGI provides an interface for student data between high schools, students, and families that will be integrated into the Cradle-to-Career Data System.

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## 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 continues to allocate \$1.5 billion Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in 2018-19.

## K-12 EDUCATION

### OTHER K-12 BUDGET ADJUSTMENTS

Other significant adjustments include:

- **Local Property Tax Adjustments**—An increase of \$54.1 million ongoing Proposition 98 General Fund for school districts and county offices of education in 2020-21 as a result of decreased offsetting property tax revenues, and a decrease of \$1.2 billion ongoing Proposition 98 General Fund for school districts and county offices of education in 2021-22 as a result of increased offsetting property taxes.
- **Cost-of-Living Adjustments**—An increase of \$85.7 million ongoing Proposition 98 General Fund to reflect a 1.5-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **County Offices of Education**—An increase of \$10.2 million ongoing Proposition 98 General Fund to reflect a 1.5-percent cost-of-living adjustment and ADA changes applicable to the LCFF.
- **Instructional Quality Commission**—An increase of \$206,000 one-time non-Proposition 98 General Fund for the Instructional Quality Commission to continue its work on the development of model curriculum and frameworks.

# HIGHER EDUCATION

California's economic prosperity and workforce of the future are directly supported by two of the state's most significant competitive advantages: its exceptional system of higher education and its increasingly educated workforce. The COVID-19 Pandemic has impacted the state's higher education systems. These impacts include a reported 8-percent decline in California Community College (CCC) enrollment that is disproportionately attributable to underrepresented students. The state has also seen declines of roughly 10 percent and 45 percent in first-time freshman Free Application for Federal Student Aid (FAFSA) completion rates, and California Dream Act application completion rates, respectively.

To support the state's system of higher education and to mitigate the impacts of the COVID-19 Pandemic, the Budget proposes investments in the CCCs, California State University (CSU), and University of California (UC) to enable them to close equity gaps, promote completion, fuel innovation, and support students' upward economic mobility. The investments are predicated upon an expectation that the state's colleges and universities focus on addressing equity gaps, furthering educational opportunities using online courses and programs, better connecting student learning objectives to workforce and industry needs, and establishing new dual admissions transfer pathways.

The Budget proposes total funding of \$36.1 billion (\$21.8 billion General Fund and local property tax and \$14.3 billion other funds) for higher education. The total reflects growth of \$951 million (\$1.3 billion General Fund and local property taxes and -\$349 million other funds) compared to revised 2020-21 expenditures. The figure on Higher Education Expenditures displays additional detail about funding for higher education. The figure



## HIGHER EDUCATION

below does not include the estimated \$2.9 billion included in the recently passed federal COVID-19 relief bill.

### Higher Education Expenditures (Dollars in Millions)

	2019-20 <sup>4</sup>	2020-21	2021-22	Change from 2020-21	
				Dollars	Percent
<b>University of California</b>					
Total Funds <sup>1/</sup>	\$9,649.1	\$8,915.0	\$9,298.8	\$383.8	4.3%
Ongoing General Fund	3,724.3	3,465.3	3,601.3	\$136.0	3.9%
One-Time General Fund	214.0	0.7	225.3	-	-
<b>California State University</b>					
Total Funds <sup>1/</sup>	\$8,576.6	\$7,356.3	\$7,766.1	\$409.8	5.6%
Ongoing General Fund	4,351.9	4,041.5	4,241.5	\$200.1	5.0%
One-Time General Fund	328.4	14.2	225.0	-	-
<b>California Community Colleges</b>					
Total Funds	\$16,762.0	\$16,181.3	\$16,189.9	\$8.6	0.1%
General Fund & Property Taxes	10,367.1	10,727.8	11,092.6	\$364.9	3.4%
<b>California Student Aid Commission</b>					
Total Funds	\$2,468.8	\$2,680.0	\$2,826.3	\$146.3	5.5%
General Fund <sup>2/</sup>	1,388.0	2,244.4	2,405.7	\$161.3	7.2%
<b>Other Higher Education <sup>3/</sup></b>					
Total Funds	\$97.1	\$65.8	\$67.9	\$2.1	3.2%
Ongoing General Fund	16.9	19.0	20.7	\$1.7	-
One-Time General Fund	26.1	-	-	-	-
<b>Total Funds</b>	<b>\$37,553.6</b>	<b>\$35,198.3</b>	<b>\$36,149.0</b>	<b>\$950.6</b>	<b>2.7%</b>
<b>General Fund</b>	<b>\$20,416.8</b>	<b>\$20,512.9</b>	<b>\$21,812.1</b>	<b>\$1,299.2</b>	<b>6.3%</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> This category includes Hastings College of the Law and one-time funds in 2019-20 for the Scholarshare California Kids Investment and Development Savings Program.

<sup>4/</sup> 2019-20 Total Funds include federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding provided directly to colleges and universities.

## ADDRESSING IMMEDIATE NEEDS TO SUPPORT AND ENGAGE STUDENTS

According to initial survey data from the RP Group (an organization representing institutional research, planning, and effectiveness professionals in the CCC system), Fall 2020 CCC enrollment is down roughly 8 percent from the prior fall term. Initial indications suggest these declines are disproportionately attributable to the state's underrepresented student populations. The California Student Aid Commission recently noted that the preliminary year-over-year Free Application for Federal Student Aid

(FAFSA) completion rate for first-time freshman application completion is down roughly 10 percent and that the year-over-year California Dream Act application completion rate is down roughly 45 percent.

To mitigate these concerning trends and address immediate student needs, the Budget proposes early action on the following proposals:

- Provide \$100 million one-time Proposition 98 General Fund to support emergency student financial assistance grants for full-time, low-income community college students and other students who were previously working full-time, or the equivalent of full-time, who can demonstrate an emergency financial need.
- Provide \$20 million one-time Proposition 98 General Fund to support efforts to bolster CCC student retention rates and enrollment. These funds would be used to primarily engage former students who may have withdrawn from college due to the impacts of the COVID-19 Pandemic, and to engage current and prospective students who may be hesitant to remain enrolled or prospectively enroll in college due to impacts of the pandemic.
- Amend statute to delay the requirement for private nonprofit institutions to offer admission to at least 2,000 Associate Degree for Transfer students for the 2020-21 academic year in order to maintain the maximum Cal Grant tuition award for students attending private nonprofit institutions at \$9,084 in 2021-22. The delay shifts the requirement from applying in 2021-22 to applying in 2022-23.
- Amend statute to restore Cal Grant A eligibility for students impacted by a change in their living status due to the pandemic at an estimated cost of \$58.8 million ongoing General Fund starting in 2020-21.

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## LINKING HIGHER EDUCATION AND EMPLOYMENT OPPORTUNITIES

As referenced in the Equitable and Broad-Based Recovery Chapter, the Budget sets aside \$250 million one-time General Fund to support forthcoming proposals that are focused on workforce development, segment alignment, and improving linkages between higher education institutions and employers.

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## CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the nation, serving roughly one out of every four of the nation's community college students, or approximately

## HIGHER EDUCATION

2.1 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2019-20, the CCCs awarded over 115,000 certificates and 196,000 degrees and transferred over 107,000 students to four-year institutions.

The 2020 Budget Act made adjustments that reduced the overall level of support for the CCCs by deferring approximately \$1.453 billion from 2020-21 to 2021-22. The CCCs have indicated the system received approximately \$612.4 million in federal higher education Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, with roughly half of the funds required for emergency grants to students. The recent federal COVID-19 relief bill enacted in late December includes additional federal funding to support institutions of higher education; California higher education segments could receive \$2.9 billion.

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### REPAYING DEFERRALS AND CORE APPORTIONMENTS INVESTMENTS

Given expected increases in the Proposition 98 Guarantee relative to the 2020 Budget Act, the Budget proposes to reduce apportionment deferrals for the Student-Centered Funding Formula (SCFF) by more than \$1.1 billion to \$326.5 million Proposition 98 General Fund for 2021-22. The Budget also proposes \$111.1 million ongoing Proposition 98 General Fund to provide a 1.5-percent cost-of-living adjustment for apportionments and \$23.1 million ongoing Proposition 98 General Fund for 0.5-percent enrollment growth.

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### SUPPORTING STUDENTS DURING THE COVID-19 PANDEMIC

The COVID-19 Pandemic has had disproportionate impacts on low-income students, and the Administration is committed to supporting equity and access across the public higher education segments. In addition to the early action package already discussed, the Budget proposes the following targeted investments to alleviate student financial hardship and improve access to, and the quality of, online education:

- \$150 million one-time Proposition 98 General Fund for emergency financial assistance for full-time, low-income community college students and other students who were previously working full-time or the equivalent of full-time, can demonstrate an emergency financial need, and can demonstrate at least a 2.0 GPA in one of their last three semesters or four quarters. (As noted in the Addressing Immediate

Needs to Support and Engage Students section of this Chapter, there is an additional \$100 million for this purpose proposed for early action.)

- \$100 million one-time Proposition 98 General Fund to address food and housing insecurity among CCC students.
- \$30 million ongoing Proposition 98 General Fund to support student technological access to higher education by enabling students to have electronic devices and high-speed Internet connectivity, as well as increase student mental health resources.
- \$20 million one-time Proposition 98 General Fund for a systemwide effort to provide culturally competent online professional development for CCC faculty, including in leveraging technology to improve learning outcomes.
- \$10.6 million ongoing Proposition 98 General Fund to support the continuity of education and quality distance learning, including access to online tutoring, online counseling, and online student support services such as mental health services.

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## EXPANDING WORK-BASED LEARNING OPPORTUNITIES

The COVID-19 Pandemic has affected every sector of the state's economy and has caused record high unemployment. While the economy is showing some signs of improvement, millions of Californians remain unemployed. The CCCs are central to training and developing the skilled workforce needed for the state to meet its changing needs, and the state must prepare students with the skills needed by employers not only today, but into the future. The Budget includes \$35 million Proposition 98 General Fund to support the following investments in work-based learning:

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

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### OTHER BUDGET ADJUSTMENTS

#### STUDENT-FOCUSED ADJUSTMENTS:

- Zero-Textbook-Cost Degrees—An increase of \$15 million one-time Proposition 98 General Fund to develop and implement zero-textbook-cost degrees using open educational resources.
- Instructional Materials for Dual Enrollment Students—An increase of \$2.5 million one-time Proposition 98 General Fund for community colleges to provide instructional materials for dual enrollment students.
- AB 1460 Implementation and Anti-Racism Initiatives—An increase of \$600,000 one-time Proposition 98 General Fund to support the implementation of the provisions of Chapter 32, Statutes of 2020 (AB 1460) as well as systemwide anti-racism initiatives.

#### APPORTIONMENTS ADJUSTMENTS:

- Augmentation for 2020-21 Apportionments—An increase of \$52.7 million one-time Proposition 98 General Fund in 2020-21 community college apportionments.
- Local Property Tax Adjustment—A decrease of \$292.7 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.

#### OTHER ADJUSTMENTS:

- CENIC Cost Increase—An increase of \$8 million ongoing Proposition 98 General Fund for cost increases associated with continued broadband access provided by the Corporation for Education Network Initiatives in California (CENIC).
- Adult Education Cost-of-Living Adjustment—An increase of \$8.1 million ongoing Proposition 98 General Fund to reflect a 1.5-percent cost-of-living adjustment for the Adult Education Program.
- Adult Education Technical Assistance Funding—An increase of \$1 million ongoing Proposition 98 General Fund to support technical assistance for the Adult Education Program.
- CCC Facilities—An increase of General Obligation bond funding of \$355.8 million, including \$2.2 million to start one new capital outlay project and \$353.6 million for the construction phase of 17 projects anticipated to complete design by spring

2022. 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 approximately 486,000 students. In 2020-21, the CSU awarded 129,000 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.

The 2020 Budget Act made adjustments that reduced the overall level of support for the CSU by \$299.1 million ongoing General Fund. The CSU has indicated the system received approximately \$564 million in federal higher education CARES Act funding, with roughly half of the funds being required for emergency grants to students. The recent federal COVID-19 relief bill enacted in late December includes additional federal funding to support institutions of higher education; California's higher education segments could receive \$2.9 billion.

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## SIGNIFICANT INVESTMENTS AND EXPECTATIONS

The Budget includes \$144.5 million in ongoing General Fund to provide a three-percent increase in base resources to support the CSU's operational costs, support for the Basic Needs Initiative component of Graduation Initiative 2025, student basic needs focused on digital equity and the provision of mental health services, the adoption of a common intersegmental learning management platform, and enrollment at the CSU Stanislaus Stockton Campus.

In addition, the Budget includes \$225 million one-time General Fund to support emergency financial assistance grants to students in need, support for culturally competent professional development focused on the provision of online courses and programs, support for the Computing Talent Initiative, and for deferred maintenance.

These investments are provided with the expectation that CSU:

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- Maintain resident undergraduate tuition and fees at current levels for the 2021-22 academic year;
- Take action to significantly reduce equity gaps with the goal of fully closing equity gaps by 2025;
- Adopt policies furthering educational opportunities using online learning programs;
- Better align student learning objectives with workforce needs; and
- Create a new stand-alone dual admissions pathway enabling first-time freshman applicants to be considered for guaranteed admission to CSU upon completion of an Associate Degree for Transfer at a California Community College.

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## GRADUATION INITIATIVE 2025

The CSU Graduation Initiative 2025, adopted by the Board of Trustees in 2016, commits the CSU to increasing the four-year graduation rate to at least 40 percent, increasing the two-year graduation rate to at least 45 percent, and closing achievement gaps between different groups of students by 2025.

The CSU continues to make significant strides to meet these goals. Based on preliminary 2020 data, the 2019-20 academic year resulted in a record high number of graduates, the highest number of two- and four-year rates for transfer students, and the highest-ever four- and six-year graduation rates for first-time students. The Administration supports the CSU's focus toward achieving the underlying goals of the Graduation Initiative, which will better improve students' timely degree completion and reduce students' total degree costs.

## DETAILED BUDGET ADJUSTMENTS

### ONGOING ADJUSTMENTS

- **Base Growth**—An increase of \$111.5 million ongoing General Fund, which represents an increase in base resources of three percent, with the expectation that the CSU will maintain resident undergraduate tuition and fees at existing levels for the 2021-22 academic year, reduce equity gaps, commit to aligning student learning objectives with workforce needs, adopt policies related to online course and program offerings, and create a new dual admissions pathway.
- **Student Basic Needs Focused on Digital Equity and Mental Health Services**—An increase of \$15 million ongoing General Fund to enable all students to have

necessary technological access to electronic devices and high-speed Internet connectivity, and to increase student mental health resources.

- Basic Needs Initiative Component of CSU Graduation Initiative 2025—An increase of \$15 million ongoing General Fund to sustain and expand support for the Basic Needs Initiative component of Graduation Initiative 2025. This Initiative seeks to support students experiencing food and housing insecurity, financial distress, and other challenges that could disrupt their academic success and degree completion.
- Learning Management Platform (Canvas)—An increase of \$2 million ongoing General Fund for CSU to adopt a common intersegmental learning management platform for online courses at each campus that aligns with the platform used by the California Community College system (Canvas), by the 2023-24 academic year.
- CSU Stanislaus, Stockton Campus—An increase of \$1 million ongoing General Fund to increase full-time equivalent student enrollment at the CSU Stanislaus Stockton campus by approximately 115 students.
- Corporation for Education Network Initiatives in California (CENIC)—An increase of \$246,000 ongoing General Fund for cost increases associated with continued broadband access provided by CENIC.

#### **ONE-TIME ADJUSTMENTS**

- Deferred Maintenance—An increase of \$175 million one-time General Fund to address deferred maintenance at CSU campuses.
- Emergency Student Financial Assistance—An increase of \$30 million one-time General Fund to support emergency financial assistance grants for full-time, low-income students and other students who were previously working full-time, or the equivalent of full-time.
- Faculty Professional Development—An increase of \$10 million one-time General Fund to provide culturally competent professional development for CSU faculty, including in leveraging technology to improve learning outcomes.
- Computing Talent Initiative—Provide \$10 million one-time General Fund to support the CSU Computing Talent Initiative through CSU Monterey Bay, to enable additional cohorts of computer science students in the program.
- Summer Financial Aid Program—The Budget shifts the suspension date for the CSU Summer Financial Aid program from December 31, 2021 to December 31, 2022. The suspension would be lifted if the Administration determines through the 2022 Budget



## HIGHER EDUCATION

Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

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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 10 campuses enroll more than 285,000 students. In 2019-20, the UC awarded approximately 83,000 degrees. An additional 300,000 students participate in continuing education programs through the UC extension centers.

In keeping with its tradition of excellence and innovation, three UC faculty members, and one UC alumnus, were awarded Nobel Prizes in 2020, bringing the total number of UC faculty and staff who have been awarded Nobel Prizes since 1934 to 68 and the total number of Nobel Prizes received by those faculty and staff to 69.

The 2020 Budget Act made adjustments that reduced the base level of support for the UC by \$302.4 million ongoing General Fund. The UC has indicated the system received approximately \$267.5 million in federal higher education CARES Act funding, with roughly half of the funds being required for emergency grants to students. The recent federal COVID-19 relief bill enacted in late December includes additional federal funding to support institutions of higher education; California higher education segments could receive \$2.9 billion.

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### SIGNIFICANT INVESTMENTS AND EXPECTATIONS

The Budget proposes ongoing General Fund augmentations of approximately \$136 million to support a three-percent General Fund increase in base resources for UC campuses and the UC Office of the President; UC Payroll, Academic Personnel, Timekeeping & HR (UCPath); the Division of Agriculture and Natural Resources; student basic needs focused on digital equity and the provision of mental health services; UC Programs in Medical Education (PRIME); the adoption of a common intersegmental learning management platform; and other baseline adjustments for ongoing support.

In addition to this ongoing funding, the Budget proposes \$225 million one-time General Fund to address deferred maintenance and energy efficiency projects at UC campuses, support emergency financial assistance grants to students in need, support

the California Institutes for Science and Innovation, provide support for culturally competent professional development focused on the provision of online courses, provide the UC Subject Matter Projects resources for K-12 teacher professional development regarding learning loss mitigation and ethnic studies, and to support UC Fire Advisors.

These investments are provided with the expectation that UC:

- Maintain resident undergraduate tuition and fees at current levels for the 2021-22 academic year;
- Take action to significantly reduce equity gaps with the goal of fully closing equity gaps by 2025;
- Adopt policies furthering educational opportunities using online learning programs;
- Better align student learning objectives with workforce needs; and
- Create a new, stand-alone dual admissions pathway enabling first-time freshman applicants to be considered for guaranteed admission to UC upon completion of an Associate Degree for Transfer (ADT), or its UC equivalent, at a CCC. In designing a new, stand-alone dual admissions pathway that relies upon a UC ADT equivalent degree, the Administration expects the UC to identify for students: (1) courses that overlap between the existing ADT pathway and its UC equivalent pathway, and (2) courses that do not overlap between the existing ADT pathway and its UC equivalent pathway.

## DETAILED BUDGET ADJUSTMENTS

### ONGOING ADJUSTMENTS

- Base Growth—A total increase of \$103.9 million ongoing General Fund with the expectation that the UC will maintain resident undergraduate tuition and fees at existing levels for the 2021-22 academic year, reduce equity gaps, align student learning objectives with workforce needs, adopt policies related to online course and program offerings, and create a new dual admissions pathway. This investment reflects:
  - An increase of \$95 million ongoing General Fund to provide an increase in base resources available to campuses of three percent.

## HIGHER EDUCATION

- An increase of \$8.9 million ongoing General Fund to provide an increase in resources for the UC Office of the President, UCPath, and the Division of Agriculture and Natural Resources of three percent.
- Student Basic Needs Focused on Digital Equity and Mental Health Services—An increase of \$15 million ongoing General Fund to enable all students to have necessary technological access to electronic devices and high-speed Internet connectivity, and to increase student mental health resources.
- UC PRIME—An increase of \$12.9 million ongoing General Fund to support and expand existing UC Programs in Medical Education and to establish a new UC Program in Medical Education focused on Native American communities. UC is encouraged to use these funds to support PRIME programs that serve underrepresented areas of the state, and one-third of the funds will be used to augment need-based financial aid for UC PRIME students.
- Learning Management Platform (Canvas)—An increase of \$1 million ongoing General Fund for UC to adopt a common learning management platform for online courses at each campus that aligns with the platform used by the CCC system (Canvas), by the 2023-24 academic year.
- Graduate Medical Education—An increase of approximately \$1 million ongoing General Fund, growing to approximately \$1.8 million General Fund ongoing in 2022-23 and thereafter, to offset declining Proposition 56 revenue supporting a statewide grant program to maintain \$40 million ongoing for graduate medical residency slots.

### ONE-TIME ADJUSTMENTS

- Deferred Maintenance and Energy Efficiency—An increase of \$175 million one-time General Fund to support deferred maintenance and energy efficiency projects at UC campuses.
- California Institutes for Science and Innovation—An increase of \$20 million one-time General Fund for four science and innovation institutes to support student stipends over a five-year period to better enable student workers to connect with industry employers, and for research teams to form industry partnerships to better align educational programs with workforce needs.
- Emergency Student Financial Assistance—An increase of \$15 million one-time General Fund to support emergency financial assistance grants for full-time,

low-income students and other students who were previously working full-time, or the equivalent of full-time.

- UC Subject Matter Projects—An increase of \$7 million one-time General Fund to provide resources to the UC Subject Matter Projects for K-12 teacher professional development regarding learning loss mitigation and ethnic studies.
- Faculty Professional Development—An increase of \$5 million one-time General Fund to provide culturally competent professional development for UC faculty, including in leveraging technology to improve learning outcomes.
- UC Fire Advisors—The Budget includes \$2 million one-time General Fund to support UC Fire Advisors through the UC Division of Agriculture and Natural Resources.
- UC San Francisco—Department of Public Health Modeling Consortium—The Budget includes \$1.25 million one-time General Fund that will be available over a two-year period to support a health modeling consortium partnership between UC San Francisco and the California Department of Public Health.
- Summer Financial Aid Program—The Budget shifts the suspension date for the UC Summer Financial Aid program from December 31, 2021 to December 31, 2022. The suspension would be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

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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 \$2.8 billion, of which \$2.67 billion supports the Cal Grant Program and Middle Class Scholarship Program. In 2019-20, approximately 150,000 students received new Cal Grant awards, and approximately 233,000 students received renewal awards.

## HIGHER EDUCATION

### IMPROVING COLLEGE AFFORDABILITY

The state's Cal Grant entitlement program is estimated to provide over 412,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2021-22. Students who demonstrate financial need, but do not meet all of the criteria for entitlement awards, may qualify for one 50,000 proposed competitive Cal Grant awards. The majority of these awards provide a stipend to cover some living expenses, such as housing, food, and transportation. However, many students still struggle to afford the total cost of attending an institution of higher education in California and for many students, this has only been exacerbated by the impacts of the COVID-19 Pandemic. The Budget reflects an expectation that one of these costs—tuition and fees—remain flat at all three public higher education institutions in 2021-22 and also includes student basic needs investments, emergency financial assistance investments, and investments supporting expanded mental health services and students' access to electronic devices and high-speed Internet connectivity.

### SIGNIFICANT ADJUSTMENTS

- **Competitive Cal Grant Increase**—An increase of approximately \$35 million ongoing General Fund to add 9,000 Cal Grant Competitive awards, increasing the total number of awards to 50,000.
- **Former and Current Foster Youth Access Award**—An increase of approximately \$20 million ongoing General Fund to increase the access awards for all former or current foster youth. Eligible new or renewal Cal Grant A students will receive an access award of up to \$6,000, eligible new or renewal Cal Grant B students will see their access award increase from \$1,648 to \$6,000, and eligible Cal Grant C students will see their book and supply award increase from \$1,094 to \$4,000.
- **Golden State Teacher Grant Program**—An increase of \$100 million one-time General Fund to support the Golden State Teacher Grant Program, which provides support for grants to students enrolled in teacher preparation programs who commit to working in a high-need field at school sites with the highest rates of non-credentialed or waiver teachers.
- **Tuition Award for Students at Private Nonprofit Institutions**—The Budget includes statutory changes to delay the requirement for private nonprofit institutions to offer admission to at least 2,000 Associate Degree for Transfer students for the 2020-21 academic year in order to maintain the maximum Cal Grant tuition award for

students attending private nonprofit institutions at \$9,084 in 2021-22. The delay shifts the requirement from applying in 2021-22 to applying in fiscal year 2022-23.

- FAFSA or California Dream Act Application—As referenced in the K-12 Education Chapter, the Budget includes statutory changes to require local educational agencies to confirm that all high school seniors complete a FAFSA or California Dream Act Application beginning in the 2021-22 academic year.
- Cal Grant Program Adjustments—A decrease of \$3.3 million one-time General Fund in 2020-21 and an increase of \$13.2 million ongoing General Fund in 2021-22 to reflect:
  - Revised estimates of the number of new and renewal Cal Grant awardees in 2020-21 and 2021-22.
  - An increase of \$58.2 million ongoing General Fund to restore Cal Grant A eligibility for students impacted by a change in their living status due to the COVID-19 Pandemic.

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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 and Master of Studies in Law degrees. In 2019-20, UC Hastings enrolled 944 full-time equivalent students. Of these, 921 were Juris Doctor students.

### SIGNIFICANT ADJUSTMENTS

- Base Growth—An increase of \$2.1 million ongoing General Fund to support the College's general operations, with the expectation that resident tuition remain flat in 2021-22.

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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.

## HIGHER EDUCATION

### **SIGNIFICANT ADJUSTMENTS**

- Online Service Systems (Zip Books)—An increase of \$1 million ongoing General Fund to support the online purchase and delivery of library books through the Zip Books Program. This no-cost service is an alternative to traditional interlibrary loan and enables library patrons to more efficiently request and receive books not available at their local library.
- Lunch at the Library—An increase of \$800,000 ongoing General Fund for library districts to develop summer meal programs for students in low-income communities.
- Community Outreach Vehicles and Bookmobiles—An increase of \$3 million one-time General Fund to provide grants to underserved local libraries for the purchase of a bookmobile or community outreach vehicle.
- Early Learning and After-School Programs—An increase of \$5 million one-time General Fund to provide grants to local libraries to support early learning and after-school programs.

# HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and state entities that provide health and social services to California's most vulnerable and at-risk residents. Along with the Governor's Office of Emergency Services, the Agency is leading the response to the COVID-19 Pandemic. The Budget includes \$195.1 billion (\$64.3 billion General Fund and \$130.8 billion other funds) for all health and human services programs. This does not include all pandemic response costs. (See COVID-19 Pandemic Response Chapter for more details.)

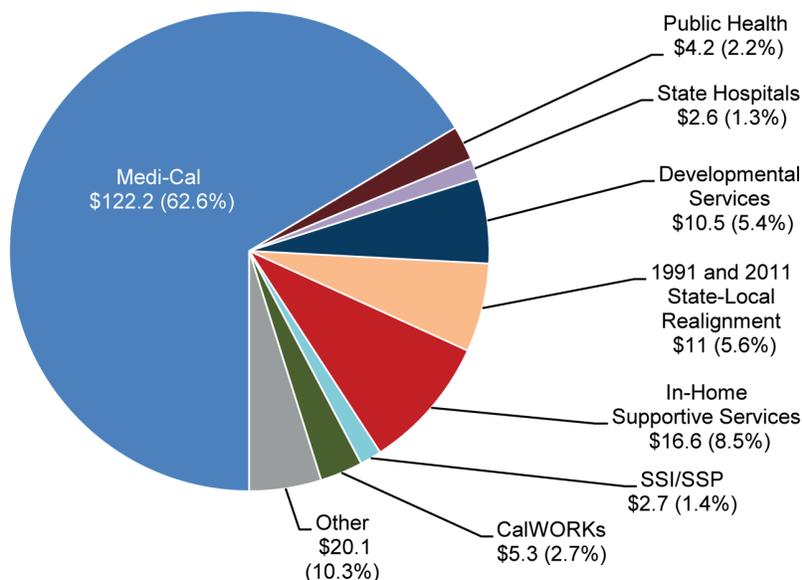
The COVID-19 Pandemic is having a significant impact on the programs under the Health and Human Services Agency. The Budget assumes that the COVID-19 Pandemic emergency response continues at some level until December 2021. This includes the enhanced Federal Medical Assistance Percentage (FMAP) provided to support the state's Medi-Cal program.

To help address projected structural deficits, the 2020 Budget Act assumed the suspension of various health and human services investments effective July 1, 2021 and December 31, 2021. Given the improved revenue outlook in the short term, the Budget proposes to delay these suspensions by one year. These suspensions include, but are not limited to, Proposition 56 supplemental payment increases, reversing the 7-percent reduction in In-Home Supportive Services hours, and Developmental Services payment increases.



## HEALTH AND HUMAN SERVICES

**Health and Human Services Proposed 2021-22 Funding<sup>1/</sup>**  
**All Funds**  
 (Dollars in Billions)



<sup>1/</sup> Totals \$195.1 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$17.9 billion and excludes \$305,000 in Proposition 98 funding in the Department of Developmental Services budget and county funds that do not flow through the state budget.  
 Note: Numbers may not add due to rounding.

### Major Health and Human Services Program Caseloads

	2020-21 Revised	2021-22 Estimate	Change
Medi-Cal	13,970,800	15,603,800	1,633,000
California Children's Services (CCS) <sup>1/</sup>	14,571	14,571	0
CalWORKs	405,317	482,436	77,119
CalFresh	2,167,167	2,559,491	392,324
SSI/SSP (support for aged, blind, and disabled)	1,201,565	1,188,055	-13,510
Child Welfare Services <sup>2/</sup>	111,204	110,817	-387
Foster Care	56,923	57,899	976
Adoption Assistance	88,849	89,239	390
In-Home Supportive Services	570,411	592,829	22,418
Regional Centers	357,819	386,431	28,612
State Hospitals <sup>3/</sup>	6,162	6,361	199
Developmental Centers <sup>4/</sup>	322	322	0
Vocational Rehabilitation	108,000	108,000	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.

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## **MAKING HEALTH CARE MORE AFFORDABLE**

More than ever, the COVID-19 Pandemic has underscored the need to expand coverage and increase affordability of health care for all. The state has made significant investments in recent years to expand coverage and increase the affordability of health care, including:

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

These improvements are providing more Californians with coverage and strengthening the health care system during the COVID-19 Pandemic. Keeping people covered and healthy slows the growth of the average Californian's personal health care expenses and encourages the provision of preventative and primary care services.

The Budget takes additional steps to make health care more affordable, including establishing an Office of Health Care Affordability and a system to better use health data to improve health outcomes and address health equity.

### **OFFICE OF HEALTH CARE AFFORDABILITY**

Improving the affordability of health coverage will benefit millions of working Californians, and this endeavor must be accompanied by efforts to address underlying cost drivers. The Budget builds on the Health Care Payment Database, which enables

## HEALTH AND HUMAN SERVICES

the Office of Statewide Health Planning and Development to collect and analyze granular utilization and cost data.

Given the size and complexity of California's health care system, the Budget includes \$11.2 million in 2021-22, \$24.5 million in 2022-23, and \$27.3 million in 2023-24 and ongoing from the Health Data and Planning Fund to establish the Office of Health Care Affordability.

This 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 filling gaps in market oversight of transactions that may adversely impact market competition, prices, quality, access, and the total cost of care. In addition to lowering costs, the Office will promote health care workforce stability and training needs, report quality performance and equity metrics 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 Office of Statewide Health Planning and Development's programs for data assets and health care workforce development and the Office of Health Care Affordability's focus on health care cost containment present an opportunity for the Administration to better align these priorities. The Administration will submit a proposal in the spring recasting the Office of Statewide Health Planning and Development and the proposed Office of Health Care Affordability under the umbrella of a Department of Health Care Affordability and Infrastructure. The Department will be the dedicated entity within state government with subject matter expertise on health care affordability and infrastructure.

### **UTILIZING HEALTH INFORMATION EXCHANGE**

It is imperative that the state expand the use of clinical and administrative data to better understand the health and social needs of individual patients in order to achieve high-quality, efficient, safe, and timely service delivery while improving outcomes. These goals can be accomplished by building and supporting the infrastructure and information systems to facilitate secure and appropriate exchange of electronic health information among health care providers.

Despite significant federal investment over the past 10 years for adoption of electronic health records and creation of health information exchanges, most patients' medical information, including clinical histories, medications, and test results, is stored on paper or across hundreds of disparate electronic health record systems. The goals of improved

health outcomes and affordability cannot be achieved without unified patient health records and digital infrastructure to support a more integrated provision of health and human services.

To further build on the promise of health information exchange, the Administration is interested in accelerating the utilization and integration of health information exchanges as part of a network that receives and integrates health data for all Californians. The building and operation of the network of exchanges will leverage existing investments in health information exchange and look for additional federal funding in alignment with federal interoperability rules. To do this the state must:

- Enable the right access to health information at the right time resulting in improved health and outcomes for all Californians;
- Identify and overcome the barriers to exchanging health information between public programs, as well as with California providers and consumers; and
- Engage consumers and their providers in managing medical, behavioral and social services through appropriate, streamlined access to electronic health information.

The Administration envisions an environment where health plans, hospitals, medical groups, testing laboratories, and nursing facilities—at a minimum, as a condition of participating in state health programs such as Medi-Cal, Covered California and CalPERS—contribute to, access, exchange, and make available data through the network of health information exchanges for every person.

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## IMPROVING HEALTH EQUITY

The COVID-19 Pandemic has exposed long-standing health inequities seen among people of color. The pandemic has also highlighted systemic racism and discrimination that has created social, economic, and health inequities contributing to disproportionately higher infection and mortality rates for both chronic and infectious diseases; and COVID-19 incidence has been disproportionate in Black, Latinx, and Pacific Islander populations. The higher prevalence of underlying health conditions such as diabetes, obesity, and hypertension among communities of color increases the likelihood of more severe outcomes.

California was the first state in the nation to implement a health equity metric as part of the Blueprint for a Safer Economy framework. The equity metric requires counties to demonstrate an improvement in COVID-19 test positivity rates in neighborhoods facing

## HEALTH AND HUMAN SERVICES

the most severe impacts. Addressing differential infection rates in disadvantaged communities is critical to safely reopening California's economy.

Health equity has been a key focus of the Administration and the COVID-19 Pandemic has accelerated the need for additional action. The Budget builds on these efforts to address the need for a more culturally and linguistically competent and responsive health and social services system. The Budget proposes the following initiatives expressly addressing health inequities:

- **Health Plan Equity and Quality Standards**—This spring, the Administration will propose an investment for the Department of Managed Health Care, in collaboration with other entities, to establish a priority set of standard quality measures for full service and behavioral health plans, including quality and health equity benchmark standards, and to take enforcement actions against non-compliant health plans.
- **Improving Equity Through Managed Care Plan Reprocurements**—As Medi-Cal and Covered California managed care plan contracts come up for renewal, the Administration will work to include a focus on health disparities and cultural and language competency through health plan contractual language with a framework similar to the Blueprint equity metric.
- **Analysis of COVID-19 Impacts**—The Budget includes \$1.7 million General Fund in 2021-22 and \$154,000 General Fund in 2022-23 and ongoing for the California Health and Human Services Agency to conduct an analysis of the intersection of COVID-19, health disparities, and health equity to help inform any future response.
- **Community Navigators**—The Budget includes \$5.3 million (\$3.2 million General Fund) for the Department of Developmental Services to contract with family resource centers to implement a navigator model statewide. The navigator model would utilize parents of individuals in the regional center system to provide education on resources, advocacy, and mentorship to other parents of individuals being served by the regional center system. The purpose of navigators is to increase service authorization and utilization in diverse communities, furthering health equity within the developmental services system. Funding includes resources for a one-time independent evaluation focused on improving the effectiveness of existing disparity projects.

Addressing health disparities created by systemic racism and discrimination are also central to many of the other budget proposals described later in this Chapter. In addition, the Budget includes \$4.1 million (\$3.7 million General Fund) in 2021-22 and

\$2.1 million (\$1.6 million General Fund) ongoing for the Health and Human Services Agency to further reorient the administration of its programs through the use of data and the development of an equity dashboard.

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## ADDRESSING AGING IN CALIFORNIA

In June 2019, the Governor issued an executive order calling for a 10-year Master Plan for Aging to support aging well across the lifespan. California's 65 and over population is projected to grow to 8.5 million by 2030, nearly doubling from 2010 and increasing from 11.5 percent of the population to 20 percent. The Governor also established a Task Force on Alzheimer's Prevention and Preparedness, chaired by Former First Lady Maria Shriver, to tackle the policy and health challenges faced by the growing number of people living with dementia—more than 690,000 Californians have a diagnosis of Alzheimer's and more than 1.6 million people are responsible for providing care.

Nearly 80 percent of all Californians who have died from COVID-19 in 2020 were age 65 or older. Moreover, nearly 40 percent of all Californians who died from COVID-19 in 2020 were living in nursing homes; early data suggest people with dementia have experienced especially high rates of cases and death. Millions more older and at-risk adults remained home to stay healthy and, as a result, faced isolation and interruption to essential activities, including caregiving. Black, Latinx, and Pacific Islander older Californians have been disproportionately impacted by COVID-19.

The Budget recognizes the extraordinary challenges older Californians and their families face during the COVID-19 Pandemic, and proposes a range of investments to increase opportunities for Californians to age well over the next decade, including developing new strategies with the federal government to leverage Medicare to provide additional long-term services and supports.

The Governor will appoint a Senior Advisor on Aging, Disability and Alzheimer's to advance cross-Cabinet initiatives and partnerships between government, the private sector, and philanthropy, such as closing the digital divide, transportation options beyond driving, and caregiving workforce solutions, for Californians of all ages. The Budget includes a \$5 million General Fund placeholder for spring proposals to further implement the Master Plan for Aging.

To drive innovation in top priorities identified in the Master Plan for Aging, the Budget makes the following targeted investments:

## HEALTH AND HUMAN SERVICES

- Medicare Innovation and Integration—The Administration plans to submit a proposal in the spring for state operations to establish a new Office of Medicare Innovation and Integration that will explore strategies and models to strengthen and expand low- and middle-income Californians' access to high-quality services and supports, while developing new partnerships with the federal government.
- Expanded Facilities to Support Housing—The Budget includes \$250 million one-time General Fund for the Department of Social Services to acquire and rehabilitate Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE) with a specific focus on preserving and expanding housing for low-income seniors who are homeless or at risk of becoming homeless. See the Housing and Homelessness Chapter for more information.
- Aging and Disability Resource Connections (ADRC)—The Budget delays suspension of and expands ADRCs, or “No Wrong Door,” networks currently serving approximately one-third of the state to serving the entire state. These centers provide people with “one stop” telephone and online access to information and assistance with aging, disability, and Alzheimer’s, in multiple languages and with cultural competencies. The Budget provides \$7.5 million in 2021-22, half-year funding of \$5 million in 2022-23, and is subject to suspension on December 31, 2022.
- IHSS COVID-19 Back-up Provider System—The Budget includes \$5.3 million one-time General Fund in 2021-22 to extend the back-up provider system and back-up provider wage differential to avoid disruptions to caregiving until December 2021. The Administration will evaluate the need of an IHSS provider backup system for severely impaired individuals as the state recovers from the effects of the COVID-19 Pandemic.
- Increased Geriatric Care Workforce—The Budget includes \$3 million one-time General Fund for the Office of Statewide Health Planning and Development to grow and diversify the pipeline for the geriatric medicine workforce, as the increasing and diversifying numbers of older adults living longer lives require developing a larger and more diverse pool of health care workers with experience in geriatric medicine.

### **EQUITABLE PATH FORWARD ON ALZHEIMER’S**

The Budget proposes a comprehensive and coordinated approach to Alzheimer's with an emphasis on communities of color and on women, who are disproportionately susceptible to the disease and the primary providers of caregiving. Investments to be administered by the Department of Public Health are five-pronged: \$5 million one-time General Fund for a public education campaign on brain health; \$4 million one-time

General Fund for new training and certification for caregivers; \$2 million one-time General Fund for expanded training in standards of care for health care providers; \$2 million one-time General Fund for grants to communities to become dementia-friendly; and \$4 million one-time General Fund for research to strengthen California's leadership on disparities and equity in Alzheimer's.

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## **ADDRESSING BEHAVIORAL HEALTH**

The COVID-19 Pandemic is having a myriad of impacts on individuals and families. Stay at home orders, which have been necessary to save lives, have also increased isolation for seniors. Families have also struggled with schools closed to in-person instruction and children without many normal physical and social outlets. In addition, the COVID-19 Pandemic induced recession has left many households with increased worry about how they will maintain food and shelter. With this backdrop, the Administration is focused on improving outcomes and expanding access to preventative services through county behavioral health departments and schools. These efforts build on resources provided in the 2020 Budget Act for the Department of Managed Health Care's behavioral health-focused investigations and enforcement of commercial health plan compliance with parity laws.

### **STUDENT MENTAL HEALTH**

COVID-19 stay-at-home orders and school closures have impacted students and caused additional stress and anxiety. Early identification and treatment through school-based, or school-linked, services can reduce emergency room visits, crisis situations, inpatient stays, placement in high-cost special education settings, and out of home placement.

The Budget includes one-time \$400 million (\$200 million General Fund), available over multiple years, for the Department of Health Care Services to implement an incentive program through Medi-Cal managed care plans, in coordination with county behavioral health departments and schools. This innovative effort seeks to build infrastructure, partnerships, and capacity statewide to increase the number of students receiving preventive and early intervention behavioral health services from schools, providers in schools, or school-based health centers.

Additionally, the Budget includes \$25 million one-time Mental Health Services Fund, available over five years, for the Mental Health Services Oversight and Accountability Commission to augment the Mental Health Student Services Act Partnership Grant



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Program, which funds partnerships between county mental health plans and school districts.

Further, the Budget includes \$25 million ongoing Proposition 98 General Fund to fund innovative partnerships with county behavioral health departments to support student mental health services. This funding would be provided to local educational agencies as a match to funding in county Mental Health Services Act (MHSA) spending plans dedicated to the mental health needs of students. See the K-12 Education Chapter for additional information.

### **STRENGTHENING COUNTY BEHAVIORAL HEALTH**

County behavioral health programs are supported by a combination of 2011 Realignment, MHSA, and other county funding sources, and are responsible for organizing and overseeing local mental health and substance use disorder programs, including specialty mental health for Medi-Cal and uninsured patients. Counties work with Medi-Cal managed care plans to deliver mild and moderate services and provide specialty mental health services not included in managed care plans. The Budget includes several different efforts to improve and add needed infrastructure to county behavioral health programs, including support for individuals acutely impacted by mental illness.

The COVID-19 Pandemic has necessitated changes in the demand for behavioral health services and the delivery of these benefits. Therefore, the Budget proposes statutory changes to extend flexibilities in county spending of local MHSA funds that were included in the 2020 Budget Act in response to the COVID-19 Pandemic for an additional fiscal year. The statutory changes authorize counties to spend down their local MHSA prudent reserves, as opposed to requesting county-by-county authority from the state. Further, the changes authorize counties to spend funds within the Community Services and Supports program component regardless of category restrictions to meet local needs. Lastly, the changes authorize counties to use their existing approved MHSA spending plans, if a new plan is delayed because of COVID-19-related reasons.

As discussed later in this chapter, the Administration is proposing the California Advancing and Innovating Medi-Cal (CalAIM) Initiative to make Medi-Cal, including behavioral health benefits, more consistent and seamless, by among other things, revising behavioral health medical necessity, implementing payment reform, and working toward administrative integration.

The Budget also includes \$750 million one-time General Fund for competitive grants to counties to acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. These community resources are needed to address individuals experiencing a crisis and are a critical component of an overarching framework to solve and not just mitigate homelessness. The Administration is also exploring opportunities to repurpose relinquished adult jail bond financing to add to this effort. See the Criminal Justice Chapter for more information.

The Budget also proposes to greatly expand the community treatment programs for the felony incompetent to stand trial population. This includes a demonstration project that will streamline services to drive improved outcomes for individuals with serious mental illness and reduce recidivism in this population.

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## DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates that basic services be included in the program, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; behavioral health; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services, the state provides optional benefits such as outpatient drugs, adult dental services, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

The Medi-Cal budget is \$117.9 billion (\$22.5 billion General Fund) in 2020-21 and \$122.2 billion (\$28.4 billion General Fund) in 2021-22. The Budget assumes that caseload will increase approximately 10.1 percent from 2019-20 to 2020-21 and increase approximately 11.7 percent from 2020-21 to 2021-22. Medi-Cal is projected to cover approximately 15.6 million Californians, nearly 40 percent of the state's population, in 2021-22.

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

Medi-Cal has significantly expanded and changed over the last ten years, in large part due to California's implementation of the federal Patient Protection and Affordable Care Act. Since implementing the Act, the Department has undertaken many initiatives

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and embarked on innovative demonstration projects to improve the beneficiary experience.

Today, some Medi-Cal enrollees may need to access six or more separate delivery systems, including managed care, fee-for-service, mental health, substance use disorder, dental, developmental, and/or In-Home Supportive Services. Fragmentation of service delivery increases the need for care coordination, increases complexity, and results in greater health inequities. To improve clinical outcomes and assist beneficiaries with navigating this complex system, the Department is seeking to better coordinate and integrate these delivery systems to achieve more equal health outcomes for all across the entire continuum of care.

To this end, the Department is launching CalAIM, which builds upon the critical successes of waiver demonstration programs such as Whole Person Care, the Coordinated Care Initiative, Health Homes, and public hospital system delivery transformation. CalAIM proposes to provide a wider array of services and supports for patients with complex and high needs.

CalAIM has three primary goals:

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

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

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To implement CalAIM effective January 1, 2022, the Budget includes \$1.1 billion (\$531.9 million General Fund) in 2021-22, growing to \$1.5 billion (\$755.5 million General Fund) in 2023-24.

This investment will provide for enhanced care management and in lieu of services, necessary infrastructure to expand whole person care approaches statewide, and build upon existing dental initiatives. Beginning in 2024-25, the Administration proposes to phase out infrastructure funding, resulting in ongoing costs of about \$846.4 million (\$423 million General Fund) per year.

This effort will be complemented by \$750 million one-time General Fund for competitive grants to counties to acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. The Administration is also exploring opportunities to repurpose relinquished adult jail bond financing to add to these efforts. See the Criminal Justice Chapter for additional details.

#### Other Significant Adjustments:

- 2020-21 Budget—The Budget reflects lower expenditures in the Medi-Cal program of approximately \$1.2 billion General Fund in 2020-21 compared with the 2020 Budget Act. The decrease is due primarily to reduced COVID-19 caseload costs, additional enhanced Federal Medical Assistance Percentage (FMAP), reduced costs associated with the state-only claiming adjustment, and additional Hospital Quality Assurance Fee (HQAF) savings. These reduced General Fund costs are partially offset by a one-time retroactive correction to managed care rates associated with dual-eligible beneficiaries and an increase in deferred federal fund claims.
- COVID-19 Medi-Cal Caseload Impacts—The Budget projects an average monthly caseload of 14 million beneficiaries in 2020-21 and 15.6 million beneficiaries in 2021-22, and includes \$5.4 billion (\$1.7 billion General Fund) in 2020-21 and \$13.5 billion (\$4.3 billion General Fund) in 2021-22 for increased caseload attributable to the COVID-19 Pandemic. Caseload is projected to peak at 16.1 million beneficiaries in January 2022, driven by the federal continuous coverage requirement related to the COVID-19 Public Health Emergency and the COVID-19 induced recession.
- Additional COVID-19 Impacts—The Budget includes net costs of \$1.9 billion total funds (\$2 billion General Fund savings) for COVID-19 impacts, including enhanced FMAP savings, vaccine administration costs, and federal waiver flexibilities. The

## HEALTH AND HUMAN SERVICES

Budget assumes enhanced FMAP savings and flexibilities will remain in effect through the last quarter of calendar year 2021.

- **State-Only Claiming Adjustment**—The Budget includes \$249.8 million General Fund in 2020-21 and \$279.1 million General Fund in 2021-22 for retroactive and ongoing dental, pharmacy, and managed care, targeted case management, and behavioral health costs associated with state-only populations.
- **Medi-Cal Rx**—The Budget includes costs of \$219.9 million (\$70.2 million General Fund) in 2020-21 and savings of \$612.7 million (\$238.2 million General Fund) in 2021-22 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service, effective April 1, 2021. Full annual savings are projected to be approximately \$1.2 billion (\$419 million General Fund) by 2023-24.
- **Reinstatement of Adult Acetaminophen and Cough/Cold Products**—The Budget reflects annual savings of \$21 million (\$7.8 million General Fund) to reinstate over-the-counter adult acetaminophen and cough/cold products as covered Medi-Cal benefits effective July 1, 2021. Coverage of these products was temporarily reinstated effective March 1, 2020, as part of the state's federally approved COVID-19 waiver flexibilities.
- **Medi-Cal Coverage of Continuous Glucose Monitors**—The Budget includes \$12 million (\$4.2 million General Fund) in 2021-22 and ongoing to add continuous glucose monitors as a covered Medi-Cal benefit for adult individuals with type 1 diabetes, effective January 1, 2022. This proposal increases health equity.
- **Telehealth Flexibilities in Medi-Cal**—The Budget includes \$94.8 million (\$34 million General Fund) ongoing to expand and make permanent certain telehealth flexibilities authorized during COVID-19 for Medi-Cal providers, and to add remote patient monitoring as a new covered benefit, effective July 1, 2021. This effort will expand access to preventative services and improve health outcomes, thereby increasing health equity.
- **County Administration**—The Budget includes an ongoing increase of \$65.4 million (\$22.9 million General Fund) in 2021-22 for county eligibility determination activities based on growth in the California Consumer Price Index.

### **PROPOSITION 56 SUPPLEMENTAL PAYMENT PROGRAMS**

Given an improved revenue outlook in the short term, the Budget delays the suspension of Proposition 56 programs by 12 months and includes a total of \$3.2 billion (\$275.3 million General Fund, \$717.8 million Proposition 56 Fund, and \$2.2 billion federal

funds) for these programs in 2021-22. (The Budget would have otherwise included \$759.9 million General Fund savings if the suspensions were not delayed.) The General Fund partially supports supplemental payment programs at current levels now that program costs exceed declining tobacco tax revenues, due primarily to the assumed implementation of the ban on flavored tobacco and vaping products pursuant to Chapter 34, Statutes of 2020 (SB 793).

The Budget assumes Proposition 56 suspensions effective July 1, 2022, except for supplemental payments to intermediate care facilities for the developmentally disabled, freestanding pediatric subacute facilities, and Community Based Adult Services, which will be suspended December 31, 2022, due to the managed care calendar rate year. Payments for Women's Health, Family Planning, and the Loan Repayment Program are exempt from suspension. The Budget also proposes to exempt supplemental payments for the Behavioral Health Integration program, the AIDS waiver, Home Health, and Pediatric Day Health from suspension because they would not be deemed eligible by the federal government.

### **OTHER SUSPENDED PROGRAMS**

Given an improved revenue outlook in the short term, the Budget proposes to delay suspensions by one year for the following:

- Medi-Cal Post-Partum Eligibility Extension—The Budget delays the suspension of Medi-Cal post-partum extended eligibility by 12 months to December 31, 2022, for a cost of \$27.1 million General Fund in 2021-22.
- Medi-Cal Adult Optional Benefits Extension—The Budget includes \$47 million (\$15.6 million General Fund) in 2021-22 to delay by 12 months the suspension of audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services to December 31, 2022.

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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, and Disability Determination. Beginning July 1, 2021, child care and nutrition programs will transition from the California

## HEALTH AND HUMAN SERVICES

Department of Education (CDE) to DSS. The Budget includes \$36.2 billion (\$14.4 billion General Fund) for DSS programs in 2021-22.

Significant Adjustments:

- **Food Banks**—The Budget includes \$30 million one-time General Fund above program base funding levels for the Department of Social Services to fund existing Emergency Food Assistance Program providers, food banks, tribes, and tribal organizations to mitigate increases in food needs among low-income and food-insecure populations. The recently enacted federal COVID-19 response and relief bill includes increased benefits for CalFresh and the Emergency Food Assistance Program.
- **Supplemental Nutrition Benefit and Transitional Nutrition Benefit Programs Adjustment**—The Budget includes \$22.3 million ongoing General Fund to reflect adjusted benefit amounts mitigating the effects of the elimination of the SSI Cash-Out policy.
- **California Food Assistance Program (CFAP) Emergency Allotments**—The Budget includes \$11.4 million one-time General Fund for CFAP households to receive the maximum allowable allotment based on household size.

### **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 \$9.3 billion (state, local, and federal funds) in 2021-22. The amount budgeted includes \$7.4 billion for CalWORKs program expenditures and \$1.9 billion in other programs. Other programs include expenditures for Child Care, Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, Work Incentive Nutritional Supplement, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services.

The average monthly CalWORKs caseload is estimated to be 482,436 families in 2021-22, a 19 percent increase from the revised 2020-21 projection. Prior to COVID-19, the

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CalWORKs caseload had decreased every year since 2010-11. Due to the COVID-19 Pandemic's impact on the economy and initial spikes in caseload in the immediate months following the pandemic, the CalWORKs caseload was projected to grow significantly at the 2020 Budget Act. This caseload did not materialize likely due to expanded and extended unemployment insurance benefits and direct stimulus payments. The Budget includes revised caseload projections, driven by updated assumptions and the uncertainty surrounding further federal relief and duration of the public health emergency.

## Significant Adjustments:

- CalWORKs Time on Aid Exemption—The Budget includes \$46.1 million one-time General Fund (TANF) block grant funding to temporarily suspend any month in which CalWORKs aid or services are received from counting towards the CalWORKs 48-month time limit based on a good cause exemption due to the COVID-19 Pandemic.
- CalWORKs Grant Increase—The Budget reflects a 1.5-percent increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2021, which is estimated to cost \$50.1 million in 2021-22. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.

**IN-HOME SUPPORTIVE SERVICES**

The IHSS program provides domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The Budget includes \$16.5 billion (\$5.3 billion General Fund) for the IHSS program in 2021-22, a 10-percent increase in General Fund costs over the revised 2020-21 level. Average monthly caseload in this program is estimated to be 593,000 recipients in 2021-22, a 3.9-percent increase from the revised 2020-21 projection.

## Significant Adjustments:

- IHSS Service Hours Restoration—The Budget includes \$449.8 million General Fund in 2021-22 and \$242.6 million General Fund in 2022-23 to reflect a delay in suspending the 7-percent across-the-board reduction to IHSS service hours. The increased funding for IHSS service hours is now proposed to be suspended on December 31, 2022. The suspension will be lifted if the Administration determines



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through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

- **Minimum Wage**—The Budget reflects \$1.2 billion (\$557.6 million General Fund) to support projected minimum wage increases to \$14 per hour on January 1, 2021 and \$15 per hour on January 1, 2022.
- **IHSS County Administration**—The Budget no longer assumes savings to hold county administration funding at the 2019-20 level, resulting in county administration costs being updated for 2021-22 to include \$17.8 million General Fund to reflect caseload and Consumer Price Index adjustments.

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

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

The Budget includes \$2.69 billion General Fund in 2021-22 for the SSI/SSP program. This represents a 0.6-percent decrease from the revised 2020-21 level. The average monthly caseload in this program is estimated to be 1.18 million recipients in 2021-22, a 1.1-percent decrease from the 2020-21 projection. The SSI/SSP caseload consists of 69.4 percent persons with disabilities, 29.3 percent persons who are aged, and 1.4 percent blind.

Effective January 2021, the maximum SSI/SSP grant levels are \$955 per month for individuals and \$1,598 per month for couples. The projected growth in the Consumer Price Index is 2.2 percent for 2022. As a result, the maximum SSI/SSP monthly grant levels will increase by approximately \$17 and \$26 for individuals and couples, respectively, effective January 2021. CAPI benefits are equivalent to SSI/SSP benefits.

### **CHILDREN'S PROGRAMS**

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare

system provides a continuum of services to children who are either at risk of or have suffered abuse and neglect. Program success is measured in terms of improving the safety, permanence, and well-being of children and families served. The Budget includes \$700.1 million General Fund in 2021-22 for services to children and families in these programs, a decrease of \$22.6 million General Fund, or 3.1 percent, compared to the 2020 Budget Act. When federal and 1991 and 2011 Realignment funds are included, total funding for children's programs is in excess of \$8.9 billion in 2021-22. The net decrease is primarily attributable to decreased caseload under the Continuum of Care Reform and one-time funding related to child welfare services included in the 2020 Budget Act.

#### Significant Adjustments:

- COVID-19 Related Supports for Child Welfare Services—The Budget includes \$61.1 million General Fund in 2021-22 to support services related to quarantine needs for foster youth and caregivers, temporary extension of assistance payments to emergency caregivers, support to Family Resource Centers, state-administered contracts for youth and family helplines, provision of laptops and cellular phones to foster youth, assistance to families with youth who are at-risk of entering foster care, and temporary provision of assistance payments to youth who turn 21 years of age while in extended foster care after April 17, 2020, through December 31, 2021, and for any nonminor dependent who met eligibility requirements for the Extended Foster Care program and lost their employment or has experienced a disruption in their education program resulting from COVID-19, and cannot otherwise meet any of the participation requirements.
- Federal Family First Prevention Services Act Implementation—The Budget includes \$61.1 million (\$42.7 million General Fund) to begin implementation of Part IV of the federal Family First Prevention Services Act (FFPSA). FFPSA Part IV sets out new criteria for non-foster home placement settings eligible for federal Title IV-E Foster Care maintenance payments.
- Child Welfare Workforce Development—The Budget includes \$10.1 million (\$5.9 million General Fund) ongoing to establish an additional child welfare social workers regional training academy in northern California (bringing the statewide total to five academies), increase ongoing training for social workers and supervisors, assess training effectiveness, and modernize how social worker training is monitored and used to inform workforce development planning.

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- **Delay Suspension of Various Children's Issues**—The Budget proposes to extend the temporary augmentation to the Emergency Child Care Bridge Program, foster family agencies, Child Welfare Public Health Nursing Early Intervention Program, and the Family Urgent Response System from December 31, 2021, to December 31, 2022. Estimated costs to delay the suspension in 2021-22 are \$54.5 million General Fund. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- **Youth Returning from Out of State**—In partnership with the Legislature, \$5.2 million one-time General Fund was allocated in December 2020 for the Department of Social Services to support youth in their transition back to California. These resources are supporting county capacity building and supportive services for the returned youth, COVID-related quarantine costs, and technical assistance to support counties in placing the returning youth.

### IMMIGRATION SERVICES

The Department of Social Services funds qualified nonprofit organizations to provide immigration services to immigrants who reside in California via the unaccompanied undocumented minors and Immigration Services Funding programs. The Budget continues to include \$75 million General Fund ongoing for immigration services.

Significant Adjustments:

- **Rapid Response Program**—The Budget includes \$5 million one-time General Fund for the Rapid Response Program to support entities that provide critical assistance/ services to immigrants during emergent situations when federal funding is not available.

### CHILD CARE

Since 2019, the state has invested approximately \$400 million ongoing to expand early education and child care. The COVID-19 Pandemic has disrupted the child care system and federal funding has been critical to reducing long-term losses in this system. The Budget focuses on avoiding further loss in this system and builds on the recommendations made in the Master Plan for Early Learning and Care.

The 2020 Budget Act shifted early learning, child care and nutrition programs from the Department of Education to the Department of Social Services. This transition, which

becomes effective July 1, 2021, will align all child care programs within a single department in state government.

Significant Adjustments:

- State Operations—The Budget shifts \$31.7 million (\$0.9 million General Fund) and 185.7 positions from the Department of Education to the Department of Social Services to administer early learning, child care, and nutrition programs.
- Local Assistance—The Budget includes \$3.1 billion (\$1.3 billion General Fund) and shifts the following programs, including: General Child Care, Alternate Payment Programs, CalWORKs Stage 2 & Stage 3, Resource & Referral Programs, Migrant Child Care Program, Severely Disabled Program, California Child Care Initiative, Quality Improvement Activities, Local Planning Councils, and Child and Adult Care Food Program.
- COVID-19 Related Support—The Budget includes \$55 million one-time General Fund to support child care providers' and families' needs as a result of the pandemic.

Updated Proposition 64 cannabis tax revenues will provide an additional \$21.5 million for child care slots in 2020-21 and \$44 million ongoing. These funds will provide for 4,700 new child care slots.

For the first time, the Administration has begun the collective bargaining process with Child Care Providers United representing child care providers to negotiate a memorandum of understanding that governs the payments made to these providers. The California Department of Human Resources is the Governor's designee to meet and confer regarding matters within the scope of representation. DSS will support bargaining and work to meet goals articulated in the Master Plan on Early Learning and Care.

## **RESPONDING TO THE IMMEDIATE NEEDS OF CHILD CARE PROVIDERS**

While conclusive data continue to be collected on the impact of the COVID-19 Pandemic on the state's child care system, preliminary findings and anecdotal evidence suggest that the loss of capacity in the state has been significant. Regardless, many child care providers have gone to great lengths to continue to provide care to children in a safe environment, and have taken on the added responsibility of helping children in distance learning access their public school education. It is a priority for the Administration to support these providers to the greatest extent possible, to preserve the

## HEALTH AND HUMAN SERVICES

existing system of care, and provide additional ongoing investments to improve and expand the system.

Despite significant fiscal limitations, the 2020 Budget Act preserved funding for early learning and care programs to the greatest extent possible, with a focus on serving the children of income-eligible essential workers. This included:

- Additional access to subsidized child care for children of essential workers
- Stipends for child care providers
- A funding hold harmless for child care providers that contract directly with the state and have to close for health and safety reasons
- Paid non-operational days when a provider accepting vouchers has to close for health and safety reasons
- Provider reimbursement at a child's maximum certified level of need for all providers accepting vouchers
- Family fee waivers for all families through August 31, 2020, with additional fee waivers for families eligible for, but not receiving, in-person care due to COVID-19, through June 30, 2021

The Administration took further action in October to provide \$110 million to child care providers to reimburse them for the cost of waived family fees and extend the length of care for children of essential workers with temporary vouchers.

### FEDERAL RELIEF

In late December, Congress passed a fifth stimulus bill, the Coronavirus Response and Relief Supplemental Appropriations Act that includes approximately \$10.3 billion for child care and Early Start. The state is expected to receive approximately \$1 billion. The 2020 Budget Act included language to guide the prioritization of additional federal funds as follows:

- Up to \$100 million for providers accepting vouchers to extend access to child care for children of essential workers, at-risk children, and other eligible children
- Up to \$90 million in child care provider stipends
- Up to \$35 million to increase the number of paid non-operational days for providers accepting vouchers that must close for health and safety reasons

- Up to \$30 million for reimbursing child care providers for family fees waived for families enrolled, but not receiving in-person care, from September 1, 2020, to June 30, 2021 (these costs were addressed by the Administration through the October action)
- Up to \$30 million to increase capacity for up to two years for subsidized child care and preschool
- Up to \$15 million to assist child care providers with the costs of re-opening

## **MASTER PLAN FOR EARLY LEARNING AND CARE**

The 2019 Budget Act included \$5 million one-time General Fund for a long-term roadmap to universal preschool and a comprehensive, quality, and affordable child care system. The Master Plan for Early Learning and Care was released on December 1, 2020, and provides recommendations and a multi-year plan for transforming the state's child care and early education systems. Specific to child care programs, the Master Plan's recommendations include:

- Streamlining program requirements to unify state child care program.
- Promoting school readiness by increasing access to high-quality preschool.
- Improving quality of care by enhancing educator competencies and providing affordable and accessible pathways for workforce advancement.
- Supporting equity by eliminating bias through practices and training, with specific focus on children with disabilities and dual language learners.
- Adopting a comprehensive reimbursement rate structure that considers care setting, costs associated with quality, characteristics of children served, and workforce competencies.
- Developing data infrastructure that supports the quality of care by aggregating data on the ways that families and educators experience the system.

Implementation of the Master Plan will require years of consistent investment and reform. The 2020 Budget Act began implementation of the Master Plan with funding dedicated to transition child care programs into a single agency. This transition improves the ability of state government to streamline and unify all early childhood services and eases the administration of child care provider collective bargaining, which began in late 2020. The Budget builds on this work by providing an increase of \$44.3 million Cannabis Fund to expand access to child care vouchers for more than

## HEALTH AND HUMAN SERVICES

4,500 children, with \$21.5 million available starting in 2020-21. The K-12 Education chapter includes additional information about investments in early learning programs.

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### DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$4.2 billion (\$1.1 billion General Fund) in 2021-22 for the Department.

#### COVID-19 DISASTER RESPONSE

The Budget reflects over \$1 billion in 2020-21 which represents state and federal support for emergency response measures including supporting enhanced laboratory capacity and testing, data-driven investigation, response and prevention, coordination with local partners, and the Valencia Branch Laboratory. This total mainly reflects emergency funds and federal grants processed as of late Fall 2020; additional anticipated current year funding as of the Governor's Budget is reflected elsewhere in the budget.

The Budget includes over \$820 million in 2021-22 to continue and build on the emergency response measures described above.

Significant Adjustments:

- **New Cannabis Department**—The Budget proposes to transfer 119 positions and \$29.0 million in 2021-22 from the Department of Public Health to support the consolidation of resources for the new Department of Cannabis Control.
- **Licensing and Certification**—The Budget includes \$19.1 million for year three of the Los Angeles County contract and \$4.5 million to support increased medical breach and caregiver investigation workload.
- **Childhood Reading Augmentation**—The Budget includes \$5 million one-time General Fund for the Department of Public Health to provide books to low-income children to improve child development and literacy.

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### DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides

services to individuals with developmental disabilities as an entitlement. The Budget includes \$10.5 billion (\$6.5 billion General Fund) and estimates that approximately 386,753 individuals will receive developmental services by the end of 2021-22.

### **COVID-19 IMPACTS**

The Budget includes \$211.7 million (\$150.4 million General Fund) to address COVID-19 impacts on the developmental services system. Funding supports utilization increases for purchase of services above base funding levels and direct response expenditures for surge capacity at the Fairview and Porterville Developmental Centers and other operating costs in state-operated facilities.

### **REGIONAL CENTER EMERGENCY RESPONSE**

In the last five years, DDS has been impacted by various emergencies and disasters including wildfires, earthquakes, and public safety power shutoffs. The Budget includes \$2 million (\$1.4 million General Fund) ongoing for regional center emergency coordinators. Each regional center will receive a dedicated position to coordinate emergency preparedness, response, and recovery activities for DDS consumers.

Other Significant Adjustments:

- Youth Returning from Out-of-State Foster Care—The Budget includes ongoing \$5.8 million (\$3.5 million General Fund) for DDS to support approximately ten youth in their transition back to California. In partnership with the Legislature, one-time \$2.9 million (\$1.8 million General Fund) was allocated in December, 2020 for these purposes.
- Supplemental Rate Increase—The Budget includes \$454.6 million (\$261.2 million General Fund) in 2021-22 to continue the supplemental rate increases included in the 2019 and 2020 Budget Acts. The supplemental rate increases will be suspended on December 31, 2022. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- Uniform Holiday Schedule—The Budget includes \$55.9 million (\$35.8 million General Fund) in 2021-22 to suspend implementation of the Uniform Holiday Schedule. The funding will be suspended on December 31, 2022. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.



## HEALTH AND HUMAN SERVICES

### 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 \$2.5 billion (\$2.3 billion General Fund) in 2021-22 for support of the Department. The patient population is expected to reach 6,361 by the end of 2021-22, including patients receiving competency treatment in jail-based settings.

### COVID-19 IMPACTS

The Budget includes \$51.9 million one-time General Fund in 2021-22 to address the impacts of COVID-19 including, but not limited to, isolation and testing capacity at state hospitals, outside medical invoicing, and other supports for patients and employees. As an additional safeguard, and to provide for increased surge capacity, DSH has contractually secured a portion of the Norwalk facility to use as an alternate care site. Due to the recent increase in COVID-19 cases this facility was activated in mid-December to provide for additional isolation space at DSH-Patton hospital.

### FELONY INCOMPETENT TO STAND TRIAL POPULATION

The Department continues to experience a growing number of incompetent to stand trial (IST) commitments who are referred from trial courts and are awaiting admission to the state hospital system, which has been further exacerbated by the COVID-19 Pandemic. The number of ISTs pending placement into the state hospital system was approximately 1,428 individuals in December 2020.

The Budget includes the followings proposals to address the number of ISTs pending placement by increasing local capacity to provide treatment, housing, and other necessary supports:

- Community Care Demonstration Project for Felony IST (CCDP-IST)—The Budget includes \$233.2 million General Fund in 2021-22 and \$136.4 million General Fund in 2022-23 and ongoing to contract with three counties to provide a continuum of services to felony ISTs in the county as opposed to state hospitals. This proposal seeks to demonstrate the effectiveness of streamlining services to drive improved outcomes for individuals with serious mental illness. This proposal is projected to serve up to 1,252 ISTs in the county continuum of care settings in 2021-22.

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- Expansion of Community Based Restoration (CBR)—The Budget includes \$9.8 million General Fund in 2020-21, \$4.5 million General Fund in 2021-22, and \$5 million General Fund in 2022-23 and ongoing to expand the current Los Angeles County CBR program beginning in 2020-21 and establish new CBR programs in additional counties in 2021-22. This proposal is projected to increase capacity by up to 250 beds in 2021-22.
- Reappropriation and Expansion of the IST Diversion Program—The Budget includes \$46.4 million one-time General Fund, available over three years, to expand the current IST Diversion program in both current and new counties. Additionally, the Budget includes five-year limited-term funding of \$1.2 million General Fund annually to support research and administration for the program. Further, the Budget authorizes the reappropriation of existing program funds set to expire in 2020-21.
- Expansion of the Jail-Based Competency Treatment Program—The Budget includes \$785,000 General Fund in 2020-21 and \$6.3 million General Fund in 2021-22 and ongoing to expand the Jail-Based Competency Treatment program to seven additional counties. This expansion is estimated to increase capacity by up to 31 beds in 2021-22.
- Forensic Conditional Release Program (CONREP) Mobile Forensic Assertive Community Treatment (FACT) Team—The Budget includes \$5.6 million General Fund in 2021-22, \$8 million General Fund in 2022-23 and 2023-24, and \$8.2 million General Fund in 2024-25 and ongoing to implement a FACT team model within CONREP, in lieu of the typical centralized outpatient clinic model, to expand community-based treatment options for both ISTs and non-ISTs in counties and backfill State Hospital beds with IST patients. This expansion is estimated to increase capacity by up to 100 beds in 2021-22.
- CONREP Continuum of Care Expansion—The Budget includes \$3.2 million General Fund in 2020-21 and \$7.3 million General Fund in 2021-22 and ongoing to increase the step-down capacity in the community in order to transition more stable non-IST patients out of state hospital beds and backfill state hospital beds with IST patients. This expansion is estimated to increase capacity by up to 40 beds in 2021-22.

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## OTHER HEALTH AND HUMAN SERVICES ADJUSTMENTS

- Supporting Local Child Support Agency Administration—The Budget includes \$24.9 million (\$8.5 million General Fund) ongoing for local child support agencies to improve child support collections and services and \$23.8 million (\$8.1 million General

## HEALTH AND HUMAN SERVICES

Fund) ongoing for local child support courts and state operations child support funding.

- Office of Youth and Community Restoration—The Budget includes \$3.4 million General Fund in 2021-22 and \$3.1 million ongoing General Fund to develop reports on youth outcomes in the juvenile justice system, staff a Child Welfare Council committee focused on improving outcomes for justice-involved youth, and create an Office Ombudsperson.
- Center for Data Insights and Innovation—The Budget proposes to consolidate existing resources to establish a Center for Data Insights and Innovation within the Agency. The Center will focus on leveraging data to develop knowledge and insights to improve program delivery and drive system transformation across health and human services.

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### **1991 AND 2011 REALIGNMENT**

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 5.6 percent from 2019-20 to 2020-21 and decrease by 1.9 percent from 2020-21 to 2021-22.

## HEALTH AND HUMAN SERVICES

## 2011 Realignment Estimate at 2021 Governor's Budget

(\$ millions)

	2019-20	2019-20 Growth	2020-21	2020-21 Growth	2021-22	2021-22 Growth
<b>Law Enforcement Services</b>	<b>\$2,600.4</b>		<b>\$2,633.8</b>		<b>\$2,682.7</b>	
Trial Court Security Subaccount	558.2	0.0	567.0	\$10.1	563.7	0.0
Enhancing Law Enforcement Activities Subaccount	489.9	\$224.4	489.9	247.3	489.9	\$210.7
Community Corrections Subaccount	1,344.7	0.0	1,366.0	75.9	1,408.3	0.0
District Attorney and Public Defender Subaccount	40.9	0.0	41.6	5.1	45.5	0.0
Juvenile Justice Subaccount	166.7	0.0	169.3	10.0	175.3	0.0
<i>Youthful Offender Block Grant Special Account</i>	(157.5)	-	(160.0)	(9.4)	(165.6)	-
<i>Juvenile Reentry Grant Special Account</i>	(9.2)	-	(9.3)	(0.6)	(9.7)	-
<b>Growth, Law Enforcement Services</b>		<b>224.4</b>		<b>348.4</b>	<b>0.0</b>	<b>210.7</b>
<b>Mental Health</b>	<b>\$1,120.6</b>	0.0	<b>\$1,120.6</b>	\$9.4	<b>\$1,120.6</b>	0.0
<b>Support Services</b>	<b>\$3,825.1</b>		<b>\$3,885.6</b>		<b>\$3,969.3</b>	
Protective Services Subaccount	2,359.9	0.0	2,397.2	\$84.6	2,423.9	0.0
Behavioral Health Subaccount	1,465.2	0.0	1,488.4	94.0	1,545.4	0.0
<i>Women and Children's Residential Treatment Services</i>	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>0.0</b>		<b>188.0</b>	<b>0.0</b>	
<b>Account Total and Growth</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</b>	
<b>Revenue</b>						
1.0625% Sales Tax	\$7,050.2		\$7,427.2		\$7,276.7	
General Fund Backfill	6.0		12.0		6.0	
Motor Vehicle License Fee	747.3		749.0		788.1	
<b>Revenue Total</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</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).

## HEALTH AND HUMAN SERVICES

## 1991 Realignment Estimate at 2021 Governor's Budget

Dollars in Thousands

2019-20 State Fiscal Year							
Amount	CalWORKS MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Totals
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$-	\$2,296,188	\$-	\$443,649	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,050,566	216,223	-	152,435	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2019-20<sup>1/</sup></b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
2020-21 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$23,890	\$2,296,188	\$-	\$419,759	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,016,414	216,223	-	186,586	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,040,304</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$606,346</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$6,372	\$21,182	\$68,917	\$36,594	-	\$50,632	\$183,698
Caseload Subaccount	-	-	(68,917)	-	-	-	(68,917)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	(6,372)	(21,182)	-	(36,594)	-	(50,632)	(114,780)
Vehicle License Fee Growth Account	8,747	29,077	-	50,233	-	69,503	157,559
<b>Subtotal Growth</b>	<b>\$15,119</b>	<b>\$50,259</b>	<b>\$68,917</b>	<b>\$86,826</b>	<b>\$-</b>	<b>\$120,135</b>	<b>\$341,257</b>
<b>Total Realignment 2020-21<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,090,564</b>	<b>\$2,581,328</b>	<b>\$86,826</b>	<b>\$606,346</b>	<b>\$513,938</b>	<b>\$5,999,553</b>
<i>Change From Prior Year</i>	<i>\$15,119</i>	<i>\$39,998</i>	<i>\$68,917</i>	<i>\$86,826</i>	<i>\$10,262</i>	<i>\$120,135</i>	<i>\$341,257</i>
2021-22 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$-	\$2,345,276	\$25,545	\$460,934	\$152,263	\$3,736,906
Vehicle License Fee Account	367,663	1,096,570	212,429	47,288	113,889	354,063	2,191,902
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2021-22<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<i>Change From Prior Year</i>	<i>\$0</i>	<i>\$6,005</i>	<i>-\$23,624</i>	<i>-\$13,993</i>	<i>-\$31,523</i>	<i>-\$7,611</i>	<i>-\$70,745</i>

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

# HOUSING AND HOMELESSNESS

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## HOUSING

The COVID-19 Pandemic exacerbated California's already existing housing crisis. The Administration remains focused on addressing the housing crisis and fostering an equitable economic recovery through targeted investments and reforms, continued resources to increase the supply of very-low, low- and moderate-income housing, and focused provision of stability for households most impacted by the COVID-19 Pandemic.

### RECENT ACTIONS AND INVESTMENTS

The state has invested billions of dollars and taken other actions in recent years to bolster housing production through dedicated revenue sources, low-income housing tax credits, planning and infrastructure grants, mixed-income construction loans, and opportunities to build affordable housing on state excess lands. Recent investments include ongoing revenue for affordable housing through real estate transaction fees (approximately \$277 million in 2021-22), a \$4 billion voter-approved housing bond to finance existing housing programs, including infill infrastructure grants and the Multifamily Housing Program, and \$1 billion to provide housing purchase assistance for veterans. In 2014, the state also began investing 20 percent of Cap and Trade auction proceeds (\$426 million in 2021-22) in the Affordable Housing and Sustainable Communities program to fund land-use, housing, transportation, and land preservation

## HOUSING AND HOMELESSNESS

projects to support infill and compact development that reduces greenhouse gas emissions.

In addition, the 2019 Budget Act made significant one-time investments of \$1.75 billion to support efforts to accelerate housing production statewide. This included \$500 million for infrastructure grants, \$500 million to finance the production and preservation of low- and moderate-income housing, and \$250 million for technical assistance and planning. Additionally, the 2019 and 2020 Budget Acts allocated a total of \$1 billion in expanded state housing tax credits. These investments spurred production and bolstered preservation of low- and moderate income housing across the state.

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## COVID-19 PANDEMIC IMPACTS ON HOUSING

The COVID-19 Pandemic created a historic disruption in the economy that has had a disproportionate impact on low-wage workers. As of December, over 4 million were on some form of unemployment benefits and many households were closer to exhausting benefits as economic impacts continued because of the pandemic. As a result, in a November survey, more than one in four renter households in California were uncertain whether they would be able to pay December rent.

## PREVENTING EVICTIONS AND FORECLOSURES

The COVID-19 Pandemic has resulted in losses of income negatively impacting renters and some homeowners across California, particularly low-wage workers and communities of color. Direct federal assistance and expanded and extended unemployment insurance have helped individuals to pay rent. Some local governments have also allocated Coronavirus Relief Funds towards additional housing supports. Homeowners, including landlords, have also been impacted and many have been able to obtain a forbearance of up to one year due to financial hardship; for all federally backed loans, a loan servicer may not foreclose until the end of February. In addition, interest rates have remained at historically low levels, allowing many landlords and homeowners to refinance at lower rates and with lower payments. There are also multiple federal and state loan programs that have provided assistance to impacted property owners.

Last August, Chapter 37, Statutes of 2020 (AB 3088) was enacted—the nation's strongest statewide eviction protections. While this measure prevented California from experiencing a wave of evictions that other states are now facing by protecting many tenants from evictions, many provisions of this law expire on January 31, 2021. The Budget includes \$11.7 million one-time General Fund in 2020-21 for trial courts to process

## HOUSING AND HOMELESSNESS

the anticipated increase in unlawful detainer and small claims filings resulting from AB 3088. (More information can be found in the Judicial Branch Chapter.)

AB 3088 also charged Business, Consumer Services and Housing Agency (BCSH) with engaging stakeholders on strategies and approaches the state can take to direct potential future federal stimulus funding to most effectively provide relief to distressed tenants, landlords, and property owners. Most stakeholders advocated for prioritizing assistance to low-income households and small landlords.

In late December, a federal COVID-19 relief bill was enacted that included \$25 billion in rental assistance, approximately \$2.6 billion of these funds are estimated to be directed to California, split between the state and local governments with populations over 200,000. This rental assistance will be used to support low-income tenants under 80 percent of Area Medium Income (AMI), with a priority for those under 50 percent of AMI. These resources can be used to address rent and past due utilities as well as future rental payments.

The bill also expanded and extended unemployment benefits by an additional 11 weeks and provides \$600 economic impact payments to certain individuals. These resources will be critical for households to pay rent.

More needs to be done to protect low-income renters. The Administration is seeking an immediate extension to AB 3088 to extend eviction protections past January 31, 2021. This will allow the state to implement new federal resources to be allocated in an effective and equitable manner while allowing individuals and families to remain housed.

The Budget is also asking the Legislature to take immediate action to refund \$600 to all 2019 taxpayers who received a California Earned Income Tax Credit (Cal EITC) in 2020 as well as to 2020 taxpayers with individual tax identification numbers (ITINs) who will receive a Cal EITC in 2021 to help pay rent. (More information on this proposal can be found in the COVID-19 Pandemic Response Chapter.)

### **OTHER EFFORTS**

- Fair Housing Enforcement—The Administration seeks to further fair housing and equity principles to assist Californians impacted by housing instability caused by the pandemic. To this end, the Budget proposes \$2 million General Fund for the Department of Fair Employment and Housing, the state's civil rights agency, to



## HOUSING AND HOMELESSNESS

conduct outreach education campaigns, housing surveys, and prosecute violations of anti-housing discrimination laws.

- National Mortgage Settlement Program—\$331 million in National Mortgage Settlement funds are helping to prevent avoidable foreclosures and evictions. In 2020-21, the Judicial Council provided \$31 million to local legal service organizations and the California Housing Finance Authority (CalHFA) has recently provided the remaining funds to more than 90 certified housing counselors throughout California. CalHFA also plans to provide mortgage assistance funds in 2021-22, helping homeowners keep their homes during the COVID-19 Pandemic and beyond.

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## ECONOMIC RECOVERY INVESTMENTS

The Budget proposes investments and continued reforms to stimulate economic recovery and bolster long-term fair and affordable housing production, building on successful legislative and Administration initiatives in recent years.

### INFILL INFRASTRUCTURE GRANT PROGRAM

The Budget includes \$500 million General Fund for the Infill Infrastructure Grant Program to accelerate economic recovery through the creation of jobs and long-term housing development. The Administration is asking the Legislature to take early action on \$250 million of the Infill Infrastructure Grant investment in 2020-21. This will provide needed funds for investments that will stimulate housing construction as developers navigate a housing market impacted by the COVID-19 Pandemic. Furthermore, the proposed investment could be available for housing projects that also include necessary site remediation, ultimately unlocking additional sites for affordable housing, and enhancing the state's broader environmental and equity goals.

### LOW-INCOME HOUSING TAX CREDITS

Tax credits attract private investment in affordable housing by offering a dollar-for-dollar credit against an investor's state or federal taxes owed. The 2019 and 2020 Budget Acts authorized an additional \$500 million in low-income housing tax credits each year. To maximize the allocation of these credits, the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee adopted regulations aimed at increasing affordable housing production, containing costs, and maximizing public subsidy and benefit of the credits. To continue this valuable

investment in affordable housing production, the Budget proposes a third round of \$500 million in low-income housing tax credits. This will further reduce funding gaps in affordable housing units statewide.

### **EXCESS STATE LAND DEVELOPMENT**

The Administration is committed to using excess state lands more effectively to address the housing crisis. The state has solicited affordable housing developers to build projects that use innovative, creative, and streamlined approaches to build affordable housing on identified state excess lands. Currently, three projects are underway in Sacramento, Stockton and South Lake Tahoe, and the state has an additional nine sites in the pipeline in the coming calendar year. The Budget proposes statutory changes to encourage additional innovative development, including authorizing market-rate and commercial development that will provide flexibility and financial feasibility to subsidize fair and affordable housing production on excess lands.

### **CONSTRUCTION APPRENTICESHIPS**

Housing can be developed in alignment with workforce development goals as a comprehensive strategy to support equitable economic recovery and resiliency. The Budget proposes \$8.5 million one-time General Fund through the California Workforce Development Board to expand access to state-approved construction apprenticeships through multi-craft pre-apprenticeship programs and High Road Training Partnerships. See the Equitable and Broad-Based Recovery Chapter for further information.

### **MAXIMIZING HOUSING PRODUCTION AND ACCOUNTABILITY LAWS**

#### **LOCAL ACCOUNTABILITY FRAMEWORK**

The state has enacted a variety of planning and zoning laws in recent years to increase and streamline production and to encourage local pro-housing decision-making, thereby making progress on the state's housing and equity goals. With these strong laws in place, more must be done to hold local governments accountable for meeting their obligations by assisting them in complying with state law and enforcing these laws through existing powers, so that communities build housing to meet the needs of their residents.

Local governments must fully implement their duties under existing housing laws like density bonuses, streamlining, and requirements to plan for adequate new housing. These strong laws, many of which have been enacted in the past several years, already enable streamlining and approval for millions of units. The Administration will work

## HOUSING AND HOMELESSNESS

closely with local government partners to provide technical assistance and education about local responsibility to plan for and permit housing. In the rare case that a local government disregards its obligations, the state intends to engage in a cohesive and comprehensive process to pursue legal remedies available under existing state law.

The Budget includes resources to create a Housing Accountability Unit at the Department of Housing and Community Development (HCD) to further facilitate affordable housing production through monitoring, technical assistance, and enforcement of existing housing production laws. This includes \$4.3 million General Fund for HCD to provide technical assistance to help local governments meet planning and zoning requirements to provide proactive engagement before enforcement becomes necessary. These additional resources will allow HCD to act as an ombudsman and help local governments navigate and comply with state housing laws and make sufficient progress toward their Regional Housing Needs Allocation (RHNA).

Meanwhile, the state continues to work to improve the overall RHNA process to set more ambitious housing planning goals. HCD continues to work with local governments to pursue pro-housing policies such as reduced parking requirements, reduced development impact fees, and by-right zoning, by providing additional points or scoring preferences in various competitive state grant programs. Promulgation of the pro-housing regulations is targeted for early 2021.

### TARGETED ENVIRONMENTAL EXEMPTIONS

While many important streamlining and exemption provisions already exist in current law, incongruent definitions or processes sometimes make these benefits complicated, if not impossible, to access. One-time California Environmental Quality Act streamlining for Homekey projects in 2020 demonstrated the importance of clear, usable streamlining provisions. The Homekey exemptions enabled the state and local jurisdictions to bring an unprecedented number of new affordable housing units online in record time. Continued strategic and targeted use of CEQA exemptions will be an important component of making affordable housing production more objective, aligning key definitions and administrative processes, reducing costs and time spent in CEQA litigation, all while not limiting the fundamental purpose of environmental protections.

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### IMPROVING AFFORDABLE HOUSING FUNDING PROCESSES

The Administration is committed to improving the efficient allocation of affordable housing funding. The state has many different housing funding programs, each with its

own scoring criteria and timelines. While steps have been taken to begin to improve coordination across all state housing agencies, more work remains. This includes:

- **Improving HCD's Funding Process**—The Administration continues to streamline housing funding programs to facilitate an efficient allocation of recent significant state investments. Recently enacted legislation, Chapter 192, Statutes of 2020 (AB 434) directed HCD to align its major rental housing programs with a single application and scoring system by 2022. To assist in these streamlining efforts, the Budget includes \$2.7 million General Fund for HCD to implement AB 434.
- **Harmonizing State Programs**—In addition to actively implementing AB 434, BSCSH and the Treasurer's Office have established a working group to improve and coordinate a variety of housing finance programs. HCD also implemented a short pause on issuing new Notices of Funding Availability so that the billions of dollars awarded to affordable housing projects around the state align with the regulations promulgated by the California Debt Limit Allocation Committee and Tax Credit Allocation Committee.

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## HOMELESSNESS

Recent state budgets have provided local jurisdictions with historic levels of funding to address homelessness. Since 2018, \$1.45 billion has been provided to local governments for the Homeless Emergency Aid Program and the Homeless Housing, Assistance and Prevention Program to support regional coordination and immediate homelessness challenges. These investments demonstrate California's commitment to working collaboratively with local partners to mitigate this crisis.

However, to find solutions to homelessness and achieve housing for all, there must be increased attention to solving—and not just mitigating—this crisis. To truly achieve a functional end to homelessness, it is imperative that both state and local governments, with support from the federal government, focus on the following five components of an effective framework to end homelessness: prevention, shelter, housing, long-term supportive services, and conservatorship.

### HOMELESS COORDINATING AND FINANCING COUNCIL

The Homeless Coordinating and Financing Council (HCFC), within BCSH, is continuing to build the first-ever statewide homelessness data warehouse with cooperation from all 44 California Continuums of Care. In October 2020, the HCFC adopted a two-year

## HOUSING AND HOMELESSNESS

framework and goals to strengthen coordination across state, regional and local partners with a focus on strengthening homelessness systems, people experiencing unsheltered homelessness, sheltering and interim housing, permanent housing, and homelessness prevention.

### **HOUSING VULNERABLE POPULATIONS DURING THE PANDEMIC**

Early in the COVID-19 Pandemic, the state acted swiftly by partnering with local governments to provide safe, non-congregate shelter through the securing of hotel and motel rooms for vulnerable individuals experiencing homelessness to avoid being exposed or prevent the spread of the COVID-19 virus in a congregate setting. In March 2020, \$150 million in federal Coronavirus Relief Funds (CRF) was allocated to HCFC and the Department of Social Services (DSS) to assist local jurisdictions with securing hotel and motel rooms, acquiring trailers to safely house homeless populations most at risk, and providing hygiene stations and outreach to unsheltered individuals. This was followed by \$300 million in flexible grants to local governments to address homelessness during the pandemic. Then in November 2020, an additional \$62 million was made available from the Disaster Response-Emergency Operations Account for continued Project Roomkey site operations and to begin transitioning those residents to permanent housing. Since March 2020, Project Roomkey has successfully provided medically necessary interim housing for over 23,000 people over 42 counties.

As part of the state's continued response to the public health emergency, the 2020 Budget Act allocated \$550 million of the state's direct allocation of federal CRF to purchase hotels, motels, residential care facilities, and other housing that can be quickly converted and rehabilitated to provide permanent housing for persons experiencing homelessness, and who are also at risk of COVID-19. The HCD provided grants to local jurisdictions to acquire these facilities, which are owned and operated at the local level. Due to unprecedented demand from local jurisdictions, an additional \$200 million CRF was subsequently provided to enable counties and tribes to acquire additional sites for permanent housing. In addition, \$50 million one-time General Fund and \$45 million in philanthropic funding was directed to this effort. As of December 2020, HCD has awarded \$846 million to 51 local agencies for 94 projects, providing over 6,000 housing units for individuals or families and helping to stop the spread of COVID-19 among this vulnerable population.

## EXPANDED FACILITIES TO SUPPORT HOUSING FOR ALL

Building upon the success of Homekey, the Budget proposes \$1.75 billion one-time General Fund to further develop a broader portfolio of housing needed to end homelessness through continued acquisitions and creation of new units.

- Continued Homekey Acquisitions—The successful pace of the first round of Homekey funding demonstrates the need for additional investments, particularly in the midst of a pandemic. The Budget includes \$750 million one-time General Fund for HCD to continue to provide competitive grants for local governments to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings, and convert them into interim or permanent long-term housing. To sustain this momentum and meet local governments' demand for additional funding, the Administration is asking the Legislature to take early action to approve \$250 million one-time General Fund in 2020-21 to continue funding Homekey projects. As part of this early action, the Administration proposes the same streamlining benefits provided by the Legislature in 2020 be extended to all future Homekey acquisitions and rehabilitation projects so that local governments can continue to successfully expend funds at the pace necessary to match the urgency of the homelessness crisis.
- Behavioral Health Continuum Infrastructure—As the state broadens the range of services provided through California Advancing and Innovating Medi-Cal (CalAIM) and the Serious Mental Illness/Serious Emotional Disturbance Waiver, the Department of Health Care Services aims to reduce homelessness, incarceration, unnecessary hospitalizations, and inpatient stays by appropriately utilizing community-based models of care. Increased investment in behavioral health continuum infrastructure is a key part of these efforts. Infrastructure is critical to make outpatient treatment options more widely available and to help counties treat individuals in less restrictive, community-based, residential settings of care. The Budget proposes \$750 million one-time General Fund, available over three years, for the Department of Health Care Services to provide competitive grants to counties for the acquisition and rehabilitation of real estate assets to expand the community continuum of behavioral health treatment resources. These resources seek to improve the comprehensive continuum of services by providing short-term crisis stabilization, acute needs, peer respite, and other clinically enriched longer-term treatment and rehabilitation opportunities for persons with behavioral health disorders, in the least-restrictive and least-costly setting. The Administration estimates that this proposal will result in the addition of at least 5,000 beds, units, or rooms.

## HOUSING AND HOMELESSNESS

Counties will be required to provide a match of local funds. The Administration is also exploring opportunities to repurpose relinquished adult jail bond financing to invest in short-term residential mental health facilities. (See the Criminal Justice Chapter for additional information.)

- Expanded Facilities to Support Housing—The Budget proposes \$250 million one-time General Fund for the Department of Social Services to counties for the acquisition or rehabilitation of Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE) with a specific focus on preserving and expanding housing for low-income seniors.

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

The state continues to make progress in meeting its Housing for All goals through a multi-pronged approach including housing grants, loans, tax credits, property acquisitions, and supportive services. In total, the Governor's Budget includes more than \$8 billion in housing resources and \$2 billion in homelessness resources, as detailed below.

## HOUSING AND HOMELESSNESS

**2021-22 Affordable Housing Funding**  
(Dollars in Millions)

<i>Department</i>	<i>Program</i>	<i>Amount</i>
Department of Housing and Community Development	Veterans and Affordable Housing Bond Act Programs (Prop 1)	\$490.0
	No Place Like Home Program	\$400.0
	Building Homes and Jobs Fund Programs (SB 2)	\$277.0
	Infill Infrastructure Grant Program Economic Recovery Investment	\$500.0 <sup>1/</sup>
	Federal Funded Programs for Housing	\$78.6 <sup>2/</sup>
	Veterans Housing and Homelessness Prevention	\$75.0
	Various	\$17.0
California Housing Finance Agency <sup>3/</sup>	Single Family First Mortgage Lending	\$3,000.0
	Multifamily Conduit Lending	\$1,200.0
	Multifamily Permanent Lending	\$410.0
	Mixed-Income Loan Program	\$40.0
	Single Family Down Payment Assistance	\$95.0
	Special Needs Housing Program	\$15.0 <sup>4/</sup>
Tax Credit Allocation Committee	Low Income Housing Tax Credits (State)	\$602.7
	Low Income Housing Tax Credits (Federal)	\$330.9 <sup>5/</sup>
	Farmworker Housing Assistance Tax Credits	\$4.2
Strategic Growth Council	Affordable Housing and Sustainable Communities	\$426.0 <sup>6/</sup>
Department of Veterans Affairs	CalVet Farm and Home Loan Program (Prop 1)	\$170.0
Office of Emergency Services	Domestic Violence Housing First Program	\$23.0
	Transitional Housing Program	\$18.0
	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>7/</sup>
California Department of Corrections and Rehabilitation	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	- <sup>7/</sup>
Department of Social Services	CalWORKS Housing Support Program	\$95.0
	CalWORKS Family Stabilization, Housing Component	\$6.4 <sup>8/</sup>
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	\$5.0
	Housing Plus Program	\$1.0
	HIV Care Program	- <sup>7/</sup>
<b>Total</b>		<b>\$8,289.8</b>

1/ Of this amount, \$250 million is proposed for early action in 2020-21, for the Infill Infrastructure Grant Program to stimulate economic recovery.

2/ This amount reflects programs that receive federal funds, such as the Community Development Block Grant program. Unawarded COVID-19 related relief funds (e.g., CARES Act) are not reflected. Additional federal funds related to COVID-19 response may become available in 2021-22.

3/ 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 2019-20, available program resources, volume cap allocation, and multifamily lending pipeline projections.

4/ Funding estimate represents voluntary allocations of local Proposition 63 funds from 16 participating counties.

5/ This represents the estimated 9 percent tax credits to be allocated in 2021 and the estimated amount of 4 percent credits to be awarded in 2021 based on current data and remaining bond cap. Most disaster credits were allocated in 2020 and excluded from 2021 9 percent tax credits estimate.

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

7/ 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.

8/ Of the \$48.5 million available for CalWORKs Family Stabilization in 2020-21, \$6.4 million is estimated to be spent on housing.



## HOUSING AND HOMELESSNESS

**2021-22 Homelessness Funding**  
(Dollars in Millions)

<i>Department</i>	<i>Program</i>	<i>Amount</i>
	Continued Homekey Acquisitions	\$750.0 <sup>1/</sup>
Department of Housing and Community Development	Federal Funded Programs for Homelessness	\$43.0 <sup>2/</sup>
	Transitional Housing Program	\$8.0
	Various Homeless Youth Programs	\$1.0
Office of Emergency Services	Youth Emergency Telephone Network	\$0.6
	Expanded Facilities to Support Housing	\$250.0
Department of Social Services	CalWORKS Homeless Assistance Program	\$38.5 <sup>3/</sup>
	Housing and Disability Advocacy Program	\$25.0
Department of Health Care Services	Behavioral Health Continuum Infrastructure	\$750.0
	Project for Assistance in the Transition from Homelessness	\$8.8
Department of Transportation	Homeless Encampment Cleanup on the State Highway System	\$12.4
California Community Colleges	Basic Needs Funding - Student Hunger and Homelessness Programs	\$100.0 <sup>4/</sup>
	Rapid Rehousing	\$9.0
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 <sup>4/</sup>
	Rapid Rehousing	\$6.5
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 <sup>4/</sup>
	Rapid Rehousing	\$3.5
<b>Total</b>		<b>\$2,036.3</b>

1/ Of this amount, \$250 million is proposed for early action in 2020-21, for continued Homekey acquisitions.

2/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant program. Unawarded COVID-19 related relief funds (e.g., CARES Act) are not reflected.

3/ Amount reflects cost of recent policy changes, but not base funding since program expenditures are embedded within the overall CalWORKs grants expenditures and cannot be extracted.

4/ These programs support basic needs partnerships for low-income students facing housing or food insecurity. These amounts exclude basic needs funding provided to address student mental health and digital equity needs.

# CLIMATE CHANGE

Climate change continues to have a significant impact on California. The months of August through October were the hottest on record in California. In 2020, catastrophic wildfires consumed over four million acres, far more than any previous year in the state's history. Climate-related disasters are occurring at a speed and scale not expected until the end of this century.

In the face of this challenge, the Administration is taking actions to transform the state's transportation system, responsible for more than half of California's climate change-inducing greenhouse gas emissions. Executive Order N-79-20 established aggressive statewide targets to accelerate the shift toward zero-emission vehicles. The state also made bold commitments to conserve more of California's land and coastal waters, and use the state's natural and working lands to provide solutions to the climate crisis.

The Budget builds on these commitments and also supports a comprehensive wildfire and forest resilience strategy to reduce wildfire risks to vulnerable communities and critical habitats. These efforts put California on a path to accelerate the state's transition to a resilient, equitable, carbon neutral future that creates economic prosperity. Sustainable economic growth requires sustainable environmental policies, as preventing crises is less disruptive than responding to them. Additionally, the Administration is committed to developing the next round of scientific assessments of climate change impacts to inform the state's investments and programs and will work with the Legislature, philanthropy and other stakeholders to accomplish this goal.

## CLIMATE CHANGE

### WILDFIRE AND FOREST RESILIENCE

In 2020, 9,000 wildfires burned over four million acres across the state, more than the 2017 and 2018 fire seasons combined and significantly higher than the most recent five-year average of acres burned. Hotter, drier conditions in the state's forests, driven by climate change and the consequences of a century-old legacy of fire suppression, have generated unparalleled fuel conditions that result in significant wildfire risk.

In August 2020, the Administration entered into a shared stewardship agreement with the U.S. Forest Service, mapping out a 20-year, science-based framework to improve wildfire resilience and forest health, including a commitment to complete forest management projects on one million acres of California's state and federal forest and rangeland every year.

To address the scale and urgency of these wildfire risks, the Budget includes \$1 billion to support the Forest Management Task Force's Wildfire and Forest Resilience Action Plan, including \$323 million proposed for early action in 2020-21 to accelerate fire prevention projects that protect communities and other efforts to jumpstart economic recovery in the forest sector.

This comprehensive strategy supports investments in the following priorities:

- Expanding appropriate forest management to reduce catastrophic wildfire risk and restore the ecological health of forests;
- Securing more fuel breaks around vulnerable communities to protect residents and property; and
- Supporting hardening homes and infrastructure in communities to mitigate wildfire damages.

This proposal will improve public safety across California's most wildfire-vulnerable communities and significantly increase the pace and scale of forest management projects. This investment will also enable regional efforts to build a pipeline of wildfire resilience projects, expand fire-adapted homes and communities, improve stewardship on state lands, and create high-road jobs while jumpstarting small businesses that meet California's climate objectives.

The \$1 billion Wildfire and Forest Resilience Expenditure Plan includes the following investments:

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

Investment Category	Department	Program	Early Action 2020-21	Budget Year 2021-22	Total
Resilient Forests & Landscapes	CAL FIRE	Forest Health Program	\$70	\$100	\$170
		Forest Improvement Program for Small Landowners	\$10	\$40	\$50
		Forest Legacy & Reforestation Nursery	\$8	\$17	\$25
		Urban Forestry	\$10	\$13	\$23
		Tribal Engagement	\$1	\$19	\$20
	State Parks, Fish & Wildlife & State Lands Commission	Stewardship of State-Owned Land	\$19	\$123	\$142
	Sierra Nevada & Tahoe Conservancies	Project Implementation in High-Risk Regions	\$21	\$61	\$82
Wildfire Fuel Breaks	CAL FIRE	CAL FIRE Unit Fire Prevention Projects	\$10	\$40	\$50
		Fire Prevention Grants	\$50	\$80	\$130
		Prescribed Fire & Hand Crews	\$15	\$35	\$50
	California Conservation Corps	Forestry Corps & Fuel Reduction Projects	\$0	\$20	\$20
	Department of Conservation	Regional Forest & Fire Capacity	\$25	\$60	\$85
Community Hardening	Cal OES & CAL FIRE	Home Hardening	\$25	\$0	\$25
	CAL FIRE	Defensible Space Inspectors	\$0	\$6	\$6
	CAL FIRE & University of California	Land Use Planning & Public Education Outreach	\$0	\$7	\$7
Science-Based Management	CAL FIRE	Ecological Monitoring, Research & Adaptive Management	\$3	\$17	\$20
	Natural Resources Agency	Remote Sensing	\$0	\$15	\$15
	Air Resources Board & Water Board	Permit Efficiencies	\$0	\$4	\$4
Forest Sector Economic Stimulus	IBank	Climate Catalyst Fund	\$47	\$2	\$49
	CAL FIRE	Workforce Training	\$6	\$18	\$24
	Office of Planning & Research	Market Development	\$3	\$0	\$3
<b>Total</b>			<b>\$323</b>	<b>\$677</b>	<b>\$1,000</b>

## CLIMATE CHANGE

- Resilient Forests and Landscapes—\$512 million to enhance wildfire resilience across California's diverse landscapes by thinning forests, replanting trees and utilizing prescribed fire, which will also improve biodiversity, watershed health, carbon sequestration, air quality, and recreation. Programs include a forest health grant program, support for post-fire watershed recovery, a direct investment for Tribes, support for small landowners to sustainably manage their forest lands, and a targeted investment to better manage state landholdings, which are comprised of some of the most unique landscapes in California.
- Wildfire Fuel Breaks—\$335 million for the Department of Forestry and Fire Protection (CAL FIRE) and the California Conservation Corps to complete at least 45 to 60 strategic fuel breaks projects each year over the next several years. This funding builds on the success of the 35 emergency fuel reduction projects completed in 2019, which played a critical life-saving role this past fire season. Grant funds will enable local communities to develop their own fire safety projects. Targeted regional investments will provide technical support to develop cross-jurisdictional regional plans, identify projects, prepare those projects and then receive targeted grants for project implementation.
- Community Hardening—\$38 million to increase the resilience of the state's most fire-vulnerable communities. One in four Californians live in a high fire risk zone. A home that has defensible space and retrofits to "harden" it against embers has a significantly higher chance of survival in a wildfire. The Budget supports educational programs, defensible space outreach, and basic retrofits for homes of low-income Californians. The Administration will explore leveraging opportunities with the federal government to enhance home hardening efforts.
- Science-Based Management—\$39 million to support rigorous monitoring and robust scientific inquiry necessary to achieve effective, long-term forest health and restoration in the face of 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—\$76 million to invest in innovative projects and workforce preparedness in the forest sector. Investments in wildfire and forest resilience are a driver for economic growth in California communities. Expanding wood product markets to utilize the material being thinned from forests will create incentives for private forest-land management and help the state meet its carbon goals. By establishing a low-interest lending program and exploring supply chain guarantees through the Climate Catalyst Fund, the state will remove key barriers to

launch these markets. Investments in growing the workforce through the California Conservation Corps and expanding community college and vocational training programs will expand access to existing forest management jobs, as well as in the growing wood products industry.

The Budget also includes statutory changes to make \$200 million of Cap and Trade funding for CAL FIRE's forest health and fire prevention programs available for an additional five years, beyond the existing 2023-24 sunset date specified in Chapter 626, Statutes of 2018.

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## ZERO-EMISSION VEHICLES

Executive Order N-79-20 directly addresses California's transportation emissions challenge by positioning state agencies to work with stakeholders to aggressively scale the zero-emission vehicle market in ways that benefit all Californians. The order sets the following zero-emission targets: 100 percent of in-state sales of new passenger cars and trucks by 2035, 100 percent of medium- and heavy-duty vehicles in the state by 2045 and by 2035 for drayage trucks, and 100 percent of off-road vehicles and equipment operations by 2035, where feasible.

To support implementation of these targets, the Budget focuses on two interrelated priorities: equity and scale. A focus on equity prioritizes public investments in communities suffering most from a combination of economic, health, and environmental burdens. A focus on scale brings down the transition cost, accelerates private capital investment, and reduces the need for direct public investment. The Budget includes the following investments to meet zero-emission vehicle goals:

- Zero-Emission Vehicle Infrastructure—Securitization of approximately \$1 billion of future revenues to increase the pace and scale of the construction of electric vehicle charging and hydrogen fueling stations necessary to accelerate zero-emission vehicle adoption. The Budget proposes statutory changes to extend existing vehicle registration fees currently set to expire in 2024 and to authorize the securitization of these future revenues to support the expansion of the California Energy Commission's Clean Transportation Program. A portion of this funding will be used for loans that will leverage additional private sector capital to build the necessary infrastructure.
- Greening of State Infrastructure—\$50 million one-time General Fund to support the installation of zero-emission vehicle charging stations at state-owned facilities.

## CLIMATE CHANGE

- **Zero-Emission Vehicles**—\$465 million one-time Cap and Trade funds to improve access to new and used zero-emission vehicles, including passenger cars and trucks, medium- and heavy-duty vehicles, and off-road equipment. The Budget includes additional investments in existing transportation equity programs such as Clean Cars 4 All, Clean Mobility Options, and Financing Assistance, as well as heavy-duty vehicles programs such as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and the Clean Off-Road Equipment Voucher Incentive Project. These investments will be further complemented by the Low Carbon Fuel Standard-funded Clean Fuel Rewards program, which provides a new, stable consumer incentive for plug-in passenger vehicles using existing revenue generated by utilities and existing funds in the Clean Vehicle Rebate Project. The Budget also proposes to extend existing fees scheduled to sunset in 2024 to support incentive programs to accelerate the turnover of existing light-, medium-, and heavy-duty vehicles and equipment, including off-road construction and agricultural equipment and locomotives.
- **Delayed Property Tax Assessment of Zero-Emission Vehicle Charging and Fueling Stations**—The Budget proposes statutory changes to exclude the construction or addition of electric vehicle charging and hydrogen fueling stations completed by January 1, 2024 from the definition of accessible new construction for ten years. This proposal would create additional incentives for investment in zero-emission vehicle charging and fueling stations.

Each of these investments will help consumers adopt zero-emission vehicle technology, as will the ongoing effort to simplify and align local, state, and federal funding programs through the Zero-Emission Vehicle Market Development Strategy process. The Administration will continue to evaluate the role of the Clean Vehicle Rebate Project in meeting the state's zero-emission vehicle goals.

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## NATURAL AND WORKING LANDS

Natural and working lands comprise more than 90 percent of the state's geography.

Executive Order N-82-20 accelerates biodiversity protection and habitat restoration actions across all landscapes, such as the state's forests, agricultural lands, and conservation lands, and underscores how smart land management advances California's climate goals while increasing food and water security, protecting California's globally recognized biodiversity, expanding recreation and equitable access to nature, and building sustainable economies. The Executive Order also

establishes the goal of conserving 30 percent of California's land and coastal waters by 2030 to address the joint crises of climate change and biodiversity loss.

The Budget reflects California's commitment to improving management of natural and working lands to advance the state's climate change goals of achieving carbon neutrality, expanding carbon sequestration, and building climate resilience across the state's diverse landscapes.

Significant adjustments:

- Restoration of Natural Areas and Ecosystems—\$248.6 million
  - \$125 million one-time Proposition 68 for the Natural Resources Agency to support multi-benefit water quality, water supply and watershed protection and restoration projects.
  - \$79.9 million one-time from various bond funds for the Wildlife Conservation Board to support multi-benefit ecosystem and watershed protection and restoration projects including, but not limited to, the Lower American River Conservancy Program, the Pacific Flyway program, and Wildlife/Fish Passage programs.
  - \$43.7 million in 2021-22, and a total of \$69.6 million over five years, from various fund sources for the Department of Water Resources to support restoration projects through the Riverine Stewardship and San Joaquin Restoration programs, ecosystem enhancement projects in the Delta, and a plan to increase watershed resilience in the San Joaquin Basin.
- Flood Management—\$183 million
  - \$81 million in 2021-22, and a total of \$102.3 million over three years, from various bond funds for the Department of Water Resources Delta Levees System Integrity Program.
  - \$67 million in 2021-22, and a total of \$224.9 million over four years, General Fund for the Department of Water Resources to leverage \$1.8 billion in federal funding for the flood risk reduction American River Commons Features project.
  - \$28.5 million one-time Proposition 68 for the Department of Water Resources to support collaborative flood risk management.
  - \$6.5 million in 2021-22, and a total of \$9.5 million over three years, Proposition 1 for the Department of Water Resources to support emergency flood response in the Delta.



## CLIMATE CHANGE

- Coastal Protection—\$6.5 million
  - \$6.5 million in 2021-22, and a total of \$17.4 million over two years, Proposition 68 for the Natural Resources Agency/Ocean Protection Council to support projects that improve biodiversity and climate resilience by increasing coastal and marine ecosystem health.

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## WORKFORCE TRAINING AND JUST TRANSITION ROADMAP

The Budget proposes \$25 million one-time General Fund as an early action in 2020-21 to expand the High Road Training Partnership model in several, industry-specific sectors. This Partnership, administered by the California Workforce Development Board, is a workforce development strategy that builds regional partnerships among workers, employers and community-based organizations to expand access to high-quality jobs in targeted industries. This additional investment will focus on growing sectors of the economy that support the state's equitable economic recovery and climate goals, including construction, forestry and agriculture, healthcare, trade and logistics, and information technology.

In addition, per Executive Order N-79-20, the Labor and Workforce Development Agency and Governor's Office of Planning and Research will deliver a Just Transition Roadmap in July 2021. This roadmap will inform future actions to prepare California's workforce to build the transition to a carbon neutral economy across multiple regions and sectors, with a focus on both displaced workers and providing opportunities for communities most in need.

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## CAP AND TRADE EXPENDITURE PLAN

The Budget proposes a \$1.37 billion Cap and Trade Expenditure Plan for existing programs, including several early actions for 2020-21. The proposed Expenditure Plan advances the state's priorities on environmental justice and protects public health by delivering clean air and safe and affordable drinking water. The Expenditure Plan also promotes implementation of the Governor's recent Climate Executive Orders N-79-20 and N-82-20 on zero-emission vehicles and natural and working lands.

The Cap and Trade Expenditure Plan prioritizes investments to protect public health in disadvantaged communities. Specifically, the Budget provides \$325 million one-time to support the Community Air Protection Program (AB 617), which reduces emissions in

**Cap and Trade Expenditure Plan**

(Dollars in Millions)

Investment Category	Department	Program	Early Action 2020-21	Budget Year 2021-22	Total
Equity Programs	Air Resources Board	AB 617 - Community Air Protection	\$125	\$140	\$265
		AB 617 - Local Air District Implementation	\$0	\$50	\$50
		AB 617 - Technical Assistance to Community Groups	\$0	\$10	\$10
	Water Board	Safe and Affordable Drinking Water (\$130 million total)	\$30	\$24	\$54
Low Carbon Transportation & ZEV Strategy	Air Resources Board	Clean Trucks, Buses, & Off-Road Freight Equipment	\$165	\$150	\$315
		Agricultural Diesel Engine Replacement & Upgrades	\$90	\$80	\$170
		Clean Cars 4 All & Transportation Equity Projects	\$74	\$76	\$150
Natural & Working Lands	CAL FIRE	Healthy & Resilient Forests (SB 901) (\$75 million included in 2020 Budget)	\$125	\$200	\$325
	Department of Food & Agriculture	Healthy Soils	\$15	\$15	\$30
<b>Total</b>			<b>\$624</b>	<b>\$745</b>	<b>\$1,369</b>

communities with disproportionate exposure to air pollution through targeted air monitoring and community emissions reduction programs. This support includes grants to community-based organizations, implementation funding for local air districts, and incentives for cleaner vehicles and equipment. The Budget also includes funding necessary to maintain full implementation of the Safe and Affordable Drinking Water Program.

Building on the continuously appropriated programs that support sustainable community strategies, including high-speed rail, transit programs and projects, and transit-oriented affordable housing, the Cap and Trade Expenditure Plan includes \$635 million one-time dedicated to reducing emissions from the transportation sector, the largest source of California's greenhouse gas emissions. Key programs target truck, bus, off-road, and agricultural vehicles. These programs also reduce harmful air pollutants that have a disproportionate impact on disadvantaged populations in both urban and rural communities. Other programs proposed for funding include targeted incentives for low-income consumers to retire older, higher-polluting vehicles in favor of new or used zero-emission or cleaner vehicles, as well as support for innovative mobility pilot projects that respond to community-identified transportation needs in low-income

## CLIMATE CHANGE

and disadvantaged communities. As the state works to achieve carbon neutrality by mid-century, the agricultural and forestry sectors will be essential to both reducing emissions and sequestering carbon. Consistent with the Natural and Working Lands Executive Order N-82-20, the Budget includes \$355 million (\$200 million ongoing) for multiple land-based carbon removal programs, including \$30 million one-time for the Healthy Soils Program to provide grants for on-farm soil management practices that sequester carbon and \$23 million one-time for the Urban Forestry Program. For additional information on the healthy forest and healthy soils programs, see the Wildfire and Forest Resilience section of this Chapter and the Sustainable Agriculture Chapter, respectively.

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## CLIMATE RISK DISCLOSURE

In 2019, the Governor issued Executive Order N-19-19 to incorporate climate risk and climate opportunity into state investments. In September, the Administration released a Climate Investment Framework for the California Public Employees' Retirement System, the California State Teachers' Retirement System, and the University of California Retirement Plan. The Framework includes an analysis of sound investment practices and where each pension fund currently stands in relation to statewide climate goals. The Framework also calls for the creation of a working group on climate disclosure standards, which will explore the standardization of the many terms and definitions used to discuss climate change from an economic perspective.

In October, California joined the Coalition for Climate Resilient Investment, a group of public and private sector entities dedicated to supporting the inclusion of climate risk in investment decisions around the world. In alignment with these efforts, the state pension funds have adopted official investment policies that incorporate climate risk into their standard practices, routinely disclose the carbon footprint of their investment portfolios, and engage with private partners to encourage widespread climate risk disclosure.

# SUSTAINABLE AGRICULTURE

California is the nation's top agricultural producing state with over 400 different crops, including a number of crops grown only in California. Nearly 70,000 farms and ranches generate approximately \$50 billion in annual sales and are a crucial economic driver in many rural communities. However, it is also an industry that faces many challenges, including climate change and water uncertainties, but also growing scientific knowledge about the harmful health impacts of traditional pesticides on farmers, farmworkers and surrounding communities.

To address these challenges, farmers and ranchers continue to innovate by adopting agile technology, expanding in local and global markets, and developing sustainable, climate-smart agricultural practices. As the state begins to recover from the COVID-19 Recession, agriculture will play an important role in the economic recovery in certain regions of the state. The federal COVID-19 relief bill provides \$13 billion nationwide for direct payments, purchases, and loans to farmers and ranchers who have suffered losses as a result of the COVID-19 Pandemic. It also includes funds to support the food supply chain through food purchases, donations to food banks, and support for local food systems. The state's agricultural producers will benefit from this economic relief, and the Budget builds on this federal support.

To complement federal stimulus efforts, the Budget includes strategic investments to support California's agriculture industry as it addresses continued challenges while also producing nutritious food and advancing the state's climate resilience objectives.

## SUSTAINABLE AGRICULTURE

### **COVID-19 AND PROTECTING FRONTLINE AGRICULTURAL WORKERS**

The COVID-19 Pandemic has taken a significant toll on the state's food system, and close to half of the food supply chain was disrupted due to the closure of food service and hospitality businesses. Additionally, the food and agricultural industry was impacted by changes in agricultural product demand as a result of disruptions in the export markets and distribution, packing, and supply chain logistics. Farmers, farmworkers and the entire food and food-value chain moved swiftly and effectively to redirect supply lines from food service to retail and on-line platforms where possible.

At the same time, California agriculture harvested and donated food that lost its market to food banks, schools, and local charities. In addition to those donations, the Farm to Family program of the California Association of Food Banks has received and delivered 170 million pounds of fresh fruits and vegetables, and 47 million pounds of shelf-stable foods to local food banks, equivalent to 260 million meals.

As the COVID-19 Pandemic continues, the need remains to protect the state's frontline workers, their families, and their local communities, including agricultural employees. In partnership with the California Governor's Office of Emergency Services and the County Agricultural Commissioners, the Department of Food and Agriculture has distributed over 21 million surgical masks, 2 million cloth masks, 6 million N-95 masks, 1.8 million gloves, and 313,000 units of hand sanitizers for agricultural workers.

The Housing for the Harvest program was established in July 2020 to provide temporary housing options for farm and food processing employees to self-isolate if they test positive for, or are exposed to, COVID-19. The program consists of a partnership between the state, counties, and local community-based organizations.

### **SMALL AND MID-SIZE FARM SUPPORT**

Recognizing that many sectors in agriculture continue to struggle, the Budget includes \$6.7 million one-time General Fund (\$3.35 million in 2020-21 and \$3.35 million in 2021-22) to contract with the University of California Cooperative Extension to provide direct technical assistance and grants to technical assistance providers and small, mid-sized, and underserved farmers. These resources will help farmers with business planning, navigating regulatory compliance, and accessing and leveraging additional state and federal funds.

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## CLIMATE SMART AGRICULTURE

Building on California's leadership in reducing greenhouse gas emissions and protecting communities and natural places from climate impacts, the Budget includes investments to support the agriculture industry advance Climate Smart Agriculture.

- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)—\$170 million one-time Greenhouse Gas Reduction Fund (\$90 million in 2020-21 and \$80 million in 2021-22) for the Air Resources Board to provide funding that supports the replacement of agricultural harvesting equipment, agricultural pump engines, tractors, and other equipment used in agricultural operations to reduce greenhouse gas emissions.
- Healthy Soils Program—\$30 million one-time Greenhouse Gas Reduction Fund (\$15 million in 2020-21 and \$15 million in 2021-22) for the Department of Food and Agriculture to provide grants for on-farm soil management practices that sequester carbon.
- Climate Catalyst Fund—\$50 million one-time General Fund to the California Infrastructure and Economic Development Bank (IBank) to support Climate Smart Agriculture loans to advance projects that may include but are not limited to: methane reduction; equipment replacement; water efficiency; healthy soils; circular economies; on-farm bioenergy; energy efficiency for food processing; and renewable energy systems and energy storage for agricultural operations.

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## WATER EFFICIENCY AND SUSTAINABLE GROUNDWATER

A significant number of groundwater basins in the Central Valley are critically over-drafted. Agricultural water demand will likely continue to outpace available water supplies into the future. In recognition that the amount of groundwater available for use will be lower than historical pumping levels that have depleted aquifers, the Administration is supporting local communities and the agriculture industry transition to sustainable groundwater use by aligning state investments and policies to enable implementation of the Sustainable Groundwater Management Act. The Budget proposes \$100 million one-time General Fund, which includes \$50 million as part of the Administration's proposed early action to support water efficiency projects and a transition to sustainable groundwater.

## SUSTAINABLE AGRICULTURE

- Sustainable Groundwater Management Act Grants—\$60 million one-time General Fund (\$30 million in 2020-21 and \$30 million in 2021-22) to the Department of Water Resources for grants to support economic mitigation planning and groundwater implementation projects across critically over-drafted basins.
- State Water Efficiency and Enhancement Program Grants—\$40 million one-time General Fund (\$20 million in 2020-21 and \$20 million in 2021-22) to the Department of Food and Agriculture to provide incentives that help farmers reduce irrigation water use and reduce greenhouse gas emissions from agriculture pumping.

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## CALIFORNIA'S IMPLEMENTATION OF THE FOOD SAFETY MODERNIZATION ACT

The Budget includes \$8.7 million in ongoing federal fund authority and 24 positions to continue and expand the Department of Food and Agriculture's Produce Safety Program. The Food Safety Modernization Act established federal science-based minimum standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption. The Act enables the United States Food and Drug Administration to better protect public health by strengthening the food safety system and focusing more on preventing food safety issues rather than reacting to problems after they occur.

The Produce Safety Program was created within the Department of Food and Agriculture to address the planning of enhancements needed to bring California farms into compliance with the Act. These resources will enhance the Department's ability to create a more robust inspection program, conduct inspections on a minimum of ten percent of farms covered, provide education and outreach to California produce farmers, develop and validate the existing farm inventory database, and provide assistance during a food-borne outbreak crisis.

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## FARM TO SCHOOL

Farm to School programs improve the health and well-being of California school children through integrated nutrition education and healthy food access. Hundreds of millions of meals are served each year in California schools, and expanding opportunities for local food procurement that is tied to nutrition education is essential for establishing healthy eating habits that children can carry into adulthood.

Procurement of more California grown food also supports connecting California's agriculture to California consumers.

The Budget includes \$10 million one-time General Fund to continue the Office of Farm to Fork's Farm to School Program. This funding will build upon the success of the pilot program established in the 2020 Budget Act and continue to support California farmers and expand healthy food access by providing grants to schools to establish programs that coordinate local and California grown food procurement and utilization in school meals. The funding will also support food and agriculture education in classrooms and cafeterias through experiential learning opportunities in school gardens, on farms, and other culinary and agricultural pathways.

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## **IMPACT ASSESSMENT AND ALIGNMENT OF REGULATORY REPORTING REQUIREMENTS FOR AGRICULTURE**

The agriculture industry is subject to regulatory and reporting requirements across various state agencies. The Budget includes \$6 million one-time General Fund for regulatory alignment and efficiencies, including \$4 million in 2020-21 to engage a consultant to evaluate and implement the alignment of regulatory reporting activities across state agencies to reduce unnecessary burdens to farmers and ranchers in their efforts to meet regulatory compliance. The Budget also includes \$2 million in 2021-22 to support a business assessment to explore the establishment of a unified licensing portal at the Department of Food and Agriculture.

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## **NETWORK OF CALIFORNIA FAIRS**

The Network of California Fairs consists of 74 fairgrounds with different governance structures. A total of 53 fairgrounds are state-affiliated, have state civil service employees and are subject to various state requirements.

In 2020, the impact of the COVID-19 Pandemic adversely affected the ability of fairgrounds to generate revenue. Fairground revenue is generated by holding mass gatherings for social, commercial, and community events, including an annual fair. The annual fair event is the primary revenue generator for a fairground to cover the expenses of the event and to fund costs of daily operations and payroll throughout the year. At the same time, many fairgrounds continued as a component of the state's emergency network, serving as base camps and shelter during fires, COVID-19 testing sites, and food bank distribution sites. The COVID-19 Pandemic has negatively



## SUSTAINABLE AGRICULTURE

impacted fairgrounds financially, but also has created an opportunity to improve the current business model.

Recognizing the significant economic hardship on fairs, the 2020 Budget Act included \$40.3 million one-time General Fund to support state-affiliated fairs that are projected to have insufficient reserves to pay legally mandated costs that may be incurred during the state civil service layoff process. The Administration plans to use a portion of anticipated remaining funding to also support general fairgrounds operational costs not limited to the staff layoff process.

The Administration is also in the process of evaluating alternative business and governance structures to enable fairs to operate more efficiently, meet local community needs and serve public health and safety roles in the state's emergency response system.

The Budget includes \$50 million one-time General Fund in 2021-22 to continue supporting state-affiliated fairgrounds operational costs while the state evaluates alternative business models. The Budget also includes \$10 million one-time General Fund to support fairground deferred maintenance, with a priority on fairgrounds that are used to support emergency operations.

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## INTEGRATED PEST MANAGEMENT (IPM) PROGRAMS

To facilitate the transition to safer, sustainable pest management, the Budget includes \$3.75 million ongoing (General Fund through 2023-24, transitioning to Department of Pesticide Regulation Fund in 2024-25) for the Department of Food and Agriculture to continue development of innovative pest management strategies, including the Interregional Research Project No. 4, Proactive IPM, and the Biologically Integrated Farming Systems grant program. These programs support non-conventional pest management technologies for specialty crops, research exotic pests that are likely to arrive in California to proactively identify mitigation strategies, and provide outreach of biologically integrated plant-based farming systems that reduce chemical insecticide use.

The Budget also includes \$8 million ongoing (General Fund through 2023-24, transitioning to Department of Pesticide Regulation Fund in 2024-25) to the Department of Food and Agriculture to expand CSU and UC research and extension capacity for IPM through cooperative agreements. As discussed in the Environmental Protection Chapter, the Budget proposes to replace the current flat-fee mill assessment on

## SUSTAINABLE AGRICULTURE

pesticide sales with a risk-based tiered mill assessment, assessing a higher fee on higher toxicity pesticides, which will be phased-in over four years. Over the course of four years, General Fund support for these programs will decrease and be offset by the Department of Pesticide Regulation Fund as the tiered mill assessment is gradually phased in.

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# NATURAL RESOURCES

The Natural Resources Agency consists of 26 departments, boards, commissions and conservancies responsible for administering programs to conserve, restore, and enhance the natural, historical, and cultural resources of California. The Budget includes total funding of \$7.4 billion (\$4.6 billion General Fund, \$2 billion special funds, \$812.6 million bond funds) for the programs included in this Agency.

The Agency's departments help the state become more climate resilient, expand equitable access to parks and wildlands, and conserve California's remarkable biodiversity. The Budget includes investments in each of these areas, and several related items are referenced in the Climate Change and Emergency Response Chapters.

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## DEPARTMENT OF WATER RESOURCES

The Department of Water Resources plans for the sustainable management of California's water resources and helps to implement the Administration's Water Resilience Portfolio. The Portfolio prioritizes actions to maintain water reliability, protect natural systems, and build regional capacity to adapt to an uncertain climate future.

Implementation of Portfolio actions is well underway, and the Budget continues state investments to advance the Portfolio across the Natural Resources Agency, California Environmental Protection Agency, and Department of Food and Agriculture. These agencies are coordinating closely to prepare for drought and flooding; advance

## NATURAL RESOURCES

projects of statewide scale and importance; provide resources, tools and standards that support regional leadership; and help coordinate and address challenges that are beyond the scope of any region.

The Budget makes important investments to support local agencies as they work to build regional water resilience, including:

- Sustainable Groundwater—\$60 million one-time General Fund (\$30 million in 2020-21 and \$30 million in 2021-22) for grants to support local planning and implementation of Groundwater Sustainability Plans across critically over-drafted basins. Historic groundwater laws enacted in 2014 require local agencies to bring basins into sustainable conditions within 20 years of implementing their sustainability plans. This additional funding for existing Department grant programs will help local agencies address known data gaps, plan and implement projects, and address deficiencies in initial groundwater sustainability plans. Additional investments in agricultural irrigation efficiency, as referenced in the Climate Change and Sustainable Agriculture Chapters, will also support local agencies as they work to balance groundwater pumping and recharge.
- Flood Preparedness—\$183 million in 2021-22, \$365.2 million over the next four years, from various fund sources to leverage \$1.8 billion in federal funds for the flood risk reduction American River Common Features project, the maintenance and strengthening of levees, the support of emergency flood response activities in the Sacramento-San Joaquin Delta (Delta), and the support of collaborative flood risk management.
- Deferred Maintenance—\$75 million one-time General Fund for critical levee repair projects to enhance the state's resilience to catastrophic flooding.
- Delta Resilience—\$43.7 million in 2021-22, \$69.6 million over the next five years, from various fund sources to support ecosystem restoration and watershed resilience work on the San Joaquin River and for projects that improve water quality or ecological conditions within the Delta.

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## DEPARTMENT OF PARKS AND RECREATION

During the COVID-19 Pandemic, many have relied on state parks to provide relief from the pressures that COVID-19 has placed on Californians' daily lives. The Administration is committed to enabling safe, equitable, and enjoyable access to parks, open spaces, natural resources, and recreational amenities for all Californians.

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## ADVANCING PARKS FOR ALL

The Budget includes \$82 million in 2021-22 to improve access to state parks and builds upon last year's investments through the Parks for All initiative. Highlights include the following:

- \$20 million one-time General Fund to support critical deferred maintenance projects throughout the state park system to enable improved access and an enhanced visitor experience.
- \$12.7 million ongoing Cannabis Tax Fund to the Natural Resources Agency for the Youth Community Access Grant Program, which funds projects and programs that support youth access to natural and cultural resources with a focus on low-income and disadvantaged communities. Programs include, but are not limited to, community education and recreational amenities to support youth substance use prevention and early intervention efforts.
- \$10 million one-time General Fund and \$23.4 million one-time reimbursements from Federal Emergency Management Agency funds for the continuation of Woolsey Fire restoration projects to restore destroyed facilities and trails.
- \$6.3 million one-time General Fund and \$6.3 million one-time federal reimbursements to provide state matching funds to leverage the recent increase in the federal Land and Water Conservation Fund. These funds will be used to complete high-priority inholding acquisitions, which will increase access to existing state parks and add additional acres to the state park system. These inholding acquisitions will not increase operational costs.
- \$2.7 million one-time Proposition 68 bond funds to provide the design of the initial core improvements to further public access and recreation enhancements at Candlestick Point State Recreation Area.
- \$585,000 ongoing State Park and Recreation Fund to continue community liaison programs that engage underserved and underrepresented communities in urban areas.

## NATURAL RESOURCES

### PROTECTING FORESTS IN STATE PARKS

The 1.6 million-acre state park system protects the most significant natural, cultural, and historic resources in the state, including unique forestlands and other ecosystems at risk from high severity fires. As with other forest lands, a century of fire suppression and the impacts of climate change have increased the risk of devastating wildfires that threaten historic buildings and rare habitats in the state parks system. In 2020, fires burned over 115,000 acres across 22 state parks. The Department of Parks and Recreation continues to assess funding needs for post-wildfire recovery in these parks and will identify those priority needs through the spring budget process.

The Budget includes \$85 million one-time General Fund to increase the pace and scale of forest management at state parks as referenced in the Climate Change Chapter.

### CREATING FISCAL STABILITY FOR BOATING PROGRAMS

The primary fund that supports boating-related activities, the Harbors and Watercraft Revolving Fund, has become structurally imbalanced over the last decade. The Administration has explored various revenue and expenditure options and proposes a balanced approach that: 1) reduces ongoing annual expenditures by \$13 million, 2) increases ongoing annual revenues by \$20.6 million through adjusting the vessel registration fee, 3) provides \$10 million annually for two years from the General Fund to offset transfers for recreational costs at State Water Project facilities, and 4) maintains programs that are vital to boater access and safety. The Administration will seek input from stakeholders to explore longer-term revenue options, such as a tiered vessel registration fee based on vessel length.

### DEPARTMENT OF FISH AND WILDLIFE

The Department of Fish and Wildlife serves as a trustee for California's environment and natural resources. The state is a global biodiversity hotspot, but this natural abundance is increasingly under threat from climate change and other stressors.

Chapter 51, Statutes of 2018 directed the Department to conduct a service-based budget review to identify current service levels and activities, cost estimates, and staffing requirements to meet the Department's mission and statutory requirements, and perform an analysis of the Department's existing revenue structure. The service-based budget is the culmination of nearly a decade of discussion about how to

enable the Department to meet its mission. Charting a strategic vision, completing the service-based budget process, modernizing department functions, and advancing sustainable resources are critical pieces of saving California's natural resources for future generations.

Chapter 51 requires the Department to issue a final report on the service-based budget analysis to the Legislature in January 2021. This report will highlight the breadth of the Department's mission, identify gaps in existing staffing, and highlight opportunities for process improvements and operational efficiencies to better meet that mission. Although the Department will be evaluating and implementing opportunities to streamline and improve the effectiveness of programs, identifying areas where redeployed resources could better align with identified needs, and evaluating alternatives for sustainable funding, targeted one-time investments that create efficiencies will help close the level of service gap identified in the analysis.

To advance implementation of the service-based budget recommendations, the Budget includes \$45.1 million one-time (\$41.8 million General Fund and \$3.3 million bond funds) for strategic investments in equipment, technology, and process improvements to deliver more effective and efficient services with existing staff resources. These investments will implement the Governor's Executive Order N-82-20 and better allow the Department to conserve the environment and maintain biodiversity, including:

- Wetlands Management—\$9.8 million one-time (\$9 million General Fund and \$800,000 Proposition 12) to modernize the Department's water conveyance systems into managed wetlands, which will improve habitat, reduce staff maintenance costs, and buffer against climate-driven threats.
- Human Wildlife Conflict Response—\$7 million one-time General Fund to respond to increased human-wildlife conflict incidents across the state. Over 6,500 human-wildlife conflicts occur annually and is rising as communities expand into established wildlife territory and create competition for resources. To better resolve these conflicts and reduce lethal outcomes, the Department will strengthen education in local communities, update its supply of non-lethal traps and other equipment to safely capture wildlife for relocation, and purchase proven technologies to reduce conflicts.
- Access for All and Biodiversity Resiliency—\$6 million one-time (\$3.5 million General Fund and \$2.5 million Proposition 12) to support access and biodiversity resiliency across ecological reserves and wildlife areas. The Department owns and operates approximately 1.2 million acres across more than 700 properties in the state.



## NATURAL RESOURCES

Recreational use of these areas is increasing dramatically, especially during the COVID-19 Pandemic. Most of these properties lack visitor amenities that the public expects when visiting state-owned open spaces, such as restroom facilities and basic signage. To protect natural biodiversity and increase equitable access, the Department will generate needed interpretative signage that highlights the ecological importance of and tribal relationships to the area, facilitate community access, and install visitor amenities within underserved communities.

- Hatchery Operations—\$7 million one-time General Fund to modernize the Department's hatchery facilities and equipment to provide greater operational reliability and improve fish survival once released into rivers.
- Vegetation Mapping—\$5.5 million one-time General Fund to generate a high-resolution vegetation classification map of nearly one million acres of the Northern California coast. The map will provide a baseline for close monitoring of changes to critical ecosystems and species, including the iconic coastal redwoods, estuaries and wetlands, all of which are vulnerable to climate change.
- Air Support to Protect Natural Resources—\$4.5 million one-time General Fund to purchase a fixed-wing aircraft to continue replacement of an aging airborne patrol fleet. This plane will monitor species populations such as whales migrating along the coastline, identify declines that could lead to drastic effects on commercial and recreational fisheries, and patrol impacts to fish and wildlife across the state.
- Offshore Patrol Vessel to Protect Marine Resources—\$4.5 million one-time General Fund to purchase a large offshore patrol vessel to continue replacement of the Department's aging patrol fleet. This replacement vessel will provide reliable protection of California's Marine Protected Areas and reduce ongoing maintenance costs.
- Fishing and Hunting Licenses Modernization—\$750,000 one-time General Fund to modernize the licensing platform for customers' ease of use, provide a mobile application to display fishing and hunting licenses, and other improvements related to licenses.

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## DEPARTMENT OF CONSERVATION

The Department of Conservation's California Geologic Energy Management Division (CalGEM) protects public health, safety, and the environment in its oversight of the oil, natural gas, and geothermal industries, while working to achieve the state's climate change and clean energy goals.

The Budget proposes additional resources to strengthen CalGEM's enforcement of existing laws and regulations, reduce the state's financial liability for orphaned well operations, improve transparency of data and information, and implement recent legislation.

Significant Adjustment:

- CalGEM Oversight—\$4.8 million and 26 positions phased in over three fiscal years to:
  - Increase field presence to perform regulatory inspections to protect the health and safety of those living near oil and gas wells and attendant facilities.
  - Enhance CalGEM's regulatory programs including enhanced focus on compliance through timely enforcement actions.
  - Review pipeline management plans and testing of tanks.
  - Review and approve idle well management plans to confirm there is adequate financial coverage for idle and orphaned wells.
  - Improve public transparency and data reliability.

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# ENVIRONMENTAL PROTECTION

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

The Secretary coordinates the state's regulatory programs and provides fair and consistent enforcement of environmental law. The Governor's Budget includes \$4.3 billion (\$460 million General Fund, \$3.8 billion special funds, and \$16.8 million bond funds) for programs included in this Agency.

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

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## DEPARTMENT OF TOXIC SUBSTANCES CONTROL REFORM

Since 2019, the Department has improved its stewardship of public resources by conducting a comprehensive review of its programs and making significant improvements to the quality and timeliness of its services. However, the Department needs sustainable ongoing funding to reduce toxic chemicals, particularly in vulnerable communities. To prevent toxic contamination going forward, the Budget will accelerate progress toward the cleanup of contaminated properties. Furthermore, through the reform proposal, the Department will be able to make progress toward better and timelier permit decisions, increase enforcement against those who violate hazardous waste control laws, and compel the use of safer chemicals in consumer products.

## ENVIRONMENTAL PROTECTION

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### GOVERNANCE AND FISCAL STABILITY

The Administration is committed to transparency and accountability, and the Budget proposes statutory changes and funding to establish and staff a five-member Board of Environmental Safety that will set fees through regulation, hear permit appeals, and provide strategic guidance to the Department. This will create a transparent decision-making process for all stakeholders. The Board will also employ an independent Ombudsperson who will report to the chairperson of the Board and serve as an impartial resource to the public. The Budget proposes \$3 million General Fund in 2021-22 for the Board, with costs shifting to the Department's special funds in 2022-23.

To enable the Department to meet its statutory mission, the Budget also includes statutory changes that will provide sustainable funding on an ongoing basis. The Budget includes one-time General Fund support and proposes a structure for potential future increases in the Hazardous Waste Control Account and the Toxic Substances Control Account. This sustainable funding model will enable the Department to enhance its ability to enforce hazardous waste laws, investigate and remediate contaminated sites, and more effectively direct the use of safer chemicals and manufacturing processes in the state. Although the Department has made substantial progress improving all of its programs, the remaining challenges facing the Department cannot be addressed without a sustainable funding structure. This effort will be comprised of three core elements:

- **Fee Authority**—The Budget proposes statutory changes to authorize the Board to utilize a public fee-setting process, with spending levels subject to the budget process. This will create fiscal stability for the future.
- **Hazardous Waste Control Account Fee Restructure**—Hazardous waste management fees should equitably distribute the cost of managing hazardous waste and reflect the polluter pays principle. The proposed statutory language will streamline the existing fee structure and will provide the Board with the ability to set fees through a public process. The Budget also proposes a \$22.5 million one-time General Fund backfill for this Account.
- **Toxic Substances Control Account**—The Budget proposes statutory changes that would authorize the Board to adjust the environmental fee through a public process. The Budget also proposes a \$13 million one-time General Fund backfill for this Account.

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## SITE CLEANUPS

In conjunction with governance and fiscal reform and to support community development and job creation, the Budget proposes \$300 million one-time General Fund to accelerate the cleanup of contaminated properties in impacted communities. This investment will be allocated using a risk-based approach founded on health-based criteria. This funding is contingent upon enactment of the Administration's governance and fiscal reform package.

Orphan sites are properties where no financially viable, potentially responsible party exists to pay for the cleanup and are not federal Superfund sites. The Department is in the process of identifying orphan sites that could be remediated in the next four years. Additionally, this proposal includes investments in potential pollution investigation and the establishment of a grant program that incentivizes development and investment in vulnerable communities. These efforts will be accomplished in partnership with communities by funding training and skills development, which will provide community members with jobs to assist with the cleanup and redevelopment of the remediated sites in their communities.

As referenced in the Housing and Homelessness Chapter, the Budget also includes \$500 million one-time General Fund for infill infrastructure grants to facilitate affordable and sustainable infill housing development on brownfield sites. Developing these sites creates an opportunity to leverage private sector resources for the cleanup of these properties.

The Budget also proposes \$31.4 million one-time General Fund for the Department to meet the state's existing commitment to clean up 3,200 residential properties with specified lead contamination levels that surround the Exide facility. Exide, a former lead-acid battery recycling company in Vernon, had been operating under an interim hazardous waste facility permit prior to 2013. The areas immediately surrounding the Exide facility were found to be contaminated with dangerously high levels of lead, extending up to 1.7 miles from the facility. In May 2015, the facility was closed. To date, the state has provided over \$251 million General Fund for residential cleanup and other costs associated with Exide.

The Administration remains committed to pursuing cost recovery from responsible parties for Exide. The Budget includes one-time funding of \$14 million General Fund, and \$2.5 million ongoing funding from the Lead-Acid Battery Cleanup Fund, for these and future cost recovery efforts.

## ENVIRONMENTAL PROTECTION

The state continues to monitor the progress of the facility closure, which is being conducted by a trustee pursuant to a court order.

### **SAFE AND SUSTAINABLE PEST MANAGEMENT**

To protect and enhance the health of California residents, the state's policies must accelerate the transition away from harmful pesticides while continuing to provide nutritious food through a strong agricultural economy. This transition must incorporate science; include collaboration between communities, workers, growers, and consumers; drive innovative solutions; and provide technical assistance to increase adoption of integrated pest management (IPM) practices.

To facilitate this transition, the Budget proposes to replace the current flat-fee mill assessment on pesticide sales with a risk-based tiered mill assessment, where higher toxicity pesticides are assessed a higher fee. Phased in over four years, this tiered fee will discourage the use of toxic pesticides in favor of safer, more sustainable agricultural and non-agricultural pest management practices and will fund the following multi-faceted effort to support this transition.

Significant Adjustments:

- IPM—\$20 million ongoing to expand IPM practices across California, including (1) investments in IPM research, education and extension programs to support sustainable pest management; (2) bolstering the University of California and California State University IPM programs to support grower implementation of safer alternatives to high-risk pesticides; and (3) support for other state-level IPM programs.
- Strengthened Enforcement and Air Monitoring—\$16.5 million ongoing to enhance enforcement of pesticide use laws and regulations to improve worker and community health and safety. The Budget increases funding to support local enforcement by County Agricultural Commissioners and also provides resources to increase air monitoring for pesticides, generating data to identify pesticide exposures and guide regulatory efforts.
- Community Engagement—\$1.5 million ongoing to support community engagement, particularly with pesticide-impacted disadvantaged communities, to seek input from agricultural communities and farmworkers during the transition to safer pest management practices.

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## CIRCULAR ECONOMY

The average Californian generates over one ton of trash per year, which produces greenhouse gas emissions, demonstrating the work the state has yet to do in creating a true circular economy that recognizes this waste as a potential economic resource to be reduced, reused, or remanufactured into new products. This gap in the state's waste and recycling system, which has endured several years of unstable international recycling markets, has been exacerbated by the challenge of the COVID-19 Pandemic. As the state focuses on economic recovery, now is the time to rethink waste as an opportunity to maximize creation of in-state jobs while combating climate change.

Modernizing the waste and recycling system requires a return to the basics of resource conservation and maximizing the value of material to be turned into new products. Re-envisioning recycling systems into a circular economy will require different strategies. For example, the state, pursuant to Chapter 395, Statutes of 2016, initiated a path to reduce organic material in landfills, which accounts for two-thirds of landfill waste and is the third largest source of methane in the state. To combat climate change, successfully implementing this organic recycling program will close the loop by recognizing the greater value of turning organic waste into new organic products while creating 2,000 permanent jobs in the state.

For other material types, the Department of Resources Recycling and Recovery (CalRecycle) oversees decades-old programs that are not designed to create a circular economy and therefore have varying degrees of success. The Budget proposes \$5 million from the Beverage Container Recycling Fund in both 2020-21 and 2021-22 and statutory changes to expand pilot programs to expand consumer redemption in communities underserved by recycling centers. The Budget also proposes ongoing funding from the Beverage Container Recycling Fund to implement Chapter 115, Statutes of 2020, requiring that plastic beverage containers contain at least 50 percent post-consumer recycled content by 2030.

In addition, CalRecycle will embark on an evaluation of existing program grants, loans, and payments to identify opportunities to better align with a circular economy approach, combat climate change, and support economic recovery. The Administration also remains supportive of extended producer responsibility policies, especially where further system redesign is needed to achieve a circular economy.



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# JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The trial courts are funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$4.1 billion (\$2.1 billion General Fund and \$2 billion other funds) in 2021-22 for the Judicial Branch, of which \$2.2 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

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

The 2020 Budget Act included a \$200 million ongoing General Fund reduction for the Judicial Branch (\$176.9 million for the trial courts and \$23.1 million for the State Level Judiciary). The Judicial Branch has implemented various cost saving measures to achieve these reductions, including furloughs and employee compensation reductions,

## JUDICIAL BRANCH

limited court closures, operating cost reductions, and reengineering court processes to create efficiencies. Even with these reductions, the Judicial Branch has continued to adjust operations to provide Californians with access to justice.

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### **MAINTAINING ACCESS TO JUSTICE DURING COVID-19**

The Judicial Branch has had to radically change its operations to protect the public from the spread of COVID-19 while also maintaining access to justice. Actions taken by the Judicial Council and all levels of court administration include extending court deadlines, suspending jury trials, using technology to conduct proceedings remotely, and suspending evictions and foreclosures. These actions have resulted in more limited operations while the courts modified processes and procedures to adapt to the pandemic, and in some instances, resulted in periods of courtroom or courthouse closures.

These changes have delayed normal court operations. To maintain timely access to justice in the trial courts and to help courts address impacts of the disruptions caused by the pandemic, the Budget includes \$72.2 million ongoing General Fund, which represents an overall increase of 3.7 percent compared to the 2020 Budget Act. This funding will assist courts in continuing to provide fair and timely access to justice, including taking actions to continue making modifications to improve court processes. This funding will also support the courts' efforts to implement recently enacted legislation.

Self-help centers are especially critical since the pandemic has exacerbated issues accessing justice for low-income Californians. The Budget includes \$19.1 million ongoing General Fund for the trial courts to continue providing self-help services for unrepresented litigants.

The Budget also includes \$11.7 million one-time General Fund in 2020-21 for the trial courts to process the anticipated increase in unlawful detainer and small claims filings resulting from Chapter 37, Statutes of 2020 (AB 3088). AB 3088 provided relief to tenants and landlords by, among other things, delaying the date trial courts could process unlawful detainers to February 1, 2021, and allowing landlords to recover unpaid rental debt through small claims court until February 1, 2025. This will result in a significant increase in workload for the trial courts beginning in 2020-21 and additional resources are necessary to address this workload. The Administration proposes that the Legislature take action on this funding early in 2021.

## **PANDEMIC EARLY DISPOSITION CALENDAR PROGRAM**

Due to the COVID-19 Pandemic, many courts are significantly delayed in processing criminal cases in which the defendant has been arraigned but there has been minimal progress toward case resolution through plea or trial. The Chief Justice initiated a program to provide more timely adjudication of criminal cases during the COVID-19 Pandemic, making temporary assigned judges available to conduct readiness conferences or cover matters for local trial court judges assigned to these conferences. Readiness conferences provide an opportunity to discuss potential resolutions, such as a plea bargain, before going to trial. While the program is not mandated, for courts that implement a readiness conference program, defendants would be required to appear, either through counsel or by the defendant if self-represented. Conferences could take place in person or through remote appearance by leveraging the technologies and processes implemented during the pandemic.

To build on the Chief Justice's efforts, the Administration plans to work with the Legislature and the Judicial Council to establish a Pandemic Early Disposition Calendar Program, creating an opportunity for certain defendants to be eligible for diversion. Consideration could be given to dismiss charges for defendants who have no violations or new charges while participating in a diversion program. This program is intended to maintain public safety, reduce the number of pending criminal cases within the trial courts, and provide victims and offenders more timely resolution.

## **REDUCING CRIMINAL FINES AND FEES FOR LOW INCOME CALIFORNIANS**

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, commencing July 1, 2021.

Over the past two decades, the state has 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 approximately \$1.2 billion in revenue in 2019-20.

Recognizing the financial hardship these increased fines and fees have created for low-income individuals, the 2018 Budget Act included \$3.4 million General Fund for the Judicial Council to implement an eight-court pilot program to allow indigent and low-income individuals to apply online to have their fines and fees from traffic

## JUDICIAL BRANCH

infractions reduced in accordance with their ability to pay. Currently, six courts have implemented the pilot program, which reduces fines and fees for eligible participants by at least 50 percent and allows them to make payments over a period of time.

The Budget includes \$12.3 million General Fund in 2021-22, increasing to \$58.4 million ongoing General Fund by 2024-25, to expand this program statewide and incorporate both traffic and non-traffic infractions. The ongoing costs include \$2.7 million to implement an online application system and \$55.7 million to backfill the estimated loss in revenue to support trial court operations as a result of the penalty reductions. The Judicial Council will implement this program on a phased schedule, with several courts joining each year.

Expanding the online ability to pay program statewide provides targeted relief for low-income individuals while maintaining accountability. Furthermore, it maintains judicial discretion and uses technology to allow for the online adjudication of infractions which makes trial courts more efficient and equitable.

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## OTHER SIGNIFICANT ADJUSTMENTS

The Budget also includes the following for the Judicial Branch:

- Trial Court Trust Fund Revenue Backfill—\$118.3 million total General Fund to continue backfilling the Trial Court Trust Fund for a decline in revenues expected in 2021-22.
- Facility Operations and Maintenance—\$53.5 million ongoing General Fund to support maintenance, utility, and lease costs for trial court and the Courts of Appeal facilities.
- Trial Court Employee Benefit Adjustment—\$39.1 million ongoing General Fund for trial court employee health benefit and retirement costs.
- Deferred Maintenance—\$30 million one-time General Fund in 2021-22 to support deferred maintenance projects for trial courts and the Courts of Appeal.
- Trial Court Facility Modifications—\$18.9 million General Fund in 2021-22 and \$48.8 million in 2022-23 to make facility modifications in two trial courts in Orange and San Diego Counties to correct deficiencies identified by the State Fire Marshal and mitigate public safety risks for court users.
- Construction Fund Consolidation—The Budget combines the Immediate and Critical Needs Account (ICNA) and the State Court Facilities Construction Fund (SCFCF), which are the primary fund sources for the Judicial Branch facilities program. Due to

## JUDICIAL BRANCH

the steady decline in fine and fee revenue, both funds are currently projected to become insolvent in the next few years. Therefore, the Budget consolidates the ICNA and SCFCF to allow for the resulting fund to remain solvent in 2021-22, and for the Judicial Council to maintain existing service levels for its facilities program.

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# 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 violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs. The Budget proposes total funding of \$13.1 billion (\$12.7 billion General Fund and \$345 million other funds) for the Department in 2021-22.

The COVID-19 Pandemic has impacted 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 2020 Budget Act projected an overall adult inmate average daily population of 122,536 in 2020-21. The average daily adult inmate population for 2020-21 is now projected to be 97,950, a decrease of 20 percent from spring projections.

Some of this decrease is attributable to suspending county intake in response to the COVID-19 Pandemic, which when resumed, will increase the population. Current projections show the adult inmate population is trending downward and is expected to decrease by another 2,626 offenders between 2020-21 and 2021-22.



## CRIMINAL JUSTICE

In addition, beginning July 1, 2020, CDCR implemented a community supervision program to enable CDCR to increase physical distancing as well as limit the introduction and spread of COVID-19 within its facilities. Inmates are eligible if they are within 180 days of release; are not serving a current term for domestic violence, a violent crime, or are required to register as a sex offender; and do not have a risk assessment score that indicates a high risk for violence. About two-thirds of these offenders were released to Post Release Community Supervision (county probation) and one-third were released to state parole. CDCR continues to release eligible inmates within 180 days of their natural release. CDCR also previously reviewed and released offenders deemed at high risk for COVID-19 as part of case-by-case offender reviews. Similar reviews are ongoing with a focus on determinately sentenced offenders within 12 months of release. Additionally, on July 9, 2020, CDCR applied a one-time 12-week positive programming credit to all eligible inmates to recognize the impact the COVID-19 Pandemic has had on inmates' access to programs and credit earnings.

Proposition 57, the Public Safety and Rehabilitation Act of 2016, established a durable solution to end federal court oversight and create more incentives for inmates to participate in rehabilitative programs. Proposition 57 is currently estimated to reduce the average daily adult inmate population by approximately 7,300 in 2021-22 (about 3,500 less than projected in the 2020 Budget Act), and by approximately 13,000 in 2023-24 (about 500 more than projected in the 2020 Budget Act).

The 2020 Budget Act projected an overall parolee average daily population of 47,929 in 2020-21. The average daily parolee population is now projected to be 45,924 in 2021-22, a decrease of approximately four percent from spring projections.

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### COVID-19 UPDATE

COVID-19 continues to spread among CDCR inmates and staff statewide. In December 2020, for the first time, active inmate cases rose to over 9,000 and active staff cases rose above 2,600. All 35 institutions have had active cases at some point. As of mid-December, 103 inmates had died from COVID-19 at 17 different institutions.

As of mid-December, Division of Juvenile Justice (DJJ) facilities had 6 active ward cases (down from a peak of 56 in late July and early August) and 47 active staff cases. No wards have died from COVID-19.

CDCR has taken proactive measures to reduce the presence and spread of COVID-19 in its institutions. Among other things, CDCR has restricted inmate movement; activated gyms, dayrooms, and temporary tent facilities to create physical distancing; modified

the parole suitability hearing process to take place by video and telephone conference; restricted family visitation and provided inmates with free telephone calls and video visitation opportunities; initiated a staff screening process upon entering facilities; suspended large-scale construction projects within the secure perimeter of CDCR facilities; and suspended in-person rehabilitative programs and education classes. CDCR also delayed the Basic Correctional Officer Academy, modified the Academy's training to provide for physical distancing, and employed the California Prison Industry Authority to produce cloth face masks and hand sanitizer for inmates and staff. In November 2020, the Department also started requiring all staff, contractors and vendors to wear disposable procedure masks while on prison grounds, rather than the previously required cloth masks. The Department is providing these masks on a daily basis upon entry to the prison.

Beginning in June, CDCR began expanded employee testing for COVID-19 at its skilled nursing facilities consistent with guidance from the California Department of Public Health. This guidance includes baseline testing of all employees and separate protocols for continued testing, the frequency of which is dependent on whether an institution has an active outbreak. CDCR has also implemented expanded employee testing protocols at institutions without skilled nursing facilities. On average, on a monthly basis, CDCR conducts approximately 128,000 tests on employees and 70,000 tests on inmates. Given the significant increase in COVID-19 cases among staff and inmates, CDCR implemented weekly testing of all staff at all institutions in late November 2020. CDCR expects to continue weekly testing through the end of January 2021, or until such time that there is a significant decrease in positive cases.

CDCR began distributing vaccines to staff and inmates in its skilled nursing facilities in mid-December. CDCR and the Receiver's Office will follow state public health guidance for further distributions.

By mid-December, CDCR had spent approximately \$408.3 million during 2019-20 and 2020-21 on COVID-19 activities including staff and inmate testing, cleaning, tents, and personal protective equipment purchases. By the end of 2020-21, CDCR expects to spend up to \$723.8 million more. The Budget includes \$281.3 million one-time General Fund in 2021-22, for these COVID-19 activities and purchases. For more information, please refer to the COVID-19 Pandemic Response Chapter.

In addition, the Budget provides limited-term resources of \$51 million General Fund in 2021-22, growing to \$77.6 million through 2024-25, for increased workers' compensation costs associated with Chapter 85, Statutes of 2020 (SB 1159), which creates a rebuttable presumption that an employee's illness related to COVID-19 is an occupational injury.

## CRIMINAL JUSTICE

### **PROJECT HOPE**

Project Hope provides non-congregate quarantine and isolation sheltering to individuals returning to the community from California state prisons. Through Project Hope, individuals who tested positive for COVID-19 or were exposed to COVID-19 while incarcerated are able to safely finish their medically directed quarantine or isolation to help prevent disease transmission into their communities. CDCR, the California Governor's Office of Emergency Services, and the Department of General Services collaboratively provide safe transportation, non-congregate hotel accommodations, and meal services to all participants. Project Hope is a voluntary program available to both parolees and individuals releasing to Post Release Community Supervision. Project Hope does not replace existing post-incarceration transition programs managed by the state, counties, and local service providers, and participants of Project Hope remain under the jurisdiction and supervision of either state parole or county probation departments. As of December 17, 2020, Project Hope has served approximately 934 returning individuals since its inception in April 2020.

### **SUSPENSION OF INTAKE TO STATE PRISONS**

As mentioned earlier, in late March the state halted intake and/or transfer of inmates from county jails into state prisons to reduce the risk of COVID-19 entering the state prison system. CDCR resumed intake on a limited basis in late August, although public health conditions subsequently halted intake again in late November. As public health conditions allow, CDCR plans to resume intake with continued precautions including offering testing to all inmates upon intake and instituting a mandatory 14-day quarantine period in its reception centers.

The suspension of intake has resulted in greater numbers of inmates being held in county jails. In circumstances where CDCR cannot accept the intake and/or transfer of an inmate from a county jail, the state is required to reimburse counties for holding inmates. As of December 1, 2020, the state has provided \$38.8 million General Fund, with an additional payment of \$40.4 million pending, to county sheriffs and county corrections departments for housing inmates due to the temporary stoppage of prison intake. This reflects payments for inmates held in county jails from March through November, and reimbursements will continue until such time that all inmates are transferred to state prison. Current projections suggest a total of \$163.4 million in additional reimbursement through June 30, 2021.

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## PRISON CAPACITY AND CLOSURES

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 inmates out of state in June 2019. In addition, CDCR terminated six of seven in-state contracts by October 2020, and the Budget reflects closing the final in-state contract correctional facility by May 2021. Due to the significant continued decline in the population, and consistent with the 2020 Budget Act, the Department plans to close Deuel Vocational Institution by September 2021, achieving savings of \$113.5 million General Fund in 2021-22, and \$150.6 million General Fund beginning in 2022-23. The Administration plans to close a second state-operated prison in 2022-23.

While CDCR's population is projected to decline over the next year, COVID-19 has presented a significant challenge for the Department. New consideration must be given to the long term use of dormitories, placements of older inmates, and the need for dedicated space to isolate inmates in the event of additional outbreaks of either COVID-19 or other airborne communicable diseases. The Department is considering long-term strategies for a safer and more resilient prison system into the future.

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## FOCUS ON INMATE REHABILITATION AND REENTRY

The Administration is committed to improving outcomes for incarcerated individuals and enhancing public safety by improving rehabilitation and reentry programs. The 2020 Budget Act made critical near-term investments to support this long-term goal, such as reduction of reception center processing times to allow inmates to begin participating in academic and rehabilitative programming sooner; changes to good conduct credits to provide greater incentives for inmates to engage in good conduct such as participating in work and program assignments; and establishment of a Youth Offender Rehabilitative Community at Valley State Prison to create an environment conducive to positive behavioral programming and targeted educational programs. The Budget builds upon those investments with adaptations necessary due to the COVID-19 Pandemic. In total, the Budget includes \$546.9 million General Fund for rehabilitative programs—nearly double the funding level in 2012-13.

## TECHNOLOGY FOR INMATES PARTICIPATING IN ACADEMIC PROGRAMS

Access to remote rehabilitative programming is critical to providing incarcerated individuals continued programming during the COVID-19 Pandemic. Remote

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programming is also an important factor in providing rehabilitation access to those individuals who may not have access to in-person training, such as those with medical conditions. The Budget includes \$23.2 million General Fund in 2021-22, and \$18 million ongoing General Fund, for information technology to enhance access to rehabilitative programming. Specifically, the proposal includes the purchase of approximately 38,000 laptop computers for use by academic program participants (such as students in basic adult education, GED, or community college courses), as well as the expansion of virtualization infrastructure, network bandwidth, and the creation of a secure online academic portal that will allow students to complete educational curriculum outside of the classroom.

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### STAFF DEVELOPMENT AND SUPPORT

Creating a prison environment that is safe, secure, and conducive to rehabilitation, requires a professional, well-trained workforce. Correctional officers serve an especially important role in the rehabilitation efforts of the Department. The Budget includes \$21.2 million General Fund in 2021-22, decreasing to \$16.1 million ongoing General Fund in 2024-25, to enhance staff development through new training for correctional officers. These efforts will involve repurposing the former Northern California Women's Facility into a new hands-on training facility and will focus on effective and realistic training.

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### INFRASTRUCTURE SUPPORT AND MODERNIZATION

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

### ROOF REPLACEMENT

Failing prison roofs have resulted in damage to electrical systems and housing units, interruptions in rehabilitation and education programs, and mental health treatment. The Budget includes \$33.6 million General Fund over two years for roof replacement projects at California State Prison, Los Angeles County. This is part of a multi-year plan to replace aging and deteriorating roofs across the state prison system. To date, 11 institutions have received one-time funding for major roof replacement and repair projects. In addition to California State Prison, Los Angeles County, 14 institutions remain scheduled for future roof replacement and repair projects over the next 7 years.

## HEALTH CARE FACILITY UPDATES AT THE CALIFORNIA REHABILITATION CENTER

Existing health care facilities at the California Rehabilitation Center are located in buildings approaching 75 years old that do not have adequate storage for medication and medical supplies, which restricts workflow and makes it difficult to maintain inmate-patient privacy. The Budget includes \$6.8 million one-time General Fund to replace damaged flooring, walls, wall-mounted air conditioning units, counters, and storage spaces in existing health care treatment areas. This project will also replace existing medication distribution windows with newer windows that are consistent with current standards and will allow for improved medication distribution. The California Rehabilitation Center is one of the older facilities in the state prison system. These upgrades are necessary to maintain this facility, which is better geographically situated to recruit staff, including health care staff.

## DEFERRED MAINTENANCE

The Budget includes \$50 million one-time General Fund in 2021-22, to address the Department's highest priority deferred maintenance projects. CDCR has numerous critical maintenance projects, which have resulted in essential infrastructure systems deteriorating to the point of failure. Although the Department has made significant strides in reducing its deferred maintenance backlog in recent years, total costs of identified deferred maintenance projects are estimated at approximately \$1 billion.

## CELLULAR INTERDICTION

The Department currently uses technology called the Managed Access System to block unauthorized cellular usage within its prisons. While the Department works to prevent the introduction of contraband cell phones onto prison grounds, cell phones are still located and confiscated. This system disables contraband cell phones by intercepting calls and stopping them from being completed. The Budget includes \$1.8 million ongoing General Fund to maintain the use of the current Managed Access System which would otherwise expire May 2021, with the Inmate/Ward Telephone System contract. Although the continuation of the Managed Access System results in increased costs to the state, it also results in reduced calling costs to inmates and their families when using the Inmate/Ward Telephone System.

## OTHER SIGNIFICANT ADJUSTMENTS

- *Armstrong* Court Compliance—In September 2020, the U.S. District Court for the Northern District of California ordered CDCR to develop a plan within 21 days, to be

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implemented in the months thereafter, to address several mandated reforms at the Richard J. Donovan Correctional Facility (RJD). These reforms include: (1) installation of security cameras throughout the prison within 90 days; (2) use of body-worn cameras within 60 days; (3) modifications of the staff complaint and disciplinary processes; and (4) increases to supervisory staffing and training. While the state has appealed this order, the Budget includes \$13.5 million General Fund in 2020-21, \$10.1 million General Fund in 2021-22, and \$6.9 million General Fund beginning in 2022-23 for these purposes. This also includes funding for the installation of security cameras on two yards at the California State Prison, Los Angeles County.

- **Increased Healthy Menu Options**—To improve health and well-being of the inmates, CDCR is implementing healthier menus within its institutions. The updated menu addresses inmates' overall healthy eating patterns and is based on the U.S. Department of Agriculture's dietary guidelines. The Budget includes \$7.5 million ongoing General Fund to support this change.
- **Transgender, Nonbinary, and Intersex Inmate Housing and Search Preferences**—The Budget includes \$2.8 million General Fund in 2021-22, declining to \$1.2 million ongoing General Fund, to develop and implement policies related to Chapter 182, Statutes of 2020 (SB 132), the Transgender Respect, Agency, and Dignity Act. SB 132 requires CDCR to house, and conduct physical searches of, transgender, nonbinary, and intersex inmates according to their gender identity and preference. Funding will be used to update data repositories with gender identity markers; process transgender, nonbinary, and intersex housing change requests; and train correctional staff on safe housing practices.

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## INMATE MEDICAL CARE AND MENTAL HEALTH SERVICES

The Budget continues the state's commitment to improve the Department's delivery of health care services to inmates. The Budget dedicates \$3.4 billion ongoing General Fund for health care services programs, which provide access to mental health, medical, and dental care that is consistent with the standards and scope of services appropriate within a custodial environment.

### FEDERAL RECEIVERSHIP OVERSEEING PRISON MEDICAL CARE

In 2005, a federal court established a receivership to oversee prison medical care. To date, the Receiver has transitioned oversight of 19 institutions back to the state. The Budget includes \$4 million General Fund in 2021-22, increasing to \$11.6 million ongoing General Fund in 2023-24, to enhance quality management and patient safety by

providing staff to evaluate risks and implement best practices to improve the health care delivery system.

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## **DIVISION OF JUVENILE JUSTICE REALIGNMENT**

Consistent with Chapter 337, Statutes of 2020 (SB 823), the Division of Juvenile Justice (DJJ) will stop the intake of wards on June 30, 2021, with limited exceptions. The 2021-22 estimated population is expected to be 729, a reduction of 126 compared to the spring projections, reducing costs by \$10.1 million General Fund in 2021-22. The DJJ is expected to close on June 30, 2023. For more information, please refer to the Health and Human Services Chapter.

Pursuant to SB 823, and to facilitate the transition of youth offenders from state to county care, the Board of State and Community Corrections will distribute one-time funds of \$9.6 million General Fund in 2020-21, for the Regional Youth Programs and Facilities Grant Program. SB 823 also included ongoing funding for the Juvenile Justice Realignment Block Grant as follows: \$46.5 million General Fund in 2021-22, \$122.9 million in 2022-23, \$195.9 million in 2023-24, and \$212.7 million ongoing beginning in 2024-25, for county probation departments to take over responsibility for youth who will no longer go to the DJJ. County probation departments are integral to the success of the realignment of juvenile offenders from the state to counties.

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## **LOCAL PUBLIC SAFETY AND REHABILITATION**

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### **COUNTY PROBATION DEPARTMENTS**

Probation has broad responsibilities that include crime prevention, rehabilitation through community supervision, overseeing the local juvenile justice system and promoting healthy families and communities. When probation departments are successful they reduce recidivism and state prison costs, and contribute to improving outcomes for offenders.

Probation has been at the forefront of criminal justice reform and, even in the face of budget downturns, has continued to innovate and improve its approach to community safety. In recent years, probation has been tasked with increased responsibilities through juvenile and adult realignments. Probation has continually accepted and embraced these responsibilities, leading to reduced incarceration rates and improved



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outcomes, as evidenced in reforms such as the California Community Corrections Performance Incentive Act of 2009 (SB 678), discussed below.

Chapter 328, Statutes of 2020 (AB 1950), provides a significant opportunity for county probation to refocus efforts and provide enhanced services earlier in the probation term to increase success and reduce recidivism. County probation departments will also now support the entire juvenile justice continuum with the implementation of SB 823.

The Budget makes an additional investment of \$50 million one-time General Fund in 2020-21 for county probation departments to support these transitions. The Administration proposes that the Legislature take action on this funding early in 2021.

These funds may be used for a broad range of services with an emphasis on keeping juveniles and adults out of the criminal justice system, moving them quickly and successfully through the system, and keeping them from reentering the system. Enhancing services in the community will enable probation to better meet the treatment and programming needs of adult and juvenile offenders, while also providing the courts confidence in probation as an alternative to incarceration.

### **ADULT PROBATION**

In 2009, the state recognized the importance of investing in probation to reduce state prison costs with the passage of the California Community Corrections Performance Incentive Act of 2009 (SB 678). SB 678 provides performance-based funding to share General Fund savings with county probation departments that reduce or maintain low revocation rates to prison from the probation population. Based on county-reported data from calendar year 2019, the 2020 Budget Act allocated \$112.6 million General Fund to counties.

The COVID-19 Pandemic and its impacts to law enforcement and court processing resulted in significantly fewer revocations. In addition, AB 1950, which caps probation terms at one or two years will also impact revocation rates.

Since these two factors impact the current calculations in a way that has little relation to probation department performance, the Budget provides \$122.9 million ongoing General Fund to county probation departments, based on the highest payment to individual counties over the prior three fiscal years. These funds will continue to support county probation departments' efforts to reduce or maintain low revocation rates while recognizing the unprecedented impacts of the COVID-19 Pandemic and changes to

statewide probation policy. The Administration intends to revisit the performance-based formulas after trends in the probation population stabilize.

## **JUVENILE PROBATION**

County probation departments are supporting the implementation of SB 823, which closes state facilities to juvenile offenders on June 30, 2021. In order to successfully implement this change counties and probation departments must work toward the development of appropriate placements and rehabilitative programs. The realignment of youthful offenders to the counties allows for enhanced collaboration between juvenile delinquency and dependency, but more specialized placements must be developed to rehabilitate youthful offenders and avoid adult commitments. As mentioned previously in this Chapter, the Board of State and Community Corrections is distributing \$9.6 million General Fund in 2020-21, to support facility upgrades and specialized program development and the Budget includes \$46.5 million General Fund in 2021-22, for counties to support implementation of SB 823.

## **POST-RELEASE COMMUNITY SUPERVISION**

The Budget includes \$19.5 million one-time General Fund in 2021-22, for county probation departments to supervise the temporary increase in the average daily population of offenders on Post-Release Community Supervision as a result of the implementation of Proposition 57.

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## **PROPOSITION 47 SAVINGS**

In November 2014, voters passed Proposition 47, which requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits inmates previously sentenced for these reclassified crimes to petition for resentencing. Proposition 47 requires the Department of Finance to annually estimate savings to the state resulting from the measure in the preceding fiscal year and that an equivalent amount from the General Fund be deposited into a special fund for specified purposes.

The Department of Finance currently estimates net General Fund savings of \$114.8 million, an increase of \$11.9 million over the estimated savings in 2020-21. This is attributable primarily to increased savings resulting from the end of the state's reliance on contract facilities to house prison inmates. These funds will be allocated according to the formula outlined in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as

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mental health and substance use services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.

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### COUNTY JAIL RELINQUISHMENTS

The Board of State and Community Corrections administers five financing programs for adult jail facilities in counties statewide. Since these programs commenced, several county recipients have relinquished their awards and some counties realized minor project savings that remain unspent. Approximately \$202 million is currently available for allocation. The Administration supports reallocating these bonds to purchase or modify community mental health facilities. For more information, please refer to the Housing and Homelessness and Health and Human Services Chapters.

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### PENAL CODE REVIEW

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#### COMMITTEE ON REVISION TO THE PENAL CODE

The Budget includes \$494,000 ongoing General Fund for additional staffing for the Committee on Revision of the Penal Code. The Committee was established on January 1, 2020, to study and recommend changes to simplify and rationalize California's criminal laws and will produce its first set of recommendations in January 2021. The Committee's first year of work has confirmed the need for additional legal staff to address the complexity and scope of California's criminal justice system.

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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 data needs of California's criminal justice community. The Budget includes total funding of approximately \$1.1 billion, including \$358 million General Fund, to support DOJ.

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## POLICE USE OF FORCE INVESTIGATIONS

Chapter 326, Statutes of 2020 (AB 1506), requires a state prosecutor to investigate incidents of an officer-involved shooting resulting in the death of an unarmed civilian, and makes the Attorney General the state prosecutor unless otherwise specified or named. The Budget includes \$13 million General Fund in 2021-22, increasing to \$13.5 million ongoing, to establish three teams, one in each of the northern, central, and southern regions of California, to conduct these investigations across the state. AB 1506 also requires DOJ, commencing July 1, 2023, to operate a Police Practices Division to review and make recommendations on the use of deadly force policies of law enforcement agencies. The Administration is committed to working with DOJ on the implementation of this Division in the future.

## SIGNIFICANT ADJUSTMENTS

- Bureau of Forensic Services—\$16 million (\$6 million General Fund and \$10 million Fingerprint Fees Account) in 2021-22, increasing to \$28.3 million ongoing (\$18.3 million General Fund and \$10 million Fingerprint Fees Account), to backfill the continued decline in fine and fee revenues in the DNA Identification Fund. This funding will enable DOJ to continue processing forensic evidence for client counties.
- Consolidated Science Forensic Laboratory—\$6.5 million one-time General Fund for DOJ to build a new facility to expand forensic capacity and capability, and to allow California to remain on the cutting edge of forensic science and technology.
- Healthcare Rights and Access Workload—\$2.1 million ongoing Public Rights Law Enforcement Special Fund to address workload concerns in the recently established Healthcare Rights and Access Unit within the Division of Legal Services.
- Chapter 337, Statutes of 2020 (SB 823)—\$1.9 million General Fund in 2021-22, and \$1 million in 2022-23, to convene a working group to submit a plan for the replacement of the Juvenile Court and Probation Statistical System with a modern database, as part of the realignment of the Division of Juvenile Justice to the counties.
- Chapter 319, Statutes of 2020 (AB 3121)—\$1.1 million General Fund in 2021-22 and 2022-23, to support the Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States.

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- Chapter 292, Statutes of 2020 (AB 2847)—\$674,000 Dealers Record of Sale Special Account in 2021-22, and \$1.3 million in 2022-23, for information technology resources to update systems to track microstamp information as required by the bill.

# DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

**B**uilding upon the state's 2019 investment in digital innovation, the Government Operations Agency (GovOps), California Department of Technology (CDT), Office of Digital Innovation (ODI), and Department of General Services (DGS), will accelerate the digital transformation of services and how they are delivered to nearly 40 million Californians by working collaboratively with state agencies and departments to find innovative ways to adapt and deliver core government functions online while improving business processes and consumer interactions. Efforts will stabilize critical services and Information Technology (IT) infrastructure and security, modernize and improve the user experience, empower the use of data, and implement policy changes that will make government operations more efficient and effective for all Californians.

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## DIGITAL TRANSFORMATION

The events of 2020 highlighted the urgent need to modernize government services in an online environment. The state recognizes the need to optimize technology infrastructure and investments, foster digital services, and use data to inform decision-making. Government modernization will lead to improved and equitable decisions, services, and outcomes for Californians.

## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

The ODI, an office within GovOps, is tasked with improving the service delivery functions of state entities, while CDT is primarily responsible for overseeing departments in their utilization of technology services and works with state entities so that new and existing services meet the needs of a modern California.

### **STABILIZE CRITICAL SERVICES AND IT INFRASTRUCTURE AND SECURITY**

In order to transform the way individuals engage with government online, the first step is to provide a stable and secure information technology foundation. Historically, individual state departments have been responsible for the ongoing maintenance and operation of their technology systems, including scaling them to meet Californians' needs. When systems fail, departments rely on CDT to make emergency repairs. Unfortunately, reacting to an emergency when it occurs is neither helpful to the department nor the individuals reliant on the services provided. As such, the state must establish a proactive and preventative approach so its critical technology systems are resilient enough to prevent failures and recover rapidly when they do occur.

The Budget includes \$11.4 million one-time General Fund (\$9.4 million General Fund in 2022-23 and \$6.4 million ongoing General Fund) for CDT to target critical services, perform a rigorous assessment of the most vital and at-risk services, develop report cards, drive interventions and improvements, and identify key safeguards. The CDT will prioritize departments by Essential State Function as identified in the state's Continuity of Operation Plans. Focus has begun on services associated with the COVID-19 Pandemic, including those in the California Department of Public Health (CDPH), the Governor's Office of Emergency Services, and the Employment Development Department (EDD).

The Budget also includes \$20.1 million ongoing General Fund to conduct IT security assessments of state departments in an efficient and effective manner by funding these assessments up front, allowing departments the ability to use the savings from not having to reimburse CDT for the cost of the assessment, to remediate security deficiencies. This increases the speed in which security risks are resolved.

### **MODERNIZE AND IMPROVE THE USER EXPERIENCE**

While CDT is primarily responsible for overseeing departments' utilization of technology services, including information security, project delivery and workforce development, CDT also enables the state to leverage its current investments in data and information. This creates new and innovative approaches to information sharing that provide governments, individuals, and businesses the opportunity to make decisions in the context of more information.

## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

GovOps, CDT, ODI, and DGS will begin the next steps in modernizing and improving the way in which individuals engage with state government. Significant projects include:

- Developing a new CA.gov portal providing essential digital services in one website.
- Researching the development of a Digital ID system to be used across all state departments.
- Accepting credit card payments at all public-facing state departments.
- Migrating state department websites to CDT's Web Enterprise Platform and evaluating compliance with the Americans with Disabilities Act accessibility requirements.
- Transitioning all state forms to be signed and submitted electronically.
- Creating an all-electronic process for regulations submitted by departments to the Office of Administrative Law for approval.

The CDT's innovation efforts are complemented by ODI. The ODI was established in 2019 to focus on the end user and how the end user engages with government. The ODI puts the end user at the center of service design and uses qualitative and quantitative user research to inform everything from discovery to delivery. To date, ODI's focus has been in collaboration with CDT, managing a series of critical projects aimed at helping CDPH and EDD with COVID-19 response activities. Significant accomplishments to date include:

- Alpha.ca.gov Project—Prototyped a redesigned CA.gov website, successfully demonstrating how user research, content design, and performant technology can make services and information easy to find, easy to understand, and easy to use through a single web portal.
- COVID19.ca.gov—Created the state's public COVID-19 information web portal in collaboration with multiple state departments and agencies. The portal was built in four days using the reusable assets and tools created by the Alpha.ca.gov project. ODI updates guidance, design, and code daily, constantly iterating, making the site easier for the end user.
- EDD Strike Team—Helped prioritize problems, identify root causes, scout potential solutions and offer guidance to EDD on how to make system and operational improvements, including implementing a new identity verification and fraud



## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

prevention system, simplifying the unemployment insurance application, and streamlining Workshare.

In addition, several departments have projects underway to add online services and improve existing systems to better serve Californians. The Department of Consumer Affairs and the Department of Alcoholic Beverage Control are making it easier to apply, renew, and pay fees for various licenses as well as adding more forms and information online. Other modernization efforts in process include making it easier to apply for and track college financial aid, bringing business forms and filings online, developing electronic health care record systems as well as updating legacy systems to be more stable and nimble. These projects will make it easier for individuals to obtain much needed information and services.

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## RESULTS-ORIENTED AND INCLUSIVE GOVERNMENT

The COVID-19 Pandemic has forced systemic changes to government operations and GovOps was charged with rethinking business practices including the expansion of telework strategies, reconfiguring office space, reducing leased space, and promoting flexible work schedules for employees. GovOps is also leading a government-wide effort to reduce disparities and promote equity and inclusion in the work place.

The Budget includes \$57.4 million ongoing General Fund savings to reflect operational efficiencies within state departments and agencies directed in the 2020 Budget Act through the implementation of new operational policies and practices throughout the state.

### EQUITY AND INCLUSION

As part of transforming state operations, it is imperative that state processes and policies be established to serve the people of California in accessible, equitable, and inclusive ways. In September 2019, the Administration convened the California Leads Taskforce under the direction of GovOps Agency that includes the following topics: Sexual Harassment Discrimination Prevention and Response, Diversity and Inclusion, Public Safety Diversity, and Racial and Gender Pay Equity. These task forces have developed actions to create a more inclusive, respectful, and equitable workplace. The Budget includes \$290,000 ongoing General Fund to establish the state's first ever Chief Equity Officer within GovOps, which will build upon and implement the work of the California Leads Taskforce. The Chief Equity Officer will develop a uniform

## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

framework for creating equitable policies, practices, and metrics for hiring and procurement.

Further, the Administration is collaborating with the Department of Developmental Services and Department of Rehabilitation to begin a new State Employment Initiative to employ more persons with disabilities in the state workforce. Currently, five departments are part of the pilot program to bring both awareness of state jobs and full-time employment to the disabled community.

### **PLAN FOR TELEWORK**

At the start of the COVID-19 Pandemic, the state faced challenges with transitioning large segments of its employees to a remote work environment quickly, with as little disruption as possible to the public. Since the initial rollout of the emergency telework guidance in March 2020, GovOps and DGS have:

- Developed a new comprehensive statewide telework policy.
- Launched [www.telework.govops.ca.gov](http://www.telework.govops.ca.gov) as an online resource for agencies and departments to explore telework collaboration and optimization strategies.
- Promoted telework by engaging in pilot programs to expand the use of telework and serve as best practice case studies for other agencies and departments.
- Established a new statewide policy allowing the use and acceptance of e-Signatures on most standard agency and departmental forms.

State departments and agencies will continue implementing telework best practices into their operations, including identifying positions that can telework full-time or part-time in a post-pandemic environment. Agencies and departments are also encouraged to attend the California Department of Human Resources Lean Academy, which is designed to help improve processes and quality from the point of view of the customer and eliminate waste. These permanent operational changes throughout the state are expected to lead to ongoing savings for many state entities.

### **REDUCE AND RECONFIGURE OFFICE SPACES**

As a result of an expected increase in telework over the long-term, DGS is evaluating the state's portfolio of leases to determine which agencies and departments may be able to reduce the use of state space. Departments and agencies are also looking for opportunities to reconfigure their workspaces to include additional meeting rooms and hoteling space that will reduce the state's overall footprint. Reducing space decreases

## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

not only the lease costs but also energy costs. Departments and agencies are continuing to work with DGS on potential restacking opportunities in state-owned buildings and leased properties. Current efforts include:

- The Natural Resources Agency is leveraging ongoing telework to reduce its space needs upon relocation to their new headquarters building in August 2021. The new headquarters building will accommodate more staff with less space.
- DGS is analyzing its own lease space needs, freeing up space to relocate an additional department into its facilities, thereby resulting in rent savings to DGS.
- The Department of FI\$Cal, as part of a telework pilot program, is relinquishing much of its leased office space as they transition most staff to permanent telework resulting in approximately \$1 million in ongoing savings.
- The California Department of Tax and Fee Administration is reviewing with DGS its building project to identify efficiencies due to increased permanent telework amongst its staff.

### REDUCE TRAVEL AND FLEET COSTS

With the successful implementation of virtual meeting tools and the planned expanded use of telework into the future, the amount of travel and fleet usage by state departments and agencies will decline. Most state entities have now successfully implemented online tools into their operations that allow them to virtually conduct meetings and collaborate on projects and other critical functions. GovOps in collaboration with DGS is working on the following statewide travel and fleet cost reduction strategies that complement the changing work environment for state departments and agencies while also achieving operational savings:

- Directing departments and agencies to reduce statewide travel costs by utilizing video conferencing for meetings or trainings, where possible, and eliminate unnecessary travel.
- Updating existing policy and developing a new technology solution to default to the lowest logical airfare price when making reservations through the state's travel system. This will reduce ticket costs by up to 60 percent.
- Establishing a statewide policy on installation and utilization of Telematics devices (a mini GPS device that tracks distance, time, location, speed, etc.) for state vehicles, which when fully implemented, will better assist the state in managing its fleet, resulting in reduced fuel and maintenance costs, and minimizing accidents.

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- Developing a plan to evaluate state fleet home storage permits.

### REDESIGN PROCUREMENT PROCESSES

The state needs to leverage its buying power as a force for economic recovery and equity, while also achieving better outcomes. The state is transforming its procurement processes to improve the experience for both the vendor community and state entities. This means framing procurements as challenges and statements of need instead of being prescriptive about solutions. Streamlining and simplifying the procurement lifecycle will also help level the playing field and open up state contracts to a broader diversity of firms, including small businesses. Procuring from small businesses creates and sustains jobs that strengthen the economy. DGS will implement and educate departments on a Small Business First Policy and increase outreach for California's minority-owned businesses.

Technology procurement redesign starts with a deep analysis of technology spending to identify opportunities for shared services and scale discounts. On the project delivery side, the state will no longer pursue large "rip and replace" capital IT projects. Instead, it is adopting a modular and iterative approach, where functionality is built and released in smaller projects and in close collaboration with the end users.

### EMPOWER THE USE OF DATA

In order to effectively and efficiently provide critical services in a user-friendly way, the state is improving the use of its data. To effectively provide services, especially to the most vulnerable residents, the state needs to be able to evaluate what works and what does not through robust use of data and evidence. GovOps recently published a Statewide Data Strategy that will allow the state to develop the infrastructure, processes, and people to manage, access, and use data efficiently, effectively, securely, and responsibly. The Budget includes \$558,000 ongoing General Fund for the state's Chief Data Officer to implement the Statewide Data Strategy.

### STATE OPERATIONS STRATEGIC PLANNING

To guide the state into a results-oriented operational environment, GovOps will facilitate the development of a multi-year strategic plan to transform state government. This transformation effort will begin with establishing a set of cross governmental goals that create a more resilient and responsive state government. This will be a first of its kind statewide strategic plan focused solely on state operations. The GovOps Center for Government Excellence and Transformation will assist this effort by weaving together

## DIGITAL TRANSFORMATION AND RESULTS-ORIENTED GOVERNMENT

earlier and new initiatives into a delivery strategy that builds the capacity to transform government for the modern era and measures the outcomes of its efforts.

# LABOR AND WORKFORCE DEVELOPMENT

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## LABOR AND WORKFORCE DEVELOPMENT

The California Labor and Workforce Development Agency (Labor Agency) serves California workers and businesses by improving access to employment, education and training programs in connection with employers' need for talent, enforcing California labor laws to ensure workers are protected and employers compete on a level playing field, and administering employment-related benefits that promote equity throughout the state.

The COVID-19 Pandemic has had devastating impacts on California's workers, disproportionately impacting low-wage earners, and businesses. California's unemployment rate increased from a record low of 3.9 percent in February 2020 to a record high of 16.4 percent in April and May. The COVID-19 Pandemic forced dramatic downturns in many industries and almost complete shutdowns in others. Almost half of all leisure and hospitality workers lost their jobs, while higher wage sectors such as professional and business services largely shifted to working from home.

As a result of the COVID-19 Pandemic, the federal government enacted a stimulus package in spring 2020 to expand and increase unemployment insurance benefits, including the creation of a new program to provide benefits to individuals who traditionally would not have been eligible for regular unemployment. The federal government also provided expanded paid sick and medical leave to certain workers

## LABOR AND WORKFORCE DEVELOPMENT

who were unable to work as a result of becoming ill from COVID-19 or self-quarantining.

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### **EMPLOYMENT DEVELOPMENT DEPARTMENT**

The Employment Development Department (EDD) administers the state's Unemployment Insurance (UI), Disability Insurance, and Paid Family Leave programs. EDD also provides a range of employment and training services in partnership with state and local agencies and organizations throughout California connecting employers with job seekers.

#### **UNPRECEDENTED UNEMPLOYMENT RATES**

As many businesses began to shut down in March, UI claims spiked. The immediate surge forced EDD to make adjustments to its approach and processes while simultaneously transitioning many employees to a telework environment. To address the overwhelming number of applications, EDD immediately redirected staff, extended traditional work hours, adopted operational and technological changes to gain efficiencies and maximize capacity, and began to hire and train additional UI claims processors. EDD recruited the assistance of other state departments, resulting in hundreds of state employees trained to assist on both a limited and long-term basis. EDD also extended its call center hours and contracted with vendors to increase customer service capacity to handle the high volume of incoming inquiries.

While EDD was significantly challenged by the surge in UI claims as a result of the COVID-19 Pandemic, it was also hampered by a decades-old technology system that made coding any program changes extremely difficult, cumbersome, and slow.

#### **EMPLOYMENT DEVELOPMENT DEPARTMENT STRIKE TEAM**

Despite EDD's efforts, the backlog of UI claims continued to grow. In late July, the Governor announced the creation of an EDD Strike Team tasked to create a blueprint for improvements and modernization of EDD's business processes to more efficiently process UI claim applications and improve the customer experience. Outlined in their September report, the EDD Strike Team made 100 consolidated recommendations; EDD is anticipated to have completed half of them by year-end and developed timelines for completion of the remaining recommendations. Most notably, EDD has taken steps to address the top four recommendations, as follows:

- Develop dashboards that measure daily the different UI claims process.

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- Procure and deploy an identification verification solution—ID.me to increase security and reduce processing times.
- Adopt and implement a plan to reduce the substantial backlog of UI claims.
- Complete the deployment of the document upload software for UI applicants.

### **MITIGATING FRAUD**

The pandemic and surge in claims not only created a backlog and overwhelming workload for EDD: as in many other states, opportunists took advantage of the crisis through identity theft and exploiting newly established federal UI benefits, in particular the Pandemic Unemployment Assistance (PUA) program, which had a less stringent verification process than the base UI program. After a spike in PUA claims in June and July, EDD took action to halt the automatic backdating of incoming PUA claims in early September and implemented a front-end technology application, known as ID.me, to assist with identity verification of users and to authenticate registrants prior to filing benefit claims. These efforts have significantly reduced the fraudulent claims and the Governor has formed a taskforce led by the Governor's Office of Emergency Services to coordinate with federal, state and local law enforcement entities to identify, investigate, and prosecute fraudulent activity within the UI system. Further, EDD is continuing to identify systems and assess tools that will help to further detect fraud and prevent fraudulent claims.

### **UNEMPLOYMENT INSURANCE TRUST FUND**

The federal government allowed states to borrow from the federal UI trust fund with no interest through 2020 (the recent federal COVID-19 relief bill extends this to March 14, 2021). However, beyond this date, states will owe interest on any remaining balance. EDD estimates California will have a \$21.5 billion UI Trust Fund deficit as of the end of 2020, rising to \$48.3 billion by the end of 2021. The projected deficit will surpass borrowing from the Great Recession, when California borrowed over \$65 billion in loans and paid \$1.4 billion in interest from 2011-2018. At its highest point, the state owed \$11 billion in 2011.

The Budget includes \$555 million one-time General Fund for the anticipated interest payment (accrued interest for six months) due in September 2021. Federal law requires interest payments to be made from state funds annually until the UI loan principal is repaid. With the recently enacted federal COVID-19 relief bill, interest will be waived through March 14, 2021; however, the anticipated loan interest repayment estimates do not reflect this relief and will be updated at the May Revision.



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### DEPARTMENT OF INDUSTRIAL RELATIONS

The Department of Industrial Relations (DIR) protects and improves working conditions by administering and enforcing laws related to wages, workplace safety and health, retaliation, and workers' compensation benefits. The department's Division of Occupational Safety and Health, better known as Cal/OSHA, enforces workplace safety laws by investigating workplace hazards and health and safety violations.

#### PROTECTING WORKERS IN A PANDEMIC, AND BEYOND

The COVID-19 Pandemic has placed unprecedented strain on DIR's resources and workforce. DIR has accelerated hiring throughout the Department, and in Cal/OSHA specifically, to fill the high number of existing vacancies. Newly appointed leadership has overhauled hiring protocols in coordination with California Department of Human Resources, built a pipeline of potential hires, and placed qualified inspectors and staff in all roles across the Department. These reforms aggressively target DIR's goals of filling existing vacancies by summer 2021.

#### SIGNIFICANT ADJUSTMENTS:

- The Budget includes language to allow DIR to increase resources mid-year by up to \$14.4 million and 70 positions for Cal/OSHA to hire additional workplace safety inspectors when the Department meets its hiring goals.
- The Budget includes \$8.6 million and 43 positions to implement and enforce recently enacted legislation that makes it easier for first responders, health care workers, and people who contract COVID-19 due to an outbreak at a workplace to access necessary workers' compensation benefits. Additional resources allow DIR to investigate workplaces that violate COVID-19 specific guidelines and regulate businesses for adequate personal protective equipment stockpiles for future crises.

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### WORKFORCE DEVELOPMENT BOARD

Getting Californians back to work is key to California's economic recovery. As noted above, some sectors have been hit harder by the COVID-19 Pandemic and may not recover. These workers will require retraining and learning new marketable skills. The California Workforce Development Board (Board) is in a position to offer support to this group. The Board invests in partnerships to generate greater economic and racial

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equity, economic competitiveness, and opportunities to maximize the contributions of diverse communities. The Board's efforts also prioritize combating climate change. Through the High Road Training Partnership (H RTP) workforce development strategy, the Board builds regional partnerships among workers, employers, community-based organizations, and training institutions to meet industry needs and develop pathways to good quality jobs. The Budget proposes \$25 million one-time General Fund as part of an early action package to expand the H RTP model in several specified industry sectors.

The Budget also includes \$407 million federal trust fund in 2020-21, to continue Workforce Innovation Opportunity Act (WIOA) training and apprenticeship services programs for adult, youth, and dislocated workers. This includes a 15-percent state discretionary allocation, for statewide workforce activities that support innovation and targeted programs for veterans, English Language Learners and people with disabilities. These workforce activities also include the Regional Workforce Accelerator program to develop equitable strategies to improve employment outcomes for disadvantaged workers, with a focus on immigrant communities, homeless individuals, and workers displaced by the COVID-19 Pandemic. The WIOA discretionary funding also supports CalAssist, an innovative effort to utilize technology to better connect the unemployed across programs—e.g., UI and Department of Social Services program beneficiaries—to the benefits, employment, and support programs in their area through automatic matching.

The state will also be partnering on a jobs platform that seeks to democratize job searches by connecting job seekers, who can learn specific skills, with companies looking to hire workers with these skills while closing opportunity gaps.

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### **FUTURE OF WORK COMMISSION**

In addition, the Governor's Future of Work Commission was established to study and provide recommendations to California leaders to support inclusive, long-term economic growth and prosperity for all Californians, starting with workers and their families. The Commission is made up of a broad cross-section of leaders representing employers, unions, workers in low-wage industries, education, technology, venture capital and government. After a series of convenings, the Commission plans to issue a report in January 2021 that discusses the impacts of technology on workers, employers, jobs and society; methods of promoting better job quality, wages, and working conditions; worker safety net protections; and workforce training for jobs of the future.

## LABOR AND WORKFORCE DEVELOPMENT

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### **DEPARTMENT OF BETTER JOBS AND HIGHER WAGES**

In light of the projected changes to the workforce brought about by the COVID-19 Pandemic, California must reevaluate how it administers its training and apprenticeship programs, allowing its Labor Agency departments to work more efficiently to reduce the impact to employers while increasing benefits to the workers it supports. Historically, the state has created workforce programs in various entities in response to specific needs and available funding. This has resulted in a fragmented workforce system and programs disbursed in various state entities. However, as rapid advancements in technology, automation, and artificial intelligence reshape the economy and the nature of work, more needs to be done to promote high-quality jobs and economic security for workers, families, and communities. Aligning fragmented workforce programs is a necessary component of these efforts.

The Budget proposes a new Department of Better Jobs and Higher Wages and statutory changes to consolidate the workforce functions currently spread across the Labor and Workforce Development Agency. The Department will be comprised of the California Workforce Development Board, the Employment Training Panel, and Workforce Services Branch and Labor Market Information Division, which are currently in the Employment Development Department, and the Division of Apprenticeship Standards currently in the Department of Industrial Relations.

# TRANSPORTATION

Job creation is foundational to the state's recovery from the significant impacts of the COVID-19 Pandemic. The Department of Transportation (Caltrans) currently estimates that approximately 11,000 jobs are created for every billion dollars spent on highway infrastructure. The California Transportation Commission allocated \$22 billion for more than 1,200 projects in 2020, which will create thousands of jobs and spur economic recovery. The projects funded will support a safe, sustainable state transportation system that reduces congestion, improves the environment, and facilitates job creation and economic development. Nearly 40 percent of the funds approved by the Commission during the past year come from the Road Repair and Accountability Act of 2017, enacted by Chapter 5, Statutes of 2017 (SB 1), and the Commission estimates that its project allocations over the past three years from all state and federal sources have generated 350,000 jobs.

The Budget continues to support job creation by including total funding of \$20.6 billion for all departments and programs administered within the California State Transportation Agency. The majority of this funding supports a range of projects to repair and improve the state's transportation infrastructure. In addition, over \$3 billion in fuel excise tax revenues goes to cities and counties for local streets and roads. While this project funding benefits the state's travelling public, it is also a major driver of employment and economic stimulus.

## TRANSPORTATION

### **DEPARTMENT OF TRANSPORTATION INVESTMENTS AND JOB CREATION**

The repair, maintenance, and efficient operation of the state's transportation system are vital to California's economic growth and recovery. Following several decades of state and local transportation funding falling dramatically below the levels needed to maintain the system, the Legislature passed SB 1, which provided stable, ongoing, long-term funding for both state and local transportation infrastructure priorities. In the years since, Caltrans has moved forward with a number of projects that continue to create jobs.

The COVID-19 Pandemic has led to dramatic reductions in travel across the country and the state. As a result, the fuel excise tax revenues used to fund transportation projects, while still growing moderately, are expected to be lower than pre-pandemic forecasts by a total of \$1.5 billion through 2024-25. As the Administration continues to prioritize economic recovery and investments in California's transportation infrastructure, Caltrans has used its share of the additional SB 1 revenues to accelerate projects and support creation of new jobs in the transportation sector. The Budget maintains sufficient planning and engineering staffing levels to continue developing and designing previously programmed projects. Caltrans plans to award all of the projects it currently has programmed for construction in the coming year, and this project development work will prepare for additional federal stimulus funding as it becomes available. The recently enacted federal COVID-19 relief bill provides \$10 billion for highway projects, of which California is likely to receive approximately \$900 million. When combined with the more than \$500 million California received in the redistribution of federal funding that went unused in other states, California is on track to move forward with all planned projects.

Caltrans continues to make progress on the commitments made in SB 1, which invests an additional \$5.4 billion annually over the next decade to fix California's transportation system. In the three years since the passage of SB 1, Caltrans has improved the condition of 6,400 lane miles of highway pavement in California, exceeding projections. In the same time period, Caltrans has repaired 635 bridges, which reflects an increase of almost 300 bridges over what would have been possible without the funding provided by SB 1. For the four-year period from 2020-21 through 2023-24, \$17.4 billion is programmed for new and ongoing state highway repair and rehabilitation projects in the State Highway Operations and Protection Program (SHOPP). SB 1 has increased available SHOPP funding capacity by nearly \$2 billion annually since 2018-19.

Over this same four-year period, \$2.4 billion will be available for the State Transportation Improvement Program, which provides funding for future multi-modal transportation improvements throughout California. This program supports the implementation of regional Sustainable Community Strategies (75 percent), as well as interregional travel (25 percent). An additional \$1 billion to address traffic congestion, \$900 million to provide projects that support walking and biking, and \$800 million for partnerships with local transportation agencies are also included during this period. Transportation projects will continue to be a strong source of job creation in the state.

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## HIGH-SPEED RAIL AND JOB CREATION

The state's High-Speed Rail project is another important job creator. The High-Speed Rail Authority continues to construct the Central Valley segment to provide electrified High-Speed Rail from Merced to Bakersfield with Proposition 1A bonds, federal funds, and 25 percent of the continuously appropriated Cap and Trade auction proceeds. The Authority recently announced it has passed the milestone of more than 5,000 construction jobs added to the Central Valley project, and the state has committed \$1.1 billion to locally-sponsored projects in northern and southern California that will improve local rail service and benefit High-Speed Rail when the system is connected to those areas.

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## ADDRESSING CLIMATE CHANGE

As the state continues to invest in the road maintenance and repairs identified above, it is doing so in ways that are resilient in the face of climate change. The California State Transportation Agency continues to address the impacts of the transportation sector on climate change and greenhouse gas emissions, pursuant to the goals and requirements in Executive Orders N-19-19 and N-79-20. The State Transportation Agency is directed to leverage over \$5 billion in annual state transportation spending for construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector.

The Agency will work collaboratively with other state departments and agencies to identify near term actions and investment strategies and to improve clean transportation and sustainable freight and transit options. Currently, the Agency is working with Caltrans, the California Transportation Commission, the Department of Finance, and other state agencies to develop the Climate Action Plan for Transportation Infrastructure (CAPTI) by July 15, 2021. The CAPTI will identify near-term

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actions and investment strategies to leverage existing state transportation funds to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions from the transportation sector, while continuing the SB 1 commitment to a "fix-it-first" approach to our transportation system. Specifically, the CAPTI will (1) build towards an integrated, statewide rail and transit network, (2) support bicycle, pedestrian, and micro-mobility options, (3) support the deployment of light, medium, and heavy-duty zero-emission vehicle infrastructure, and (4) support innovative solutions to congestion designed to encourage people to shift from cars to other modes of transportation. The CAPTI will identify the actions necessary to change the state's transportation project planning and programming to reach California's climate change goals.

Investment in public transportation and intercity rail will continue to be a key component of the state's resilience in the face of climate change. Public transit and intercity rail services provide essential transportation to Californians, however ridership has been deeply impacted during the COVID-19 Pandemic. This has resulted in significant financial hardship for these entities. In April, the California State Transportation Agency awarded \$500 million in Transit and Intercity Rail Capital Program grants to support transit agencies' long-term, transformative capital projects to be completed in the years to come and aid in economic recovery. The federal CARES Act provided nearly \$3.7 billion in funding directly to local transit agencies, with another \$95 million available through Caltrans for rural transit and intercity bus services. However, many agencies furloughed workers and curtailed service due to significant reductions in revenues and higher expenses related to serving essential workers and other travelers during the COVID-19 Pandemic.

While transit agency budgets have been strained, the Budget continues to address the limited mobility options throughout the state by including nearly \$1.3 billion to support transit and rail—including \$667 million in State Transit Assistance, \$487 million for the Transit and Intercity Rail Capital Program, and \$107 million for the Low Carbon Transit Operations Program. To assist transit agencies and support economic recovery, the Administration continues to quickly allocate CARES Act funding, expedite rural distributions, and work with the federal government to obtain ongoing federal support. The recent federal COVID-19 relief bill is expected to provide more than \$2 billion in additional funding directly to local transit agencies. In addition, the Administration is recommending regulatory and reporting relief related to the Transportation Development Act on a permanent basis, allowing agencies to plan with more certainty and flexibility for the expenditure of state transit resources. These efforts will allow transit agencies to prevent additional furloughs and service reductions, while providing resource certainty that will make planning for recovery and rehiring of workers more

certain. The Administration is also supporting future cost savings and ridership increases for transit and rail systems through its support of contactless payments across California through the California Integrated Mobility Program at Caltrans.

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## **TRANSFORMATIONS AT THE DEPARTMENT OF MOTOR VEHICLES (DMV)**

Prior to the COVID-19 Pandemic, the DMV began implementing more streamlined processes to make the customer experience more efficient in anticipation of the federal REAL ID deadline of October 2020, including launching a redesigned, responsive website and adding credit card kiosks in some field offices. However, the COVID-19 Pandemic forced all DMV field offices to temporarily close from late March through early May for health and safety concerns. The DMV has continuously adjusted its operations to address changing health and safety challenges caused by the pandemic. This has included expediting online modernization processes, adjusting driver's license renewal requirements to reduce office crowds, periodically suspending driving tests, providing personal protective equipment for staff, initiating teleworking and new communications alternatives, and providing media notifications about pandemic-related changes to DMV processes and protocols.

While DMV offices are now open to serve the public, the DMV continues to encourage customers to use its online services, expanded virtual services, and other service channels to complete transactions, including eligible driver's license and vehicle registration renewals. In recent months, the DMV has had to upgrade its technology to transform many of its systems and processes, including simplifying authentication and account creation for online services, operationalizing a virtual field office, enabling new and expanded online services for web and mobile devices, and expanding credit card and mobile wallet payment options to all DMV offices.

The federal deadline for obtaining a REAL ID compliant driver's license or identification card, or other federally accepted document, to board domestic flights or enter secure federal facilities has been extended to October 2021. The Budget includes approximately \$186 million, including \$152 million one-time for up to more than 1,300 temporary positions to address REAL ID demands prior to the enforcement date, and \$34 million ongoing for 258 positions to continue a number of operational improvements. The DMV will be able to address the REAL ID demand with fewer positions than in recent years, due largely to operational improvements such as



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updated digital platforms and improved online services, which have created a more customer-friendly experience while reducing transaction time.

# 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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## BROADBAND

Universal access to high-speed Internet is critical to the state's economy, education, and basic health and well-being. The COVID-19 Pandemic has underscored the need for all Californians to have a robust connection that supports distance learning, telework, telehealth, and everyday needs. Long-standing inequities in Internet availability, affordability, and quality have persisted for too long.

California's connectivity needs and challenges are immense. More Californians are disconnected than any other state; more than 673,000 households do not have high-speed broadband connection. A full 33 percent of rural households in the state have no high-speed broadband. Tribal lands are also disproportionately impacted, with 24 percent of homes without access.

Even for those with an available connection, broadband service can still be out of reach because it is unaffordable. Hidden fees and expensive devices can make access unattainable. An estimated 31 percent of Californians with Internet access have not adopted broadband at benchmark speeds. While 1.6 million Californians subscribe

## GENERAL GOVERNMENT AND STATEWIDE ISSUES

to the state's low-income subsidy program—the California LifeLine Program—this program does not provide sufficient service to support teleworking or distance learning. The state's largest Internet Service Providers (ISPs) offer reduced-cost programs for low-income individuals, but subscribership is limited, to only about 500,000 users. These programs do not meet the needs of the estimated 4.7 million Californians who live in poverty.

California will meet these challenges with a coordinated state effort based on key actions over the next five years to provide every Californian a reliable and affordable connection. To be effective, there must be collaboration between state, federal, and local governments, regional agencies, Native American tribes, the private sector, and members of the public.

In late 2019, the Governor launched the Broadband for All initiative, and issued Executive Order N-73-20 in August to mobilize state agencies and resources to bridge the Digital Divide and start the California Broadband Action Plan development process. The Plan provides a blueprint to guide coordinated actions to put California on a path toward complete broadband availability, reliability, and affordability. The Plan, adopted in December, lays out three main goals: that all Californians have access to high-performance broadband at home, that all Californians can afford broadband and the devices necessary to access the Internet, and that all Californians can access training and support to enable digital inclusion.

These actions carry out the recommendations of the Final Report of the Co-Chairs of the Governor's Task Force on Business and Jobs Recovery to continue efforts to close the Digital Divide and promote telemedicine.

It is essential that California take future steps to support the expansion of broadband infrastructure, improve and restructure the state's existing Universal Service programs to support broadband subsidies, and address inequities in how these programs are funded. California must make broadband service affordable by eliminating hidden fees on customers' bills and safeguarding consumer protection.

Finally, local governments and regional agencies must be supported in identifying gaps in broadband availability and improving broadband infrastructure within their jurisdictions.

These changes will allow all Californians to participate in the state's economic recovery and growth.

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## EMPLOYEE COMPENSATION AND COLLECTIVE BARGAINING

As a result of the COVID-19 Recession, and absent the receipt of additional federal funds, reductions in state employee compensation costs were necessary to balance the 2020 Budget Act. At the 2020 May Revision, declining revenues and fiscal uncertainty required difficult budget reductions, including the state asking employees through collective bargaining to make needed adjustments. All 21 bargaining units immediately came to the table and successfully reached agreements to achieve the necessary savings through the Personal Leave Program (PLP) 2020. As part of the PLP 2020 agreements, 19 of the 21 bargaining units agreed to continue the state employee compensation reductions through the 2021-22 fiscal year.

Although fiscal risk remains high, the revenue picture has improved. Given the updated revenue projections and the scope of the Budget, employee compensation reductions may not be necessary during the 2021-22 fiscal year. Accordingly, the California Department of Human Resources (CalHR) anticipates inviting bargaining units through collective bargaining to modify the side letter agreements that extended the PLP 2020 through the 2021-22 fiscal year immediately following the May Revision.

The Budget includes \$42.1 million ongoing (\$29.5 million ongoing General Fund) for increases related to minimum wage changes in Chapter 4, Statutes of 2016 (SB 3), 2022 calendar year increases in health care and dental premiums and enrollment for active state employees, and savings related to health affordability payments for several bargaining units.

Collective bargaining negotiations will continue with three bargaining units representing attorneys and administrative law judges, scientists, and health and social services employees, whose contracts expired in July 2020. Bargaining will commence in Spring 2021 with two bargaining units representing firefighters, and craft and maintenance employees, whose contracts expire in Summer 2021.

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## CHILDCARE BARGAINING

In July, Child Care Providers United (CCPU) was certified by the Public Employment Relations Board as the certified provider organization for the state's family childcare providers to act as the representative to meet and negotiate with the state. Although family childcare providers are not state or public employees, CalHR is the Governor's designee to meet and confer regarding matters within the scope of representation. As such, the state is committed to collective bargaining with CCPU, which commenced in

## GENERAL GOVERNMENT AND STATEWIDE ISSUES

December 2020. See the Health and Human Services Chapter for more information on childcare.

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### **PAYING DOWN UNFUNDED PENSION LIABILITIES**

The long-term stability of the state's retirement benefits depends on reducing the state's \$167.2 billion unfunded pension liability. Recent state actions to address those liabilities include the reform of public pension law under the Public Employees' Pension Reform Act of 2013 (PEPRA) and the implementation of a funding strategy to pay down the California State Teachers' Retirement Systems (CalSTRS) unfunded liability. These efforts, in tandem with nearly \$10.2 billion in additional pension payments during 2017-18 through 2020-21, and on top of required annual payments to both the California Public Employees' Retirement Systems (CalPERS) and CalSTRS, have placed the state in a better fiscal position to provide retirement security for government workers while allowing short-term flexibility to respond to the fiscal pressures of the COVID-19 Pandemic and Recession.

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### **STATE EMPLOYEES' RETIREMENT CONTRIBUTIONS**

The Budget includes \$5.5 billion one-time (\$3 billion General Fund) for the statutorily required annual state contribution to CalPERS for state pension costs. This is a \$115 million overall net decrease as compared to 2020-21, resulting from reduced employer contribution rates due to the application of a \$2.5 billion pension payment to the state's unfunded liabilities over 2019-20 to 2021-22, as authorized by Chapter 16, Statutes of 2020 (AB 84), and the payroll impact of the 2020 PLP. Included in these contributions are \$682 million one-time General Fund for California State University retirement costs.

Additionally, the Budget includes \$1.5 billion in one-time Proposition 2 debt repayment funding in 2021-22 to further reduce the state's CalPERS unfunded liability. This will result in up to \$3.5 billion in additional estimated savings to the state over the next three decades. Based on current revenue projections, an additional \$4.1 billion in Proposition 2 funding would be paid to CalPERS over the remaining forecast period (2022-23 to 2024-25), depending on the availability of Proposition 2 debt funding.

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## TEACHERS' RETIREMENT CONTRIBUTIONS

The Budget includes \$3.9 billion one-time General Fund for the statutorily required annual state contribution to CalSTRS. This is a roughly \$430 million increase as compared to 2020-21 due to payroll growth and the anticipated decision by the Teachers' Retirement Board to increase the state contribution rate, as permitted by statute. This contribution amount includes a \$173 million payment for the CalSTRS Defined Benefit Program to allow the funding plan to stay on track to be fully funded by 2046.

In addition to the state's required contributions, the Budget includes a \$410 million one-time Proposition 2 supplemental pension payment to be paid to CalSTRS in 2021-22 toward the state's share of the CalSTRS Defined Benefit Program unfunded liability. This payment is estimated to result in \$982 million net savings to the state through 2045-46. An additional \$602 million in Proposition 2 funding is estimated to be paid to CalSTRS over the remaining forecast period based on the availability of those funds.

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## STATE HEALTH CARE BENEFITS

The state is projected to spend \$6.8 billion ongoing on health care benefits in 2021-22 for more than 850,000 state employees, retirees, and their family members. This includes \$2.8 billion for retiree health care benefits for 2021-22, which has grown by 74 percent compared to what the state paid in 2012-13 (\$1.6 billion).

Through the collective bargaining process, the state's 21 employee bargaining units agreed to prefund retiree health benefits. Additionally, as determined annually by CalHR, related excluded and exempt employees also prefund retiree health benefits. As a result, more than \$3.2 billion is currently set aside in the prefunding trust fund to pay for future retiree health benefits, which has an estimated \$91.9 billion unfunded liability to be paid down by 2046. By the end of 2020-21, the trust fund balance will approach \$4.1 billion in assets.

The Budget includes \$310 million one-time Proposition 2 funding for the employer's share of General Fund prefunding contributions and an additional \$616 million one-time Proposition 2 funding to help reach full funding for retiree health benefits by 2046. Because employee prefunding contributions are suspended in 2020-21 due to the PLP 2020, \$616 million one-time will be provided by the state employer on behalf of employees, based on the actuarial liability for each bargaining unit.

## GENERAL GOVERNMENT AND STATEWIDE ISSUES

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>
2012-13	\$2,948	\$449	\$1,303	\$160	\$51		\$2,567	\$1,365	\$222	
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	86	1	3,665	2,023	357	600
2021-22 <sup>9/</sup>	4,808	682	3,858	193	86	1	4,045	2,350	413	1,292 <sup>10/</sup>

<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), and Chapter 859, Statutes of 2019 (AB 118), and Proposition 2 payments to CalPERS and CalSTRS proposed in the 2021 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 2020-21 contribution amount is \$84,308.

<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> Estimated as of the 2021 Governor's Budget. Of the total estimated 2021-22 contributions, contributions sourced from the General Fund are estimated to be \$2,304 million for CalPERS, \$682 million for CSU CalPERS, \$1,899.6 million for Active Health and Dental, and \$926 million for OPEB Prefunding. Fiscal year 2021-22 contributions to CalSTRS, JRS, JRS II, LRS, and Retiree Health & Dental (including CSU) are all General Fund costs.

<sup>10/</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.

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## CANNABIS

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

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### DEPARTMENT OF CANNABIS CONTROL

In an effort to improve access to licensing and simplify and centralize regulatory oversight of commercial cannabis activity, the 2020 Governor's Budget included an announcement of the Administration's intention to consolidate licensing and associated regulatory functions into a new Department of Cannabis Control by July 1, 2020, and noted a more detailed plan and proposal would be submitted to the Legislature that spring. However, those plans were interrupted by the COVID-19 Pandemic, which required the Administration to re-evaluate its ability to implement the consolidation as scheduled. Subsequently, the Administration placed the consolidation and establishment of the new department on hold until the 2021 Governor's Budget.

The Budget includes \$153.8 million Cannabis Control Fund to reflect the consolidation of the functions and positions of the Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health into a new stand-alone Department of Cannabis Control within the Business, Consumer Services, and Housing Agency on July 1, 2021.

This proposal seeks to further the goals of legalization and regulation by creating a single point of contact for cannabis licensees, local governments, and other stakeholders. With a focus on making licensing and compliance more straightforward, transparent, and efficient, this proposal aims to simplify participation in the legal market and support the successful and safe operation of a cannabis business in compliance with state law. Further, centralizing the licensing programs' enforcement efforts will result



## GENERAL GOVERNMENT AND STATEWIDE ISSUES

in more effective enforcement that better protects public health, safety, and lands, and makes it more costly and inefficient to participate in the illicit cannabis industry.

The Bureau currently has a specialized Equity-Local Liaison Unit within its Licensing Division. The staff within this unit work directly with local jurisdictions who offer an equity program to identify and work directly with equity applicants and licensees, as well as serve as the statewide point of contact for all local jurisdictions.

Under the new Department of Cannabis Control, the services of this unit will be expanded to all equity applicants and licensees across all license types. The unit will continue to work closely with and support the work of local jurisdictions as they implement their equity programs, including the continuation of workshops held jointly with local jurisdictions to provide information to, and answer questions from, applicants and licensees about the state resources available to them.

Of the 621 positions in the new department, 598 are existing and 23 are new, primarily to establish an executive management structure consistent with that of other state departments. There are also two new positions related to Chapter 270, Statutes of 2020 (AB 1525) to process requests from financial institutions and accountants who engage with cannabis businesses for license-related information, including track and trace data. This data sharing will facilitate the ability of financial institutions to comply with due diligence reporting requirements to federal regulating agencies, thereby creating the potential for increased access to banking services for licensees.

In addition to the budget changes, the Administration will propose statutory changes to effectuate the consolidation and make related improvements.

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### **UPDATED ALLOCATION OF THE CANNABIS TAX FUND**

Proposition 64 specified the allocation of resources in the Cannabis Tax Fund, which are continuously appropriated. Pursuant to Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to: (1) youth education, prevention, early intervention, and treatment; (2) environmental protection; and (3) public safety-related activities. The Budget estimates \$443.1 million will be available for these purposes in 2021-22, and the structure of these allocations is unchanged from 2020-21:

## GENERAL GOVERNMENT AND STATEWIDE ISSUES

- Education, prevention, and treatment of youth substance use disorders and school retention—60 percent (\$265.9 million).
- Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—20 percent (\$88.6 million).
- Public safety-related activities—20 percent (\$88.6 million).

These figures reflect an increase of \$146.2 million compared to the allocation estimates in the 2020 Budget Act.

Lastly, the Budget includes statutory changes to establish permanent funding authority from the Cannabis Tax Fund for the local equity grant program that is administered by the Governor's Office of Business and Economic Development (GO-Biz). This change will provide permanent support so GO-Biz can help expand the work of facilitating greater equity in business ownership and employment in the cannabis market. The Budget includes \$15.5 million ongoing Cannabis Tax Fund for this program.

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### CALIFORNIA PRIVACY PROTECTION AGENCY

Proposition 24, the California Privacy Rights Act of 2020, approved by California voters in November 2020, created the California Privacy Protection Agency. The Agency is vested with administrative power, authority, and jurisdiction to implement and enforce the California Consumer Privacy Act of 2018, which is aimed at protecting the use of personal information and the promotion of public awareness and understanding of the risks, rules, and rights related to the collection, use, sale, and disclosure of personal information, including the rights of minors. The Budget includes \$5 million General Fund in 2020-21 and \$10 million ongoing General Fund beginning in 2021-22 to support the operations of the Agency.

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### STATE APPROPRIATIONS LIMIT

Under the Gann Limit, which was approved by the voters through Proposition 4 in 1979, growth in appropriations made by the state is limited, and the state is required to reallocate and refund any revenue in excess of the state appropriations limit. The growth limit only applies to appropriations from proceeds of taxes, and excludes a number of expenditure categories, such as debt service, qualified capital outlay costs, and emergencies. The limit for each year is based on the limit from the prior year, adjusted for changes in state per capita personal income and changes in population

## GENERAL GOVERNMENT AND STATEWIDE ISSUES

(composed of state civilian population growth and K-14 average daily attendance growth). Any excess spending above the limit over a two-year period is divided equally between transfers to schools and community colleges (50 percent), and some form of refunds to taxpayers (50 percent).

The state has exceeded its appropriations limit only once, in 1986. In recent years, however, state appropriations have been trending closer to the limit, and in the 2018-19 fiscal year, total spending exceeded the limit by \$1.867 billion dollars. Strong revenue growth in these years, coupled with more moderate growth in the appropriations limit, served to shrink the room under the limit. Two of the three growth factors, the change in civilian population and the change in K-14 average daily attendance, have dropped to less than one percent and been negative, respectively, in a number of recent years.

The Budget presently projects that the 2019-20 fiscal year's appropriations are below that year's limit by \$1.765 billion. Given that the overage in the 2018-19 fiscal year exceeds the amount under the limit in the subsequent 2019-20 fiscal year, if this estimate remained the same in the Budget Act, the state would be over the limit in this two-year period by \$102 million. This in turn would trigger \$51 million in additional transfers to K-14 education, and \$51 million in taxpayer refunds.

It is important to note that this estimate will change again at the May Revision. First, final adjustments to both revenues and expenditures for the 2019-20 fiscal year will not be completed until the upcoming May Revision. Second, there are number of expenditures, including significant emergency expenditures that the state has made or is planning to make that may be excludable under Proposition 4. The Administration will update its estimates and make a recommendation at the May Revision if further action must be taken under Proposition 4.

# ECONOMIC OUTLOOK

The lack of effective and coordinated federal action allowed COVID-19 to spread in the United States, with clear consequences for public health. To prevent further loss of life, state and local governments have closed schools, implemented public health guidelines, and restricted unsafe activities. There were 25 million fewer employed Americans in April 2020, during the trough of the COVID-19 Recession, than in February 2020, the official start of the COVID-19 Recession. Job losses were concentrated in low-wage sectors in both the U.S. and California. California low-wage sector jobs were still approximately 10 percent below their February levels in November whereas the Standard and Poor's 500 Index (S&P 500) reached record highs, highlighting the disparate impacts of the COVID-19 Recession. As discussed in the Demographic Information Chapter, many households and workers have not benefited from the growth over the previous ten years, and the COVID-19 Recession has exacerbated this inequality.

The Budget forecast was finalized in November and does not reflect the recent federal COVID-19 relief bill enacted last month. In the forecast, more than one million Californians were expected to lose their Pandemic Unemployment Assistance benefits at the end of 2020. Almost three million Californians receiving regular state unemployment insurance were expected to exhaust benefits in the second quarter of 2021. The U.S. forecast also assumed that a vaccine would only become available in mid-2021. Under these assumptions, U.S. real GDP levels are expected to return to fourth quarter 2019 levels by the first quarter of 2022. However, jobs in leisure and hospitality may never recover to their 2019 level, and retail jobs are expected to continue their

## ECONOMIC OUTLOOK

long-term decline. In California, the state is not expected to return to the overall level of 2019 jobs until 2025. The May Revision forecast will be updated to include the faster-than-expected deployment of vaccines as well as any additional economic policy changes between November 2020 and April 2021. Risks to the outlook include a fall in the stock market, a second round of job losses that affect higher-income workers, slower job growth from businesses closing, and a failure to address structural inequality at a time when climate risks are also increasing.

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## TEN YEARS OF GROWTH

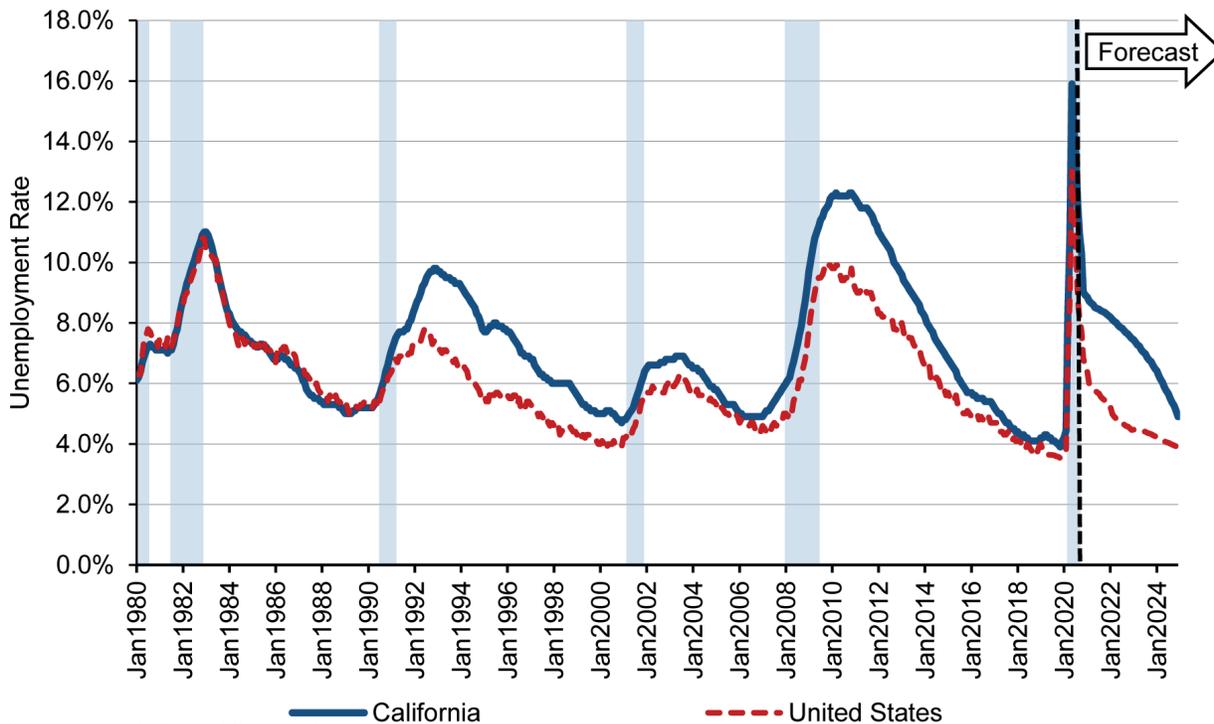
In February 2020, both the U.S. and California were at historically low unemployment rates following ten years of growth. U.S. real GDP grew by 2.2 percent in 2019, with California growing by 3.4 percent. California maintained its rank as the fifth-largest economy in the world in 2019 with a current-dollar GDP of \$3.1 trillion, or 14.6 percent of U.S. GDP.

As the economy grew, the U.S. unemployment rate fell from a peak of 10 percent in October 2009 to 3.5 percent in September 2019, the lowest rate since December 1969. There were fewer than 5.8 million unemployed Americans in February 2020, the lowest level since January 2001, despite a labor force that is 14 percent larger. Similarly, the California unemployment rate fell from 12.3 percent in November 2010 to a record low 3.9 percent in August 2019. In January 2020, there were around 750,000 unemployed civilians in California, the lowest level since July 1989, despite a labor force that is 30 percent larger. (See figure on U.S. and California Unemployment Rates.)

The U.S. added over 14 million nonfarm jobs from the pre-Great Recession peak to February 2020. More than 2 million jobs, or one of every seven U.S. jobs, were added in California. Job growth in the nation and in the state were concentrated in low-wage sectors, accounting for three out of every four jobs added. A sector is categorized as low-wage if its average wage was below the 2019 nonfarm average wage of around \$61,000 for the nation or around \$76,000 for California. By that measure, four out of the eleven major industry sectors are low-wage: trade, transportation and utilities, educational and health services, leisure and hospitality, and other services. (See figure on Nonfarm Employment and Average Wages by Major Industry Sectors in 2019.)

While the economy expanded, wages did not increase as much. In California, inflation-adjusted average wages grew by around 1 percent per year from 2010 to 2019. High-wage sector average wages grew by 13 percent, while low-wage average wages grew by 3.5 percent from 2010 to 2019. In current dollars, California average

**U.S. and California Unemployment Rates**  
Monthly, January 1980 through December 2024



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.

wages grew by 34.8 percent, with high-wage sectors growing by 39.8 percent and low-wage sectors growing by 28 percent.

At the same time, the California median home sales price reached a then-record high of \$617,400 in August 2019, more than double the nation's median home sales price of \$278,200. Even during record low unemployment, one in five households spent at least 50 percent or more of their income on housing costs. One in eight homeowners spent 50 percent or more of their income on housing costs, but more than one in four renters spent that much.

## A SHOCK TO THE SYSTEM

The COVID-19 Pandemic forced a sudden drop in economic activity in March and April 2020. Both the Federal Reserve and Congress acted swiftly; however, the economic disruptions were widespread and continue to affect the economy.

## ECONOMIC OUTLOOK

**Nonfarm Employment and Average Wages by Major Industry Sectors in 2019**

	Nonfarm Employment			Average Wages	
	U.S. (Thousands)	California (Thousands)	California (% of U.S.)	U.S. (\$)	California (\$)
Total Nonfarm	150,935	17,400	11.5%	61,080	75,759
Mining and Logging	735	22	3.0%	129,042	114,570
Construction	7,494	886	11.8%	66,211	75,891
Manufacturing	12,839	1,322	10.3%	70,658	100,200
Trade, Transportation, and Utilities	27,708	3,053	11.0%	50,786	57,879
Information	2,859	563	19.7%	119,739	189,208
Financial Activities	8,746	811	9.3%	98,935	126,049
Professional and Business Services	21,315	2,726	12.8%	79,021	97,274
Educational and Health Services	24,175	2,797	11.6%	51,116	55,382
Leisure and Hospitality	16,581	2,032	12.3%	28,449	36,951
Other Services	5,893	578	9.8%	49,116	61,626
Government	22,588	2,608	11.5%	63,076	76,556

Cells highlighted in blue are low-wage sectors, whose average wages are below the nonfarm average wage.

Source: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; CA Employment Development Department, Labor Market Information Division.

## FEDERAL SUPPORT

During two emergency meetings in March 2020, the Federal Reserve reduced the federal funds rate target to a range of 1 percent to 1.25 percent and then to a range of 0 percent to 0.25 percent in anticipation of the economic impact of the COVID-19 Pandemic. This followed three cuts in the second half of 2019, which reduced interest rates from a pre-COVID-19 Recession peak of 2 percent to 2.25 percent in July 2019 to a range of 1.5 percent to 1.75 percent in October 2019. It also announced various policies to assist lenders and to support growth including injecting around \$700 billion into the economy. During the Great Recession, interest rates remained at around 5.25 percent for a year before being gradually reduced to a range of 0 percent to 0.25 percent in December 2008. The Federal Reserve left rates unchanged at that range until December 2015, when it increased the rate to a range of 0.25 percent to 0.5 percent.

Congress passed the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020, the largest fiscal stimulus in U.S. history. The package included one-time stimulus check payments to qualifying taxpayers, with a maximum credit of \$1,200 for single filers and \$2,400 for married or joint filers plus \$500 per

qualifying child. Through the end of August 2020, over 153 million stimulus payments were made in the U.S., including 18 million payments in California, with an average payment of \$1,800 in the nation and \$1,600 in the state. The CARES Act provided support to businesses through the Paycheck Protection Program (\$669 billion in two phases), and corporate assistance (\$500 billion), and to state and local governments (\$340 billion). It also supplemented unemployment insurance benefits by extending the time individuals could claim benefits, extended eligibility to self-employed and independent contractors, added \$600 per week to all forms of unemployment insurance through July 31, and paid for a larger share of benefits to relieve future employers (\$300 billion).

Congress passed a federal COVID-19 relief bill last month. This included another round of stimulus check payments (\$166 billion) of up to \$600 per individual. The package also extended unemployment insurance to self-employed and independent contractors and provided an additional \$300 per week to all recipients through March 14, 2021 (\$120 billion). Another \$284 billion was allocated for the Paycheck Protection Program, including to businesses who received funding from the CARES Act. Finally, \$250 billion was made available for schools, vaccine purchases, rental assistance, and various other support programs. The federal eviction moratorium, which was initially scheduled to expire at the end of December, was extended through January 31, 2021.

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## **HISTORIC IMPACTS OF THE COVID-19 RECESSION ON THE ECONOMY**

### **GROSS DOMESTIC PRODUCT**

Even with these measures, the economic impacts of the COVID-19 Recession were much larger than during the Great Recession. The fall in economic activity in March was large enough for the first quarter of 2020 U.S. real GDP to shrink by 5 percent on a seasonally adjusted annualized rate (SAAR), and for the California economy to contract by 4.3 percent. In the second quarter of 2020, U.S. real GDP fell by a record 31.4 percent SAAR, dwarfing the previous record decline of 10 percent in the first quarter of 1958.

California real GDP contracted by a record 31.5 percent SAAR in the second quarter of 2020, the twenty-third largest fall in real GDP amongst all states. The largest state decreases were in Nevada and Hawaii at -42.2 percent, while Delaware had the smallest contraction, at -21.9 percent.



## ECONOMIC OUTLOOK

In the third quarter, U.S. real GDP grew at a record high 33.4 percent SAAR, bringing it to first quarter 2018 levels. The previous record increase in U.S. real GDP of 16.7 percent occurred in the first quarter of 1950. Goods spending, which accounted for about 25 percent of overall GDP in 2019, was already 7.1 percent above its pre-pandemic level in the third quarter. Services spending, with a 2019 GDP share of nearly 45 percent, remained around fourth quarter 2015 levels. In comparison, California real GDP grew by 31.2 percent in the third quarter of 2020, bringing it to first quarter 2019 levels.

### UNEMPLOYMENT AND JOBS

The U.S. unemployment rate reached a record high of 14.7 percent in April 2020, and California reached a record 16.4 percent in April and May 2020. State unemployment rates ranged from 8.7 percent in Nebraska to 30.1 percent in Nevada in April 2020, and California's unemployment rate was the eleventh highest amongst all states.

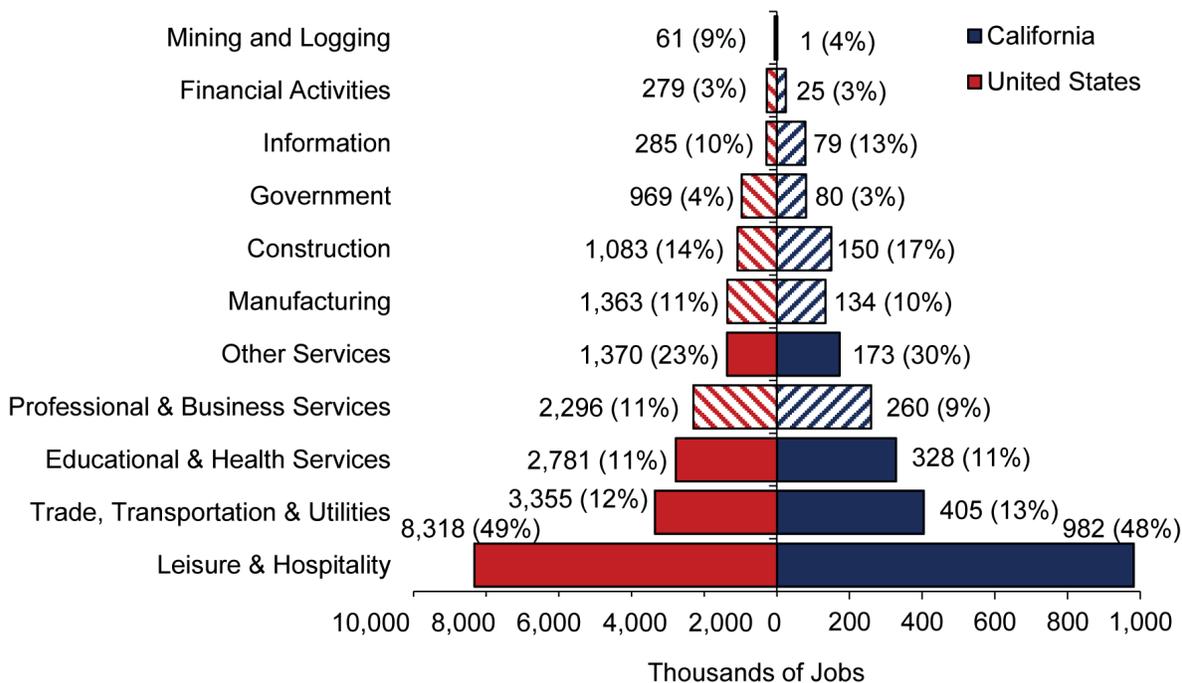
U.S. nonfarm jobs decreased by a record 22.2 million from February to April 2020, and this decrease of 14.5 percent was more than double the decrease of 6.3 percent over the span of two years during the Great Recession. California's nonfarm jobs decreased by 2.6 million in March and April. The decrease of 14.9 percent in California also exceeded the decrease of 8.5 percent during the Great Recession. Three out of four jobs lost in the U.S and in California in March and April 2020 were in low-wage sectors, erasing all the job gains in California since the Great Recession. (See figure on U.S. and California Jobs by Industry.)

### HOUSING

The housing market has rebounded quickly despite the COVID-19 Recession, signaling the continuing ability of high-income households to purchase homes. The California median home sales price was \$579,770 in February 2020, compared to \$270,100 for the nation and averaged over \$600,000 in March through May before setting new record highs from June to September 2020. The California median home sales price exceeded \$700,000 for the first time in August 2020, at \$706,900, and reached the record high of \$712,430 in September 2020. (See figure on California Median Home Sales Price of Existing Single-Family Homes.) Through November 2020, the California median home sales price was up 9.2 percent on average compared to the same period in 2019 and sales volume was up by 1.3 percent. Similarly, the U.S. median home sales prices also hit a record high of \$313,000 in October 2020 before falling to \$310,800 in November 2020, which was 14.6 percent higher than in November 2019. The U.S. existing home sales volume was around its highest level since December 2006 and was 25.8 percent higher than in November 2019.

**U.S. and California Jobs by Industry**

(Job Losses in April 2020 Relative to February 2020;  
Solid Bars Represent Low-Wage Sectors)



Source: U.S. Bureau of Labor Statistics; CA Employment Development Department, Labor Market Information Division.

**STOCK MARKET**

The S&P 500 Index fell by 33.9 percent from a high of 3,386 in February to 2,237 in March, compared to a drop of 56.7 percent over a period of 16 months during the Great Recession. The S&P 500 Index recovered within five months, compared to four years during the Great Recession and has since continued to set new record highs. (See figure on S&P 500 Index.)

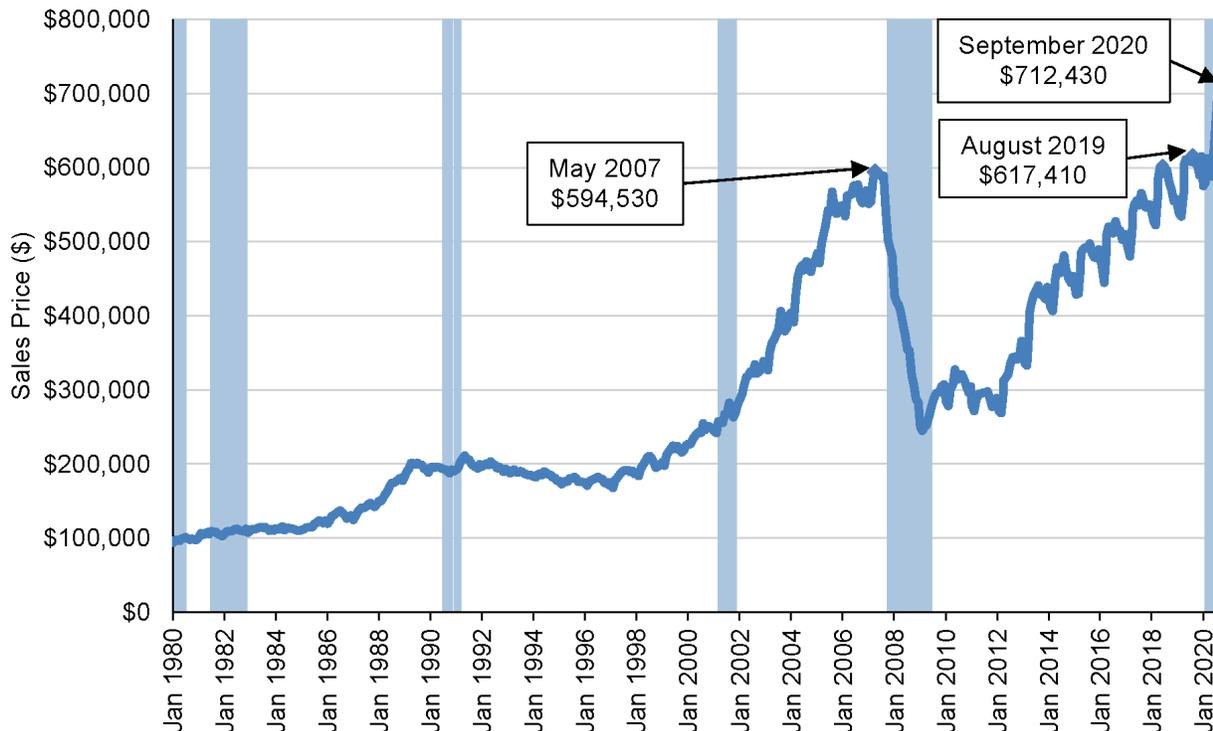
**THE ROAD AHEAD**

The Budget incorporates federal policies and programs authorized as of November 2020, when the forecast was finalized. At that time, more than one million Californians were on the Pandemic Unemployment Assistance program and were expected to lose their benefits at the end of 2020. Additionally, almost three million Californians receiving regular state unemployment insurance were expected to exhaust their benefits in the second quarter of 2021. (See figure on Californians Receiving Unemployment Insurance Benefits.) The recent federal COVID-19 relief bill enacted last

## ECONOMIC OUTLOOK

### California Median Home Sales Price of Existing Single-Family Homes

Monthly, January 1980 through November 2020



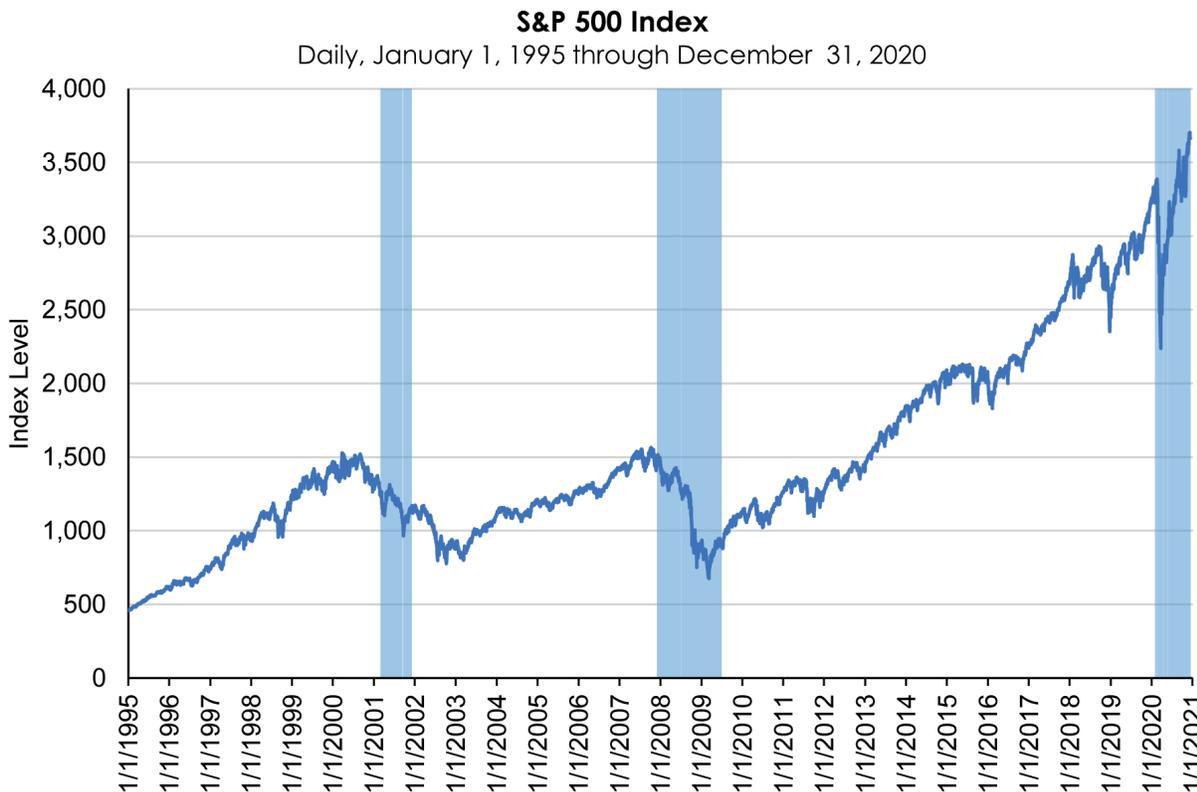
Shaded areas indicate U.S. recessions.  
Source: California Association of Realtors.

month was not incorporated in the Budget forecast but will be included in the May Revision forecast.

The state moratorium on evictions will end on January 31, 2021. According to data from the Household Pulse Survey in late November, over a quarter of California renters reported slight or no confidence in making December's rent or had deferred rent payments during November. Housing disruptions make it more difficult to find or maintain work, and the slower recovery for these Californians is included in the baseline forecast. However, the extension of eligibility for unemployment insurance and additional funds for renter assistance included in the recent federal COVID-19 relief bill enacted last month should help offset some of the negative impacts of the COVID-19 Recession.

## THE NATION

The forecast projects GDP to grow by 3.1 percent in 2021 after a contraction of 3.6 percent in 2020. Growth is expected to decelerate to around 2.5 percent through



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

2024. U.S. real GDP levels are expected to return to fourth quarter 2019 levels by the first quarter of 2022. (See figure on Selected Economic Indicators.) The U.S. forecast assumed a continuation of economic policy as of November 2020 and that the recovery in real GDP occurs without additional monetary or fiscal stimulus. With the enactment of the recent federal COVID-19 relief bill last month, this will be revised in the May Revision forecast.

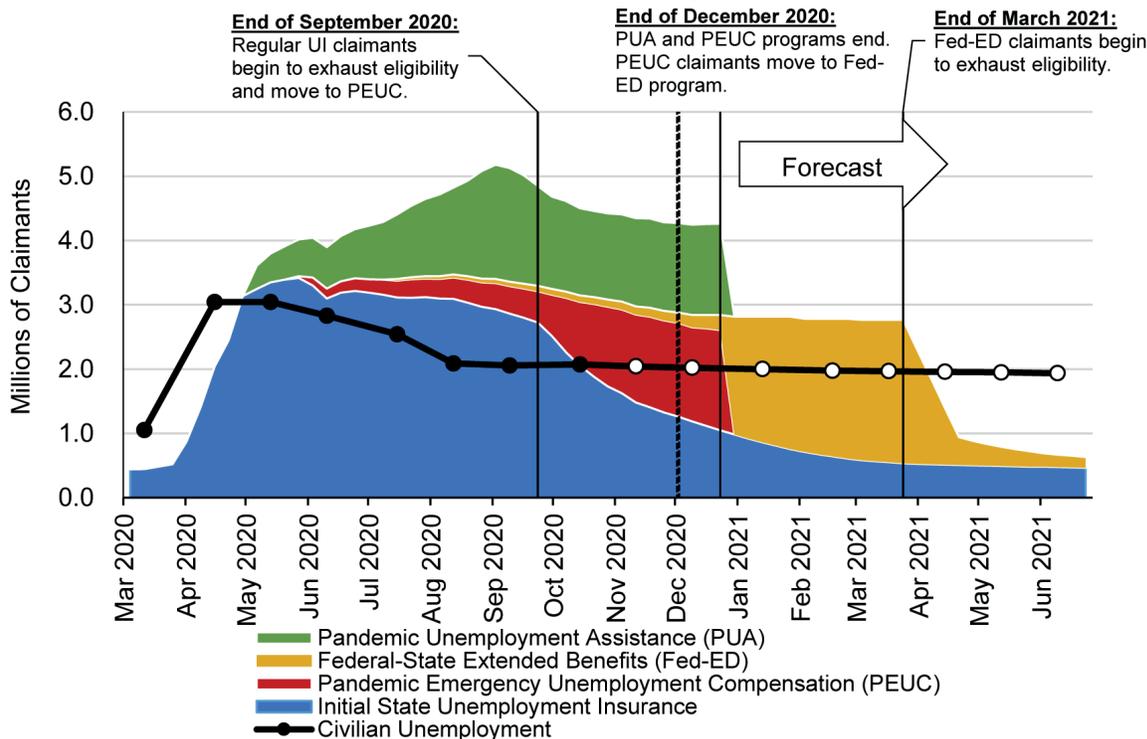
The U.S. unemployment rate decreased to 6.7 percent in November 2020 but the labor force was still 4.1 million people or 2.5 percent smaller than in February. The U.S. added a total of 12.3 million nonfarm jobs from May to November, or 55.6 percent of jobs lost in March and April, with jobs in high-wage sectors being 4.8 percent below February levels while low-wage sector jobs were 8.1 percent lower. The U.S. forecast projects that the recovery in the labor market will continue but at a slower rate.

After record losses to the labor market in 2020, the U.S. forecast projects the labor force will have decreased by 1.5 percent in 2020 before growing by 1.7 percent in 2021, allowing it to recover to its 2019 level in 2021. The U.S. labor force growth is then projected to decelerate to about 0.7 percent by 2024. The U.S. unemployment rate is

ECONOMIC OUTLOOK

**Californians Receiving Unemployment Insurance Benefits**

Weekly, March 2020 through June 2021



Projections were based on the CARES Act and assumed continuation of economic policy as of November 2020. Source: CA Employment Development Department, Labor Market Information Division; CA Department of Finance, Governor's Budget Forecast.

projected to have averaged 6.8 percent in the fourth quarter of 2020, bringing the 2020 annual average to 8.1 percent. The number of unemployed Americans is projected to fall to 9.3 million in 2021 from 13 million in 2020, and to decline to 4 million by 2024. The official unemployment rate is projected to decrease to 4 percent by 2024.

In contrast to the six years it took for a fall of 6.3 percent in nonfarm jobs to recover after the Great Recession, the fall of 14.5 percent in nonfarm jobs in March and April is projected to be recovered by mid-2022. Some low-wage sectors that were hard-hit by the COVID-19 Recession, such as leisure and hospitality, and retail, are projected to remain below their 2019 levels at the end of the forecast period.

U.S. personal income increased by 10.4 percent year-over-year in the second quarter of 2020 (up \$1.9 trillion year-over-year), as transfers increased by a record high \$2.6 trillion due to stimulus checks from the CARES Act and the extended unemployment insurance benefits. All other major U.S. personal income components, such as wages and proprietor's income, declined.

## Selected Economic Indicators

	2018	2019	Forecast				
			2020	2021	2022	2023	2024
<b>United States</b>							
Nominal gross domestic product, \$ billions	\$ 20,612	\$ 21,433	\$ 20,924	\$ 21,986	\$ 22,999	\$ 24,056	\$ 25,275
Real gross domestic product, percent change	3.0%	2.2%	-3.6%	3.1%	2.5%	2.5%	2.9%
<i>Contributions to real GDP growth</i>							
Personal consumption expenditures	1.9%	1.6%	-2.6%	2.4%	1.5%	1.7%	2.0%
Gross private domestic investment	1.1%	0.3%	-1.1%	1.1%	0.3%	0.6%	0.8%
Net exports	-0.3%	-0.2%	0.0%	-0.3%	0.6%	0.2%	0.0%
Government purchases of goods and services	0.3%	0.4%	0.2%	-0.1%	0.1%	0.0%	0.1%
Personal income, \$ billions	\$ 17,852	\$ 18,552	\$ 19,631	\$ 19,364	\$ 20,052	\$ 20,941	\$ 22,000
Corporate profits, percent change	0.2%	2.3%	-3.9%	-10.0%	6.3%	8.5%	9.2%
Housing permits, thousands	1,329	1,386	--	--	--	--	--
Housing starts, thousands	1,248	1,295	1,362	1,357	1,298	1,274	1,270
Median sales price of existing homes	\$ 261,600	\$ 274,600	--	--	--	--	--
Federal funds rate, percent	1.8%	2.2%	0.4%	0.1%	0.1%	0.1%	0.1%
Consumer price index, percent change	2.4%	1.8%	1.2%	1.9%	2.5%	2.3%	2.2%
Unemployment rate, percent	3.9%	3.7%	8.1%	5.7%	4.7%	4.4%	4.0%
Civilian labor force, millions	162.1	163.5	161.0	163.7	165.9	167.3	168.6
Nonfarm employment, millions	148.9	150.9	142.4	147.5	151.3	153.4	155.1
<b>California</b>							
Personal income, \$ billions	\$ 2,515	\$ 2,632	\$ 2,762	\$ 2,635	\$ 2,688	\$ 2,796	\$ 2,930
Exports of goods, percent change	3.6%	-2.3%	--	--	--	--	--
Housing permits, thousands	117	113	101	99	103	110	118
Housing unit net change, thousands	78	95	--	--	--	--	--
Median sales price of existing homes	\$ 569,480	\$ 592,450	--	--	--	--	--
Consumer price index, percent change	3.7%	3.0%	1.7%	2.8%	3.2%	3.1%	3.0%
Unemployment rate, percent	4.3%	4.1%	10.3%	8.5%	7.8%	7.0%	5.7%
Civilian labor force, millions	19.3	19.4	19.0	19.3	19.3	19.5	19.6
Nonfarm employment, millions	17.2	17.4	16.2	16.1	16.4	16.7	17.1
<i>Percent of total nonfarm employment</i>							
Mining and logging	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Construction	5.0%	5.1%	5.5%	5.7%	5.7%	5.7%	5.7%
Manufacturing	7.7%	7.6%	8.2%	8.2%	8.1%	7.9%	7.8%
Trade, transportation, and utilities	17.7%	17.5%	17.5%	17.5%	17.6%	17.6%	17.7%
Information	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%
Financial activities	4.9%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Professional and business services	15.5%	15.7%	16.2%	16.3%	16.4%	16.6%	16.8%
Educational and health services	15.9%	16.1%	16.7%	17.0%	17.0%	16.9%	16.8%
Leisure and hospitality	11.6%	11.7%	9.3%	9.1%	9.4%	9.7%	9.9%
Other services	3.3%	3.3%	3.1%	3.0%	3.0%	3.0%	3.0%
Government	15.0%	15.0%	15.5%	15.0%	14.6%	14.4%	14.2%
<i>Forecast based on data available as of November 2020.</i>							
<i>Percent changes calculated from unrounded data.</i>							
Source: CA Department of Finance, Governor's Budget Forecast.							

In the second quarter of 2020, an increase in income and a decrease in consumption led to net private savings, increasing from \$1.6 trillion in the first quarter of 2020 to \$4.7 trillion in the second quarter. This represents more than a quarter of aggregate after-tax income in the second quarter of 2020, and compares to 7.5 percent in 2019. The forecast assumed that the personal savings rate will decrease to about 9 percent by the fourth quarter of 2021 and slowly decrease to about 8.7 percent by 2024.

## ECONOMIC OUTLOOK

Low demand for goods and services because of the COVID-19 Pandemic put downward pressures on prices. Headline inflation as measured by the Consumer Price Index (CPI) is expected to have slowed in 2020, led by softening demand for gasoline, transportation, apparel and shelter. After averaging 1.8 percent in 2019, headline CPI is expected to have decelerated to 1.2 percent in 2020. As oil prices gradually recover in 2021 and overall demand starts to increase again, CPI is expected to accelerate to an average of 2.2 percent during the forecast window.

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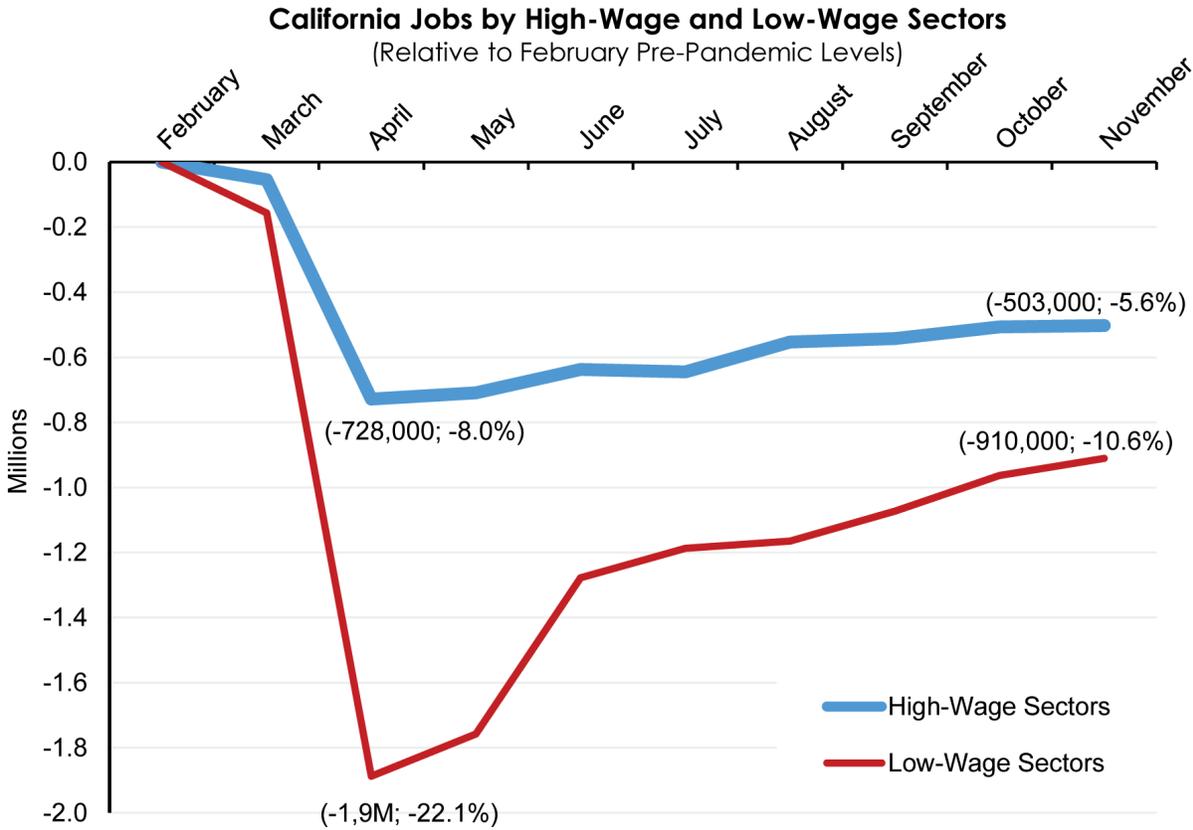
## CALIFORNIA'S OUTLOOK

When finalized in November, the Budget forecast assumed that most unemployment insurance recipients would lose benefits in the first half of 2021, and the eviction moratorium would expire on January 31, 2021. This was projected to lead to an overall decrease in personal income in California as benefits run out and transfers contract, which will put many households at risk, exacerbating income inequality that existed before the COVID-19 Recession. Several programs were extended in the recent federal COVID-19 relief bill enacted last month; however, this was not included in the Budget forecast. The May Revision forecast will be updated to incorporate any changes in economic policy between November 2020 and April 2021.

The California unemployment rate decreased to 8.2 percent in November 2020 but there were 1.4 million fewer employed Californians and 783,000 more unemployed civilians in November than in February. California nonfarm employment was 16.2 million with low-wage sectors being 10.6 percent lower versus 5.6 percent for high-wage sectors. (See figure on California Jobs by High-Wage and Low-Wage Sectors.)

California's economic recovery is projected to continue and the forecast assumed that the expiration of unemployment benefits and the ending of the eviction moratorium will weigh on growth in the first half of 2021. With the recent federal COVID-19 relief bill, growth is likely to be faster than assumed in the baseline Budget forecast, but income inequality will persist.

California's unemployment rate is expected to average 8.5 percent in 2021, following following 10.3 percent in 2020. Proposition 22, approved by voters in November 2020, is expected to decrease growth in wage employment. Employers of independent contractors are not required to pay into unemployment insurance, disability insurance, or provide family or annual leave. While the unemployment rate is projected to decrease, the quality of jobs is also expected to be lower. Labor force participation rate (LFPR)—the percentage of working age population in the labor force—decreased



Source: CA Employment Development Department, Labor Market Information Division.

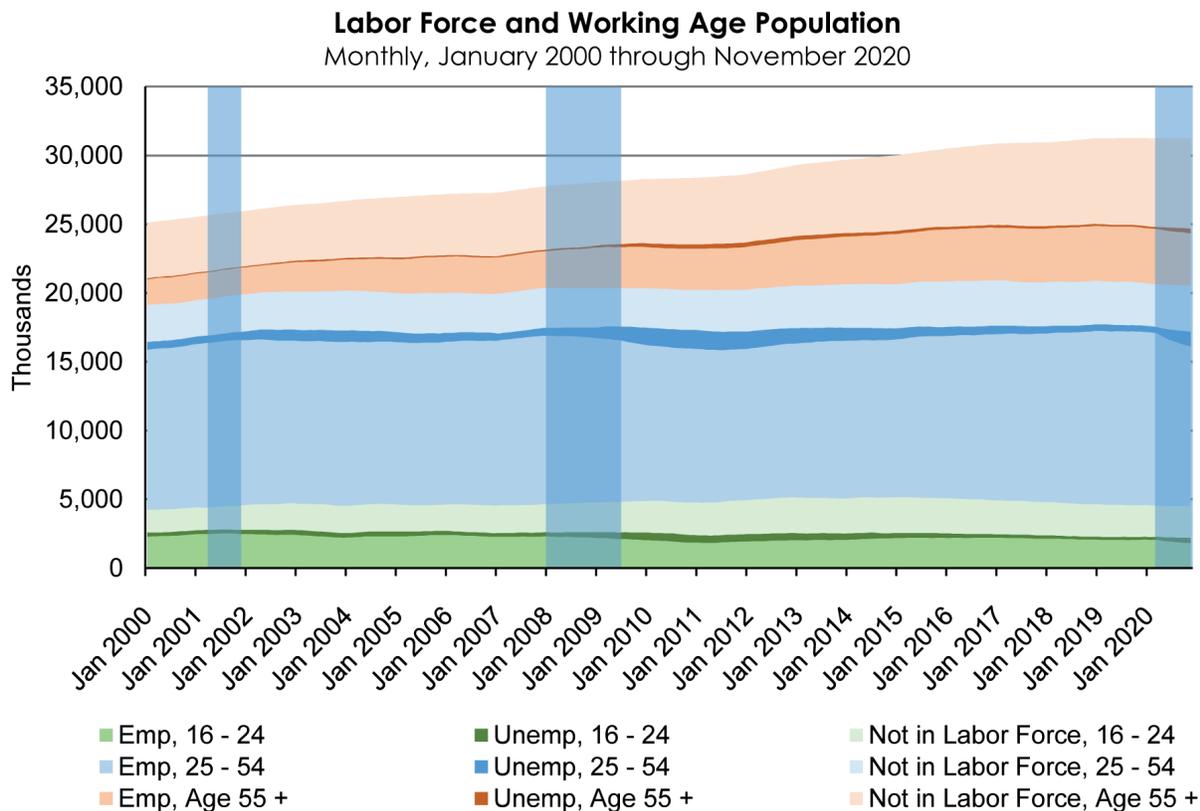
from 62.3 percent in the first quarter to 59.8 percent in the second quarter of 2020, the lowest participation rate on record. (See figure on California Labor Force and Working Age Population.) The California labor force is expected to decline in the second quarter of 2021, before growing around 0.7 percent by 2024.

Businesses are expected to continue to operate at limited capacity into 2021. Increased automation and a shift to online retailing will lead to permanent job declines in leisure and hospitality, retail, and other services. This will slow overall job growth as these industries were among the largest employers in California prior to the COVID-19 Pandemic. However, due to the loss in lower-wage jobs, average wages are projected to have increased by 6.2 percent in 2020.

The job recovery is expected to be faster in industries that are less reliant on in-person contact, and in industries that are currently facing increased demand, such as wholesale trade, transportation and warehousing, and construction. Nonfarm employment for California is projected to recover to pre-pandemic levels in 2025. (See figure on the Change in Jobs by Sector: 2024 Q4 relative to 2020 Q1.)



## ECONOMIC OUTLOOK

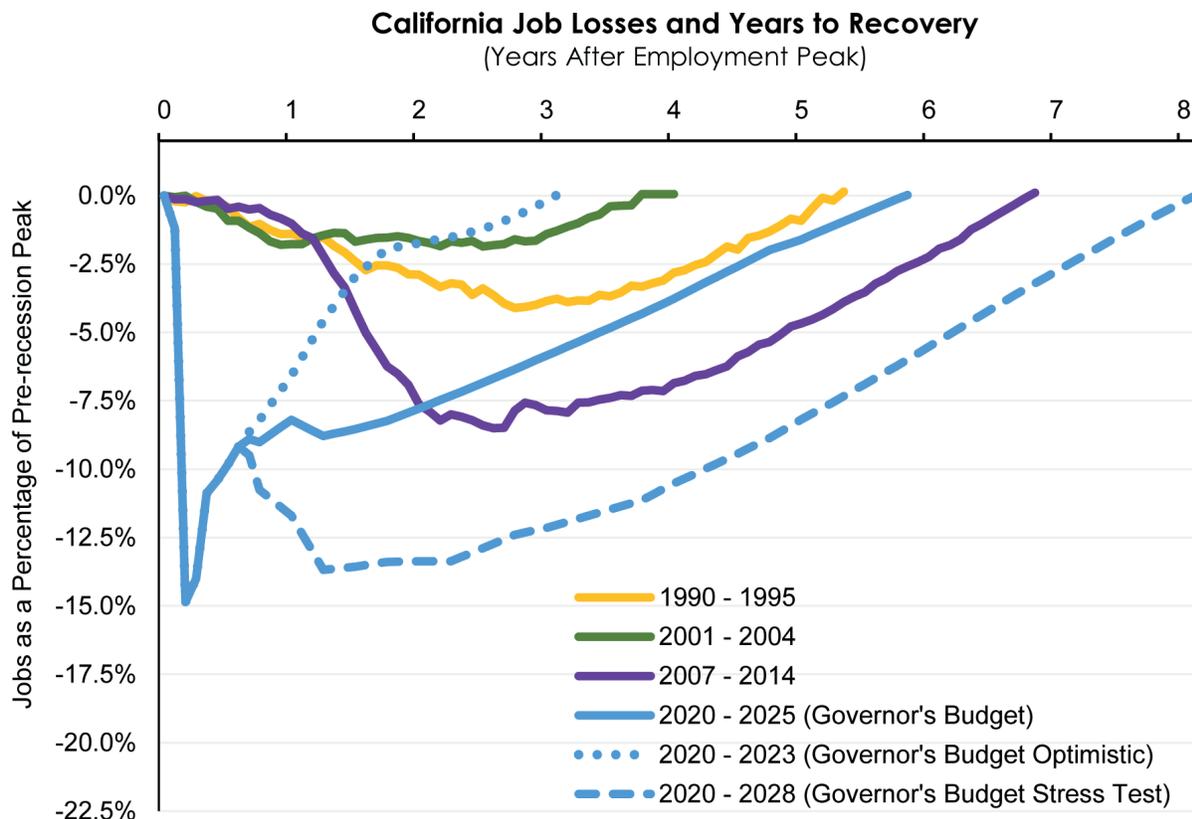


Shaded areas indicate U.S. recessions.

Source: CA Employment Development Department, Labor Market Information Division.

An Optimistic Scenario modeled by the Department of Finance that assumed continuation of federal assistance beyond the CARES Act projects that the recovery in jobs would speed up to return to pre-pandemic levels within three years. This scenario included another round of Paycheck Protection Program loans, an extension of the Pandemic Unemployment Assistance program, extended eligibility, an unemployment benefit supplement of \$600 per week through the end of 2021, and an extension of the state eviction moratorium also through the end of 2021. Under the Optimistic Scenario, Californians can continue to meet their spending needs and businesses can continue to operate, supporting job growth. The recent federal relief bill passed by Congress was smaller in scope and duration than the stimulus package assumed in this Optimistic Scenario. (See figure on California Job Losses and Years to Recovery.)

Despite lower employment and falling total wages, total personal income in California is projected to grow by 4.9 percent in 2020, due largely to transfer payments, which include assistance to individuals such as unemployment benefits and Social Security. Transfer payments are projected to have increased by 44.1 percent or by \$165 billion in 2020. This would be the largest annual percentage increase in transfers in the history of the series dating back to 1998. Unemployment benefits payments are projected to

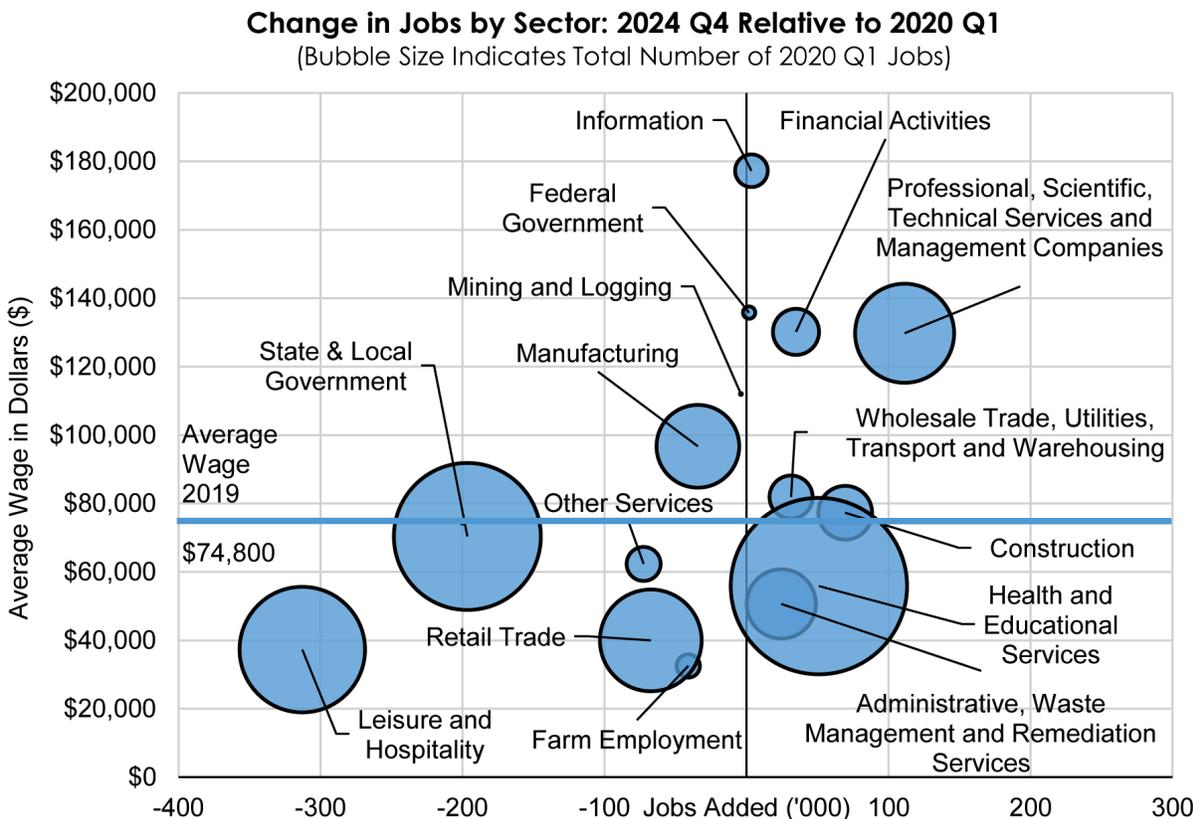


Source: CA Employment Development Department, Labor Market Information Division; CA Department of Finance, Governor's Budget Forecast.

have risen to around \$119.4 billion in 2020 after totaling only \$5 billion in 2019. In 2021, total personal income is projected to fall by 4.6 percent as stimulus payments and unemployment benefits were expected to end. After a projected decline of 2.3 percent in 2020, proprietors' income is expected to fall further by 6.3 percent as the forecast assumed that the Paycheck Protection Program would end. Rental income is projected to fall by 2.2 percent in 2021, the first annual decrease since 2007. The forecast projects personal income to start growing at 2 percent in 2022 and to accelerate to 4.8 percent by 2024, in keeping with California's historical share of U.S. personal income of about 13 percent. (See figure on Contributions to California Personal Income Growth.)

While the market for existing homes has been resilient, total permits for new construction are expected to decline by 10.3 percent to 101,000 units in 2020 and by 2.3 percent to 99,000 units in 2021 before steadily increasing to reach growth of 7.4 percent by 2024. Total permits averaged 96,000 units on a seasonally adjusted annualized rate through September, down 11.1 percent from the same period in 2019. This was driven by multi-family units, which averaged 43,200 units, or 18.3 percent lower than in the first three quarters of 2019, while single-family units were down by 4.2 percent, at an

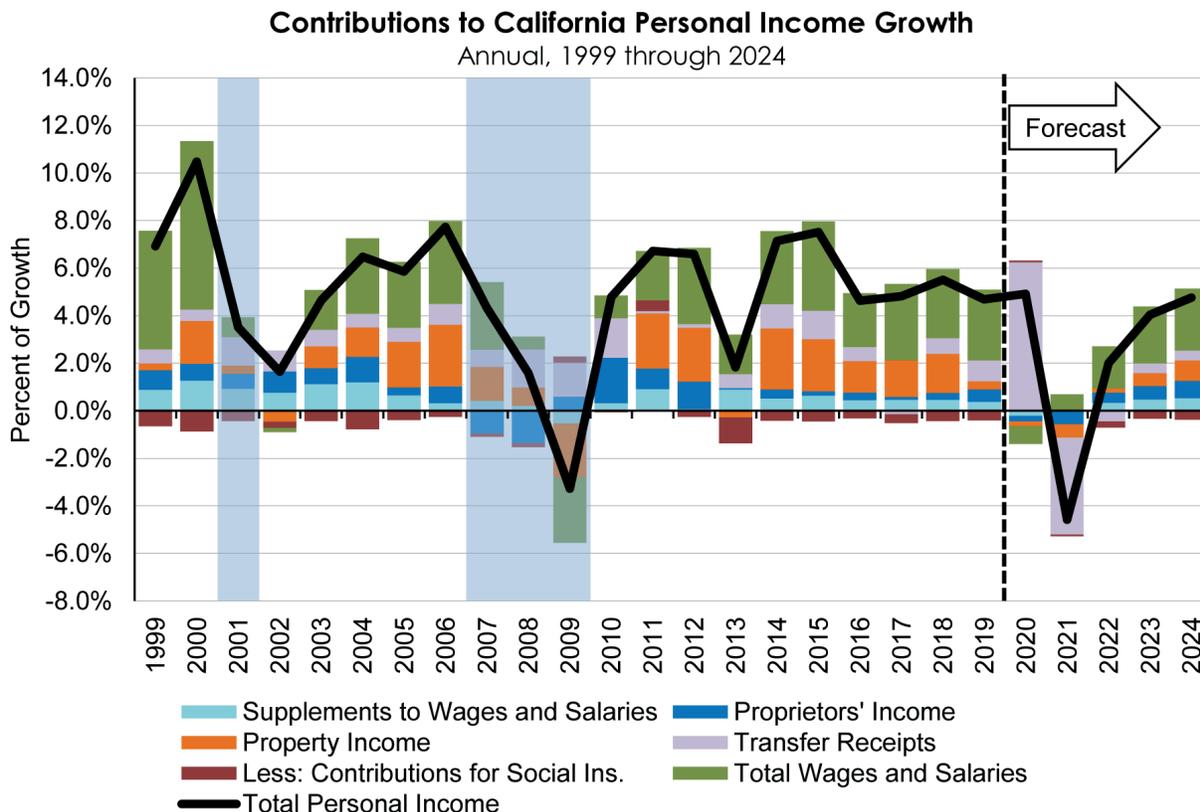
## ECONOMIC OUTLOOK



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

average of 52,800 units. Total permits are projected to exceed the 2019 pre-pandemic level of 113,000 units in 2024, with a total of 118,000 units. (See figure on Number of Permits Issued per Year.)

Due to higher housing costs in the state, California inflation is expected to have averaged 1.7 percent in 2020, 0.5 percentage point higher than the nation. California inflation reflects the rate of change in CPI for the metropolitan areas of Los Angeles, Riverside-San Bernardino, San Diego, and San Francisco. The expected decrease in inflation rates in 2020 is projected to be driven by a decline in energy prices for gasoline, transportation and apparel as people cut back on non-essential travel and discretionary purchases of clothing and accessories. This is projected to be offset by an acceleration in demand for some essentials, such as food, fuel and utilities, and medical care. In 2021, inflation is expected to accelerate to 2.8 percent, led by recovery in gasoline, transport and apparel prices, and as overall demand strengthens.



Shaded areas indicate previous U.S. recessions.

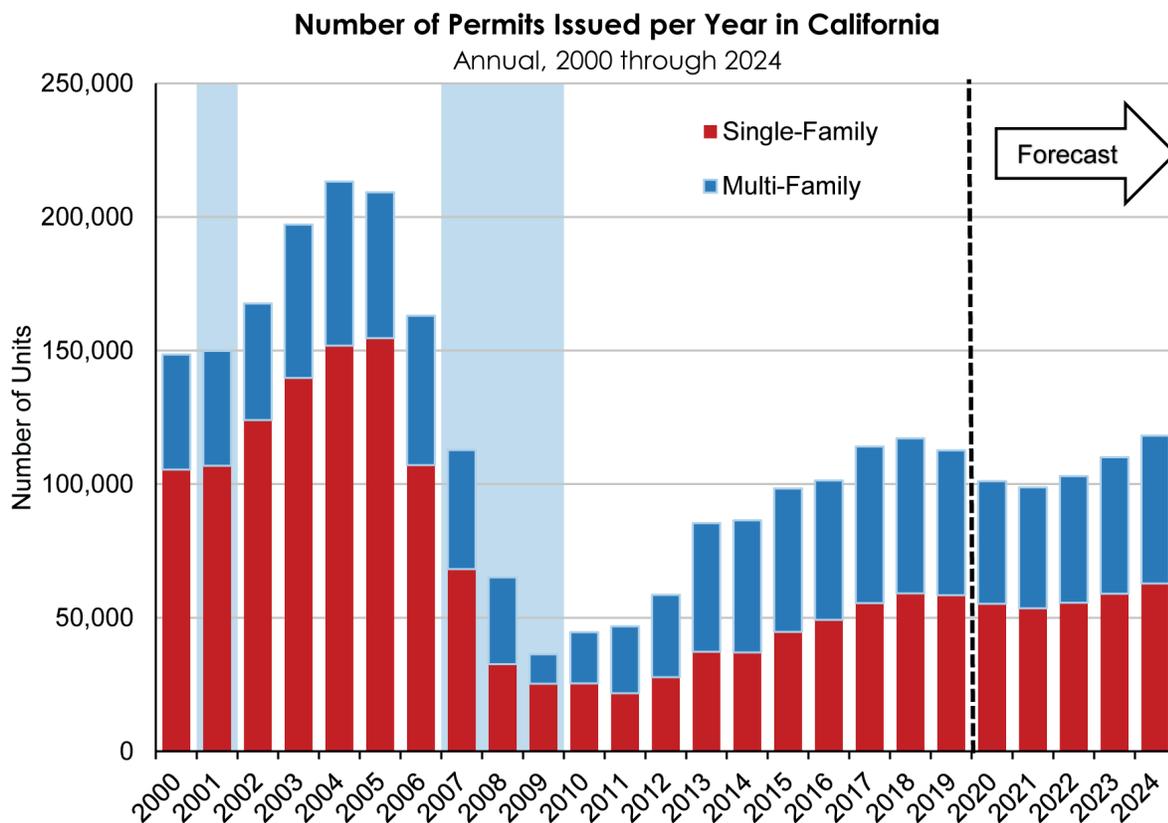
Source: U.S. Bureau of Economic Analysis; CA Department of Finance, Governor's Budget Forecast.

## CONTINUING RISKS

With the recession lingering and economic inequality intensifying since the COVID-19 Pandemic began, risks continued to increase throughout 2020. While the comparative insulation of high-income workers has supported the economy, evidenced by record high housing and stock prices, subtle shifts in high-wage sectors could tip the scales and slow the recovery or lead into a more generalized recession affecting all sectors. Risks continue to include a fall in the stock market, more widespread job losses, more businesses closing, and a failure to address structural inequality at a time when climate risks are also increasing.

Most of the burden of the COVID-19 Recession has been relatively isolated to industries and individuals working in public-facing sectors. If more businesses enter bankruptcy and unemployment increases among high-income workers, the economy would face additional stresses as modeled in the Stress Test scenario. (See figure on California Job Losses and Years to Recovery.) This scenario would more closely resemble the unfolding of the Great Recession, which also began in a single sector of the economy with the collapse of the housing market. As the shock spread through the financial system, it

## ECONOMIC OUTLOOK



Shaded areas indicate previous U.S. recessions.

Source: CA Homebuilding Foundation; CA Department of Finance, Governor's Budget Forecast.

affected the rest of the economy. Under the Stress Test scenario, California would lose jobs in both low- and high-wage sectors in the first half of 2021, reversing economic growth from the second half of 2020. It would then grow more slowly compared to the baseline afterwards. California nonfarm employment would recover to pre-pandemic levels three years later than in the baseline scenario, around 2028. The Stress Test scenario did not include any additional federal assistance beyond the CARES Act.

The stock market has benefited from federal policy to cushion the financial sector, and the large increase in savings also likely led to more investment in stocks. The shift towards telework has supported information and technology companies and sectors, which also tend to be among the top S&P 500 companies. However, risks of a second and potentially worse stock market downturn remain. Mirroring consumption patterns, the growth of S&P 500 company stock prices has been sharply divided, with the technology-heavy and consumer discretionary sectors growing while other sectors such as energy decrease.

Climate change and extreme weather events continue to be a risk to California. Calendar year 2020 was California's most widespread wildfire year on record, with over

## ECONOMIC OUTLOOK

4 million acres burned throughout the state as of mid-December—more than twice the previous record of over 2 million acres burned in 2018. The ongoing risk of worsening wildfire seasons will likely affect individuals' and businesses' livelihoods and decisions on where to reside and conduct business, which may impact the growth of regions that are most at risk, as well as cities and towns which are regularly impacted by smoke and pollution. Rising sea levels may also introduce new challenges to some coastal communities in the future. Finally, other environmental risks such as the ongoing threat of droughts remain.

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# REVENUE ESTIMATES

Entering 2020, the U.S. economy had experienced the longest expansion in its history. Despite this record period of growth, inequality increased substantially since the Great Recession, with the greatest income gains going to those individuals who already had significant wealth. In the second quarter of 2020, the long-running economic expansion came to an end as the COVID-19 Pandemic forced dramatic downturns in many industries and almost complete shutdowns in others. The COVID-19 Pandemic has exacerbated inequality as most of the job losses fell on low-wage earners. Because withholding actually increased somewhat during 2020 in the face of record unemployment and significant wage declines, it appears that high-wage taxpayers have not been significantly adversely affected by the economic downturn caused by the COVID-19 Pandemic.

In addition to strong wage growth, the rebounding stock market means that capital gains, which accrue largely to high-income households, are likely to show strong growth this year. Because the economic pain of the COVID-19 Pandemic has been felt largely by low-income taxpayers, and because of California's progressive tax structure, California's revenues have only suffered a moderate slowdown, much smaller than what was expected when the 2020 Budget Act was adopted last June. As discussed in the Economic Outlook Chapter, the Governor's Budget forecast did not include the federal relief bill enacted in late December, and the additional low-income support will reduce the risks to those households. The effects of the federal relief bill will be included in the May Revision forecast, but at this time its effects on higher-income households and revenues are expected to be minimal.



## REVENUE ESTIMATES

The General Fund revenue forecast has improved dramatically relative to the 2020 Budget Act. As a result, before accounting for transfers such as to the Budget Stabilization Account, General Fund revenue is higher than the 2020 Budget Act projections by nearly \$71 billion from 2019-20 through 2021-22. The Governor's Budget reflects actual and anticipated reimbursements from the federal government totaling approximately \$9.9 billion for reimbursement of costs associated with the state's response to recent (2017, 2018, and 2020) wildfires and the COVID-19 Pandemic.

The 2021-22 Governor's Budget General Fund Revenue Forecast figure compares the revenue forecasts, by source, in the 2020 Budget Act and the Governor's Budget.

Revenue, including transfers, is expected to be \$163 billion in 2020-21 and \$158 billion in 2021-22. The projected increase since the 2020 Budget Act can be attributed to three main factors: a less severe economic downturn than was anticipated at the 2020 Budget Act, a significantly greater unequal spread of the wage losses in the downturn between high-wage and lower-wage segments of the population, and a stronger stock market than was expected. The personal income tax forecast has been significantly upgraded, reflecting all three of the factors. The sales tax forecast has improved considerably due to the less severe recession and the consequently improved outlook for consumption of tangible goods and for investment. The corporation tax forecast has improved moderately primarily reflecting a reduced downturn in proprietorship income. Over the next three fiscal years, personal income tax is up almost \$58 billion, sales tax is up almost \$9 billion, and corporation tax is up \$1.3 billion. Accruals of revenues to previous years for corporation tax, personal income tax, and sales tax reduce the 2018-19 beginning balance by \$560 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, in 2009, capital gains contributed only \$2.3 billion to the General Fund. By 2012, that revenue had increased to \$10.4 billion, and for 2020 it is expected to hit \$17.3 billion—the highest amount ever.

The Capital Gains Realizations figure shows capital gains reported on California tax returns from 1970 through projections for 2021. Although the level of capital gains has grown significantly since 1970 (along with the economy and total personal income tax revenue), capital gains volatility has been a constant. History shows that high levels of capital gains eventually drop off.

**2021-22 Governor's Budget  
General Fund Revenue Forecast  
Reconciliation with the 2020 Budget Act**  
(Dollars in Millions)

Source	2020 Budget Act	Governor's Budget	Change From Budget Act Forecast	
<b>Fiscal 2019-20: Preliminary</b>				
Personal Income Tax	\$95,566	\$99,509	\$3,943	4.1%
Sales & Use Tax	24,941	25,495	555	2.2%
Corporation Tax	13,870	14,035	165	1.2%
Insurance Tax	3,052	3,128	76	2.5%
Alcoholic Beverage	385	383	-2	-0.6%
Cigarette	58	60	3	4.5%
Pooled Money Interest	547	516	-31	-5.6%
Other Revenues	3,209	1,943	-1,266	-39.4%
<b>Subtotal</b>	<b>\$141,628</b>	<b>\$145,070</b>	<b>\$3,442</b>	<b>2.4%</b>
Transfers <sup>1/</sup>	-4,003	-4,447	-444	11.1%
<b>Total</b>	<b>\$137,625</b>	<b>\$140,623</b>	<b>\$2,998</b>	<b>2.2%</b>
<b>Fiscal 2020-21</b>				
Personal Income Tax	\$77,567	\$102,208	\$24,641	31.8%
Sales & Use Tax	20,583	26,508	5,926	28.8%
Corporation Tax	16,534	16,948	414	2.5%
Insurance Tax	2,986	3,253	267	8.9%
Alcoholic Beverage	389	385	-4	-1.0%
Cigarette	56	55	-1	-1.9%
Pooled Money Interest	184	105	-79	-42.8%
Other Revenues	7,076	4,158	-2,917	-41.2%
<b>Subtotal</b>	<b>\$125,374</b>	<b>\$153,621</b>	<b>\$28,247</b>	<b>22.5%</b>
Transfers <sup>1/</sup>	12,345	9,121	-3,224	-26.1%
<b>Total</b>	<b>\$137,719</b>	<b>\$162,742</b>	<b>\$25,023</b>	<b>18.2%</b>
<b>Fiscal 2021-22</b>				
Personal Income Tax	\$77,517	\$107,360	\$29,843	38.5%
Sales & Use Tax	\$23,634	25,925	2,291	9.7%
Corporation Tax	15,899	16,636	737	4.6%
Insurance Tax	3,088	3,319	231	7.5%
Alcoholic Beverage	393	389	-4	-0.9%
Cigarette	54	46	-8	-14.2%
Pooled Money Interest	89	22	-66	-74.8%
Other Revenues	1,918	7,876	5,958	310.6%
<b>Subtotal</b>	<b>\$122,592</b>	<b>\$161,574</b>	<b>\$38,982</b>	<b>31.8%</b>
Transfers <sup>1/</sup>	6,693	-3,204	-9,897	-147.9%
<b>Total</b>	<b>\$129,285</b>	<b>\$158,370</b>	<b>\$29,085</b>	<b>22.5%</b>
<b>Three-Year Total</b>			<b>\$57,106</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 a large share of the state's personal income tax. For the 2018 tax year, the top 1 percent of income earners paid over 46 percent of personal income taxes. This percentage has been greater than 40 percent in every year since 2004, except for 2009. The share of total adjusted gross income from the top 1 percent of income earners has increased from 13.8 percent in 1993 to 24 percent in 2018. This number has exceeded 20 percent also in every year since 2004, except for 2009. Consequently, changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

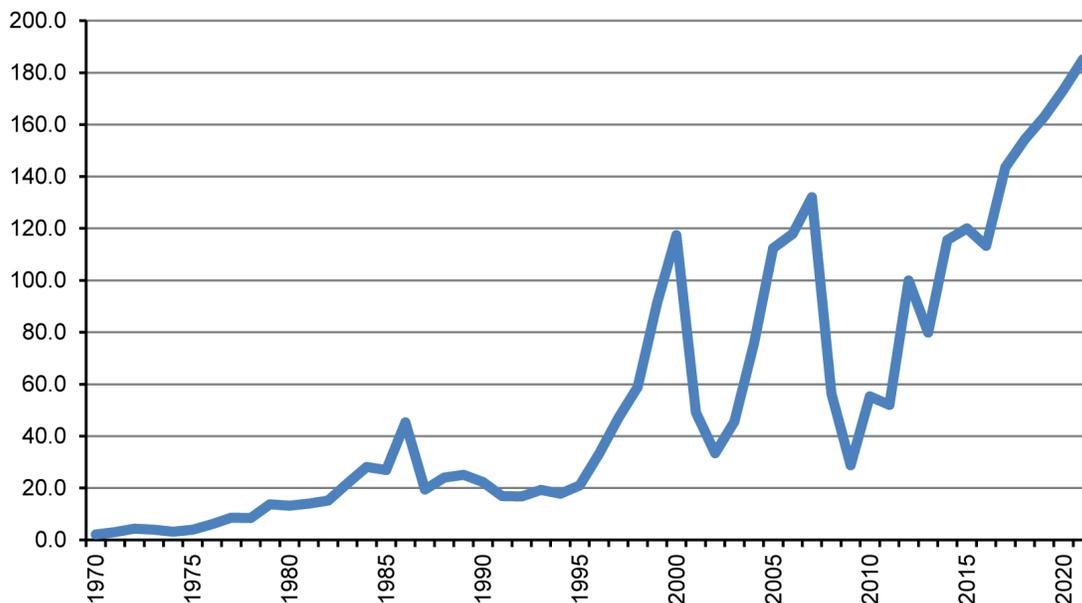
## REVENUE ESTIMATES

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

Annual Values	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>ef</sup>	2019 <sup>ef</sup>	2020 <sup>ef</sup>	2021 <sup>ef</sup>
Capital Gains Realizations	\$28.8	\$55.3	\$52.1	\$99.9	\$79.9	\$115.5	\$120.1	\$113.2	\$143.6	\$154.4	\$162.9	\$173.5	\$185.1
Tax Revenues from Capital Gains	\$2.3	\$4.7	\$4.2	\$10.4	\$7.6	\$11.3	\$11.8	\$11.5	\$14.1	\$15.4	\$16.1	\$17.3	\$18.5
Fiscal Year Values	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
Tax Revenues from Capital Gains	\$3.0	\$4.5	\$6.0	\$9.6	\$8.7	\$11.5	\$11.7	\$12.3	\$14.4	\$15.6	\$16.5	\$17.6	\$18.2
Total General Fund Tax Revenues <sup>1/</sup>	\$86.6	\$92.0	\$85.3	\$97.6	\$103.0	\$113.8	\$118.9	\$122.1	\$135.1	\$144.5	\$145.1	\$156.0	\$161.6
Capital Gains Percentage	3.4%	4.9%	7.1%	9.8%	8.5%	10.1%	9.9%	10.0%	10.7%	10.8%	11.4%	11.3%	11.3%

<sup>1/</sup>Excluding transfers.  
<sup>ef</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 capital gains revenue that is greater than 8 percent of General Fund tax revenue to the Rainy Day Fund and to pay down state debts. The Rainy Day Fund can be drawn down only if the Governor declares a budget emergency and, even then, no more than 50 percent of the Fund can be drawn down in the first year.

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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 2021-22 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 current recession. This economic downturn 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 some cases, actually benefited from current economic conditions.

The past two recessions in 2001 and 2008 have 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 \$120 billion to \$42 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 2020, the share of income is likely to increase for the top 1 percent of tax returns, capital gains realizations are forecast to increase from \$163 billion to \$173 billion, and personal income tax revenue is expected to grow by 5 percent.

One of the main reasons this recession was less severe than anticipated was the unprecedented level of federal assistance provided, including direct payments to many households, loans and grants for businesses to help them keep workers employed, and enhanced unemployment benefits. In fact, personal income in 2020 is expected to grow by 4.9 percent, due largely to more than \$150 billion in additional transfers in the form of stimulus checks and unemployment insurance. The personal income series is different from income that is taxable for personal income tax purposes. In particular, taxable income does not include transfers. On the other hand, taxable income includes capital gains, whereas personal income does not. There are other differences between personal income and taxable income, but these two are the most significant.

## REVENUE ESTIMATES

Outline of State Tax System  
as of January 1, 2021

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	56.93%	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	\$9.65	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Trim	Ounce	\$2.87	Tax & Fee Admin	Cannabis Tax Fund
Cultivation-Fresh Plant	Ounce	\$1.35	Tax & Fee Admin	Cannabis Tax Fund
<b>Motor Vehicle</b>				
Vehicle License Fees (VLF) <sup>5/</sup>	Market value	0.65%	DMV	VLF, Local Revenue
Transportation Improvement Fee	Market value	\$25-\$175	DMV	Transportation
Fuel—Gasoline <sup>6/</sup>	Gallon	\$0.505	Tax & Fee Admin	Motor Vehicle Fuel
Fuel—Diesel <sup>7/</sup>	Gallon	\$0.39	Tax & Fee Admin	Motor Vehicle Fuel
Registration Fees <sup>8/</sup>	Vehicle	\$92.00	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 and California Children and Families First Trust Fund. Effective July 1, 2019, through June 30, 2020, the rate is 56.93 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.

The significant increase in transfers, particularly the expanded unemployment compensation, has been a primary support for the economy and likely held off a more pronounced downturn. However, the Governor's Budget forecast assumes that support for the unemployed would end early in 2021. The Budget forecast did not assume any additional federal stimulus support, or continued support for unemployed persons beyond what was in place at the end of November.

It was expected that this loss of compensation will cause a slowdown in economic growth. The slowdown should not be a significant drag on the income of high-income households, however, and thus will only have a slight dampening impact on revenue. However, if the impact of the slowdown spreads to higher-income individuals or the stock market, then the impact on revenues could be significant. This is a major risk for the revenue forecast. While the enactment of the recent federal COVID-19 relief bill includes extended unemployment compensation will provide a direct support to the economy as a whole in 2021, it may not have a significant impact on revenue since the forecast already assumes that high income personal income taxpayers will be largely insulated from the downturn.

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## GENERAL FUND REVENUE

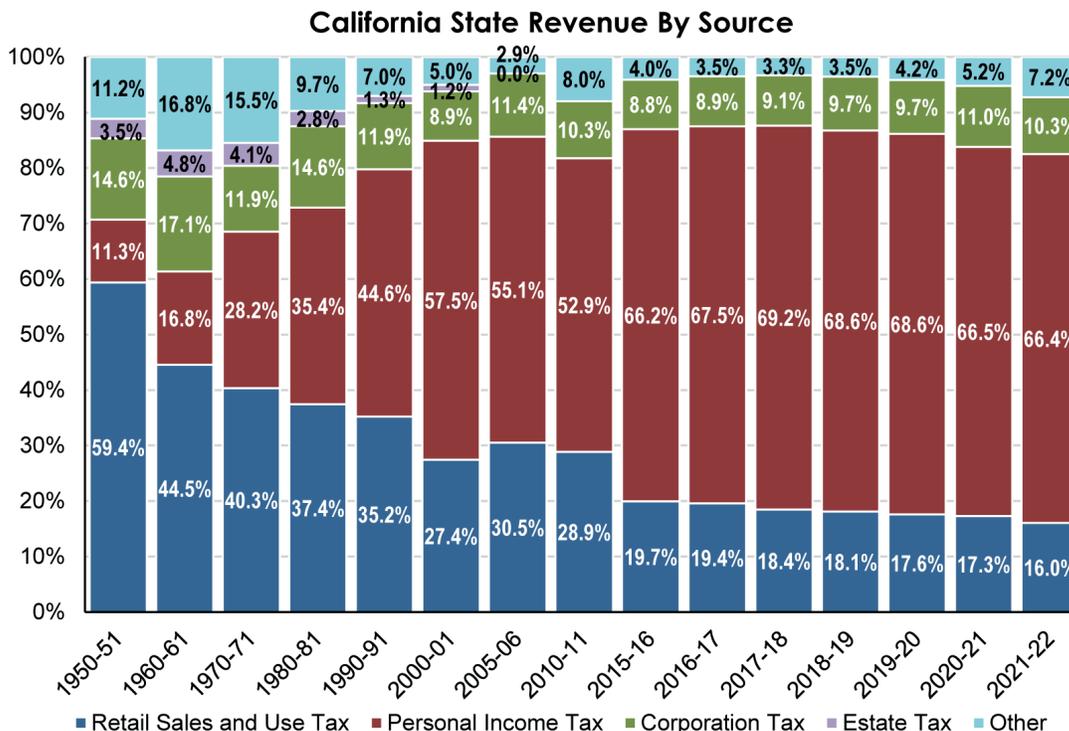
The California State Revenue by Source figure shows how the breakdown of General Fund revenues by tax source has changed over time. In 1950-51, sales tax revenue made up over 50 percent of General Fund revenues while personal income tax revenue made up just more than 11 percent. That relationship has changed dramatically over time, and, for 2021-22, personal income tax makes up 66.4 percent of all General Fund revenues.

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## 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 2019-20 through 2024-25. Total General Fund revenue from these sources is expected to grow from \$139 billion in 2019-20 to \$155.8 billion in 2024-25. The average year-over-year growth rate for this period is 1.9 percent. Although this average growth rate is significantly better than what was forecast for the 2020 Budget Act, it is far lower than the average growth rate since the 2009-10 fiscal year of 6.4 percent.

## REVENUE ESTIMATES



### Long-Term Revenue Forecast - Three Largest Sources

(General Fund Revenue - Dollars in Billions)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average Year-Over-Year Growth
Personal Income Tax	\$99.5	\$102.2	\$107.4	\$108.4	\$109.3	\$112.4	2.1%
Sales and Use Tax	25.5	26.5	25.9	26.7	27.4	28.2	1.3%
Corporation Tax	14.0	16.9	16.6	15.8	14.9	15.2	1.6%
<b>Total</b>	<b>\$139.0</b>	<b>\$145.7</b>	<b>\$149.9</b>	<b>\$150.9</b>	<b>\$151.6</b>	<b>\$155.8</b>	<b>1.9%</b>

Note: Numbers may not add due to rounding.

The economic forecast reflects economic growth after 2020 with real GDP growth averaging 2.8 percent through 2024. These forecasts will be revised at the May Revision to account for the effects of the late December federal COVID-19 relief bill.

## STRESS TEST

The economic recovery is forecast to continue. However the lapsing of COVID-19-related economic support in early 2021 was expected to be a drag on growth, particularly to the prospects of low-income households who have borne the brunt of the pandemic. A main risk to California revenues is a spreading of the economic effects of the COVID-19 Pandemic to high-income households, who have

largely been shielded and which have kept personal income tax revenues high. A fall in the stock market, more widespread unemployment, or a sharp rise in bankruptcy filings could all shift more of the burden of the COVID-19 Pandemic to high-income households and ripple through to declines in revenue. In addition, climate change and extreme weather events pose risks to both economic and revenue growth. The recently enacted federal COVID-19 relief bill reduces the likelihood of a continued recession or the slowdown that is built into the underlying economic forecast. It is not likely that this bill will cause revenues to increase significantly relative to the baseline forecast. However, the revenue forecast will be updated for the May Revision when the impact of the relief bill is more apparent.

If the economy slows down more than expected in the first quarter of 2021, revenue declines could be significant. The Recession Scenario Revenue figure shows a history of California's three largest revenue sources—personal income tax, sales tax, and corporation tax—along with revenue projections for the budget forecast and for a scenario that assumes a continuation and expansion of the recession through the end of 2021. Under this scenario, revenue losses result from a decline in wages of about 10 percent compared to the forecast (about \$7 billion in revenue) and by a significant drop in capital gains realizations due to a 45-percent stock market correction. The shaded areas in this figure reflect the timing of the 2001 recession, the 2008-09 recession, and the current recession combined with the extended recession scenario. While the actual revenue declines in the past two recessions were significant (as shown in this figure), tax law changes temporarily increased revenues to lessen the declines. Revenue losses in this recession forecast would total over \$100 billion (an average of over \$30 billion per year) for three years, continue with more years of revenue declines in the range of \$30 billion, and lead to a permanently lower revenue base compared to the current forecast.

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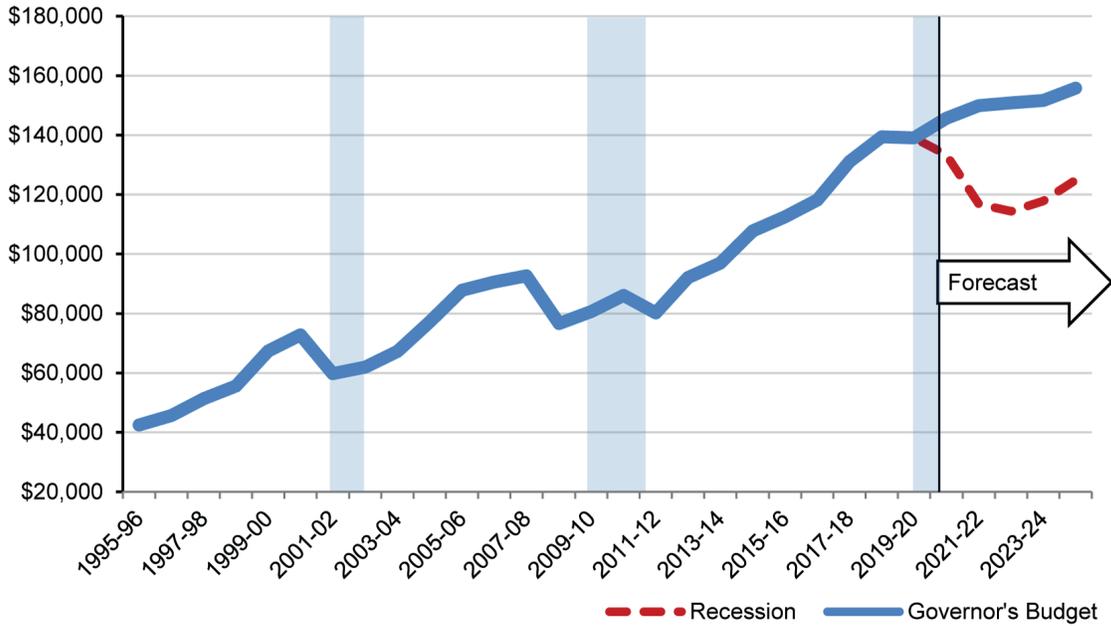
## TAX PROPOSALS

The Budget includes several proposals intended to encourage economic recovery, support for those most hurt by the current economic situation, and incentives for progress in achieving California's climate goals. Many of these proposals—a temporary increase in CalCompetes credits, a one-time expansion of the California Alternative Energy and Transportation Financing Authority sales tax exclusion, and a temporary deferral of property tax reassessment for zero-emission vehicle charging stations—are discussed in more detail in other chapters (Equitable and Broad-Based Economic Recovery Chapter and Climate Change Chapter).



## REVENUE ESTIMATES

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



This discussion will focus on the two remaining proposals.

### GOLDEN STATE STIMULUS

The Golden State Stimulus is intended to provide immediate cash support to families most likely to have suffered economically from the COVID-19 Pandemic. Regardless of income, all Californians pay a variety of taxes, including on the purchase of taxable goods. This proposal would refund \$600 of those taxes to all 2019 taxpayers who received a California Earned Income Tax Credit (Cal EITC) in 2020 as well as to 2020 taxpayers with individual tax identification numbers (ITINs) who receive a Cal EITC in 2021. Focusing on EITC recipients allows for a timely identification and location of the population that likely started 2020 with few resources. Lower-wage workers also disproportionately lost their jobs during the pandemic. The payments would be sent in February and March of 2021. ITIN taxpayers would receive the additional tax refund after they file their 2020 tax return, typically in February through April of 2021. The timing of these refunds is meant to help low-income households facing the end of the eviction moratorium. This tax refund is expected to cost \$2.4 billion in 2020-21.

### ELECTIVE S-CORPORATION TAX

The Elective S-corporation Tax is an additional 13.3 percent rate on taxable income on top of the regular 1.5 percent. As corporations, S-corporations are allowed to deduct

that tax from their taxable income for federal and state tax purposes. Shareholders pay personal income taxes on S-corporation income, at a rate of up to 13.3 percent. In return for the Elective S-corporation Tax, the S-corporation shareholders are allowed a credit against tax equal to 13.3 percent of their S-corporation income. This tax would help taxpayers recoup some of the tax benefits lost by Californians when the State and Local Tax deduction was limited as part of the 2017 federal Tax Cut and Jobs Act. The Elective S-corporation Tax is expected to on net produce a revenue gain between \$0 and \$20 million starting in 2021-22.

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## PERSONAL INCOME TAX

While the personal income tax forecast has been significantly upgraded since the 2020 Budget Act, the compounded annual growth rate is below typical rates seen prior to the COVID-19 Pandemic. For example, from 2012-13 to 2018-19, annual personal income tax revenues grew at a rate above 6 percent, while from 2018-19 to 2021-22 annual growth is only expected to be around 3 percent. The personal income tax is the state's largest revenue source and is expected to comprise 66.4 percent of all General Fund revenues in 2021-22.

The personal income tax is expected to generate \$99.5 billion in 2019-20, \$102.2 billion in 2020-21, and \$107.4 billion in 2021-22. These figures reflect an increase of \$3.9 billion in 2019-20, \$24.6 billion in 2020-21 and \$29.8 billion in 2021-22, relative to the 2020 Budget Act.

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.

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

## REVENUE ESTIMATES

as stock grants, restricted stock units, stock options, and bonus payments. In 2018, taxes attributable to wages and salaries accounted for nearly 58 percent of personal income tax revenues.

A higher forecast for economic wages, combined with wage growth accruing disproportionately to higher-income earners that are taxed at higher rates, is expected to increase withholding receipts by about \$24 billion over fiscal years 2020-21 and 2021-22. Economic wage growth was revised higher in 2020 from -12.8 to -1.5 percent. However, based on the strong tax withholding that occurred in 2020 in spite of the drop in economic wages, the wage declines are likely being felt largely by low-income households, while high-income households are either unaffected, or, in some cases, actually seeing wage increases during the COVID-19 Pandemic. Therefore, the 1.5-percent drop in wages masks the fact that many households, particularly those that were already in a precarious economic situation, are facing significant declines in their wages. The expected growth for economic wages is reduced from 3.2 percent to 1.4 percent in 2021. While the forecast for the levels of economic wages and personal income tax withholding receipts has been upgraded significantly, sectors that comprise more low-wage earners such as retail and leisure and hospitality are faring relatively poorly compared to higher-income sectors due to the COVID-19 Pandemic.

This forecast assumes that there will not be a significant change in migration patterns between California and other states, with net outflows appearing to have continued in 2020. International immigration typically brings hundreds of thousands of people to the state, outweighing the losses in domestic migration. However, immigrant visa processing has been largely suspended since the beginning of the pandemic. As a result of the large increase in teleworking brought about by the COVID-19 Pandemic, it is possible that there will be a significant 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 \$2.4 billion are estimated for 2019-20. The forecast also projects annual revenues of \$2.5 billion for 2020-21 and \$2.6 billion for 2021-22. The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2019-20 through 2021-22 are shown in the Personal Income Tax Revenue figure.

This forecast reflects a one-time revenue reduction of \$2.4 billion in 2020-21 for the provision of low-income tax refunds. The policy changes included in the Budget related to the expansion of the California Competes Tax Credit and the Main Street Small Business Hiring Tax Credit are expected to reduce personal income tax revenues by \$9.5 million in 2020-21 and \$35.8 million in 2021-22. In addition, the Elective S-corporation Tax and owner credit is expected to reduce personal income tax revenues on an ongoing basis by an unknown amount starting in 2021-22. These reductions will be more than offset by revenue gains at the entity level.

### Personal Income Tax Revenue

(Dollars in Thousands)

	2019-20 Preliminary	2020-21 Forecast	2021-22 Forecast
General Fund	\$99,509,305	\$102,208,381	\$107,360,147
Mental Health Services Fund	2,369,653	2,540,417	2,635,717
<b>Total</b>	<b>\$101,878,958</b>	<b>\$104,748,798</b>	<b>\$109,995,864</b>

## CAPITAL GAINS

The stock market has grown much more in 2020 than in a typical recession, which benefits mainly higher-income households. Taxes attributable to capital gains made up 16.5 percent of personal income tax revenue in 2018, which is only 4.8 percentage points below the last cyclical peak in 2007 of 21.4 percent. Capital gains realizations in 2020, 2021 and 2022 were revised sharply higher since the 2020 Budget Act forecast from \$119 billion to \$174 billion in 2020, \$70 billion to \$185 billion in 2021, and from \$84 billion to \$177 billion in 2022 based on a stock market forecast that has been revised significantly upward. There are two factors that are likely contributing to the strength of the stock markets. One factor is the Federal Reserve's expansionary monetary policy and the other factor is an increased savings rate for high-income households. The COVID-19 Pandemic has made the consumption of certain services, such as travel and entertainment, difficult. This constrained consumption has likely led to higher savings rates for high-income households. Combined with low interest rates, this is likely to lead to high-income households investing in corporate equities.

The Governor's Budget forecast projects that the S&P 500 will be at 3,589 in the first quarter of 2021, and will contract annually at approximately 0.25 percent. The 2020 Budget Act had forecast the S&P 500 to be at 2,060 in the first quarter of 2021, and to grow at 5.5 percent per year. Capital gains decline from their peak levels in 2021 to reach 4.5 percent of personal income by 2025, the same year reversion to this level was

## REVENUE ESTIMATES

assumed in the Budget Act. Due to the slight declines expected from the stock market due to its current high valuation, year-over-year declines in capital gains realizations are expected for 2022, 2023, 2024 and 2025.

The higher levels and valuations in the stock market and the higher levels of forecasted capital gains increase the risk of a large stock market drop leading to a large decline in capital gains revenues. The forecast for capital gains realization in 2020 and 2021 represent 6.3 percent and 7 percent of California personal income, respectively. These levels are still below but approaching the peaks of 8.4 percent in 2007 and 10.4 percent in 2000. Following those prior 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.

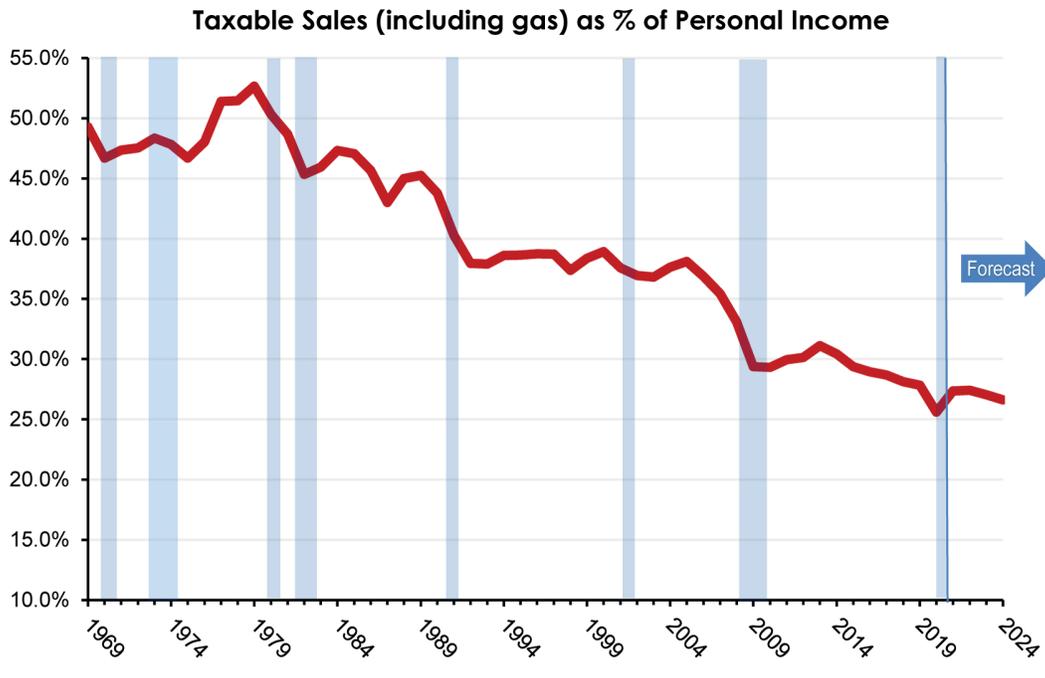
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## SALES AND USE TAX

The severity of the COVID-19 Pandemic's effect on taxable spending has proven to be far smaller than expected, due in part to a shift in spending from services to goods, which are more likely to have sales tax levied on them than services. The sales and use tax (sales tax) generated General Fund revenue of \$25.5 billion in 2019-20 and is expected to generate \$26.5 billion in 2020-21 and \$25.9 billion in 2021-22. Relative to the 2020 Budget Act, these figures reflect an increase of \$555 million in 2019-20, an increase of \$5.9 billion in 2020-21, and an increase of \$2.3 billion in 2021-22. Receipts from the sales tax, the state's second largest revenue source, are expected to contribute 16 percent of all General Fund revenues in 2021-22.

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. Forecasted levels of sales tax revenue are much higher than those of the 2020 Budget Act, with a significantly more optimistic economic forecast leading to an upgraded forecast for both consumer spending and private investment. The state has benefitted from legislation passed in the wake of *South Dakota vs. Wayfair, Inc.*, which has allowed California to capture taxes on sales that have shifted online due to COVID-19. Preliminary tax return data indicates that online taxable sales more than tripled in the first half of calendar year 2020 when compared to the first half of calendar year 2019. Finally, the forecast continues to reflect the long-term trend of deterioration of the sales tax base. This deterioration is evidenced by taxable sales as a percentage of personal income declining from over

50 percent in the late 1970s to 28 percent in 2019 as shown in the Taxable Sales as a Percentage of Personal Income figure.



The State Sales Tax Revenue figure displays total sales tax revenues for the General Fund and various special funds for 2019-20 through 2021-22.

**State Sales Tax Revenue**  
(Dollars in Thousands)

	2019-20 Actual	2020-21 Forecast	2021-22 Forecast
General Fund	\$25,495,445	\$26,508,494	\$25,924,665
Sales and Use Tax-1991 Realignment	3,584,804	3,768,502	3,736,906
Sales and Use Tax-2011 Realignment	7,050,195	7,427,178	7,276,713
Public Transportation Account	917,430	735,995	763,838
<b>Total</b>	<b>\$37,047,874</b>	<b>\$38,440,169</b>	<b>\$37,702,122</b>

The State and Local Sales Tax Rates figure displays the individual elements of the state and local sales tax rates.

The Combined State and Local Sales and Use Tax Rates by County figure shows combined state and local tax rates for each county, including special rates for certain cities within those counties. The average statewide sales tax rate was 8.56 percent at the beginning of 2020-21.

## REVENUE ESTIMATES

**State and Local Sales and Use Tax Rates (as of January 1, 2021)**

<b>State Rates</b>		
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.
<b>Local Uniform Rates<sup>1/</sup></b>		
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.
<b>Local Add-on Rates<sup>3/</sup></b>		
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%.

**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, 2020

County	Tax Rate	County	Tax Rate	County	Tax Rate
Alameda	9.25%	Madera	7.75%	San Joaquin	7.75%
Emeryville	9.50%	Madera	8.25%	Lodi, Manteca, Tracy	8.25%
Alameda, Albany, Hayward,	9.75%	Chowchilla	8.75%	Lathrop	8.75%
Newark, San Leandro,		Marin	8.25%	Stockton	9.00%
Union City		Novato	8.50%	San Luis Obispo	7.25%
Alpine	7.25%	San Anselmo, Sausalito	8.75%	Arroyo Grande, Atascadero,	7.75%
Amador	7.75%	Corte Madera, Fairfax,	9.00%	Grover Beach, Morro Bay,	
Butte	7.25%	Larkspur, San Rafael		Paso Robles, Pismo Beach,	
Paradise	7.75%	Mariposa	7.75%	San Luis Obispo	
Oroville	8.25%	Mendocino	7.875%	San Mateo	9.25%
Calaveras	7.25%	Point Arena, Willits	8.375%	Burlingame, San Mateo,	9.50%
Angel's Camp	7.75%	Fort Bragg, Ukiah	8.875%	Belmont, East Palo Alto,	9.75%
Colusa	7.25%	Merced	7.75%	Redwood City, San Bruno,	
Williams	7.75%	Atwater, Gustine, Merced	8.25%	South San Francisco	
Contra Costa	8.25%	Los Banos	8.75%	Santa Barbara	7.75%
Concord, Hercules, Orinda,	8.75%	Modoc	7.25%	Guadalupe	8.00%
Pittsburg, Pleasant Hill,		Mono	7.25%	Lompoc, Santa Barbara,	8.75%
San Pablo		Mammoth Lakes	7.75%	Santa Maria	
Antioch, Martinez, Moraga,	9.25%	Monterey	7.75%	Carpinteria	9.00%
Pinole, Richmond,		Gonzales	8.25%	Santa Clara	9.00%
El Cerrito	9.75%	King City, Pacific Grove,	8.75%	Los Gatos	9.125%
Del Norte	7.50%	Sand City, Soledad		Campbell, San Jose	9.25%
El Dorado	7.25%	Carmel-by-the-Sea	9.25%	Santa Cruz	8.50%
South Lake Tahoe	7.75%	Del Rey Oaks, Marina,		Capitola	9.00%
Placerville	8.25%	Monterey, Salinas, Seaside		Watsonville, Santa Cruz	9.25%
Fresno	7.975%	Greenfield	9.50%	Scotts Valley	9.75%
Selma	8.475%	Napa	7.75%	Shasta	7.25%
Sanger	8.725%	St. Helena	8.25%	Anderson	7.75%
Coalinga, Fowler, Huron,	8.975%	Nevada	7.50%	Sierra	7.25%
Kerman, Kingsburg		Truckee	8.25%	Siskiyou	7.25%
Reedley	9.225%	Nevada City	8.375%	Mount Shasta, Weed	7.50%
Glenn	7.25%	Grass Valley	8.50%	Dunsmuir, Yreka	7.75%
Orland	7.75%	Orange	7.75%	Solano	7.375%
Humboldt	7.75%	La Habra	8.25%	Rio Vista, Vacaville	8.125%
Arcata, Eureka, Fortuna,	8.50%	Fountain Valley, Garden Grove,	8.75%	Benicia, Fairfield,	8.375%
Trinidad		La Palma, Placentia, Seal Beach,		Suisun City, Vallejo	
Rio Dell	8.75%	Stanton, Westminster		Sonoma	8.25%
Imperial	7.75%	Santa Ana	9.25%	Healdsburg, Rohnert Park,	8.75%
Calexico, El Centro	8.25%	Placer	7.25%	Sonoma	
Inyo	7.75%	Loomis	7.50%	Santa Rosa, Sebastopol	9.00%
Kern	7.25%	Roseville	7.75%	Cotati	9.25%
Arvin, Bakersfield, Delano,	8.25%	Plumas	7.25%	Stanislaus	7.875%
Ridgecrest, Wasco		Riverside	7.75%	Ceres, Oakdale	8.375%
Kings	7.25%	Blythe, Cathedral City, Coachella,	8.75%	Sutter	7.25%
Corcoran	8.25%	Coachella, Hemet, Indio,		Tehama	7.25%
Lake	7.25%	La Quinta, Menifee, Murrieta,		Red Bluff	7.50%
Clearlake, Lakeport	8.75%	Norco, Riverside, Temecula,		Corning	7.75%
Lassen	7.25%	Wildomar		Trinity	7.25%
Los Angeles	9.50%	Palm Springs	9.25%	Tulare	7.75%
Avalon, Commerce, Downey,	10.00%	Sacramento	7.75%	Tulare	8.25%
El Monte, Inglewood,		Galt, Rancho Cordova	8.25%	Visalia, Dinuba	8.50%
La Puente, San Fernando,		Isleton, Sacramento	8.75%	Farmersville, Lindsay,	8.75%
South El Monte		San Benito	8.25%	Woodlake	
Alhambra, Arcadia, Azusa,	10.25%	San Juan Bautista	9.00%	Porterville	9.25%
Burbank, Compton, Covina,		Hollister	9.25%	Tuolumne	7.25%
Cudahy, Culver City, Duarte,		San Bernardino	7.75%	Sonora	7.75%
Gardena, Glendale, Glendora,		Montclair, San Bernardino	8.00%	Ventura	7.25%
Hawaiian Gardens, Hawthorne,		Barstow, Yucca Valley	8.75%	Oxnard, Ventura	7.75%
Huntington Park, Irwindale		San Diego	7.75%	Santa Paula	8.25%
La Verne, Lakewood, Lawndale,		El Cajon, Oceanside, Vista	8.25%	Port Hueneme	8.75%
Long Beach, Lynwood,		La Mesa	8.50%	Yolo	7.25%
Monrovia, Montebello, Norwalk,		Chula Vista, Del Mar,	8.75%	Woodland	8.00%
Paramount, Pasadena,		National City		Davis, West Sacramento	8.25%
Pico Rivera, Pomona,		San Francisco	8.50%	Yuba	7.25%
San Gabriel, Santa Monica,				Wheatland	7.75%
Santa Monica, Sierra Madre,				Marysville	8.25%
South Gate, South Pasadena,					
Vernon, Whittier					
Santa Fe Springs	10.50%				



## REVENUE ESTIMATES

Food service sales were the largest contributors to the sales tax base in calendar year 2019, comprising around 12.2 percent of taxable sales. Motor vehicle and parts dealers were the second-largest contributor to the sales tax base in 2019, with 12.1 percent. The third most significant contributor to the sales tax base is wholesale trade, which comprised 11.7 percent of the sales tax base.

Since July 1, 2010, the General Fund portion of the sales tax no longer applies to gasoline. Taxable sales, excluding gasoline, increased by 3.6 percent in 2018-19. Based on preliminary data, estimates of taxable sales decreased by 2.2 percent in 2019-20. Taxable sales are expected to increase by 5.4 percent in 2020-21 and decrease by 2 percent in 2021-22.

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 \$281 million in 2019-20, and is forecast to be \$291 million in both 2020-21 and 2021-22.

The U.S. Supreme Court's ruling in *South Dakota v. Wayfair, Inc.* in June 2018 clarified states' authority to require out-of-state sellers to collect use tax. Previously, California individuals were responsible for reporting and paying use tax on out-of-state purchases. The California Department of Tax and Fee Administration required out-of-state retailers to collect and remit use tax beginning on April 1, 2019 if in the preceding or current calendar year their sales into California exceed \$100,000 or 200 or more separate on-line transactions. Additionally, California passed the Marketplace Facilitator Act, Chapter 5, Statutes of 2019, which 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.

The expansion of the Main Street Small Business Tax Credit and the one-time expanded allocation for the California Alternative Energy and Advanced Transportation Financing Authority sales and use tax exclusion program are together expected to reduce General Fund sales tax revenues by \$19 million in 2020-21 and \$67 million in 2021-22. See the Equitable and Broad-Based Recovery Chapter for more information.

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## CORPORATION TAX

The upgrade to the corporation tax revenue forecast is due to an improved forecast for C-corporation profits as large businesses that pay the significant majority of the state corporate taxes have in large part been able to adapt to the COVID-19 Pandemic. However, corporate profits are still expected to decline by 5 percent in 2020-21 and grow only 2 percent in 2021-22, which is below normal growth rates that are in line with nominal GDP that is typically around 4 to 5 percent. The forecast for S-corporation profits, which are taxed at 1.5 percent at the business entity level, was also upgraded since the 2020 Budget Act. S-corporation profits are forecast to decline by 10.1 percent in 2020-21 and then grow by 1.6 percent in 2021-22, well below normal growth rates that would be in line with nominal GDP.

The corporation tax is expected to generate \$14 billion in 2019-20, \$16.9 billion in 2020-21, and \$16.6 billion in 2021-22. These figures reflect increases of \$165 million in 2019-20, \$414 million in 2020-21, and \$737 million in 2021-22 above 2020 Budget Act projections. Corporation tax revenues are expected to contribute 10.3 percent of all General Fund revenues in 2021-22, down more than 4 percentage points from the 14.6 percent contributed in 1980-81.

The temporary business tax credit limitation and temporary suspension of net operating loss provisions that were adopted in the 2020 Budget Act are expected to increase corporate tax revenue by \$3.7 billion in 2020-21 and by \$3.3 billion in 2021-22. These estimates were downgraded from the 2020 Budget Act by \$475 million in 2020-21 and upgraded by \$190 million in 2021-22. The revenue estimate related to these provisions is highly uncertain and represents a significant risk to the corporate tax revenue forecast.

The policy changes included in the Budget related to the expansion of the California Competes Tax Credit and the Main Street Small Business Hiring Tax Credit are expected to reduce corporate tax revenues by \$9.5 million in 2020-21 and \$40.8 million in 2021-22. In addition there will be additional, ongoing, and unknown revenue gains from the Elective S-corporation Tax as well as revenue losses beyond the budget year related to the \$500 million increase in the budget year allocation of low-income housing tax credits.

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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

## REVENUE ESTIMATES

companies except those on real property and motor vehicles. In general, the basis of the tax is the amount of "gross premiums" received, less returned premiums. The insurance tax is expected to generate General Fund revenues of \$3.3 billion in 2020-21 and \$3.3 billion in 2021-22. These figures reflect an increase of \$267 million in 2020-21 and \$231 million in 2021-22 above 2020 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.

Alcoholic beverage revenue estimates for each type of beverage are based on projections of total per capita consumption and population growth. Overall, consumption growth of alcoholic beverages is expected to be flat in 2020-21 and 0.4 percent in 2021-22. Revenues from this tax were \$383 million in 2019-20 and are forecast to be \$385 million in 2020-21 and \$389 million in 2021-22.

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### CANNABIS EXCISE TAXES

Proposition 64, commonly referred to as the Adult Use of Marijuana Act, levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis as of January 1, 2018. The cultivation tax is paid on all recreational and medicinal cultivation of cannabis, and was increased, to adjust for inflation, to \$9.65 per ounce of flower, \$2.87 per ounce of trim, and \$1.35 per ounce of fresh cannabis plant on January 1, 2020. The increase scheduled for 2021 was paused in order to provide tax relief to the cannabis industry. In addition, there is a 15-percent tax on the retail price of cannabis. Cannabis excise taxes generated \$491 million in 2019-20 and are expected to generate \$544 million in 2020-21 and \$658 million in 2021-22.

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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 34, Statutes of 2020 (SB 793) was enacted on August 28, 2020, and will ban 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 General to overturn SB 793 and instead allow voters to decide on the flavor ban in the November 2022 statewide election. The California Secretary of State has until January 21, 2021 to verify signatures on the referendum. If the referendum is certified for the November 2022 election, then the flavor ban will be suspended until that time. Current cigarette and tobacco revenue estimates assume that the referendum does not have sufficient signatures and the flavor ban goes into effect on January 1, 2021.

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

- Ten cents of the per-pack tax is allocated to the General Fund.
- Fifty cents of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products, goes to the California Children and Families First Trust Fund for distribution according to the provisions of Proposition 10 of 1998.
- Twenty-five cents of the per-pack tax, and a rate equivalent to 87 cents levied on non-cigarette tobacco products and electronic cigarettes, is allocated to the Cigarette and Tobacco Products Surtax Fund for distribution as determined by Proposition 99 of 1988.
- Two cents of the per-pack tax is deposited into the Breast Cancer Fund.
- As of April 1, 2017, two dollars of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products and electronic cigarettes, goes to the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund for distribution according to the provisions of Proposition 56 of 2016.

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

## REVENUE ESTIMATES

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 24 packs in 2019-20. Total tax-paid packs of cigarettes sold in 2019-20 were 597 million. In 2020-21, tax-paid packs of cigarettes sold are forecast to decline to 572 million.

The Tobacco Tax Revenue figure shows the distribution of tobacco tax revenues to the General Fund and various special funds for 2019-20 through 2021-22.

### Tobacco Tax Revenue

(Dollars in Millions)

	2019-20 Actual	2020-21 Forecast	2021-22 Forecast
General Fund	\$60.2	\$54.7	\$46.4
Cigarette and Tobacco Products Surtax Fund	\$215.7	\$202.4	\$174.1
Breast Cancer Fund	\$11.9	\$10.9	\$9.3
California Children and Families First Trust Fund	\$327.5	\$318.1	\$309.4
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	\$1,342.5	\$1,249.8	\$1,063.0
<b>Total</b>	<b>\$1,957.8</b>	<b>\$1,835.9</b>	<b>\$1,602.1</b>

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## OTHER REVENUES

### UNCLAIMED PROPERTY

The Budget reflects receipts in unclaimed property of \$437 million in 2020-21 and \$452 million in 2021-22. 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 a substantial impact on the state budget because local property tax revenues allocated to K-14 schools generally offset General Fund expenditures.

The Governor issued an executive order that waived penalties for property taxes paid after April 10, 2020 for taxpayers who demonstrate they have experienced financial hardship due to the COVID-19 Pandemic through May 6, 2021. Preliminary data for the secured property tax roll indicates that property tax collections increased 5.5 percent in 2019-20, which is modestly below the average growth of the prior five years of 6.2 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 was just under \$600,000 in 2019, and hit new record highs above \$700,000 for the state as a whole. It is expected to rise by 10 percent in 2020, with activity in the 2020 calendar year driving 2021-22 assessed valuations for property tax purposes. This represents an acceleration in growth from 2015 to 2019 when median prices increased at an average rate of 5.7 percent. However, despite strong median price growth in residential single-family homes, the forecast for housing permits is expected to be weak in 2020 and decline 10.3 percent compared to the prior year, with particular weakness in multi-family units. While residential real estate turnover slowed down considerably due to the COVID-19 Pandemic in March through May 2020, turnover rebounded strongly and has been above pre-pandemic levels beginning July 2020.

Statewide property tax revenues are estimated to increase 4.6 percent in 2020-21 and 5.6 percent in 2021-22, up from 3.5 percent in 2020-21 and 5.5 percent in 2021-22 at the 2020 Budget Act, due in large part to the assumption of a lower rate of delinquencies. Approximately 48 percent (\$47 billion) of 2021-22 property tax revenues will go to K-14 schools. This includes \$2.6 billion that schools are expected to receive in 2021-22 pursuant to the dissolution of redevelopment agencies.

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## 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.

## REVENUE ESTIMATES

Total special fund revenues, excluding transfers, are estimated to be \$58 billion in 2021-22. Taxes and fees related to motor vehicles are expected to comprise 32.3 percent of all special fund revenue in 2021-22. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2021-22, it is expected that about \$18.7 billion in revenues will be derived from the ownership or operation of motor vehicles.

### MOTOR VEHICLE FEES

Motor vehicle fees and taxes consist of vehicle license, registration, weight, drivers license, and other charges related to vehicle operation. The Motor Vehicle Fees Special Fund Revenue figure displays revenue from these sources from 2019-20 through 2021-22.

#### Motor Vehicle Fees Special Fund Revenue

(Dollars in Thousands)

	2019-20 Actual	2020-21 Forecast	2021-22 Forecast
Vehicle License Fees	\$2,806,823	\$2,995,688	\$2,943,423
Registration, Weight, and Other Fees	5,178,671	5,455,120	5,559,683
Transportation Improvement Fee	1,737,699	1,833,000	1,909,000
<b>Total</b>	<b>\$9,723,193</b>	<b>\$10,283,808</b>	<b>\$10,412,106</b>

The Vehicle License Fee (VLF) is imposed on vehicles registered in California that travel on public highways. The current VLF tax rate is 0.65 percent plus a graduated fee at \$25 to \$175 per vehicle. These taxes are imposed in lieu of a local personal property tax on automobiles and are administered by the Department of Motor Vehicles. The number of vehicles in the state, the ages of those vehicles, and their most recent sales price affect the amount of VLF collected. The total number of vehicles in California—automobiles, trucks, trailers, and motorcycles, including vehicles registered in multiple states—is estimated to be 32.7 million in 2020-21 and 33.2 million in 2021-22. New vehicles registered in 2019-20 decreased 14.6 percent from the prior year as vehicle sales dropped significantly beginning in March due to the COVID-19 Pandemic. The forecast projects that vehicle sales will rebound and that there will be 2.3 million new vehicles registered in 2020-21 and 2.2 million new registered vehicles in 2021-22; however, these levels are still modestly below the 2.3 to 2.4 million new vehicle registrations seen in the prior five years from 2014-15 to 2018-19.

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 \$92 in 2021, which includes \$61 for the base vehicle registration fee, \$28 for a CHP fee that continues to be indexed to inflation, and \$3 for an alternative fuel/technology fee not indexed for inflation.

In addition to the VLF, truck owners pay a fee based on vehicle weight. Weight fee revenues are expected to be \$1.2 billion in both 2020-21 and 2021-22.

Beginning July 1, 2020, an additional \$100 annual registration fee was imposed on zero-emission vehicles (ZEV) that are model 2020 or newer. The new ZEV revenue is expected to be \$7 million in 2020-21 and \$14.7 million in 2021-22, and will be used to fund transportation projects.

## MOTOR VEHICLE FUEL TAXES

The motor vehicle fuel tax (gas tax), diesel fuel tax, and use fuel tax are the major sources of funds for maintaining, replacing, and constructing state highway and transportation facilities. Over one-third of these revenues are apportioned to local jurisdictions for a broad range of local road projects, including both maintenance of existing roads and construction of new roads. In addition, some jurisdictions choose to spend a portion of their allocation on improvements to the state highway system in their region to decrease traffic congestion. Motor vehicle fuel tax collections are shown in the Motor Vehicle Fuel Tax Revenue figure.

### Motor Vehicle Fuel Tax Revenue

(Dollars in Thousands)

	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Gasoline <sup>1/</sup>	\$6,544,213	\$6,782,059	\$7,340,699
Diesel	1,253,450	1,240,765	1,298,013
<b>Total</b>	<b>\$7,797,663</b>	<b>\$8,022,824</b>	<b>\$8,638,712</b>

<sup>1/</sup>Does not include jet fuel.

Gasoline consumption was down 8.4 percent in 2019-20 compared to the prior fiscal year. Demand for gasoline was significantly reduced in the second half of the fiscal year by stay-at-home orders related to the COVID-19 Pandemic. Gasoline consumption is expected to continue its pandemic-related decline, decreasing by 3.8 percent in 2020-21 before recovering 5 percent in 2021-22. In the long run, continued gains in the average fuel economy of cars and trucks combined with the state's policies to reduce



## REVENUE ESTIMATES

greenhouse gas emissions are expected to support long-term declines in gasoline consumption.

Diesel consumption increased by 3.7 percent in 2019-20 as the strength in months leading up to the COVID-19 Pandemic in March more than offset pandemic-related weakness in the last part of the fiscal year. Because most diesel fuel is consumed by the commercial trucking industry, consumption is generally affected most significantly by general economic conditions. Therefore, because of the economic disruption resulting from the pandemic, diesel consumption is expected to decline by 4.9 percent in 2020-21, followed by a rebound of 2 percent in 2021-22. Long-term growth is expected to be negative 0.4 percent per year, reflecting a moderating economy and gradually improving fuel economy of the fleet.

The gas tax is collected from distributors when fuel is loaded into ground transportation for transport to retail stations. This fuel is taxed at a rate of 50.5 cents per gallon in 2020-21 and will be taxed at the rate of 52 cents per gallon in 2021-22.

Distributors pay the diesel fuel tax, which applies to both pure diesel fuel and blends, at the fuel terminal. The excise tax on diesel will be 38.5 cents per gallon for 2020-21 and will be 39.6 cents per gallon in 2021-22. Dyed diesel fuel, which is used for off-highway purposes such as farm equipment, is not taxed.

# DEMOGRAPHIC INFORMATION

California's population growth has been slowing through 2019, and the disruptions of the COVID-19 Pandemic have increased deaths and reduced international migration. Public health shutdowns complicated a 2020 Census that forms the benchmark for understanding Californians and their circumstances until 2030. In addition, households were already grappling with inequality and a high cost of living. The COVID-19 Pandemic placed a heavier burden on those with the least.

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## 2020 U.S. CENSUS

The 2020 Census was the most challenging in history. This was the first census to include an online option, and the U.S. Census Bureau was also planning to test new ways to use multiple sources of government administrative data. The first wave of COVID-19 Pandemic shutdowns coincided with the April 1 count date. Census offices were required to close, forcing delays in outreach efforts, the enumeration of group quarters, and non-response follow up. This altered schedule for completion of the census shortened the time period to check and confirm the accuracy of the count. In addition, prior to the start of the census, concerns about the inclusion of a citizenship question created skepticism and fear about responding among California's foreign-born population.

California had been preparing for three years to address the challenges of conducting the 2020 Census in a state as diverse as California. The state allocated \$187.2 million to establish the California Complete Count Committee (CCCC) which worked with local

## DEMOGRAPHIC INFORMATION

partners to conduct extensive outreach programs to encourage Californians to participate in the census. Through these efforts, California increased its self-response rate from 68.2 percent in 2010 to 69.6 percent in 2020 despite the COVID-19 Pandemic. The U.S. Census Bureau collected inputs for households that didn't respond to achieve census information from 99.9 percent of California households.

As part of the preparations to incorporate new population information and use state administrative data more efficiently, the CCCC and the Department of Finance, in partnership with RAND, are conducting an intensive follow-up survey. This survey will assist the state in judging how to incorporate new data and methods for population estimates and projections, as well as understanding the effectiveness of CCCC operations and areas of improvement in outreach for the 2030 Census.

The U.S. Constitution requires that a census be conducted each decade. It also mandates that national and state population counts are expected by December 31, 2020 for congressional apportionment. Population counts are expected to be provided to states by April 1, 2021, for redistricting state and local political areas, but there is some uncertainty whether these deadlines will be met.

In addition to apportionment and redistricting, census data will be used as the benchmark for population estimates for the next decade, the base population for the American Community Survey and the distribution of billions of dollars in federal funding. In California, census data will become the new benchmark in state estimates starting with July 2021 estimates to be released in December 2021 and new population projections released in early 2022.

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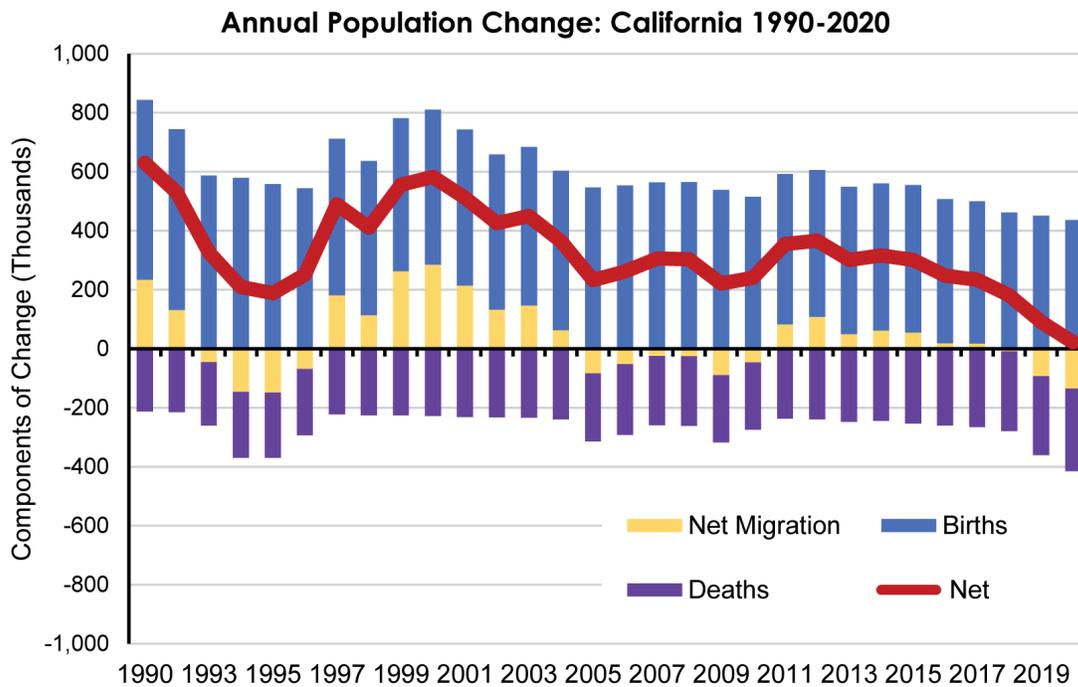
## DEMOGRAPHIC OUTLOOK

California's population growth continues to slow as births fall, deaths from an aging population rise, and net migration into the state declines. California's population was estimated at 39.8 million as of July 1, 2020, up only 0.05 percent over July 1, 2019. The state's 0.6-percent average rate of growth since 2010 is comparable to the national growth rate during the same period (0.7 percent), and more than three times the European Union's population growth rate (0.2 percent).

In the last 40 years, California's population has grown from 23 million to almost 40 million. No state in the last 120 years has grown as fast as California, highlighting the unique nature of the post-World War II years. In the coming years, the state faces declining fertility rates as people spend more time in school, delay marriage, and face higher

DEMOGRAPHIC INFORMATION

costs of having children. The state is also likely to face lower net migration, given a sustained deficit in domestic net migration, and recent decreases in foreign net migration.



By far, the most important change across the last decade has been the drop in natural increase, or births minus deaths. Births have declined over 15 percent during the decade, while deaths have increased by over 10 percent (excluding COVID-19 deaths), as the share of the population over age 65 has grown much more rapidly than the total population. The combined effect is a drop of over 0.5 percent annually in California's growth rate, much larger than effects stemming from migration.

In normal years, California has positive international immigration which contributes a significant share to net growth in population. The political climate surrounding immigration in the last few years has put downward pressure on immigration. However, in 2020, international migration was further constrained by decisions the federal administration made to address the COVID-19 Pandemic. The suspension of immigration processing from May through December 2020 had significant impacts on the growth of California. While a continuing trend of higher domestic out-migration led to a net domestic outflow of almost 261,000, the declines in international migration are largely the reason for California's slowest growth rate in the last 100 years.

## DEMOGRAPHIC INFORMATION

Regionally, inland counties continue to have the highest population growth rates, continuing a trend started in 2016. Most of the urban coastal counties have grown at a much slower pace and some have lost population. Despite the pandemic accelerating moves away from the coast, smaller rural counties lost population or grew very little as other amenity or cost-of-living factors have made other rural states more attractive. By the end of September, weekly deaths in California averaged over 700 above the three-year 2017-19 average, or roughly 15 percent higher. While official COVID-19 deaths account for some of this increase, the rest are attributable to other causes, including cancer, strokes, and heart disease. The impact of the COVID-19 Pandemic is likely broader than just the disease itself; it includes other deaths resulting from individuals delaying medical care and avoiding the emergency room for fear of the virus.

Among notable population challenges the COVID-19 Pandemic has brought are changes to group living environments. Federal and state prisons and assisted living facilities have had high infection rates. College dormitories were closed as classes converted to distance learning and students returned home. Population associated with these facilities are expected to continue to drop in the coming year which will have disparate impacts across the state.

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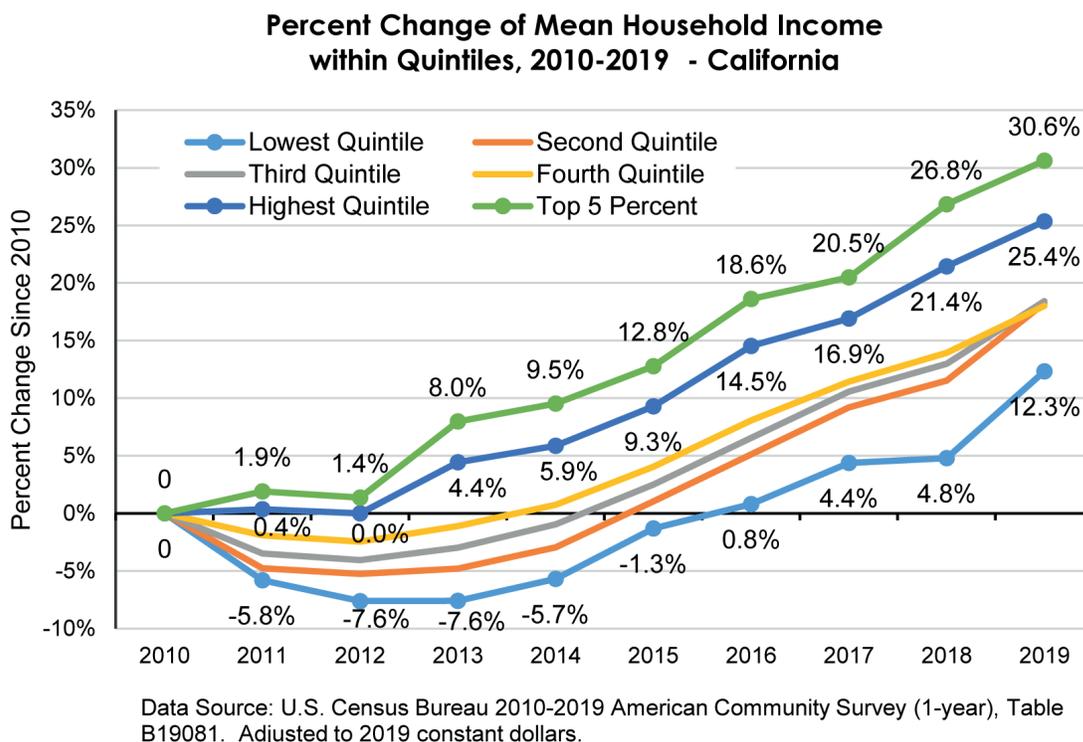
## INEQUALITY — BEFORE AND AFTER COVID-19

The official poverty rate for California in 2019 from the 2019 American Community Survey (ACS) was 11.8 percent, down from 12.8 percent in 2018 and 15.8 percent in 2010. California is ranked twenty-sixth among all states. This was the lowest official poverty rate for California since 1990. The official poverty rate from the ACS looks only at the monetary income and structure of the family compared to standard thresholds for the U.S., and does not account for a higher cost of living in California. The Supplemental Poverty Measure from the Current Population Survey (CPS) sets thresholds based on geography and expands the definition of income to include the value of state and federal in-kind benefits. It also considers expenditures such as medical out-of-pocket payments, taxes, child care, commuting costs, and others. California's Supplemental Poverty Rate in 2019 was 16.6 percent, the highest of all states.

While 2020 data will not be available until September 2021, the U.S. Census Bureau has been collecting a Household Pulse Survey to measure more recent trends. As documented below, the pandemic hit lower-income households and workers hardest.

## INCOME INEQUALITY

From 2010 to 2019, aggregate household income grew by 29 percent. However, some income groups fared better than others. The mean of a household income quintile (one-fifth of the total number of households) can be calculated by dividing aggregate household income for that group by the number of households. The mean household income for the state's top 5 percent of earners grew by more than 30 percent from 2010 to 2019, while household income for the lowest 20 percent of earners grew by 12 percent, (see figure on Percent Change of Mean Household Income).



Recovery from the Great Recession in terms of household income took longer for California households in the lowest quintile than it did for highest income households. Households in the top 5 percent and highest quintile did not experience reductions in mean income following the recession. By contrast, mean incomes of households in the lowest quintiles fell annually until 2014 (fourth quintile), 2015 (second and third quintile) and 2016 (lowest quintile) compared with the 2010 baseline.

From 2010 to 2019, income inequality expressed as the gap between the highest and lowest income levels has increased throughout the United States. However, the gap in California is much larger than for the United States. Household income in California for

## DEMOGRAPHIC INFORMATION

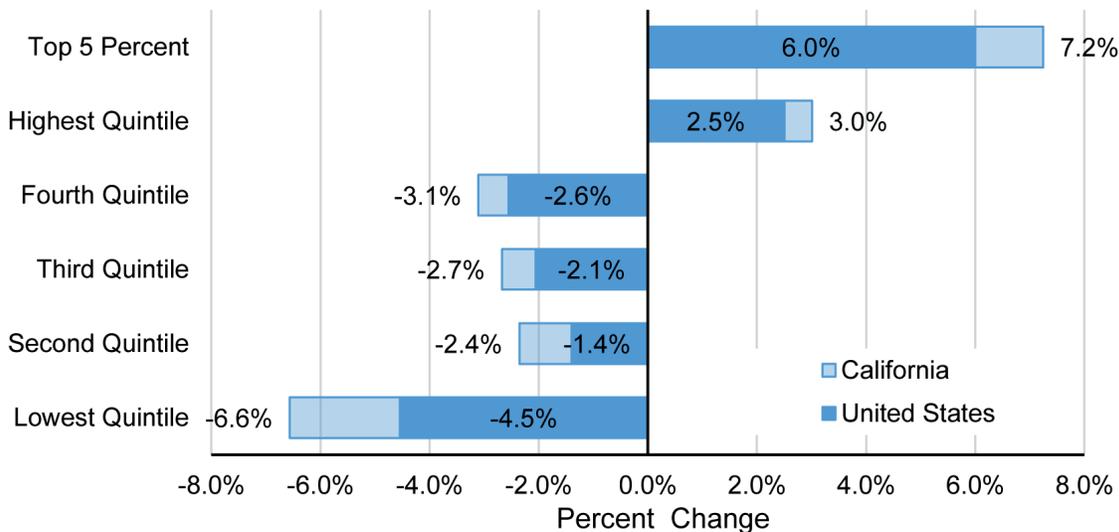
**Mean Household Income by Quintile, California and US**  
(2019 constant dollars)

Quintile	California			United States		
	2010	2019	Percent Change	2010	2019	Percent Change
Lowest	\$15,118	\$16,981	12.3%	\$13,287	\$14,521	9.3%
Second	\$39,837	\$47,103	18.2%	\$34,675	\$39,139	12.9%
Third	\$68,138	\$80,693	18.4%	\$58,703	\$66,006	12.4%
Fourth	\$108,178	\$127,666	18.0%	\$92,577	\$103,917	12.2%
Highest	\$235,622	\$295,369	25.4%	\$201,812	\$238,035	17.9%
Top 5 Percent	\$406,552	\$531,014	30.6%	\$352,258	\$430,662	22.3%

the lowest quintile grew from \$15,000 to \$17,000, an increase of 12 percent. By contrast, income for households in the highest quintile grew from \$235,000 to \$295,000, an increase of 25 percent.

Further, shares of household income for the bottom four quintiles all fell (with household shares in the lowest quintile falling the furthest) while shares for the top quintile and top 5 percent of households increased. California's shares showed the same pattern, but reflected an even greater shift in household income between the bottom four quintiles and the highest quintile and top 5 percent of households than for the United States. Shares of household income by quintile measures the aggregate household income in each quintile as a percentage of the total aggregate income.

**Percent Change in Share of Aggregate Household Income by Quintile - California and United States 2010-2019**



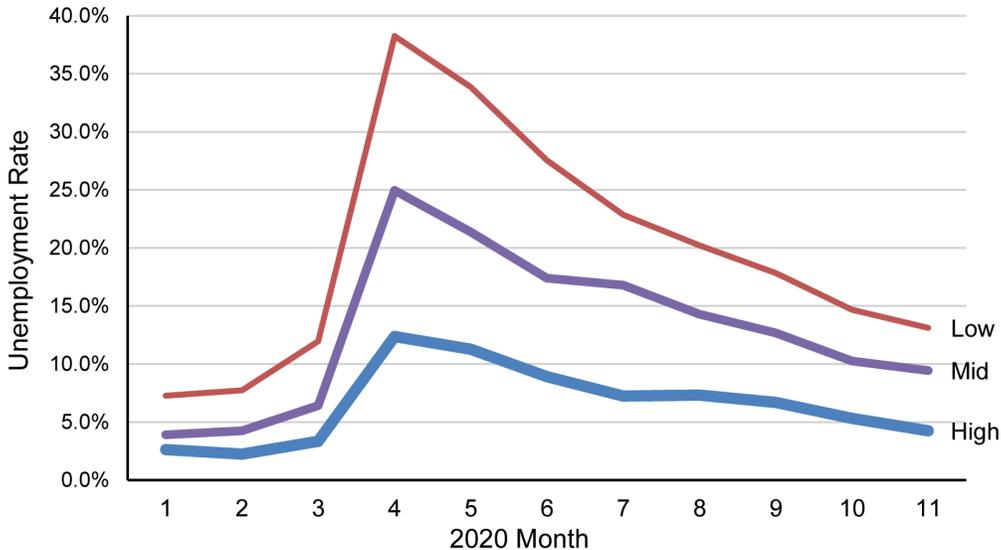
Data Source: U.S. Census Bureau 2010-2019 American Community Survey (1-year), Table B19081. Adjusted to 2019 constant dollars.

## DEMOGRAPHIC INFORMATION

The COVID-19 Pandemic has disrupted the California economy, as discussed in the Economic Outlook Chapter, which includes information by industry sector, such as manufacturing or government. While showing broad patterns, these industry classifications can mask differences between workers. Analysis of the monthly data from the U.S. Census Bureau reveals the negative effects of the pandemic have been borne differently by workers at different wage levels, as classified by occupation.

From March to April, total employment in California dropped almost 20 percent according to the U.S. Census Bureau. However, the number of low-wage workers dropped by 39.6 percent compared to 20.2 percent for mid-wage and 10.5 percent for high-wage. The return to pre-COVID-19 employment levels in November has been faster for mid- and high-wage jobs as employment has returned to 98.9 percent and 93.8 percent, respectively, of the level in January 2020. However, the employment for low-wage workers in November was 82 percent of the January 2020 level. The unemployment rates for each wage level also reflects this trend.

**California Unemployment Rate by Hourly Wage Level  
January-November 2020**



Data Source: Special tabulations from the Current Population Survey Basic Monthly file, Jan-Nov, 2020  
Hourly Wage Level: Low: Under \$16; Mid: \$16-\$27.99; High: \$28 or more

High-wage jobs earn more than \$28 per hour. Mid-wage workers earn \$16 to \$27.99 per hour and low-wage earners receive less than \$16 per hour. High-wage occupations include health professionals, engineers and scientists, computer and software

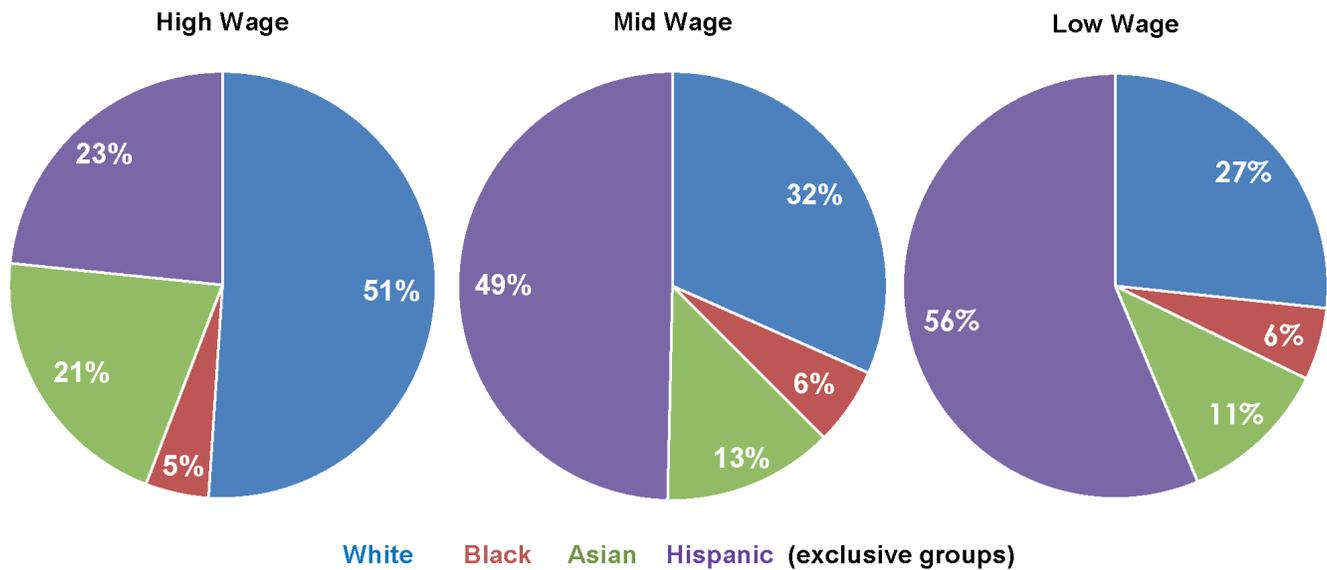


## DEMOGRAPHIC INFORMATION

developers, and construction and skilled crafts workers. Mid-wage workers are managers, office clerks, equipment repairers, mechanics, and health technicians. High- and mid-wage jobs are more likely to be able to telework or be classified as essential. Low-wage jobs, such as restaurant workers and retail salespersons, are unable to perform their jobs remotely. The low-wage occupations make up the majority of the labor force in the industries of Agriculture, Trade, and Accommodation & Food Services. Retail trade, Accommodations, such as hotels and vacation resorts, and Food Services, including restaurants and catering venues, have faced the most stringent limitations and closures as California combats the COVID-19 Pandemic.

The impact of the COVID-19 Pandemic on low-wage jobs reveals the inequity by the groups that hold those jobs. There is a clear difference in the distribution by race and ethnicity by wage level. Whites make up 51 percent of the high wage labor force occupations compared to only 23 percent of Hispanics. At the other end in the low-wage labor force, the split is reversed – 27 percent for Whites and 56 percent for Hispanics.

**Distribution of Race - Ethnicity by Hourly Wage Level, January 2020**



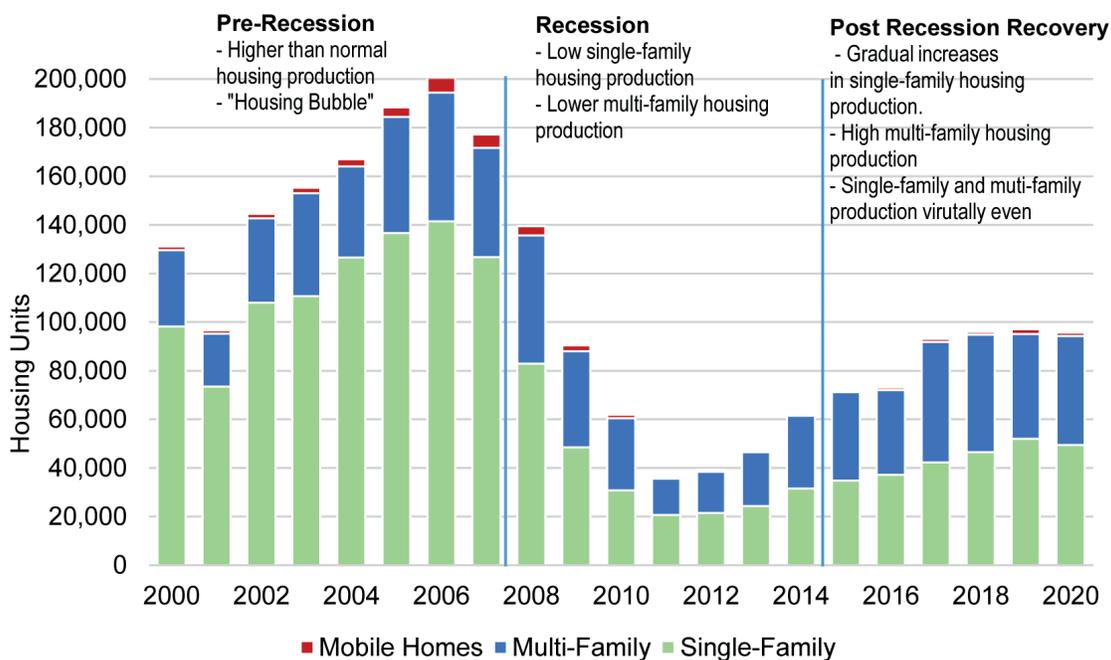
Data Source: Special tabulations from the Current Population Survey Basic Monthly file, January 2020  
 Hourly Wage Level: Low: Under \$16; Mid: \$16-\$27.99; High: \$28 or more

## HOUSING INEQUALITY

Californians have faced housing shortages for decades. Shortly after the Great Recession, single-family housing construction stalled while multi-family construction slowed but continued in densely populated urban areas.

From 2014 to 2019, the slower pace of new housing construction continued but showed signs of improving with an average of 88,000 new housing units built per year. New single-family and multi-family housing construction was almost equal with 51 percent as single-family and 49 percent as multi-family. New single-family housing unit growth has started to rebound the past three years averaging over 49,000 new single-family units per year but is nowhere near the three years before the recession (2004-2006) when 135,000 new single-family housing units were built per year.

**Newly Constructed Housing Units by Type, California, 2000-2020**



Data Source: Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011-2020*.

The COVID-19 Pandemic particularly affected lower-income households that struggled to pay rent. In 2019, almost one in five households in the state spent 50 percent or more of their income on housing costs. This includes one in four renter households, and one in eight owner households. Compared to 2007 pre-recession levels, the number of renter households spending half or more of their income on housing increased from 1.3 million

## DEMOGRAPHIC INFORMATION

to 1.5 million in 2019, while the number of owner households in this category declined from 1.4 million to about 900,000.

About one in five California households is either not current on rent or mortgage payments, or has slight or no confidence that their household can pay the next month's rent or mortgage on time, according to the mid-November 2020 Household Pulse Survey. The population 18 years and older living in renter-occupied housing had consistently lower confidence in their ability to make their next housing payment on time than people living in owner-occupied housing since the start of the survey in April 2020. About 23.4 percent of renters had slight or no confidence compared to 17.0 percent of adults in mortgage holder households during mid-November 2020.

### Characteristics of Individuals with Moderate to High Confidence in Making Next Rent Payment

Percent of Those Responding to Survey	
Age 18-39	77.2
Age 40-54	64.7
Age 55+	85.9
Women	71.1
Men	84.1
White	86.0
Black	55.0
Hispanic	72.1
Bachelor's Degree or Higher	86.3
High School/ GED	68.5
Less than High School	65.0
Household without Unemployment	93.6
Household with Unemployment	67.7
Income less than \$50,000	69.0
Income greater than \$100,000	91.0

Data Source: U.S. Census Bureau, Household Pulse Survey, Week 19.

The confidence of California's ability to make their next rent payment on time depends on age, race, educational attainment, and other characteristics. As the table shows, people aged 40 to 54 years old had the lowest confidence in their ability to pay their next rent on time among all adults. Women had lower confidence than men did. Hispanic or Latino and Black non-Hispanic populations had lower confidence than White, non-Hispanic. People with a Bachelor's degree or higher were more confident than people with high school diploma/GED or no high school diploma. Not surprisingly, Californians had lower confidence in their ability to pay rent if they lived in households where someone experienced a loss of employment income since March. People with

## DEMOGRAPHIC INFORMATION

household income less than \$50,000 had lower confidence in their ability to pay rent than people with household income \$100,000 and higher.

With federal and state eviction moratoriums expiring at the end of 2020 or early 2021, many renters are at risk of losing their housing. As of mid-November 2020, approximately 10 percent of adults in California were living in households not current on rent or mortgage, where eviction or foreclosure in the next two months were either very likely or somewhat likely.

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# STAFF ASSIGNMENTS

## 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 Pension, Audits and Evaluations,  
Departmental Administration and  
Information Services, and Information  
Technology and Consulting

Energy, Housing and Homelessness,  
Labor, Local Government, Tax Agencies,  
and Transportation

Health and Human Services

Natural Resources, Environment,  
and Capital Outlay

Revenue Forecasting,  
Economic Projections, and  
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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

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

## Prior Year Fund Balances

Government Code section 13344 requires every state agency to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the State Controller's Budgetary-Legal Basis Annual Report, according to the methods and bases provided in regulations, budget letters, and other directives of Finance. Consistent with this requirement, Finance has continued its efforts in instructing and assisting departments in the reconciliation of special funds between the Governor's Budget documents departments provide to Finance and the year-end financial statements they provide to the State Controller's Office. Departments that are the designated fund administrators continue to be primarily responsible for the reconciliation, and Finance works very closely with them to ensure this is or will be completed for all special funds. Special fund balances included in the Governor's Budget have been reconciled using the best information available at the time. However, final balances for the Budgetary-Legal Basis Annual Report and certain actual revenue or expenditure amounts are not available during the preparation of the Governor's Budget. Therefore, there will be some remaining variances in the spring when final balances become available. Finance will follow up the efforts in the spring to evaluate if additional budget changes are necessary.

# Statewide Financial Information

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

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

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

**Schedule 3 Comparative Yield of State Taxes**—Revenues for major state taxes for General Fund and special funds.

**Schedule 4 Position and Salary Cost Estimates**—Position data and corresponding dollar amounts.

**Schedule 5A Statement of Estimated Accounts Payable and Accounts Receivable**—Actual payable and receivable amounts as of the end of the last fiscal year, and estimated amounts for the end of the current fiscal year and the next fiscal year.

**Schedule 5B Actual Past Fiscal Year Cash Flow**—Actual receipts, disbursements, borrowable resources, and cash flow loan balances for the last fiscal year.

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

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

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

**Schedule 8 Comparative Statement of Revenues**—Detail of General Fund and special fund revenues by source for the past, current, and budget years within the following categories: (1) major taxes and licenses, (2) minor revenues, and (3) transfers and loans.

**Schedule 9 Comparative Statement of Expenditures**—Detail of General Fund, special fund, selected bond fund, and federal fund expenditures included in the Governor's Budget by the following categories: (1) State Operations, (2) Local Assistance, (3) Capital Outlay, and (4) Unclassified.

**Schedule 10 Summary of Fund Condition Statements**—A listing in alphabetical order of the beginning reserve, revenues, expenditures, and ending reserve for the General Fund and each special fund for the past, current, and budget years.

**Schedule 11 Statement of General Obligation Bond and Commercial Paper Debt of the State of California**—List of all general obligation bonds, including: maturity dates, authorized amount of bond issues, amounts of unissued bonds, redemptions, and outstanding issues, as well as authorized and outstanding commercial paper.

**Schedule 12A State Appropriations Limit Summary**—Summary of Schedules 12B through 12E provides a calculation of the appropriations subject to the State Appropriations Limit and the Limit Room.

**Schedule 12B Revenues to Excluded Funds**—List of revenues in special funds NOT included in the calculation of total appropriations subject to the State Appropriations Limit.

**Schedule 12C Non-Tax Revenues in Funds Subject to Limit**—Total of non-tax General and special fund revenues deposited in funds that are otherwise included in the calculation of total appropriations subject to the State Appropriations Limit.

**Schedule 12D State Appropriations Limit Transfer from Other Funds to Included Funds**—Detail of transfers between funds that are used in calculating the appropriations subject to the State Appropriations Limit.

**Schedule 12E State Appropriations Limit Excluded Appropriations**—Exclusions from appropriations subject to the State Appropriations Limit.

**Schedule 13 Proposition 98 Final Certification**—Factors, data, and calculations used to certify the prior year Proposition 98 funding level pursuant to Chapter 39, Statutes of 2018.

**SCHEDULE 1 AT 2021-22 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>2019-20</b>					
<b>Prior year resources available</b>	10	\$11,292,231	\$36,775,447		
<b>Revenues and transfers</b>	8	140,623,155	59,872,566		
<b>Expenditures</b>	9	146,556,100	55,277,902	\$6,438,125	\$208,272,127
<b>Fund Balance</b>	10	<b>\$5,359,286</b>	<b>\$41,370,111</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	41,370,111		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	2,184,226	--		
<i>Budget Stabilization Account</i>		17,120,422	--		
<i>Safety Net Reserve Fund</i>		900,000	--		
<i>Public School System Stabilization Account</i>		--	--		
<b>2020-21</b>					
<b>Prior year resources available</b>	10	\$5,359,286	\$41,370,111		
<b>Revenues and transfers</b>	8	162,742,249	52,154,865		
<b>Expenditures</b>	9	155,898,125	63,183,761	\$7,868,356	\$226,950,242
<b>Fund Balance</b>	10	<b>\$12,203,410</b>	<b>\$30,341,215</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	30,341,215		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	9,028,350	--		
<i>Budget Stabilization Account</i>		12,536,422	--		
<i>Safety Net Reserve Fund</i>		450,000	--		
<i>Public School System Stabilization Account</i>		746,535	--		
<b>2021-22</b>					
<b>Prior year resources available</b>	10	\$12,203,410	\$30,341,215		
<b>Revenues and transfers</b>	8	158,370,127	61,163,442		
<b>Expenditures</b>	9	164,515,689	58,324,494	\$4,397,317	\$227,237,500
<b>Fund Balance</b>	10	<b>\$6,057,848</b>	<b>\$33,180,163</b>		
<i>Reserve for Liquidation of Encumbrances</i>	<sup>2/</sup>	3,175,060	--		
<i>Reserves for Economic Uncertainties</i>	<sup>3/</sup>	--	33,180,163		
<i>Special Fund for Economic Uncertainties</i>	<sup>3/</sup>	2,882,788	--		
<i>Budget Stabilization Account</i>		15,574,422	--		
<i>Safety Net Reserve Fund</i>		450,000	--		
<i>Public School System Stabilization Account</i>		2,987,283	--		

**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 2021-22 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	30,714	70,027	81,773	2,095.45	2,446.93	6.82	7.97
2000	33,351	75,668	88,147	2,225.47	2,592.50	6.67	7.77
2001	34,010	62,679	73,295	1,816.12	2,123.70	5.34	6.24
2002	34,149	64,879	75,420	1,856.95	2,158.65	5.44	6.32
2003	35,280	70,229	81,628	1,984.49	2,306.60	5.63	6.54
2004	37,183	80,070	93,764	2,239.55	2,622.57	6.02	7.05
2005	39,107	90,468	105,860	2,514.02	2,941.74	6.43	7.52
2006	41,826	93,237	109,390	2,572.28	3,017.93	6.15	7.22
2007	43,269	95,290	111,778	2,606.95	3,058.01	6.03	7.07
2008	43,590	79,398	95,020	2,154.26	2,578.12	4.94	5.91
2009	41,913	84,537	99,284	2,280.02	2,677.76	5.44	6.39
2010	43,580	89,910	106,942	2,406.15	2,861.93	5.52	6.57
2011	46,073	82,850	106,351	2,196.37	2,819.36	4.77	6.12
2012	48,635	95,444	119,798	2,505.89	3,145.30	5.15	6.47
2013	49,138	101,187	127,388	2,635.82	3,318.33	5.36	6.75
2014	52,216	112,158	139,983	2,897.71	3,616.60	5.55	6.93
2015	55,706	117,083	144,154	3,001.57	3,695.58	5.39	6.63
2016	57,919	122,029	147,731	3,108.68	3,763.42	5.37	6.50
2017	60,350	134,074	164,551	3,395.27	4,167.06	5.63	6.90
2018	63,385	142,581	176,293	3,594.16	4,443.94	5.67	7.01
2019 <sup>e/</sup>	66,203	142,611	176,447	3,586.71	4,437.68	5.42	6.70
2020 <sup>e/</sup>	69,424	149,358	184,472	3,754.40	4,637.05	5.41	6.68
2021 <sup>e/</sup>	65,939	153,676	189,372	3,845.34	4,738.54	5.83	7.19

<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 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2021-22  
Includes both General and Special Funds**

(Dollars in Thousands)

Fiscal Year	Estate				Motor			Cannabis		
	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>
1970	\$1,808,052	\$1,264,383	\$532,091	\$239,721	\$185,699	\$158,423	\$106,556	\$674,635	\$513,202	
1971	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	712,426	547,845	
1972	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	746,196	596,922	
1973	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	742,702	644,448	
1974	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	752,234	664,453	
1975	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	766,555	749,936	
1976	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	810,321	807,782	
1977	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	850,181	924,410	
1978	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	896,591	1,021,856	
1979	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	852,752	1,096,640	
1980	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	839,994	1,127,293	
1981	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	833,446	1,373,354	
1982	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	928,633	1,614,993	
1983	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	1,213,167	1,906,290	
1984	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	1,159,637	2,137,326	
1985	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	1,194,172	2,515,295	
1986	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	1,245,881	2,692,835	
1987	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	1,293,254	2,966,334	
1988	12,650,893	15,889,179	5,138,009	559,617	335,091	1,317,630	128,264	1,320,512	3,142,484	
1989	13,917,771	16,906,568	4,965,389	787,076	388,527	1,167,684	128,524	1,349,146	3,305,711	
1990	13,839,573	16,852,079	4,544,783	745,074	498,774	1,287,152	129,640	1,999,771	3,513,159	
1991	17,458,521	17,242,816	4,538,451	726,064	446,696	1,167,307	321,352	2,457,229	4,369,862	
1992	16,598,863	17,358,751	4,659,950	677,846	458,433	1,188,181	292,107	2,412,574	4,470,321	
1993	16,857,369	17,402,976	4,809,273	664,322	552,139	1,196,921	275,797	2,547,633	4,518,795	
1994	16,273,800	18,608,181	5,685,618	674,727	595,238	998,868	268,957	2,685,731	4,749,594	
1995	17,466,584	20,877,687	5,862,420	666,779	659,338	1,131,737	269,227	2,757,289	5,009,319	
1996	18,424,355	23,275,990	5,788,414	665,415	599,255	1,199,554	271,065	2,824,589	5,260,355	
1997	19,548,574	27,927,940	5,836,881	644,297	780,197	1,221,285	270,947	2,853,846	5,660,574	
1998	21,013,674	30,894,865	5,724,237	976,513	890,489	1,253,972	273,112	3,025,226	5,610,374	
1999	23,451,570	39,578,237	6,638,898	1,216,651	928,146	1,299,777	282,166	3,069,694	5,263,245	
2000	24,287,928	44,618,532	6,899,322	1,150,869	934,709	1,496,556	288,450	3,142,142	5,286,542	
2001	23,816,406	33,046,665	5,333,036	1,102,807	915,627	1,596,002	292,627	3,295,903	3,836,904	
2002	24,899,025	32,709,761	6,803,559	1,055,505	647,372	1,879,784	290,564	3,202,512	3,889,602	
2003	26,506,911	36,398,983	6,925,916	1,081,588	397,848	2,114,980	312,826	3,324,883	4,415,126	
2004	29,967,136	42,992,007	8,670,065	1,096,224	213,036	2,232,955	314,252	3,366,142	4,873,705	
2005	32,201,082	51,219,823	10,316,467	1,088,703	3,786	2,202,327	318,276	3,393,381	5,078,529	
2006	32,669,175	53,348,766	11,157,898	1,078,536	6,348	2,178,336	333,789	3,399,694	5,147,341	
2007	31,972,874	55,745,970	11,849,097	1,037,287	6,303	2,172,936	327,260	3,351,268	5,212,811	
2008	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,162,299	5,566,642	
2009	31,197,154	45,650,901	9,114,589	922,986	0	2,180,786	311,242	3,149,144	6,726,967	
2010	30,996,372	50,507,989	9,613,594	905,245	0	2,307,022	334,178	5,705,528	6,558,121	
2011	28,542,238	55,449,292	7,233,000	895,677	0	2,416,073	346,000	5,544,530	5,907,866	
2012	31,007,290	66,809,000	7,782,947	868,703	0	2,242,379	357,000	5,492,850	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 <sup>11)</sup>	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 <sup>12)</sup>	37,047,874	101,878,958	14,035,432	1,957,788	0	3,127,761	382,745	7,801,021	9,757,438	490,915
2020 <sup>13)</sup>	38,440,169	104,748,798	16,948,018	1,835,928	0	3,252,886	385,163	8,026,020	10,330,323	543,946
2021 <sup>14)</sup>	37,702,122	109,995,864	16,636,128	1,602,108	0	3,319,048	389,305	8,641,873	10,462,546	658,409

<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, which establishes three additional tax brackets for tax years 2012 through 2018. In November 2016, voters approved Proposition 55, which extends the three additional tax brackets through 2030.

<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 estimated \$3.7 billion in 2020-21 and \$3.3 billion in 2021-22 for temporary limitation of credit usage suspension of net operating losses.

<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 January 1, 2021.

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

<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, and \$1.8 billion in 2020-21 from a graduated fee at \$25 to \$175 per vehicle.

<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 2021-22 GOVERNOR'S BUDGET**  
**POSITION AND SALARY COST ESTIMATES**  
 (Excludes Staff Benefits<sup>1/</sup>)  
 (Dollars in Thousands)

	Positions			Dollars		
	Actuals 2019-20*	Estimated 2020-21*	Proposed 2021-22*	Actuals 2019-20*	Estimated 2020-21*	Proposed 2021-22*
<b>Executive</b>						
Executive	10,999.2	11,218.2	11,332.7	\$1,038,318	\$1,008,798	\$1,125,463
Business, Consumer Services, and Housing	5,876.3	6,007.5	6,518.5	449,042	452,859	539,015
Transportation	40,316.0	40,454.4	40,453.0	4,025,967	3,888,545	4,038,480
Natural Resources	19,684.6	20,304.7	21,081.1	1,732,111	1,734,450	1,979,206
California Environmental Protection	5,724.6	5,882.4	6,027.4	578,282	526,292	586,881
Health and Human Services	30,157.0	30,116.5	31,069.7	2,354,334	2,450,010	2,701,095
Corrections and Rehabilitation	57,812.4	57,285.7	55,449.8	5,342,379	4,924,787	5,458,150
Education						
K thru 12 Education	2,507.7	2,529.7	2,377.0	194,042	194,886	200,622
Community Colleges/Other	289.9	303.9	305.6	28,668	28,850	31,632
Labor and Workforce Development	11,807.7	18,574.5	15,671.0	856,984	1,297,621	1,165,827
Government Operations	19,264.0	19,235.7	19,577.9	1,577,380	1,506,879	1,690,508
General Government	12,276.5	12,360.4	12,253.0	-211,465	657,739	684,041
<b>SUBTOTAL, EXECUTIVE</b>	<b>216,715.9</b>	<b>224,273.6</b>	<b>222,116.7</b>	<b>\$17,966,042</b>	<b>\$18,671,716</b>	<b>\$20,200,920</b>
<b>Higher Education</b>						
University of California	111,954.1	115,415.5	115,415.5	\$10,588,215	\$10,588,215	\$10,588,215
Hastings College of Law	255.0	251.8	251.8	25,522	25,522	25,522
California State University	51,052.1	48,297.9	48,297.9	3,721,087	3,625,634	3,625,634
<b>SUBTOTAL, HIGHER EDUCATION</b>	<b>163,261.2</b>	<b>163,965.2</b>	<b>163,965.2</b>	<b>\$14,334,824</b>	<b>\$14,239,371</b>	<b>\$14,239,371</b>
<b>Legislative</b> <sup>1/</sup>	754.0	754.0	754.0	\$74,868	\$78,923	\$79,554
<b>Judicial</b>	1,734.3	1,742.4	1,755.4	215,533	280,374	281,758
<b>GRAND TOTAL</b>	<b>382,465.4</b>	<b>390,735.2</b>	<b>388,591.3</b>	<b>\$32,591,267</b>	<b>\$33,270,384</b>	<b>\$34,801,603</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 5B AT 2021-22 GOVERNOR'S BUDGET  
ACTUAL 2019-20 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>	<b>\$5,398</b>												<b>\$5,398</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$47	\$36	\$36	\$32	\$27	\$50	\$31	\$38	\$25	\$31	\$28	\$27	\$408
Corporation Tax	501	279	1,586	286	72	2,631	556	274	1,397	938	83	1,215	9,818
Cigarette Tax	8	6	4	4	2	8	8	4	4	7	3	6	64
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	26	180	502	33	219	521	23	21	455	446	215	491	3,132
Personal Income Tax	6,274	5,818	8,338	6,434	5,069	8,180	19,159	3,159	5,225	5,225	4,481	6,330	82,919
Retail Sales and Use Tax	2,328	3,384	2,149	1,035	3,003	2,220	1,623	3,571	1,852	688	2,427	2,160	26,423
Income from Pooled Money Investments	76	42	69	89	41	40	61	21	45	38	28	49	599
Transfer from Special Fund for Economic Uncertainties	0	2	0	0	0	0	650	0	0	412	0	221	1,285
Other	200	143	137	118	88	126	139	134	189	9,716	815	-9,006	2,799
<b>TOTAL, Receipts</b>	<b>\$9,460</b>	<b>\$9,890</b>	<b>\$12,821</b>	<b>\$8,031</b>	<b>\$8,521</b>	<b>\$13,776</b>	<b>\$22,250</b>	<b>\$7,222</b>	<b>\$8,402</b>	<b>\$11,501</b>	<b>\$8,080</b>	<b>\$1,493</b>	<b>\$127,447</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$274	\$273	\$330	\$301	\$294	\$298	\$480	\$294	\$435	\$295	\$567	\$45	\$3,886
Debt Service	-89	561	713	1,516	473	27	-519	408	473	1,130	215	-43	4,865
Other State Operations	10,101	2,457	2,359	3,396	2,295	2,723	2,482	1,919	1,603	3,275	2,157	1,873	36,640
Social Services	1,178	744	1,165	1,268	700	1,769	792	577	-71	37	605	301	9,065
Medi-Cal Assistance for DHCS	2,167	755	2,083	2,049	1,536	2,538	1,689	1,672	1,980	3,053	745	2,415	22,682
Other Health and Human Services	862	186	565	941	383	354	-36	546	740	295	372	57	5,265
Schools	3,109	3,547	6,979	4,667	4,235	7,026	4,562	4,397	6,407	4,650	4,034	267	53,880
Teachers' Retirement	643	0	0	1,018	0	643	0	0	0	1,018	0	1	3,323
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	227
Transfer to Budget Stabilization Account	3,872	1,615	610	1,084	323	-32	187	748	120	396	634	0	2,748
Other													10,314
<b>TOTAL, Disbursements</b>	<b>\$22,117</b>	<b>\$10,138</b>	<b>\$17,552</b>	<b>\$16,240</b>	<b>\$10,239</b>	<b>\$15,346</b>	<b>\$9,637</b>	<b>\$10,561</b>	<b>\$11,687</b>	<b>\$14,149</b>	<b>\$9,329</b>	<b>\$5,899</b>	<b>\$152,894</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$12,657</b>	<b>-\$248</b>	<b>-\$4,731</b>	<b>-\$8,209</b>	<b>-\$1,718</b>	<b>-\$1,570</b>	<b>\$12,613</b>	<b>-\$3,339</b>	<b>-\$3,285</b>	<b>\$3,352</b>	<b>-\$1,249</b>	<b>-\$4,406</b>	<b>-\$25,447</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$2,063	-\$2	\$0	\$0	\$0	\$0	-\$650	\$0	-\$1,000	-\$412	\$0	\$0	\$0
Budget Stabilization Account	5,196	251	4,731	6,339	0	0	-6,805	3,338	3,466	-2,122	1,248	874	16,516
Other Internal Sources	0	0	0	1,870	1,718	1,570	-5,158	0	818	-818	0	3,532	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>\$7,259</b>	<b>\$249</b>	<b>\$4,731</b>	<b>\$8,209</b>	<b>\$1,718</b>	<b>\$1,570</b>	<b>-\$12,613</b>	<b>\$3,338</b>	<b>\$3,284</b>	<b>-\$3,352</b>	<b>\$1,248</b>	<b>\$4,406</b>	<b>\$20,048</b>
<b>ENDING CASH BALANCE</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>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$2,063	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061	\$1,412	\$1,412	\$412	\$0	\$0	\$0	\$0
Budget Stabilization Account	11,157	11,157	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516	16,516
Other Internal Sources	39,022	41,491	38,264	36,799	39,354	38,748	38,181	39,301	39,060	42,230	43,162	40,797	40,797
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$52,242</b>	<b>\$54,709</b>	<b>\$56,841</b>	<b>\$55,376</b>	<b>\$57,931</b>	<b>\$57,325</b>	<b>\$56,109</b>	<b>\$57,229</b>	<b>\$55,988</b>	<b>\$58,746</b>	<b>\$59,678</b>	<b>\$57,313</b>	<b>\$57,313</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$2,063	\$2,061	\$2,061	\$2,061	\$2,061	\$2,061	\$1,412	\$1,412	\$412	\$0	\$0	\$0	\$0
Budget Stabilization Account	5,196	5,446	10,177	16,516	16,516	16,516	9,712	13,050	16,516	14,394	15,642	16,516	16,516
Other Internal Sources	0	0	0	1,870	3,588	5,158	0	0	818	0	0	3,532	3,532
External Borrowing/RANS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$7,259</b>	<b>\$7,507</b>	<b>\$12,238</b>	<b>\$20,447</b>	<b>\$22,165</b>	<b>\$23,735</b>	<b>\$11,124</b>	<b>\$14,462</b>	<b>\$17,746</b>	<b>\$14,394</b>	<b>\$15,642</b>	<b>\$20,048</b>	<b>\$20,048</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$44,983</b>	<b>\$47,202</b>	<b>\$44,603</b>	<b>\$34,929</b>	<b>\$35,766</b>	<b>\$33,590</b>	<b>\$44,985</b>	<b>\$42,767</b>	<b>\$38,242</b>	<b>\$44,352</b>	<b>\$44,036</b>	<b>\$37,265</b>	<b>\$37,265</b>
<b>CASH AND UNUSED BORROWABLE RESOURCES</b>	<b>\$44,983</b>	<b>\$47,202</b>	<b>\$44,603</b>	<b>\$34,929</b>	<b>\$35,766</b>	<b>\$33,590</b>	<b>\$44,985</b>	<b>\$42,767</b>	<b>\$38,242</b>	<b>\$44,352</b>	<b>\$44,036</b>	<b>\$37,265</b>	<b>\$37,265</b>

Note: Numbers may not add due to rounding.  
Source: State Controller's Office

**SCHEDULE 5C AT 2021-22 GOVERNOR'S BUDGET  
ESTIMATED 2020-21 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>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$39	\$36	\$33	\$37	\$35	\$26	\$31	\$31	\$24	\$31	\$28	\$34	\$385
Corporation Tax	4,479	390	2,051	500	296	3,120	711	165	1,607	3,455	496	3,857	21,127
Cigarette Tax	5	5	5	5	2	7	6	3	3	5	3	6	55
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	469	24	22	401	402	213	438	3,253
Personal Income Tax	23,848	5,883	9,417	7,435	5,906	8,788	15,874	929	4,461	20,971	4,667	12,722	120,901
Retail Sales and Use Tax	1,272	3,320	2,123	1,130	3,104	2,170	1,093	3,462	1,956	1,006	4,016	2,178	26,830
Income from Pooled Money Investments	18	14	26	19	13	23	9	3	6	6	4	7	148
Transfer from Special Fund for Economic Uncertainties	0	86	217	19	2,173	1,167	255	0	0	0	0	0	2,494
Other	8,982	639	2,340	315	1,263	1,167	255	97	476	527	106	726	16,893
<b>TOTAL, Receipts</b>	<b>\$38,677</b>	<b>\$10,730</b>	<b>\$16,609</b>	<b>\$9,503</b>	<b>\$13,245</b>	<b>\$15,770</b>	<b>\$18,003</b>	<b>\$4,772</b>	<b>\$8,934</b>	<b>\$26,403</b>	<b>\$9,533</b>	<b>\$19,969</b>	<b>\$192,086</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$245	\$260	\$263	\$253	\$292	\$298	\$524	\$297	\$297	\$297	\$573	\$6	\$3,605
Debt Service	-57	564	760	1,140	553	17	-607	405	491	1,099	199	43	4,607
Other State Operations	3,270	2,444	2,384	2,983	1,954	3,897	3,236	2,760	2,458	3,477	3,118	3,101	35,082
Social Services	1,567	209	1,492	605	573	573	946	518	766	1,072	354	519	9,539
Medi-Cal Assistance for DHCS	2,001	1,708	2,686	2,274	2,349	1,597	1,643	569	2,798	614	2,028	2,634	22,901
Other Health Care Services	764	495	-155	605	605	461	503	826	938	663	155	64	6,702
Schools	9,362	4,091	5,392	4,549	4,303	5,906	3,631	2,107	10,957	1,332	1,564	6,404	59,598
Teachers' Retirement	960	0	0	1,051	0	663	0	0	0	1,051	0	0	3,724
Transfer to Special Fund for Economic Uncertainties	700	86	217	599	2,173	0	2,616	0	0	0	0	0	6,390
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	1,175	89	1,391	854	489	1,503	471	356	334	410	385	1,391	8,850
<b>TOTAL, Disbursements</b>	<b>\$19,987</b>	<b>\$9,946</b>	<b>\$14,430</b>	<b>\$16,005</b>	<b>\$13,323</b>	<b>\$14,915</b>	<b>\$12,963</b>	<b>\$7,838</b>	<b>\$19,039</b>	<b>\$10,015</b>	<b>\$8,376</b>	<b>\$14,160</b>	<b>\$160,998</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>\$18,690</b>	<b>\$784</b>	<b>\$2,179</b>	<b>-\$6,502</b>	<b>-\$77</b>	<b>\$854</b>	<b>\$5,040</b>	<b>-\$3,126</b>	<b>-\$10,106</b>	<b>\$16,387</b>	<b>\$1,157</b>	<b>\$5,808</b>	<b>\$31,088</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,207	\$408	-\$2,616	\$0	\$0	\$0
Budget Stabilization Account	-15,158	-784	-574	4,898	77	-854	-4,121	0	8,310	-8,310	0	0	-16,517
Other Internal Sources	-3,532	0	0	0	0	0	0	0	1,387	-1,387	0	0	-3,532
Revenue Anticipation Notes	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>\$4,898</b>	<b>\$77</b>	<b>-\$854</b>	<b>-\$4,121</b>	<b>\$2,207</b>	<b>\$10,105</b>	<b>-\$12,313</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$20,049</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>\$918</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,074</b>	<b>\$5,231</b>	<b>\$11,039</b>	<b>\$11,039</b>
<b>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$2,616	\$2,616	\$2,616	\$2,616	\$2,616	\$2,616	\$2,616
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	40,048	40,271	41,644	41,831	37,879	34,862	34,411	33,620	33,620
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$51,010</b>	<b>\$50,713</b>	<b>\$46,830</b>	<b>\$47,329</b>	<b>\$48,358</b>	<b>\$48,581</b>	<b>\$52,570</b>	<b>\$52,757</b>	<b>\$48,805</b>	<b>\$45,788</b>	<b>\$45,337</b>	<b>\$44,546</b>	<b>\$44,546</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,207	\$2,616	\$0	\$0	\$0	\$0
Budget Stabilization Account	1,356	575	0	4,898	4,976	4,121	0	0	8,310	0	0	0	0
Other Internal Sources	0	0	0	0	0	0	0	0	1,387	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>\$1,356</b>	<b>\$575</b>	<b>\$0</b>	<b>\$4,898</b>	<b>\$4,976</b>	<b>\$4,121</b>	<b>\$0</b>	<b>\$2,207</b>	<b>\$12,313</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>\$46,830</b>	<b>\$42,431</b>	<b>\$43,382</b>	<b>\$44,460</b>	<b>\$52,570</b>	<b>\$50,550</b>	<b>\$36,492</b>	<b>\$45,788</b>	<b>\$45,337</b>	<b>\$44,546</b>	<b>\$44,546</b>
<b>Cash and Unused Borrowable Resources</b>	<b>\$49,652</b>	<b>\$50,138</b>	<b>\$48,434</b>	<b>\$42,431</b>	<b>\$43,382</b>	<b>\$44,460</b>	<b>\$53,488</b>	<b>\$50,550</b>	<b>\$36,492</b>	<b>\$49,862</b>	<b>\$50,568</b>	<b>\$55,585</b>	<b>\$55,585</b>

Note: Numbers may not add due to rounding.

**SCHEDULE 5D AT 2021-22 GOVERNOR'S BUDGET  
ESTIMATED 2021-22 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>\$11,039</b>												<b>\$11,039</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$46	\$29	\$34	\$35	\$22	\$41	\$31	\$32	\$25	\$32	\$29	\$33	\$389
Corporation Tax	589	325	1,727	425	89	3,067	621	217	1,630	3,727	561	3,797	16,775
Cigarette Tax	6	4	3	3	1	6	6	3	3	5	2	4	46
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	28	190	530	35	231	550	24	23	481	481	227	519	3,319
Personal Income Tax	6,210	6,394	9,045	6,824	6,305	9,298	19,088	3,276	4,843	17,970	5,085	13,277	107,625
Retail Sales and Use Tax	850	3,456	2,088	1,133	3,001	2,256	1,692	3,265	1,927	669	3,876	1,983	26,196
Income from Pooled Money Investments	5	3	5	6	3	3	2	1	1	1	1	0	31
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	371	325	242	254	1,469	284	361	266	255	279	277	859	5,242
<b>TOTAL, Receipts</b>	<b>\$8,105</b>	<b>\$10,726</b>	<b>\$13,674</b>	<b>\$8,715</b>	<b>\$11,121</b>	<b>\$15,505</b>	<b>\$21,835</b>	<b>\$7,083</b>	<b>\$9,165</b>	<b>\$23,164</b>	<b>\$10,058</b>	<b>\$20,473</b>	<b>\$159,623</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$304	\$304	\$303	\$303	\$303	\$303	\$494	\$303	\$303	\$303	\$602	\$2	\$3,827
Debt Service	-92	598	748	1,586	490	27	-524	435	498	1,153	224	-32	5,111
Other State Operations	4,709	2,884	3,774	3,905	2,114	3,301	3,122	2,750	1,927	3,528	3,291	2,487	37,772
Social Services	1,289	767	1,138	1,222	958	662	1,454	928	967	1,413	736	863	12,397
Medi-Cal Assistance for DHCS	2,641	1,403	2,925	2,466	1,434	2,902	2,317	924	4,002	2,448	1,783	3,100	28,351
Other Health Care Services	868	72	173	1,149	571	528	509	842	886	629	225	195	6,648
Schools	6,526	6,075	9,202	6,085	6,271	6,447	4,300	4,201	6,526	3,923	3,944	3,707	67,207
Teachers' Retirement	1,176	0	0	1,163	0	766	0	0	0	1,163	0	0	4,268
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	267	0	0	0	0	0	267
Transfer to Budget Stabilization Account	1,703	651	769	694	427	495	485	193	223	352	395	3,336	7,264
Other	19,124	\$12,754	\$26,296	\$18,573	\$12,568	\$15,437	\$12,424	\$10,576	\$15,332	\$14,912	\$11,200	\$13,638	\$182,834
<b>TOTAL, Disbursements</b>	<b>\$19,124</b>	<b>\$12,754</b>	<b>\$26,296</b>	<b>\$18,573</b>	<b>\$12,568</b>	<b>\$15,437</b>	<b>\$12,424</b>	<b>\$10,576</b>	<b>\$15,332</b>	<b>\$14,912</b>	<b>\$11,200</b>	<b>\$13,638</b>	<b>\$182,834</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$11,019</b>	<b>-\$2,028</b>	<b>-\$12,623</b>	<b>-\$9,858</b>	<b>-\$1,447</b>	<b>\$68</b>	<b>\$9,411</b>	<b>-\$3,493</b>	<b>-\$6,167</b>	<b>\$8,252</b>	<b>-\$1,142</b>	<b>\$6,835</b>	<b>-\$23,211</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$2,008	\$607	\$0	\$0	\$0	\$267	\$0	\$0	\$0	\$0	\$0	\$2,883
Budget Stabilization Account	0	0	12,015	3,559	0	0	-2,001	2,001	0	-593	593	-6,286	9,289
Other Internal Sources	0	0	0	6,299	1,447	-68	-7,677	1,493	6,167	-7,660	549	-549	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>\$2,008</b>	<b>\$12,622</b>	<b>\$9,858</b>	<b>\$1,447</b>	<b>-\$68</b>	<b>-\$9,411</b>	<b>\$3,494</b>	<b>\$6,167</b>	<b>-\$8,253</b>	<b>\$1,142</b>	<b>-\$6,835</b>	<b>\$12,172</b>
<b>ENDING CASH BALANCE</b>	<b>\$20</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>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$2,616	\$2,616	\$2,616	\$2,616	\$2,616	\$2,616	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883
Budget Stabilization Account	8,310	8,310	15,574	15,574	15,574	15,574	15,574	15,574	15,574	15,574	15,574	15,574	15,574
Other Internal Sources	37,716	38,005	35,742	35,170	35,423	35,190	37,240	40,932	37,122	33,943	33,830	33,352	33,352
Revenue Anticipation Notes	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$48,642</b>	<b>\$48,931</b>	<b>\$53,932</b>	<b>\$53,360</b>	<b>\$53,613</b>	<b>\$53,380</b>	<b>\$55,697</b>	<b>\$59,389</b>	<b>\$55,579</b>	<b>\$52,400</b>	<b>\$52,287</b>	<b>\$51,809</b>	<b>\$51,809</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$0	\$2,008	\$2,616	\$2,616	\$2,616	\$2,616	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883	\$2,883
Budget Stabilization Account	0	0	12,015	15,574	15,574	15,574	13,574	15,574	15,574	14,982	15,574	9,289	9,289
Other Internal Sources	0	0	0	6,299	7,745	7,677	0	1,493	7,660	0	549	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>\$2,008</b>	<b>\$14,631</b>	<b>\$24,489</b>	<b>\$25,936</b>	<b>\$25,968</b>	<b>\$16,457</b>	<b>\$19,950</b>	<b>\$26,117</b>	<b>\$17,865</b>	<b>\$19,007</b>	<b>\$12,172</b>	<b>\$12,172</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$48,642</b>	<b>\$46,923</b>	<b>\$39,301</b>	<b>\$28,871</b>	<b>\$27,678</b>	<b>\$27,512</b>	<b>\$39,240</b>	<b>\$39,439</b>	<b>\$29,462</b>	<b>\$34,536</b>	<b>\$33,281</b>	<b>\$39,638</b>	<b>\$39,638</b>
<b>Cash and Unused Borrowable Resources</b>	<b>\$48,662</b>	<b>\$46,923</b>	<b>\$39,301</b>	<b>\$28,871</b>	<b>\$27,678</b>	<b>\$27,512</b>	<b>\$39,240</b>	<b>\$39,439</b>	<b>\$29,462</b>	<b>\$34,536</b>	<b>\$33,281</b>	<b>\$39,638</b>	<b>\$39,638</b>

Note: Numbers may not add due to rounding.

**SCHEDULE 6 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES**

Year	Population <sup>1/</sup> (Thousands)		Employees <sup>2/</sup> per 1,000 Population	Personal Income <sup>3/</sup> (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund	Total	General Fund <sup>4/</sup>	Total <sup>5/</sup>	General Fund <sup>4/</sup>	Total <sup>5/</sup>	General Fund <sup>4/</sup>	Total <sup>5/</sup>
					(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)		
1950-51	10,643	61,000	5.7	\$20.0	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.94	\$5.03
1951-52	11,130	63,860	5.7	23.1	734	1,086	635	1,068	57.05	95.96	2.75	4.62
1952-53	11,638	65,720	5.6	25.7	774	1,151	714	1,177	61.35	101.13	2.78	4.58
1953-54	12,101	69,928	5.8	27.5	798	1,271	809	1,381	66.85	114.12	2.94	5.02
1954-55	12,517	74,099	5.9	28.4	879	1,434	852	1,422	68.07	113.61	3.00	5.01
1955-56	13,004	77,676	6.0	31.3	1,005	1,578	923	1,533	70.98	117.89	2.95	4.90
1956-57	13,581	88,299	6.5	34.2	1,079	1,834	1,030	1,732	75.84	127.53	3.01	5.06
1957-58	14,177	98,015	6.9	36.8	1,111	1,751	1,147	1,891	80.91	133.39	3.12	5.14
1958-59	14,741	101,982	6.9	38.6	1,210	1,925	1,246	1,932	84.53	131.06	3.23	5.01
1959-60	15,288	108,423	7.1	42.4	1,491	2,198	1,435	2,086	93.86	136.45	3.38	4.92
1960-61	15,863	115,737	7.3	44.8	1,598	2,338	1,678	2,525	105.78	159.18	3.75	5.64
1961-62	16,412	122,339	7.5	47.5	1,728	2,451	1,697	2,406	103.40	146.60	3.57	5.07
1962-63	16,951	128,981	7.6	51.3	1,866	2,668	1,881	2,703	110.97	159.46	3.67	5.27
1963-64	17,530	134,721	7.7	54.8	2,137	3,057	2,064	3,182	117.74	181.52	3.77	5.81
1964-65	18,026	143,896	8.0	59.4	2,245	3,295	2,345	3,652	130.09	202.60	3.95	6.15
1965-66	18,464	151,199	8.2	63.4	2,509	3,581	2,580	4,059	139.73	219.83	4.07	6.40
1966-67	18,831	158,404	8.4	68.9	2,895	4,073	3,017	4,659	160.21	247.41	4.38	6.76
1967-68	19,175	162,677	8.5	74.2	3,682	4,927	3,273	5,014	170.69	261.49	4.41	6.76
1968-69	19,432	171,655	8.8	81.4	4,136	5,450	3,909	5,673	201.16	291.94	4.80	6.97
1969-70	19,745	179,583	9.1	89.3	4,330	5,743	4,456	6,302	225.68	319.17	4.99	7.06
1970-71	20,039	181,581	9.1	96.1	4,534	5,919	4,854	6,556	242.23	327.16	5.05	6.82
1971-72	20,346	181,912	8.9	102.3	5,395	6,897	5,027	6,684	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.2	5,780	7,366	5,616	7,422	272.82	360.55	5.01	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.8	8,630	10,405	8,349	10,276	394.30	485.31	6.02	7.40
1975-76	21,538	206,361	9.6	153.7	9,639	11,567	9,518	11,452	441.92	531.71	6.19	7.45
1976-77	21,936	213,795	9.7	171.9	11,381	13,463	10,467	12,632	477.16	575.86	6.09	7.35
1977-78	22,352	221,251	9.9	191.6	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.6	15,219	17,711	16,251	18,745	711.64	820.85	7.43	8.58
1979-80	23,257	220,193	9.5	249.3	17,985	20,919	18,534	21,488	796.92	923.94	7.43	8.62
1980-81	23,782	225,567	9.5	283.9	19,023	22,104	21,105	24,511	887.44	1,030.65	7.43	8.63
1981-82	24,278	228,813	9.4	319.2	20,960	23,601	21,693	25,022	893.53	1,030.65	6.80	7.84
1982-83	24,805	228,489	9.2	341.1	21,233	24,291	21,751	25,330	876.88	1,021.17	6.38	7.43
1983-84	25,337	226,695	8.9	368.2	23,809	27,626	22,869	26,797	902.59	1,057.62	6.21	7.28
1984-85	25,816	229,845	8.9	411.3	26,536	31,570	25,722	30,961	996.36	1,199.30	6.25	7.53
1985-86	26,403	229,641	8.7	443.6	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.50	7.88
1986-87	27,052	232,927	8.6	475.0	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.63	8.02
1987-88	27,717	237,771	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	682.3	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	39,761	382,465	9.6	2,632.3	140,623	200,496	146,556	208,272	3,685.92	5,238.10	5.57	7.91
2020-21	39,782	390,735	9.8	2,761.8	162,742	214,897	155,898	226,950	3,918.81	5,704.84	5.64	8.22
2021-22	39,964	388,591	9.7	2,635.2	158,370	219,534	164,516	227,238	4,116.60	5,686.07	6.24	8.62

<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>Only the last three fiscal years have been updated.

<sup>4/</sup>Includes Special Accounts in General Fund from 1973-74 to 1976-77.

<sup>5/</sup>Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

**SCHEDULE 8 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2019-20			Estimated 2020-21			Estimated 2021-22		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>MAJOR TAXES AND LICENSES</b>									
4110200-Excise Tax - Beer and Wine	\$168,843	--	\$168,843	\$168,734	--	\$168,734	\$168,734	--	\$168,734
4110250-Excise Tax - Spirits	213,902	--	213,902	216,429	--	216,429	219,922	--	219,922
4110300-Cannabis Excise & Cultivation Tax	--	490,915	490,915	--	543,946	543,946	--	658,409	658,409
4110400-Cigarette Tax	60,212	1,897,576	1,957,788	54,739	1,781,189	1,835,928	46,360	1,555,748	1,602,108
4110800-Corporation Tax	14,035,432	--	14,035,432	16,948,018	--	16,948,018	16,636,128	--	16,636,128
4113000-Identification Card Fees	--	26,313	26,313	--	41,271	41,271	--	33,553	33,553
4113400-Insurance Gross Premiums Tax	3,127,761	--	3,127,761	3,252,886	--	3,252,886	3,319,048	--	3,319,048
4113600-Jet Fuel Tax	--	3,358	3,358	--	3,196	3,196	--	3,161	3,161
4113800-Lien Sale Application Fees	--	966	966	--	967	967	--	967	967
4114000-Mobilehome In-Lieu Tax	238	1,888	2,126	163	1,888	2,051	88	1,888	1,976
4115000-Motor Vehicles - Driver's License Fees	--	309,103	309,103	--	384,423	384,423	--	384,578	384,578
4115100-Motor Vehicles - Fuel Tax (Diesel)	--	1,253,450	1,253,450	--	1,240,765	1,240,765	--	1,298,013	1,298,013
4115200-Motor Vehicles - Fuel Tax (Gasoline)	--	6,544,213	6,544,213	--	6,782,059	6,782,059	--	7,340,699	7,340,699
4115300-Motor Vehicles - License (In-Lieu) Fees	3	2,804,694	2,804,697	--	2,993,637	2,993,637	--	2,941,447	2,941,447
4115400-Motor Vehicles - Registration Fees	--	4,586,501	4,586,501	--	4,743,762	4,743,762	--	4,864,223	4,864,223
4115450-Transportation Improvement Fee	--	1,737,699	1,737,699	--	1,833,000	1,833,000	--	1,909,000	1,909,000
4115460-Road Improvement Fee (Zero Emission Vehicles)	--	833	833	--	7,048	7,048	--	14,748	14,748
4115600-Motor Vehicles - Other Fees	--	255,788	255,788	--	284,697	284,697	--	276,362	276,362
4116200-Personal Income Tax	99,509,305	2,369,653	101,878,958	102,206,381	2,540,417	104,746,798	107,360,147	2,635,717	109,995,864
4117000-Retail Sales and Use Tax	25,495,445	917,430	26,412,875	26,508,494	735,995	27,244,489	25,924,665	763,838	26,688,503
4117400-Retail Sales and Use Tax - 2011 Realignment	--	7,050,195	7,050,195	--	7,427,178	7,427,178	--	7,276,713	7,276,713
4117600-Retail Sales and Use Tax - 1991 Realignment	--	3,584,804	3,584,804	--	3,768,502	3,768,502	--	3,736,906	3,736,906
<b>TOTALS, MAJOR TAXES AND LICENSES</b>	<b>\$142,611,141</b>	<b>\$33,835,379</b>	<b>\$176,446,520</b>	<b>\$149,357,844</b>	<b>\$35,113,940</b>	<b>\$184,471,784</b>	<b>\$153,675,741</b>	<b>\$35,695,970</b>	<b>\$189,371,711</b>
<b>MINOR REVENUES</b>									
<b>REGULATORY TAXES AND LICENSES</b>									
4120000-Beverage Container Redemption Fees	--	1,352,912	1,352,912	--	1,314,532	1,314,532	--	1,288,874	1,288,874
4120400-Building Construction Filing Fees (Physically Handicapped)	--	6,439	6,439	--	15,283	15,283	--	15,589	15,589
4120600-Candidate Filing Fee	1,561	--	1,561	263	--	263	1,720	--	1,720
4120700-Cannabis Licensing Fees	--	21,745	21,745	--	45,882	45,882	--	56,303	56,303
4120800-Corporation Fees - Domestic Corporations	--	10,667	10,667	--	10,265	10,265	--	10,183	10,183
4121000-Corporation Fees - Foreign Corporations	--	1,116	1,116	--	1,294	1,294	--	1,294	1,294
4121200-Deinquent Fees	--	12,603	12,603	--	9,429	9,429	--	10,073	10,073
4121600-Elevator and Boiler Inspection Fees	--	29,052	29,052	--	29,462	29,462	--	29,462	29,462
4121800-Employment Agency Filing Fees	--	535	535	--	615	615	--	615	615
4122000-Employment Agency License Fees	--	4,847	4,847	--	5,337	5,337	--	5,337	5,337
4122200-Energy Resources Surcharge	--	542,130	542,130	--	653,666	653,666	--	667,016	667,016
4122400-Environmental and Hazardous Waste Fees	--	56,491	56,491	--	56,493	56,493	--	56,493	56,493
4122800-Filing Financing Statements	--	1,566	1,566	--	2,476	2,476	--	2,476	2,476
4123000-Fish and Game - Licenses, Tags, and Permits	--	112,710	112,710	--	116,795	116,795	--	112,712	112,712
4123200-Fish and Game - Taxes	--	2,484	2,484	--	2,484	2,484	--	2,484	2,484
4123400-Genetic Disease Testing Fees	--	128,754	128,754	--	145,257	145,257	--	145,719	145,719

**SCHEDULE 8 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2019-20			Estimated 2020-21			Estimated 2021-22		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4123720-Horse Racing Licenses	744	15,269	16,013	987	16,484	17,471	987	18,160	19,147
4123740-Horse Racing Miscellaneous	1	--	1	5	--	5	5	--	5
4123800-Industrial Homework Fees	--	1	1	--	1	1	--	1	1
4124000-Insurance Company - Examination Fees	--	25,548	25,548	--	24,854	24,854	--	27,978	27,978
4124200-Insurance Company - License Fees and Penalties	--	65,171	65,171	--	63,617	63,617	--	65,616	65,616
4124400-Insurance Company - General Fees	--	36,074	36,074	--	35,138	35,138	--	36,749	36,749
4124600-Insurance Company - Proposition 103 Fees	--	35,252	35,252	--	31,993	31,993	--	38,798	38,798
4124800-Insurance Fraud Assessment - Automobile	--	53,238	53,238	--	53,238	53,238	--	53,238	53,238
4125000-Insurance Fraud Assessment - General	--	13,794	13,794	--	13,623	13,623	--	13,623	13,623
4125200-Insurance Fraud Assessment - Workers Compensation	--	72,366	72,366	--	78,137	78,137	--	78,137	78,137
4125400-Liquor License Fees	--	78,649	78,649	--	78,672	78,672	--	88,240	88,240
4125600-New Motor Vehicle Dealer License Fee	--	1,786	1,786	--	1,959	1,959	--	1,959	1,959
4125800-Notary Public License Fees	--	744	744	--	1,333	1,333	--	1,333	1,333
4126000-Off Highway Vehicle Fees	--	20,508	20,508	--	22,756	22,756	--	22,148	22,148
4126200-Private Rail Car Tax	10,538	--	10,538	9,015	--	9,015	9,015	--	9,015
4126400-Processing Fee	539	346	885	539	334	873	539	334	873
4126600-Public Utilities Commission - Quarterly Fees	--	204,654	204,654	--	352,200	352,200	--	352,200	352,200
4126800-Public Utilities Commission - Penalties on Quarterly Fees	--	5	5	--	2	2	--	2	2
4127000-Real Estate - Examination Fees	--	4,161	4,161	--	3,895	3,895	--	4,163	4,163
4127200-Real Estate - License Fees	--	39,514	39,514	--	39,217	39,217	--	40,132	40,132
4127300-Refinery Fees	--	4,293	4,293	--	4,293	4,293	--	4,293	4,293
4127400-Renewal Fees	--	363,330	363,330	--	373,112	373,112	--	387,935	387,935
4128000-Subdivision Filing Fees	--	8,328	8,328	--	7,839	7,839	--	8,334	8,334
4128400-Teacher Credential Fees	--	25,169	25,169	--	19,363	19,363	--	23,236	23,236
4128600-Teacher Examination Fees	--	4,234	4,234	--	2,668	2,668	--	4,005	4,005
4128740-Trailer Coach License (In Lieu) Fees	33,412	--	33,412	39,467	--	39,467	35,692	--	35,692
4129000-Other Fees and Licenses	--	20,765	20,765	--	22,322	22,322	--	22,082	22,082
4129200-Other Regulatory Fees	1,952	6,325,844	6,327,796	1,692	9,871,361	9,873,053	1,692	5,798,459	5,800,151
4129400-Other Regulatory Licenses and Permits	4,538	787,765	792,303	5,347	868,218	873,565	5,347	933,728	939,075
4129600-Other Regulatory Taxes	--	137,430	137,430	--	156,259	156,259	--	154,967	154,967
<b>Totals, REGULATORY TAXES AND LICENSES</b>	<b>\$53,285</b>	<b>\$10,628,289</b>	<b>\$10,681,574</b>	<b>\$57,315</b>	<b>\$14,552,158</b>	<b>\$14,609,473</b>	<b>\$54,997</b>	<b>\$10,584,480</b>	<b>\$10,639,477</b>
<b>REVENUE FROM LOCAL AGENCIES</b>									
4130000-Architecture Public Building Fees	--	93,926	93,926	--	78,858	78,858	--	80,435	80,435
4131000-Crimes of Public Offense Fines	49	18,944	18,993	54	15,000	15,054	54	15,000	15,054
4131500-Felony Conviction Penalties	1	42,143	42,144	--	45,002	45,002	--	45,002	45,002
4132000-Fingerprint Identification Card Fees	--	75,516	75,516	--	73,760	73,760	--	73,760	73,760
4132500-Fish and Game Fines	--	513	513	--	513	513	--	513	513
4133000-Fish and Game Fines - Additional Assessments	--	57	57	--	57	57	--	57	57
4134000-Local Agencies - Interest on Loans	617	345	962	617	311	928	617	348	965
4134500-Local Agencies - Cost Recoveries	28,138	10,002	38,140	30,496	10,002	40,498	28,552	10,002	38,554
4135000-Local Agencies - Miscellaneous Revenue	202,688	1,504,501	1,707,189	194,934	1,101,670	1,296,604	159,285	643,319	802,604
4135500-Narcotic Fines	1,173	--	1,173	1,000	--	1,000	1,000	--	1,000
4136000-Open Space Cancellation Fee	--	2,873	2,873	--	3,300	3,300	--	3,300	3,300
Deferred Taxes	--	--	--	--	--	--	--	--	--

**SCHEDULE 8 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2019-20			Estimated 2020-21			Estimated 2021-22		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4136500-Traffic Violation Penalties	--	54	54	--	--	--	--	--	--
<b>Totals, REVENUE FROM LOCAL AGENCIES</b>	<b>\$232,666</b>	<b>\$1,748,874</b>	<b>\$1,981,540</b>	<b>\$227,101</b>	<b>\$1,328,473</b>	<b>\$1,555,574</b>	<b>\$189,508</b>	<b>\$871,736</b>	<b>\$1,061,244</b>
<b>SERVICES TO THE PUBLIC</b>									
4140000-Document Sales	159	8,246	8,405	155	8,062	8,217	155	8,071	8,226
4140500-Emergency Telephone User's Surcharge	--	126,287	126,287	--	192,410	192,410	--	192,410	192,410
4142500-License Plate Fees - Personalized Plates	--	73,026	73,026	--	74,864	74,864	--	74,946	74,946
4143000-Medicare Receipts - Federal Government	1,976	--	1,976	1,774	--	1,774	1,774	--	1,774
4143500-Miscellaneous Services to the Public	759	200,007	200,766	2,982	254,014	256,996	3,718	223,375	227,093
4144000-Parental Fees	--	1,941	1,941	--	1,242	1,242	--	2,280	2,280
4144500-Parking Lot Revenues	--	12,438	12,438	--	14,666	14,666	--	14,860	14,860
4145000-Pay Patients Board Charges	646	--	646	557	--	557	557	--	557
4145500-Secretary of State - Fees	40	36,755	36,795	165	43,903	44,068	166	43,903	44,069
4146000-State Beach and Park Service Fees	--	129,343	129,343	--	129,343	129,343	--	129,343	129,343
<b>Totals, SERVICES TO THE PUBLIC</b>	<b>\$3,580</b>	<b>\$588,043</b>	<b>\$591,623</b>	<b>\$5,633</b>	<b>\$718,504</b>	<b>\$724,137</b>	<b>\$6,370</b>	<b>\$689,188</b>	<b>\$695,558</b>
<b>USE OF PROPERTY AND MONEY</b>									
4150000-Geothermal Resources Well Fees	--	3,722	3,722	--	3,722	3,722	--	3,722	3,722
4150500-Interest Income - Interfund Loans	--	69,080	69,080	--	132	132	--	132	132
4151000-Interest Income - Other Loans	1,192	10,074	11,266	1,171	7,268	8,439	1,147	6,177	7,324
4151500-Miscellaneous Revenue - Use of Property and Money	468	20,168	20,636	1,264	20,858	22,122	1,264	20,893	22,157
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	238	--	238	125	--	125	148	--	148
4152500-Rental of State Property	19,543	72,688	92,231	17,830	67,363	85,193	22,030	96,007	118,037
4154000-Royalties - Federal Land	--	36,087	36,087	--	36,545	36,545	--	36,683	36,683
4155000-Royalties - State Lands	107,004	--	107,004	44,961	--	44,961	57,421	--	57,421
<b>Totals, USE OF PROPERTY AND MONEY</b>	<b>\$128,445</b>	<b>\$211,819</b>	<b>\$340,264</b>	<b>\$65,351</b>	<b>\$135,888</b>	<b>\$201,239</b>	<b>\$82,010</b>	<b>\$163,614</b>	<b>\$245,624</b>
<b>INVESTMENT INCOME</b>									
4160000-Investment Income - Condemnation Deposits Fund	--	830	830	--	230	230	--	246	246
4161000-Investment Income - Other	--	263	263	--	263	263	--	263	263
4162000-Investment Income - Pooled Money Investments	516,042	356	516,398	104,963	356	105,319	22,285	356	22,641
4163000-Investment Income - Surplus Money Investments	1,882	552,782	554,664	16,640	272,435	289,075	16,640	261,905	278,545
<b>Totals, INVESTMENT INCOME</b>	<b>\$517,924</b>	<b>\$554,231</b>	<b>\$1,072,155</b>	<b>\$121,603</b>	<b>\$273,284</b>	<b>\$394,887</b>	<b>\$38,925</b>	<b>\$262,770</b>	<b>\$301,695</b>
<b>MISCELLANEOUS</b>									
4170100-Abandoned Property Revenue	463,010	--	463,010	437,490	--	437,490	451,585	--	451,585
4170400-Capital Asset Sales Proceeds	2,115	8,613	10,728	--	234	234	--	482	482
4170600-Carbon Allowances Auction Proceeds	--	2,105,810	2,105,810	--	2,121,000	2,121,000	--	2,256,000	2,256,000
4170700-Civil and Criminal Violation Assessment	837	124,979	125,816	300	104,492	104,792	300	111,693	111,993
4170800-Confiscated Property Sales	6,153	9	6,162	7,009	9	7,018	7,009	9	7,018
4171000-Cost Recoveries - Delinquent Receivables	10,270	331	10,601	10,276	282	10,558	10,276	282	10,558
4171100-Cost Recoveries - Other	763,506	153,815	917,321	2,782,091	125,746	2,907,837	6,477,611	117,051	6,594,662
4171200-Court Filing Fees and Surcharges	66	484,466	484,532	--	457,093	457,093	--	527,650	527,650
4171300-Donations	--	1,791	1,791	--	1,846	1,846	--	2,161	2,161
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	66,965	11,626	78,591	76,472	9,260	85,732	76,472	9,335	85,807
4171500-Escheat - Unclaimed Property	--	--	--	--	14	14	--	14	14



**SCHEDULE 8 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF REVENUES  
(Dollars in Thousands)**

Sources	Actuals 2019-20			Estimated 2020-21			Estimated 2021-22		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
4172000-Fines and Forfeitures	2,167	179,114	181,281	2,393	179,513	181,906	2,393	178,602	180,995
4172200-Fine and Penalties - Horse Racing	291	--	291	229	--	229	229	--	229
4172400-Forest Product Sales	--	46,000	46,000	--	46,000	46,000	--	46,000	46,000
4172500-Miscellaneous Revenue	43,523	1,117,262	1,160,785	40,303	2,092,931	2,133,234	40,052	2,573,682	2,613,734
4172600-Miscellaneous Tax Revenue	--	1,671,905	1,671,905	--	2,317,734	2,317,734	--	2,584,032	2,584,032
4172800-Parking Violations	16,881	4,608	21,289	16,308	4,591	20,899	16,308	4,591	20,899
4172900-Penalty Assessments - Criminal Fines	--	148,179	148,179	--	107,992	107,992	--	117,328	117,328
4173000-Penalty Assessments - Other	125,782	227,519	353,301	48,068	485,342	533,410	42,068	185,053	227,121
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	--	--	--	335,000	--	335,000	390,000	--	390,000
4173200-Proceeds from Estates of Deceased Persons	2,131	--	2,131	244	--	244	244	--	244
4173300-Sales - Other	--	6,761	6,761	--	--	--	--	--	--
4173400-Settlements and Judgments - Anti-Trust Actions (Attorney General)	--	6,543	6,543	11,000	12,055	23,055	--	12,055	12,055
4173500-Settlements and Judgments - Other	15,977	54,189	70,166	16,752	88,450	102,202	11,051	82,952	94,003
4173600-State Public Land Sales	--	46,906	46,906	--	43,639	43,639	--	40,925	40,925
4173800-Traffic Violations	--	27,888	27,888	--	22,958	22,958	--	24,386	24,386
4173900-Tribal Gaming Revenues	3,237	44,053	47,290	1,416	39,706	41,122	333	39,706	40,039
4174100-Unemployment and Disability Insurance Contributions - Penalties and Inte	--	135,537	135,537	--	107,702	107,702	--	122,563	122,563
4174200-Uninsured Motorist Fees	512	142	654	650	142	792	650	142	792
4180000-Cash Adjustment for Transportation Funds (SAL I)	--	1,027,610	1,027,610	--	74,562	74,562	--	657,476	657,476
4180050-Cash Adjustment for Transportation Funds (SAL E)	--	-27,481	-27,481	--	-13,062	-13,062	--	-2,056	-2,056
<b>Totals, MISCELLANEOUS</b>	<b>\$1,523,223</b>	<b>\$7,631,773</b>	<b>\$9,154,996</b>	<b>\$3,766,001</b>	<b>\$8,450,829</b>	<b>\$12,236,830</b>	<b>\$7,526,561</b>	<b>\$9,715,712</b>	<b>\$17,242,293</b>
<b>TOTALS, MINOR REVENUES</b>	<b>\$2,459,123</b>	<b>\$21,363,029</b>	<b>\$23,822,152</b>	<b>\$4,263,004</b>	<b>\$25,459,136</b>	<b>\$29,722,140</b>	<b>\$7,898,391</b>	<b>\$22,287,500</b>	<b>\$30,185,891</b>
<b>TOTALS, REVENUES</b>	<b>\$145,070,264</b>	<b>\$55,198,408</b>	<b>\$200,268,672</b>	<b>\$153,620,848</b>	<b>\$60,573,076</b>	<b>\$214,193,924</b>	<b>\$161,574,132</b>	<b>\$57,983,470</b>	<b>\$219,557,602</b>
<b>TRANSFERS AND LOANS</b>									
Revenue Transfers	-2,547,556	3,089,521	541,965	6,803,708	-6,132,318	671,390	-2,769,741	2,751,358	-18,383
Loans	-1,899,553	1,584,637	-314,916	2,317,693	-2,285,893	31,800	-434,264	428,614	-5,650
<b>TOTALS, TRANSFERS AND LOANS</b>	<b>-\$4,447,109</b>	<b>\$4,674,158</b>	<b>\$227,049</b>	<b>\$9,121,401</b>	<b>-\$8,418,211</b>	<b>\$703,190</b>	<b>-\$3,204,005</b>	<b>\$3,179,972</b>	<b>-\$24,033</b>
<b>TOTALS, REVENUES, TRANSFERS AND LOANS</b>	<b>\$140,623,155</b>	<b>\$59,872,566</b>	<b>\$200,495,721</b>	<b>\$162,742,249</b>	<b>\$52,154,865</b>	<b>\$214,897,114</b>	<b>\$158,370,127</b>	<b>\$61,163,442</b>	<b>\$219,533,569</b>

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22				
	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	145,458		145,458		150,724		150,724		153,347		153,347		
<b>Totals,0110-Senate</b>	<b>\$145,458</b>		<b>\$145,458</b>		<b>\$150,724</b>		<b>\$150,724</b>		<b>\$153,347</b>		<b>\$153,347</b>		
0120-Assembly													
State Operations	191,660		191,660		198,599		198,599		202,055		202,055		
<b>Totals,0120-Assembly</b>	<b>\$191,660</b>		<b>\$191,660</b>		<b>\$198,599</b>		<b>\$198,599</b>		<b>\$202,055</b>		<b>\$202,055</b>		
0130-Joint Expenses													
Capital Outlay		8,809	8,809										
<b>Totals,0130-Joint Expenses</b>		<b>\$8,809</b>	<b>\$8,809</b>										
0160-Legislative Counsel Bureau													
State Operations	94,949		94,949		97,982		97,982		98,541		98,541		
<b>Totals,0160-Legislative Counsel Bureau</b>	<b>\$94,949</b>		<b>\$94,949</b>		<b>\$97,982</b>		<b>\$97,982</b>		<b>\$98,541</b>		<b>\$98,541</b>		
Legislative													
State Operations	432,067		432,067		447,305		447,305		453,943		453,943		
Capital Outlay		8,809	8,809										
<b>Totals, Legislative</b>	<b>\$432,067</b>	<b>\$8,809</b>	<b>\$440,876</b>		<b>\$447,305</b>		<b>\$447,305</b>		<b>\$453,943</b>		<b>\$453,943</b>		
0250-Judicial Branch													
State Operations	521,656	434,121	955,777	2,189	524,131	430,505	954,636	4,409	601,362	461,907	1,063,269	4,405	
Local Assistance	1,686,387	1,349,613	3,036,000	744	1,643,515	1,172,121	2,815,636	2,275	1,557,259	1,352,499	2,909,758	2,275	
Capital Outlay		2,966	2,966						8,279		8,279		
<b>Totals,0250-Judicial Branch</b>	<b>\$2,208,043</b>	<b>\$1,786,700</b>	<b>\$3,994,743</b>	<b>\$2,933</b>	<b>\$2,167,646</b>	<b>\$1,602,626</b>	<b>\$3,770,272</b>	<b>\$6,684</b>	<b>\$2,166,900</b>	<b>\$1,814,406</b>	<b>\$3,981,306</b>	<b>\$6,680</b>	
0280-Commission on Judicial Performance													
State Operations	5,433		5,433		6,750		6,750		6,467		6,467		
<b>Totals,0280-Commission on Judicial Performance</b>	<b>\$5,433</b>		<b>\$5,433</b>		<b>\$6,750</b>		<b>\$6,750</b>		<b>\$6,467</b>		<b>\$6,467</b>		
0390-Judges Retirement System Contributions													
State Operations	46,077		46,077		5,595		5,595		5,480		5,480		
Local Assistance	287,175		287,175		305,083		305,083		274,409		274,409		
<b>Totals,0390-Judges Retirement System Contributions</b>	<b>\$333,252</b>		<b>\$333,252</b>		<b>\$310,678</b>		<b>\$310,678</b>		<b>\$279,889</b>		<b>\$279,889</b>		
Judicial													
State Operations	573,166	434,121	1,007,287	2,189	536,476	430,505	966,981	4,409	613,309	461,907	1,075,216	4,405	
Local Assistance	1,973,562	1,349,613	3,323,175	744	1,948,598	1,172,121	3,120,719	2,275	1,831,668	1,352,499	3,184,167	2,275	
Capital Outlay		2,966	2,966						8,279		8,279		
<b>Totals, Judicial</b>	<b>\$2,546,728</b>	<b>\$1,786,700</b>	<b>\$4,333,428</b>	<b>\$2,933</b>	<b>\$2,485,074</b>	<b>\$1,602,626</b>	<b>\$4,087,700</b>	<b>\$6,684</b>	<b>\$2,453,256</b>	<b>\$1,814,406</b>	<b>\$4,267,662</b>	<b>\$6,680</b>	
0500-Governors Office													
State Operations	20,244		20,244		18,251		18,251		21,727		21,727		
<b>Totals,0500-Governors Office</b>	<b>\$20,244</b>		<b>\$20,244</b>		<b>\$18,251</b>		<b>\$18,251</b>		<b>\$21,727</b>		<b>\$21,727</b>		
0509-Governors Office of Bus, Econ Developm													
State Operations	32,037	1,340	33,377		1,408,694	2,401	1,411,095		193,582	3,307	196,889		
Local Assistance	70,140	28,315	98,455		122,000	28,758	150,758			53,400	53,400		
<b>Totals,0509-Governors Office of Bus, Econ Developm</b>	<b>\$102,177</b>	<b>\$29,655</b>	<b>\$131,832</b>		<b>\$1,530,694</b>	<b>\$31,159</b>	<b>\$1,561,853</b>		<b>\$193,582</b>	<b>\$56,707</b>	<b>\$250,289</b>		
0511-Government Operations, Secretary													
State Operations	83,994		83,994		34,941		34,941		28,388		28,388		
<b>Totals,0511-Government Operations, Secretary</b>	<b>\$83,994</b>		<b>\$83,994</b>		<b>\$34,941</b>		<b>\$34,941</b>		<b>\$28,388</b>		<b>\$28,388</b>		
0515-Business, Consumer Svcs, Housing, Scty													
State Operations	2,153	902	3,055		5,329	941	6,270		3,066	1,011	4,077		
Local Assistance	718,000		718,000		330,129		330,129						
<b>Totals,0515-Business, Consumer Svcs, Housing, Scty</b>	<b>\$720,153</b>	<b>\$902</b>	<b>\$721,055</b>		<b>\$335,458</b>	<b>\$941</b>	<b>\$336,399</b>		<b>\$3,066</b>	<b>\$1,011</b>	<b>\$4,077</b>		
0521-Transportation, Secy													
State Operations		4,003	4,003	30,417		6,038	6,038	92,836		6,297	6,297	59,008	
Local Assistance	6,816	239,658	246,474	50,858	3,984	524,176	528,160	98,944		247,633	247,633	64,001	

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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,0521-Transportation, Secy</b>	\$6,816	\$243,661	--	\$250,477	\$81,275	\$3,984	\$530,214	--	\$534,198	\$191,780	--	\$253,930	--	\$253,930	\$123,009
State Operations	15,816	1,838	--	17,654	--	6,626	2,037	--	8,663	13,415	22,493	2,648	--	25,141	13,415
<b>Totals,0530-Health, Human Services Agency, Secy</b>	\$15,816	\$1,838	--	\$17,654	--	\$6,626	\$2,037	--	\$8,663	\$13,415	\$22,493	\$2,648	--	\$25,141	\$13,415
0540-Natural Resources Agency, Secy	4,400	10,054	12,834	27,288	1	9,118	14,097	9,783	32,998	1	19,666	14,486	13,468	47,620	1
State Operations	117,177	36,700	191,490	345,367	--	--	35,923	42,623	--	--	--	6,700	131,500	138,200	--
Local Assistance	--	--	111,157	111,157	--	--	--	--	--	--	--	--	--	--	--
Capital Outlay	\$121,577	\$46,754	\$315,481	\$463,812	\$1	\$9,118	\$16,483	\$50,020	\$75,621	\$1	\$19,666	\$21,186	\$144,948	\$185,820	\$1
<b>Totals,0540-Natural Resources Agency, Secy</b>	23,375	--	--	23,375	--	27,242	--	--	27,242	--	28,983	--	--	28,983	--
State Operations	\$23,375	--	--	\$23,375	--	\$27,242	--	--	\$27,242	--	\$28,983	--	--	\$28,983	--
<b>Totals,0552-Office of the Inspector General</b>	3,992	14,573	--	18,565	94	2,695	12,200	--	14,895	300	2,254	13,889	--	16,143	300
0555-Environmental Protection, Secy	835	271	--	1,106	--	835	--	--	835	--	835	1,500	--	2,335	--
State Operations	\$4,827	\$14,844	--	\$19,671	\$94	\$3,530	\$12,200	--	\$15,730	\$300	\$3,089	\$15,389	--	\$18,478	\$300
Local Assistance	1,014	71	--	1,085	--	34,951	7,152	--	42,103	--	1,618	1,217	--	2,835	--
Capital Outlay	\$1,014	\$71	--	\$1,085	--	\$34,951	\$7,152	--	\$42,103	--	\$1,618	\$1,217	--	\$2,835	--
<b>Totals,0559-Labor and Workforce Development, Secy</b>	22,740	22,238	--	44,978	1,563	36,425	12,423	--	48,848	3,206	19,210	1,980	--	21,190	2,726
0650-Office of Planning and Research	19,239	46,889	--	66,128	44,812	21,910	447,195	--	469,105	50,089	18,730	424,020	--	442,750	50,089
State Operations	\$41,979	\$49,147	--	\$111,126	\$46,375	\$58,335	\$459,618	--	\$517,953	\$53,295	\$37,940	\$426,000	--	\$463,940	\$52,815
Local Assistance	1,090,863	-27,317	1,63	1,063,709	625,738	143,020	43,628	2,837	189,485	87,223	122,559	27,271	2,906	152,736	80,772
Capital Outlay	280,192	138,890	--	419,082	2,099,935	236,409	144,663	--	381,072	1,050,821	319,573	157,311	--	476,884	1,039,166
State Operations	3,457	--	--	3,457	--	19,660	--	--	19,660	--	1,016	--	--	1,016	--
Local Assistance	\$1,374,512	\$111,573	\$163	\$1,486,248	\$2,725,673	\$399,089	\$188,291	\$2,837	\$590,217	\$1,138,044	\$443,148	\$184,582	\$2,906	\$630,636	\$1,119,938
Capital Outlay	1,626	--	--	1,626	--	1,840	--	--	1,840	--	2,126	--	--	2,126	--
<b>Totals,0750-Office of the Lieutenant Governor</b>	\$1,626	--	--	\$1,626	--	\$1,840	--	--	\$1,840	--	\$2,126	--	--	\$2,126	--
0820-Department of Justice	685,709	304,768	--	990,477	37,930	353,407	336,084	--	689,491	41,450	361,782	364,127	--	725,909	43,202
State Operations	5,314	54,489	--	59,803	--	--	28,528	--	28,528	--	--	26,828	--	26,828	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	6,541	--	--	6,541	--
Capital Outlay	\$691,023	\$359,257	--	\$1,050,280	\$37,930	\$353,407	\$364,612	--	\$718,019	\$41,450	\$368,323	\$390,955	--	\$759,278	\$43,202
State Operations	87,591	11,677	--	99,268	1,241	73,820	10,929	1,188	85,937	1,393	83,839	11,741	1,188	96,768	1,522
Local Assistance	--	--	--	--	--	--	--	--	--	--	65,000	--	--	65,000	--
<b>Totals,0840-State Controller</b>	\$87,591	\$11,677	--	\$99,268	\$1,241	\$73,820	\$10,929	\$1,188	\$85,937	\$1,393	\$148,839	\$11,741	\$1,188	\$161,768	\$1,522
0845-Department of Insurance	9,190	213,194	--	222,384	78	9,227	217,300	--	226,527	25	6,139	232,681	--	238,820	25
State Operations	1,500	71,675	--	73,175	--	1,500	75,555	--	77,055	--	--	75,555	--	75,555	--
Local Assistance	\$10,690	\$284,869	--	\$295,559	\$78	\$10,727	\$292,855	--	\$303,582	\$25	\$4,139	\$308,236	--	\$314,375	\$25
Capital Outlay	--	6,525	--	6,525	--	--	7,032	--	7,032	--	--	7,545	--	7,545	--
State Operations	--	\$6,525	--	\$6,525	--	--	\$7,032	--	\$7,032	--	--	\$7,545	--	\$7,545	--
<b>Totals,0855-Gambling Control Commission</b>	24,185	--	--	24,185	--	29,053	--	--	29,053	--	31,320	--	--	31,320	--
0860-State Board of Equalization	\$24,185	--	--	\$24,185	--	\$29,053	--	--	\$29,053	--	\$31,320	--	--	\$31,320	--
State Operations	\$24,185	--	--	\$24,185	--	\$29,053	--	--	\$29,053	--	\$31,320	--	--	\$31,320	--
<b>Totals,0870-Office of Tax Appeals</b>	--	--	--	\$24,185	--	\$29,053	--	--	\$29,053	--	\$31,320	--	--	\$31,320	--

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22						
	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	16,978			16,978		22,744			22,744					24,124	
<b>Totals,0870-Office of Tax Appeals</b>	<b>\$16,978</b>			<b>\$16,978</b>		<b>\$22,744</b>			<b>\$22,744</b>					<b>\$24,124</b>	
0890-Secretary of State															
State Operations	50,306	74,228		124,534	10,709	52,019	72,829		124,848	14,134	46,519	74,067		120,586	13,199
Local Assistance	88,765			88,765	19,964	36,500			36,500	72,246				19,564	
<b>Totals,0890-Secretary of State</b>	<b>\$139,071</b>	<b>\$74,228</b>		<b>\$213,299</b>	<b>\$30,673</b>	<b>\$88,519</b>	<b>\$72,829</b>		<b>\$161,348</b>	<b>\$86,380</b>	<b>\$46,519</b>	<b>\$74,067</b>		<b>\$120,586</b>	<b>\$32,763</b>
0911-Citizens Redistricting Initiative															
State Operations	65			65		11,658			11,658		122			122	
<b>Totals,0911-Citizens Redistricting Initiative</b>	<b>\$65</b>			<b>\$65</b>		<b>\$11,658</b>			<b>\$11,658</b>		<b>\$122</b>			<b>\$122</b>	
0950-State Treasurer															
State Operations	12,973			12,973		9,496			9,496		10,085			10,085	
<b>Totals,0950-State Treasurer</b>	<b>\$12,973</b>			<b>\$12,973</b>		<b>\$9,496</b>			<b>\$9,496</b>		<b>\$10,085</b>			<b>\$10,085</b>	
0954-Scholarshare Investment Board															
State Operations	90			90		92			92		92			92	
Local Assistance	25,000			25,000											
<b>Totals,0954-Scholarshare Investment Board</b>	<b>\$25,090</b>			<b>\$25,090</b>		<b>\$92</b>			<b>\$92</b>		<b>\$92</b>			<b>\$92</b>	
0956-Debt Investment Advisory Commission															
State Operations		3,785		3,785			3,651		3,651			3,868		3,868	
<b>Totals,0956-Debt Investment Advisory Commission</b>		<b>\$3,785</b>		<b>\$3,785</b>			<b>\$3,651</b>		<b>\$3,651</b>			<b>\$3,868</b>		<b>\$3,868</b>	
0959-Debt Limit Allocation Committee															
State Operations		1,318		1,318			2,329		2,329			2,382		2,382	
<b>Totals,0959-Debt Limit Allocation Committee</b>		<b>\$1,318</b>		<b>\$1,318</b>			<b>\$2,329</b>		<b>\$2,329</b>			<b>\$2,382</b>		<b>\$2,382</b>	
0968-Tax Credit Allocation Committee															
State Operations		7,684		7,684			11,923		11,923			12,245		12,245	
Local Assistance		63		63			190		190			190		190	
<b>Totals,0968-Tax Credit Allocation Committee</b>		<b>\$7,747</b>		<b>\$7,747</b>			<b>\$12,113</b>		<b>\$12,113</b>			<b>\$12,435</b>		<b>\$12,435</b>	
0971-All Energy, Advanced Trans Fin Auth															
State Operations		519		519			511		511			525		525	
<b>Totals,0971-All Energy, Advanced Trans Fin Auth</b>		<b>\$519</b>		<b>\$519</b>			<b>\$511</b>		<b>\$511</b>			<b>\$525</b>		<b>\$525</b>	
0977-Health Facilities Financing Authority															
State Operations	1,397	240	1,166	2,823			500	1,388	1,888			500	1,388	1,888	
Local Assistance	67,035	57,542	343,988	468,565			1,441,173	533,000	677,173			170,037	115,000	285,037	
<b>Totals,0977-Health Facilities Financing Authority</b>	<b>\$68,432</b>	<b>\$57,802</b>	<b>\$345,154</b>	<b>\$471,388</b>			<b>\$1,444,673</b>	<b>\$534,388</b>	<b>\$679,061</b>			<b>\$170,537</b>	<b>\$116,388</b>	<b>\$286,925</b>	
0981-California ABE Act Board															
State Operations											1,195			1,195	
<b>Totals,0981-California ABE Act Board</b>											<b>\$1,195</b>			<b>\$1,195</b>	
0985-School Finance Authority															
State Operations	403		1,310	1,713	388	637		1,325	1,962	499	681		1,375	2,056	520
Local Assistance	136,786			136,786		136,786			136,786	20,000	141,041			141,041	20,000
<b>Totals,0985-School Finance Authority</b>	<b>\$137,189</b>		<b>\$1,310</b>	<b>\$138,499</b>	<b>\$388</b>	<b>\$137,423</b>		<b>\$1,325</b>	<b>\$138,748</b>	<b>\$20,499</b>	<b>\$141,722</b>		<b>\$1,375</b>	<b>\$143,097</b>	<b>\$20,520</b>
0989-Educational Facilities Authority															
State Operations		25		25			79		79					79	
<b>Totals,0989-Educational Facilities Authority</b>		<b>\$25</b>		<b>\$25</b>			<b>\$79</b>		<b>\$79</b>					<b>\$79</b>	
0996-General Obligation Bonds-LIE															
State Operations						1,485			1,485		2,646			2,646	
<b>Totals,0996-General Obligation Bonds-LIE</b>						<b>\$1,485</b>			<b>\$1,485</b>		<b>\$2,646</b>			<b>\$2,646</b>	
Executive															
State Operations	2,191,141	651,705	15,473	2,858,319	708,159	2,292,770	759,770	20,835	3,073,375	254,482	1,034,216	781,866	20,325	1,836,407	214,690
Local Assistance	1,536,799	674,492	535,478	2,746,769	2,215,569	890,053	1,399,938	568,923	2,858,914	1,292,100	545,179	1,163,174	246,500	1,954,853	1,192,820
Capital Outlay	3,457		111,157	114,614		19,660			19,660		7,557			7,557	
<b>Totals, Executive</b>	<b>\$3,731,397</b>	<b>\$1,326,197</b>	<b>\$662,108</b>	<b>\$5,719,702</b>	<b>\$2,923,728</b>	<b>\$3,202,483</b>	<b>\$2,159,708</b>	<b>\$589,758</b>	<b>\$5,951,949</b>	<b>\$1,546,582</b>	<b>\$1,586,952</b>	<b>\$1,945,040</b>	<b>\$266,825</b>	<b>\$3,798,817</b>	<b>\$1,407,510</b>

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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, LEGISLATIVE, JUDICIAL, AND EXECUTIVE</b>	\$6,710,192	\$3,121,706	\$662,108	\$10,494,006	\$2,926,661	\$6,134,862	\$3,762,334	\$689,758	\$10,486,954	\$1,553,266	\$4,494,151	\$3,759,446	\$266,825	\$8,520,422	\$1,414,190
State Operations	3,196,374	1,085,826	15,473	4,297,673	710,348	3,276,551	1,190,275	20,835	4,487,661	258,891	2,101,468	1,243,773	20,825	3,365,566	219,095
Local Assistance	3,510,361	2,024,105	535,478	6,069,944	2,216,313	2,838,651	2,572,059	568,923	5,979,633	1,294,375	2,376,847	2,515,673	246,500	5,139,020	1,195,095
Capital Outlay	3,457	11,775	111,157	126,389	--	19,660	--	--	19,660	--	15,836	--	--	15,836	--
<b>BUSINESS, CONSUMER SERVICES, &amp; HOUSING</b>	--	1,918	--	1,918	--	--	3,058	--	3,058	--	--	3,057	--	3,057	--
1045-Cannabis Control Appeals Panel	--	1,918	--	1,918	--	--	3,058	--	3,058	--	--	3,057	--	3,057	--
<b>TOTALS, 1045-Cannabis Control Appeals Panel</b>	--	1,918	--	1,918	--	--	3,058	--	3,058	--	--	3,057	--	3,057	--
1111-Dept of Consumer Affairs, Reg Bds, Bur	28	639,601	--	639,629	--	25,600	707,943	--	733,543	--	--	675,844	--	675,844	--
State Operations	10,000	--	--	10,000	--	--	--	--	--	--	--	--	--	--	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>TOTALS, 1111-Dept of Consumer Affairs, Reg Bds, Bur</b>	\$10,028	\$639,601	--	\$649,629	--	\$25,600	\$707,943	--	\$733,543	--	--	\$675,844	--	\$675,844	--
1115-Department of Cannabis Control	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>TOTALS, 1115-Department of Cannabis Control</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
1690-Alfred E. Aquist Seismic Safety Commission	--	1,116	--	1,116	--	--	--	--	--	--	--	--	--	--	--
State Operations	--	1,116	--	1,116	--	--	--	--	--	--	--	--	--	--	--
<b>TOTALS, 1690-Alfred E. Aquist Seismic Safety Commission</b>	--	1,116	--	1,116	--	--	--	--	--	--	--	--	--	--	--
1700-Department of Fair Employment, Housing	28,614	262	--	28,876	5,194	34,032	536	--	34,568	5,735	42,150	536	--	42,686	5,760
State Operations	--	262	--	262	--	34,032	536	--	34,568	5,735	42,150	536	--	42,686	5,760
<b>TOTALS, 1700-Department of Fair Employment, Housing</b>	\$28,614	\$262	--	\$28,876	\$5,194	\$34,032	\$536	--	\$34,568	\$5,735	\$42,150	\$536	--	\$42,686	\$5,760
1701-Dept Financial Protection and Innovation	--	104,212	--	104,212	--	--	113,180	--	113,180	--	--	140,176	--	140,176	--
State Operations	--	104,212	--	104,212	--	--	113,180	--	113,180	--	--	140,176	--	140,176	--
Local Assistance	--	--	--	--	--	--	1,000	--	1,000	--	--	1,000	--	1,000	--
<b>TOTALS, 1701-Dept Financial Protection and Innovation</b>	--	\$104,212	--	\$104,212	--	--	\$114,180	--	\$114,180	--	--	\$141,176	--	\$141,176	--
1703-California Privacy Protection Agency	--	--	--	--	--	5,000	--	--	5,000	--	10,000	--	--	10,000	--
State Operations	--	--	--	--	--	5,000	--	--	5,000	--	10,000	--	--	10,000	--
<b>TOTALS, 1703-California Privacy Protection Agency</b>	--	--	--	--	--	\$5,000	--	--	\$5,000	--	\$10,000	--	--	\$10,000	--
1750-Horse Racing Board	--	14,239	--	14,239	--	--	15,288	--	15,288	--	--	16,079	--	16,079	--
State Operations	--	14,239	--	14,239	--	--	15,288	--	15,288	--	--	16,079	--	16,079	--
<b>TOTALS, 1750-Horse Racing Board</b>	--	\$14,239	--	\$14,239	--	--	\$15,288	--	\$15,288	--	--	\$16,079	--	\$16,079	--
1996-General Obligation Bonds-BCH	416,740	--	--	416,740	--	174,169	--	--	174,169	--	111,740	--	--	111,740	--
State Operations	416,740	--	--	416,740	--	174,169	--	--	174,169	--	111,740	--	--	111,740	--
<b>TOTALS, 1996-General Obligation Bonds-BCH</b>	\$416,740	--	--	\$416,740	--	\$174,169	--	--	\$174,169	--	\$111,740	--	--	\$111,740	--
2100-Department of Alcoholic Beverage Control	--	77,311	--	77,311	--	45,000	33,283	--	78,283	--	--	83,795	--	83,795	--
State Operations	--	77,311	--	77,311	--	45,000	33,283	--	78,283	--	--	83,795	--	83,795	--
Local Assistance	--	2,760	--	2,760	--	--	3,000	--	3,000	--	--	3,000	--	3,000	--
<b>TOTALS, 2100-Department of Alcoholic Beverage Control</b>	--	\$80,071	--	\$80,071	--	\$45,000	\$36,283	--	\$81,283	--	--	\$86,795	--	\$86,795	--
2120-Alcoholic Beverage Control Appeals Board	--	1,097	--	1,097	--	--	1,205	--	1,205	--	--	1,341	--	1,341	--
State Operations	--	1,097	--	1,097	--	--	1,205	--	1,205	--	--	1,341	--	1,341	--
<b>TOTALS, 2120-Alcoholic Beverage Control Appeals Board</b>	--	\$1,097	--	\$1,097	--	--	\$1,205	--	\$1,205	--	--	\$1,341	--	\$1,341	--
2240-Dept of Housing, Community Development	221,68	39,932	25,014	87,114	14,057	18,465	43,578	27,776	89,819	42,093	33,232	38,205	28,967	100,404	15,675
State Operations	221,68	39,932	25,014	87,114	14,057	18,465	43,578	27,776	89,819	42,093	33,232	38,205	28,967	100,404	15,675
Local Assistance	781,379	556,089	970,929	2,308,397	288,263	606,929	342,850	1,228,437	2,180,216	1,692,946	763,629	--	907,229	1,670,858	121,570
<b>TOTALS, 2240-Dept of Housing, Community Development</b>	\$803,547	\$596,021	\$995,943	\$2,395,511	\$302,320	\$627,394	\$386,428	\$1,256,213	\$2,270,035	\$1,735,039	\$796,861	\$38,205	\$936,196	\$1,771,262	\$137,245
2320-Department of Real Estate	--	56,083	--	56,083	--	--	52,317	--	52,317	--	--	56,272	--	56,272	--
State Operations	--	56,083	--	56,083	--	--	52,317	--	52,317	--	--	56,272	--	56,272	--
<b>TOTALS, 2320-Department of Real Estate</b>	--	\$56,083	--	\$56,083	--	--	\$52,317	--	\$52,317	--	--	\$56,272	--	\$56,272	--
<b>TOTALS, BUSINESS, CONSUMER SERVICES, &amp; HOUSING</b>	\$1,258,929	\$1,494,620	\$995,943	\$3,749,492	\$307,514	\$911,195	\$1,317,238	\$1,256,213	\$3,484,646	\$1,740,774	\$960,751	\$1,183,139	\$936,196	\$3,080,086	\$143,005

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	General Fund	Special Funds	Selected Bond Funds	Budget Total	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
TRANSPORTATION													
2600-California Transportation Commission													
State Operations		5,525		5,525			6,875	6,875		7,393		7,393	
Local Assistance			4,534	4,534			4,300	4,300			4,500	4,500	
<b>Totals,2600-California Transportation Commission</b>		<b>5,525</b>	<b>4,534</b>	<b>10,059</b>			<b>6,875</b>	<b>11,175</b>		<b>7,393</b>	<b>4,500</b>	<b>11,893</b>	
2640-State Transit Assistance													
Local Assistance		924,928	278	925,206			726,177	726,177		822,549		822,549	
<b>Totals,2640-State Transit Assistance</b>		<b>924,928</b>	<b>278</b>	<b>925,206</b>			<b>726,177</b>	<b>726,177</b>		<b>822,549</b>		<b>822,549</b>	
2660-Department of Transportation													
State Operations		3,843,854	11,002	3,854,856	933,428		3,851,543	15,904	3,867,447	877,148	16,797	4,052,665	932,726
Local Assistance	6,532	719,980	43,781	770,293	1,480,585	15,768	883,537	20,919	920,224	2,655,590	36,320	1,442,269	2,637,220
Capital Outlay		2,070,735	86,625	2,157,360	1,926,107		2,051,131	38,234	2,089,365	2,015,258	79,572	2,388,323	1,935,403
Unclassified							5,000	5,000	5,000	5,000		5,000	5,000
<b>Totals,2660-Department of Transportation</b>	<b>6,532</b>	<b>6,634,569</b>	<b>141,408</b>	<b>6,782,509</b>	<b>4,340,120</b>	<b>15,768</b>	<b>6,791,211</b>	<b>75,057</b>	<b>6,882,036</b>	<b>5,552,996</b>	<b>132,689</b>	<b>7,883,257</b>	<b>5,510,349</b>
2665-High-Speed Rail Authority													
State Operations			45,399	45,399			103	70,167	70,270		103	76,312	76,415
Local Assistance			64,778	64,778			423,335	423,335	423,335				
Capital Outlay		607,483	178,690	786,173			2,461,715	2,461,715	2,461,715		531,897	531,897	
<b>Totals,2665-High-Speed Rail Authority</b>		<b>607,483</b>	<b>243,367</b>	<b>850,850</b>			<b>2,635,113</b>	<b>2,635,113</b>	<b>2,635,113</b>		<b>531,897</b>	<b>531,897</b>	
2670-Board of Pilot Commissioners													
State Operations		2,542		2,542			2,914	2,914	2,914		3,084	3,084	
<b>Totals,2670-Board of Pilot Commissioners</b>		<b>2,542</b>		<b>2,542</b>			<b>2,914</b>	<b>2,914</b>	<b>2,914</b>		<b>3,084</b>	<b>3,084</b>	
2720-Dept of the California Highway Patrol													
State Operations	81,239	2,533,016		2,614,255	26,440	6,737	2,363,307	2,370,044	21,292	2,542,726		2,543,651	22,317
Local Assistance	1,000	10,975		11,975			19,007	19,007		24,919		24,919	
Capital Outlay		472		472			9,107	9,107					
<b>Totals,2720-Dept of the California Highway Patrol</b>	<b>82,239</b>	<b>2,544,463</b>		<b>2,626,702</b>	<b>26,440</b>	<b>6,737</b>	<b>2,391,421</b>	<b>2,399,158</b>	<b>21,292</b>	<b>2,567,645</b>		<b>2,568,570</b>	<b>22,317</b>
2740-Department of Motor Vehicles													
State Operations	6,426	1,373,577		1,380,003	22	9,879	1,347,893	1,357,772	2,789	1,412,368		1,420,754	1,393
Capital Outlay		2,042		2,042									
<b>Totals,2740-Department of Motor Vehicles</b>	<b>6,426</b>	<b>1,375,619</b>		<b>1,382,045</b>	<b>22</b>	<b>9,879</b>	<b>1,347,893</b>	<b>1,357,772</b>	<b>2,789</b>	<b>1,412,368</b>		<b>1,420,754</b>	<b>1,393</b>
2830-General Obligation Bonds-Transportation													
State Operations	189,623	1,623,319		1,812,942		212,484	1,715,506	1,927,990		1,436,027		1,847,570	
<b>Totals,2830-General Obligation Bonds-Transportation</b>	<b>189,623</b>	<b>1,623,319</b>		<b>1,812,942</b>		<b>212,484</b>	<b>1,715,506</b>	<b>1,927,990</b>		<b>1,436,027</b>		<b>1,847,570</b>	
TOTALS, TRANSPORTATION	<b>284,820</b>	<b>13,718,448</b>	<b>435,087</b>	<b>14,438,355</b>	<b>4,346,582</b>	<b>244,868</b>	<b>15,443,815</b>	<b>16,261,542</b>	<b>5,577,077</b>	<b>14,531,634</b>	<b>213,501</b>	<b>15,165,989</b>	<b>5,534,059</b>
State Operations	277,288	9,381,833	56,401	9,715,522	939,890	229,100	9,288,141	9,603,312	901,229	9,437,569	93,109	9,951,532	956,436
Local Assistance	7,532	1,655,883	113,371	1,776,786	1,480,585	15,768	1,628,721	2,093,043	2,655,590	2,253,417	40,820	2,294,237	2,637,220
Capital Outlay		2,680,732	265,315	2,946,047	1,926,107		4,521,953	4,560,187	2,015,258	2,840,648	79,572	2,920,220	1,935,403
Unclassified							5,000	5,000	5,000			5,000	5,000
NATURAL RESOURCES													
3100-Exposition Park													
State Operations	29,099	11,088		40,187		27,972	9,577	37,549		10,093		37,443	
Capital Outlay	378			378		2,293		2,293					
<b>Totals,3100-Exposition Park</b>	<b>29,477</b>	<b>11,088</b>		<b>40,565</b>		<b>30,265</b>	<b>9,577</b>	<b>39,842</b>		<b>10,093</b>		<b>37,443</b>	
3110-Special Resources Programs													
State Operations		200		200			200	200		200		200	200
Local Assistance		5,243		5,243			5,323	5,323		5,323		5,323	5,323

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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,3110-Special Resources Programs</b>															
<b>3125-Tahoe Conservancy</b>															
State Operations	500	5,111	1,211	6,822	992	1,000	5,581	1,517	8,098	2,913	11,000	5,264	1,121	17,385	2,043
Local Assistance	--	450	1,460	1,910	--	--	970	4,579	5,549	--	--	420	--	420	--
Capital Outlay	--	1,345	1,762	3,107	250	--	947	10,535	11,482	500	--	450	900	1,350	--
<b>Totals,3125-Tahoe Conservancy</b>	<b>\$500</b>	<b>\$6,906</b>	<b>\$4,433</b>	<b>\$11,839</b>	<b>\$1,242</b>	<b>\$1,000</b>	<b>\$7,498</b>	<b>\$16,631</b>	<b>\$25,129</b>	<b>\$3,413</b>	<b>\$11,000</b>	<b>\$6,134</b>	<b>\$2,021</b>	<b>\$19,155</b>	<b>\$2,043</b>
<b>3340-California Conservation Corps</b>															
State Operations	65,207	47,974	4,439	117,620	--	66,226	65,180	5,142	136,548	--	89,970	53,851	5,099	148,920	--
Local Assistance	--	6,776	--	6,776	--	--	8,143	--	8,143	--	--	--	--	--	--
Capital Outlay	33,867	--	--	33,867	--	--	--	--	--	--	--	--	--	--	--
<b>Totals,3340-California Conservation Corps</b>	<b>\$99,074</b>	<b>\$47,974</b>	<b>\$11,215</b>	<b>\$158,263</b>	<b>--</b>	<b>\$66,226</b>	<b>\$65,180</b>	<b>\$13,285</b>	<b>\$144,691</b>	<b>--</b>	<b>\$89,970</b>	<b>\$53,851</b>	<b>\$5,099</b>	<b>\$148,920</b>	<b>--</b>
<b>3360-Energy Resource Conservation, Dvlmt Comm</b>															
State Operations	--	424,492	--	424,492	3,830	--	313,427	--	313,427	3,160	--	142,376	--	142,376	3,866
Local Assistance	--	436,212	--	436,212	--	--	164,400	--	164,400	2,500	--	566,200	--	566,200	2,500
<b>Totals,3360-Energy Resource Conservation, Dvlmt Comm</b>	<b>--</b>	<b>\$860,704</b>	<b>--</b>	<b>\$860,704</b>	<b>\$3,830</b>	<b>--</b>	<b>\$477,827</b>	<b>--</b>	<b>\$477,827</b>	<b>\$5,660</b>	<b>--</b>	<b>\$708,576</b>	<b>--</b>	<b>\$708,576</b>	<b>\$6,366</b>
<b>3480-Department of Conservation</b>															
State Operations	4,174	111,902	1,735	117,811	4,242	3,930	112,974	1,378	118,282	4,165	7,252	119,776	1,158	128,186	4,378
Local Assistance	--	1,870	2,434	4,304	--	25,000	40,545	20,597	86,142	--	57,050	--	--	57,050	--
<b>Totals,3480-Department of Conservation</b>	<b>\$4,174</b>	<b>\$113,772</b>	<b>\$4,169</b>	<b>\$122,115</b>	<b>\$4,242</b>	<b>\$28,930</b>	<b>\$153,519</b>	<b>\$21,975</b>	<b>\$204,424</b>	<b>\$4,165</b>	<b>\$64,302</b>	<b>\$119,776</b>	<b>\$1,158</b>	<b>\$185,236</b>	<b>\$4,378</b>
<b>3540-Department of Forestry, Fire Protection</b>															
State Operations	1,511,426	356,457	622	1,868,505	20,384	2,045,741	202,511	591	2,248,843	20,541	1,852,882	207,813	256	2,060,951	22,161
Local Assistance	7,200	--	8,250	15,450	--	12,000	125,387	6,618	144,005	--	57,000	125,387	--	182,387	--
Capital Outlay	13,052	--	--	13,052	--	13,074	--	--	13,074	--	54,205	--	--	54,205	--
<b>Totals,3540-Department of Forestry, Fire Protection</b>	<b>\$1,531,678</b>	<b>\$356,457</b>	<b>\$8,872</b>	<b>\$1,897,007</b>	<b>\$20,384</b>	<b>\$2,070,815</b>	<b>\$227,898</b>	<b>\$7,209</b>	<b>\$2,405,922</b>	<b>\$20,541</b>	<b>\$1,964,087</b>	<b>\$333,200</b>	<b>\$256</b>	<b>\$2,297,543</b>	<b>\$22,161</b>
<b>3560-State Lands Commission</b>															
State Operations	61,317	23,433	--	84,750	--	28,802	21,949	--	50,751	--	31,646	23,659	--	55,305	--
<b>Totals,3560-State Lands Commission</b>	<b>\$61,317</b>	<b>\$23,433</b>	<b>--</b>	<b>\$84,750</b>	<b>--</b>	<b>\$28,802</b>	<b>\$21,949</b>	<b>--</b>	<b>\$50,751</b>	<b>--</b>	<b>\$31,646</b>	<b>\$23,659</b>	<b>--</b>	<b>\$55,305</b>	<b>--</b>
<b>3600-Department of Fish and Wildlife</b>															
State Operations	130,574	261,755	28,639	420,968	65,389	134,497	238,635	18,858	411,990	65,219	211,901	274,771	22,854	509,526	69,053
Local Assistance	17,576	7,341	37,740	62,657	20,000	576	1,341	41,740	43,657	20,000	576	1,341	31,740	33,657	20,000
Capital Outlay	--	369	20,903	21,272	--	--	--	--	--	480	--	--	--	--	--
<b>Totals,3600-Department of Fish and Wildlife</b>	<b>\$148,150</b>	<b>\$269,465</b>	<b>\$87,282</b>	<b>\$504,897</b>	<b>\$85,389</b>	<b>\$135,073</b>	<b>\$259,976</b>	<b>\$60,598</b>	<b>\$455,647</b>	<b>\$85,699</b>	<b>\$212,477</b>	<b>\$276,112</b>	<b>\$54,594</b>	<b>\$543,183</b>	<b>\$89,053</b>
<b>3640-Wildlife Conservation Board</b>															
State Operations	--	1,029	4,337	5,366	--	--	828	3,939	4,767	--	--	837	4,622	5,459	--
Local Assistance	3,494	1,679	63,402	68,575	--	10,006	14,051	225,608	249,665	--	--	79,300	79,300	79,300	--
Capital Outlay	18,595	3,649	35,547	57,791	16,467	18,649	22,460	8,370	49,479	35,000	19,460	1,203	322	20,985	35,000
<b>Totals,3640-Wildlife Conservation Board</b>	<b>\$22,089</b>	<b>\$6,357</b>	<b>\$103,286</b>	<b>\$131,732</b>	<b>\$16,467</b>	<b>\$28,655</b>	<b>\$37,339</b>	<b>\$237,917</b>	<b>\$303,911</b>	<b>\$35,000</b>	<b>\$19,460</b>	<b>\$2,040</b>	<b>\$84,244</b>	<b>\$105,744</b>	<b>\$35,000</b>
<b>3720-Coastal Commission</b>															
State Operations	21,013	2,336	--	23,349	3,019	20,219	3,419	--	23,638	3,125	21,933	3,787	--	25,720	3,155
Local Assistance	--	2,545	--	2,545	--	--	1,002	--	1,002	--	--	440	--	440	--
<b>Totals,3720-Coastal Commission</b>	<b>\$21,013</b>	<b>\$4,881</b>	<b>--</b>	<b>\$25,894</b>	<b>\$3,019</b>	<b>\$20,219</b>	<b>\$4,421</b>	<b>--</b>	<b>\$24,640</b>	<b>\$3,125</b>	<b>\$21,933</b>	<b>\$4,227</b>	<b>--</b>	<b>\$26,160</b>	<b>\$3,155</b>
<b>3760-State Coastal Conservancy</b>															
State Operations	--	2,932	6,563	9,495	612	--	3,071	7,007	10,078	597	--	3,093	7,815	10,908	590
Local Assistance	12,000	825	76,081	88,906	8,000	--	825	38,810	39,635	8,000	--	825	23,693	24,518	10,000
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>\$7,557</b>	<b>\$82,644</b>	<b>\$102,201</b>	<b>\$8,612</b>	<b>--</b>	<b>\$7,696</b>	<b>\$45,817</b>	<b>\$53,513</b>	<b>\$8,597</b>	<b>--</b>	<b>\$7,718</b>	<b>\$31,508</b>	<b>\$39,226</b>	<b>\$10,590</b>
<b>3780-Native American Heritage Commission</b>															
State Operations	3,668	--	--	3,668	--	3,416	100	--	3,516	--	3,690	100	--	3,790	--
<b>Totals,3780-Native American Heritage Commission</b>	<b>\$3,668</b>	<b>--</b>	<b>--</b>	<b>\$3,668</b>	<b>--</b>	<b>\$3,416</b>	<b>\$100</b>	<b>--</b>	<b>\$3,516</b>	<b>--</b>	<b>\$3,690</b>	<b>\$100</b>	<b>--</b>	<b>\$3,790</b>	<b>--</b>
<b>3790-Department of Parks, Recreation</b>															
State Operations	216,867	323,259	29,260	569,386	16,185	227,679	290,420	78,140	596,239	16,147	284,368	396,604	18,316	699,288	16,265

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	60,570	42,481	50,875	153,926	87,700	23,000	42,250	457,108	522,358	87,700	3,000	36,250	--	39,250	87,700
Capital Outlay	6,834	9,567	36,726	53,127	--	5,000	21,575	45,125	71,700	--	6,300	6,188	2,660	15,148	--
<b>Totals, 3790-Department of Parks, Recreation</b>	<b>\$284,271</b>	<b>\$375,307</b>	<b>\$116,861</b>	<b>\$776,439</b>	<b>\$103,885</b>	<b>\$255,679</b>	<b>\$354,245</b>	<b>\$860,373</b>	<b>\$1,190,297</b>	<b>\$103,847</b>	<b>\$293,648</b>	<b>\$439,042</b>	<b>\$20,976</b>	<b>\$753,866</b>	<b>\$103,965</b>
<b>3810-Santa Monica Mountains Conservancy</b>															
State Operations	287	66	750	1,103	--	2,213	358	842	3,413	--	--	368	990	1,358	--
Local Assistance	11,100	--	12,579	23,679	--	1,750	67,432	69,302	69,302	--	--	120	6,750	6,870	--
Capital Outlay	--	--	326	326	--	--	361	361	361	--	--	--	--	--	--
<b>Totals, 3810-Santa Monica Mountains Conservancy</b>	<b>\$11,387</b>	<b>\$66</b>	<b>\$13,655</b>	<b>\$25,108</b>	<b>\$3,963</b>	<b>\$478</b>	<b>\$68,635</b>	<b>\$73,076</b>	<b>\$73,076</b>	<b>\$8,585</b>	<b>\$6,983</b>	<b>\$488</b>	<b>\$7,740</b>	<b>\$8,228</b>	<b>\$8,843</b>
<b>3820-SF Bay Conservation, Development Comm</b>															
State Operations	9,392	1,841	--	11,233	--	6,818	1,767	--	8,585	--	--	1,860	--	--	--
Local Assistance	--	275	--	275	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3820-SF Bay Conservation, Development Comm</b>	<b>\$9,392</b>	<b>\$2,116</b>	<b>--</b>	<b>\$11,508</b>	<b>\$6,818</b>	<b>\$1,767</b>	<b>--</b>	<b>\$8,585</b>	<b>\$8,585</b>	<b>\$8,585</b>	<b>\$6,983</b>	<b>\$1,860</b>	<b>--</b>	<b>\$8,843</b>	<b>--</b>
<b>3825-San Gabriel/Lower LA River/Mtns Conservancy</b>															
State Operations	--	273	938	1,211	--	450	661	1,091	1,091	--	--	466	582	1,048	--
Local Assistance	16,870	--	14,371	31,241	--	5,083	55,541	60,624	60,624	--	--	--	8,043	8,043	--
Capital Outlay	--	--	26	26	--	--	170	170	170	--	--	--	--	--	--
<b>Totals, 3825-San Gabriel/Lower LA River/Mtns Conservancy</b>	<b>\$16,870</b>	<b>\$273</b>	<b>\$15,335</b>	<b>\$32,478</b>	<b>\$5,083</b>	<b>\$430</b>	<b>\$56,372</b>	<b>\$61,885</b>	<b>\$61,885</b>	<b>\$8,585</b>	<b>\$466</b>	<b>\$8,625</b>	<b>\$9,091</b>	<b>\$9,091</b>	<b>\$9,091</b>
<b>3830-San Joaquin River Conservancy</b>															
State Operations	--	490	262	752	--	563	259	822	822	--	--	583	515	1,098	--
<b>Totals, 3830-San Joaquin River Conservancy</b>	<b>--</b>	<b>\$490</b>	<b>\$262</b>	<b>\$752</b>	<b>\$563</b>	<b>\$259</b>	<b>\$822</b>	<b>\$822</b>	<b>\$822</b>	<b>\$515</b>	<b>\$583</b>	<b>\$515</b>	<b>\$1,098</b>	<b>\$1,098</b>	<b>--</b>
<b>3835-Baldwin Hills Conservancy</b>															
State Operations	--	388	557	945	--	380	559	939	939	--	--	398	596	994	--
Local Assistance	--	--	14,416	14,416	--	--	1,100	1,100	1,100	--	--	--	1,100	1,100	--
Capital Outlay	--	--	4,438	4,438	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3835-Baldwin Hills Conservancy</b>	<b>--</b>	<b>\$388</b>	<b>\$19,411</b>	<b>\$19,799</b>	<b>\$380</b>	<b>\$1,659</b>	<b>\$2,039</b>	<b>\$2,039</b>	<b>\$2,039</b>	<b>\$1,659</b>	<b>\$398</b>	<b>\$1,659</b>	<b>\$2,039</b>	<b>\$2,039</b>	<b>\$2,039</b>
<b>3840-Delta Protection Commission</b>															
State Operations	--	1,580	--	1,580	1	1,294	--	1,294	1,294	155	--	1,520	--	1,520	1
<b>Totals, 3840-Delta Protection Commission</b>	<b>--</b>	<b>\$1,580</b>	<b>--</b>	<b>\$1,580</b>	<b>\$1</b>	<b>\$1,294</b>	<b>--</b>	<b>\$1,294</b>	<b>\$1,294</b>	<b>\$155</b>	<b>--</b>	<b>\$1,520</b>	<b>--</b>	<b>\$1,520</b>	<b>\$1</b>
<b>3845-San Diego River Conservancy</b>															
State Operations	--	346	192	538	--	331	171	502	502	--	--	405	185	590	--
Local Assistance	--	--	5,662	5,662	--	--	3,363	3,363	3,363	--	--	--	3,000	3,000	--
<b>Totals, 3845-San Diego River Conservancy</b>	<b>--</b>	<b>\$346</b>	<b>\$5,854</b>	<b>\$6,200</b>	<b>\$331</b>	<b>\$3,534</b>	<b>\$3,865</b>	<b>\$3,865</b>	<b>\$3,865</b>	<b>\$405</b>	<b>\$3,185</b>	<b>\$405</b>	<b>\$3,185</b>	<b>\$3,590</b>	<b>\$3,590</b>
<b>3850-Coachella Valley Mountains Conservancy</b>															
State Operations	--	371	146	517	--	331	138	469	469	--	--	376	146	522	--
Local Assistance	--	--	9,760	9,760	--	--	2,073	2,073	2,073	--	--	--	2,000	2,000	--
Capital Outlay	--	--	9,796	9,796	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 3850-Coachella Valley Mountains Conservancy</b>	<b>--</b>	<b>\$371</b>	<b>\$19,702</b>	<b>\$20,073</b>	<b>\$331</b>	<b>\$2,211</b>	<b>\$2,542</b>	<b>\$2,542</b>	<b>\$2,542</b>	<b>\$376</b>	<b>\$2,146</b>	<b>\$376</b>	<b>\$2,146</b>	<b>\$2,522</b>	<b>\$2,522</b>
<b>3855-Sierra Nevada Conservancy</b>															
State Operations	--	6,081	819	6,900	375	4,403	738	5,141	5,141	2,895	2,500	4,699	698	7,897	2,416
Local Assistance	--	690	33,976	34,666	--	20,000	5,000	25,000	25,000	--	47,500	--	47,500	47,500	--
<b>Totals, 3855-Sierra Nevada Conservancy</b>	<b>--</b>	<b>\$6,771</b>	<b>\$34,795</b>	<b>\$41,566</b>	<b>\$375</b>	<b>\$20,000</b>	<b>\$5,738</b>	<b>\$30,141</b>	<b>\$30,141</b>	<b>\$2,895</b>	<b>\$50,000</b>	<b>\$4,699</b>	<b>\$698</b>	<b>\$55,397</b>	<b>\$2,416</b>
<b>3860-Department of Water Resources</b>															
State Operations	180,320	33,344	79,889	293,553	3,829	228,524	47,786	334,833	611,143	16,334	226,008	40,659	70,625	337,292	28,371
Local Assistance	5,733	--	179,948	185,681	--	48,336	--	1,256,951	1,305,287	--	30,000	--	510,605	540,605	--
Capital Outlay	64,009	--	257,333	321,342	--	131,991	--	268,270	400,261	--	67,000	--	5,386	72,386	--
<b>Totals, 3860-Department of Water Resources</b>	<b>\$250,062</b>	<b>\$33,344</b>	<b>\$517,170</b>	<b>\$800,576</b>	<b>\$3,829</b>	<b>\$408,851</b>	<b>\$47,786</b>	<b>\$1,860,054</b>	<b>\$2,316,691</b>	<b>\$16,334</b>	<b>\$323,008</b>	<b>\$40,659</b>	<b>\$586,616</b>	<b>\$950,283</b>	<b>\$28,371</b>
<b>3875-Sacramento-San Joaquin Delta Conservancy</b>															
State Operations	1,245	167	701	2,113	184	1,262	181	978	2,421	707	1,354	188	1,359	2,901	708
Local Assistance	--	--	19,811	19,811	--	--	--	--	--	--	--	--	146	146	--
<b>Totals, 3875-Sacramento-San Joaquin Delta Conservancy</b>	<b>\$1,245</b>	<b>\$167</b>	<b>\$20,512</b>	<b>\$21,924</b>	<b>\$184</b>	<b>\$1,262</b>	<b>\$181</b>	<b>\$978</b>	<b>\$2,421</b>	<b>\$707</b>	<b>\$1,354</b>	<b>\$188</b>	<b>\$1,505</b>	<b>\$3,047</b>	<b>\$708</b>
<b>3882-General Obligation Bonds-Natural Res</b>															



**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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	1,057,052	--	--	1,057,052	--	1,315,703	--	1,315,703	--	--	1,412,205	--	1,412,205	--	--
<b>Totals,3882-General Obligation Bonds-Natural Res</b>	<b>\$1,057,052</b>	<b>--</b>	<b>--</b>	<b>\$1,057,052</b>	<b>--</b>	<b>\$1,315,703</b>	<b>--</b>	<b>\$1,315,703</b>	<b>--</b>	<b>--</b>	<b>\$1,412,205</b>	<b>--</b>	<b>\$1,412,205</b>	<b>--</b>	<b>--</b>
<b>3885-Delta Stewardship Council</b>															
State Operations	19,255	919	--	20,174	1,138	18,609	1,238	19,847	2,758	19,484	1,294	--	20,778	2,780	--
<b>Totals,3885-Delta Stewardship Council</b>	<b>\$19,255</b>	<b>\$919</b>	<b>--</b>	<b>\$20,174</b>	<b>\$1,138</b>	<b>\$18,609</b>	<b>\$1,238</b>	<b>\$19,847</b>	<b>\$2,758</b>	<b>\$19,484</b>	<b>\$1,294</b>	<b>--</b>	<b>\$20,778</b>	<b>\$2,780</b>	<b>--</b>
<b>Totals,3885-Delta Stewardship Council</b>	<b>\$3,582,674</b>	<b>\$2,136,175</b>	<b>\$1,065,458</b>	<b>\$6,784,307</b>	<b>\$252,597</b>	<b>\$4,449,369</b>	<b>\$2,983,245</b>	<b>\$9,224,544</b>	<b>\$293,896</b>	<b>\$4,552,617</b>	<b>\$2,042,987</b>	<b>\$812,582</b>	<b>\$7,408,186</b>	<b>\$310,987</b>	<b>\$310,987</b>
State Operations	3,311,396	1,617,834	161,060	5,090,290	120,180	4,132,611	1,346,934	5,935,296	138,716	4,210,526	1,295,040	136,937	5,642,503	155,787	--
Local Assistance	134,543	499,611	537,541	1,171,695	115,700	1,457,751	396,214	2,736,628	118,200	195,126	736,306	666,377	1,597,809	120,200	--
Capital Outlay	136,735	18,730	366,857	522,322	16,717	171,007	48,782	332,831	35,980	146,965	11,641	9,268	167,874	35,000	--
<b>Totals,3900-Air Resources Board</b>	<b>\$339</b>	<b>\$73,187</b>	<b>--</b>	<b>\$73,526</b>	<b>2,033</b>	<b>\$1,886</b>	<b>72,597</b>	<b>\$2,033</b>	<b>2,368</b>	<b>\$8,250</b>	<b>92,355</b>	<b>--</b>	<b>\$100,605</b>	<b>2,385</b>	<b>--</b>
State Operations	--	322,375	788	323,163	10,564	--	345,860	1,187	347,047	17,215	--	349,458	1,282	350,740	17,242
Local Assistance	--	1,217,969	--	1,217,969	--	--	753,957	12,321	766,278	--	2,000	794,551	--	796,551	--
<b>Totals,3900-Air Resources Board</b>	<b>--</b>	<b>\$1,540,344</b>	<b>\$788</b>	<b>\$1,541,132</b>	<b>\$10,564</b>	<b>--</b>	<b>\$1,099,817</b>	<b>\$13,508</b>	<b>\$1,113,325</b>	<b>\$17,215</b>	<b>\$2,000</b>	<b>\$1,144,009</b>	<b>\$1,282</b>	<b>\$1,147,291</b>	<b>\$17,242</b>
State Operations	339	73,187	--	73,526	2,033	1,886	72,597	--	74,483	2,368	8,250	92,355	--	100,605	2,385
Local Assistance	--	29,643	--	29,643	--	--	32,033	--	32,033	--	--	42,405	--	42,405	--
<b>Totals,3930-Department of Pesticide Regulation</b>	<b>\$339</b>	<b>\$102,830</b>	<b>--</b>	<b>\$103,169</b>	<b>\$2,033</b>	<b>\$1,886</b>	<b>\$104,630</b>	<b>--</b>	<b>\$106,516</b>	<b>\$2,368</b>	<b>\$8,250</b>	<b>\$134,760</b>	<b>--</b>	<b>\$143,010</b>	<b>\$2,385</b>
State Operations	59,101	538,757	15,729	613,587	80,942	47,675	526,856	15,400	589,931	77,551	52,620	566,321	14,657	633,598	80,972
Local Assistance	113,250	247,535	1,434,628	1,795,413	232,693	380	155,586	2,825	158,791	232,693	50	164,731	899	165,680	232,693
<b>Totals,3940-State Water Resources Control Board</b>	<b>\$172,351</b>	<b>\$786,292</b>	<b>\$1,450,357</b>	<b>\$2,409,000</b>	<b>\$313,635</b>	<b>\$48,055</b>	<b>\$682,442</b>	<b>\$18,225</b>	<b>\$748,722</b>	<b>\$310,244</b>	<b>\$52,670</b>	<b>\$731,052</b>	<b>\$15,556</b>	<b>\$799,278</b>	<b>\$313,665</b>
State Operations	56,058	215,049	--	271,107	29,675	76,385	212,981	--	289,366	31,442	383,053	177,156	--	560,209	32,976
Local Assistance	--	--	--	--	--	2,000	1,000	--	3,000	3,027	--	1,000	--	1,000	3,027
<b>Totals,3960-Department of Toxic Substances Control</b>	<b>\$56,058</b>	<b>\$215,049</b>	<b>--</b>	<b>\$271,107</b>	<b>\$29,675</b>	<b>\$78,385</b>	<b>\$213,981</b>	<b>--</b>	<b>\$292,366</b>	<b>\$34,469</b>	<b>\$383,053</b>	<b>\$178,156</b>	<b>--</b>	<b>\$561,209</b>	<b>\$36,003</b>
State Operations	531,433	241,462	--	772,895	--	2,342,543	221,521	--	2,564,064	--	3,524	231,538	--	235,062	--
Local Assistance	--	1,399,656	--	1,399,656	--	--	1,346,315	--	1,346,315	--	--	1,346,315	--	1,346,315	--
<b>Totals,3970-Resources Recycling and Recovery</b>	<b>\$531,433</b>	<b>\$1,641,118</b>	<b>--</b>	<b>\$2,172,551</b>	<b>--</b>	<b>\$2,342,543</b>	<b>\$1,567,836</b>	<b>--</b>	<b>\$3,910,379</b>	<b>--</b>	<b>\$3,524</b>	<b>\$1,577,853</b>	<b>--</b>	<b>\$1,581,377</b>	<b>--</b>
State Operations	6,666	17,594	--	24,260	--	6,200	17,710	--	23,910	--	6,667	19,079	--	25,746	--
<b>Totals,3980-Environmental Health Hazard Assessment</b>	<b>\$6,666</b>	<b>\$17,594</b>	<b>--</b>	<b>\$24,260</b>	<b>--</b>	<b>\$6,200</b>	<b>\$17,710</b>	<b>--</b>	<b>\$23,910</b>	<b>--</b>	<b>\$6,667</b>	<b>\$19,079</b>	<b>--</b>	<b>\$25,746</b>	<b>--</b>
State Operations	3,330	--	--	3,330	--	3,110	--	--	3,110	--	3,790	--	--	3,790	--
<b>Totals,3996-General Obligation Bonds-Environmental</b>	<b>\$3,330</b>	<b>--</b>	<b>--</b>	<b>\$3,330</b>	<b>--</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>TOTALS, ENVIRONMENTAL PROTECTION</b>	<b>\$770,177</b>	<b>\$4,303,227</b>	<b>\$1,451,145</b>	<b>\$6,524,549</b>	<b>\$355,907</b>	<b>\$2,480,179</b>	<b>\$3,686,416</b>	<b>\$317,733</b>	<b>\$6,198,328</b>	<b>\$364,296</b>	<b>\$459,954</b>	<b>\$3,784,909</b>	<b>\$16,838</b>	<b>\$4,261,701</b>	<b>\$369,295</b>
State Operations	656,927	1,408,424	16,517	2,081,868	123,214	2,477,799	1,397,525	16,587	3,891,911	128,576	457,904	1,435,907	15,939	1,909,750	133,575
Local Assistance	113,250	2,894,803	1,434,628	4,442,681	232,693	2,380	2,288,891	15,146	2,306,417	235,720	2,050	2,349,002	899	2,351,951	235,720
<b>HEALTH AND HUMAN SERVICES</b>															
State Operations	--	--	--	--	7,687	--	--	--	--	7,823	--	--	--	7,938	--
<b>Totals,4100-State Council-Developmental Disabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$7,687</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$7,823</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$7,938</b>	<b>--</b>
State Operations	45,757	4,390	--	50,147	2,663	35,167	4,146	--	39,313	4,243	4,559	4,315	--	8,874	4,190
Local Assistance	2,215	126	--	2,341	268	7,230	300	--	7,530	671	7,595	300	--	7,895	671
<b>Totals,4120-Emergency Medical Services Authority</b>	<b>\$47,972</b>	<b>\$4,516</b>	<b>--</b>	<b>\$52,488</b>	<b>\$2,931</b>	<b>\$42,397</b>	<b>\$4,446</b>	<b>--</b>	<b>\$46,843</b>	<b>\$4,914</b>	<b>\$12,154</b>	<b>\$4,615</b>	<b>--</b>	<b>\$16,769</b>	<b>\$4,861</b>
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>4140-Statewide Health Planning, Development</b>															

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22				
	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
State Operations	3,129	105,003	108,132	564	59,388	95,220	154,608	564	2,150	112,027	--	114,177	573
Local Assistance	51,006	32,181	83,187	1,020	82,283	36,469	118,752	1,130	34,183	9,187	--	43,370	1,000
<b>Totals, 4140-Statewide Health Planning, Development</b>	<b>\$54,135</b>	<b>\$137,184</b>	<b>\$191,319</b>	<b>\$1,584</b>	<b>\$141,671</b>	<b>\$131,689</b>	<b>\$273,360</b>	<b>\$1,694</b>	<b>\$36,333</b>	<b>\$121,214</b>	--	<b>\$157,547</b>	<b>\$1,573</b>
<b>4150-Department of Managed Health Care</b>	--	87,058	87,058	--	92,485	--	92,485	--	--	102,444	--	102,444	--
State Operations	--	87,058	87,058	--	92,485	--	92,485	--	--	102,444	--	102,444	--
<b>Totals, 4150-Department of Managed Health Care</b>	<b>\$87,058</b>	<b>\$87,058</b>	<b>\$87,058</b>	<b>\$92,485</b>	<b>\$92,485</b>	--	<b>\$92,485</b>	<b>\$92,485</b>	<b>\$102,444</b>	<b>\$102,444</b>	--	<b>\$102,444</b>	<b>\$102,444</b>
<b>4170-Department of Aging</b>	5,532	257	5,789	7,293	8,726	256	8,982	13,504	6,647	263	--	6,910	10,121
State Operations	77,994	4,546	82,540	271,193	58,788	4,546	63,334	165,433	61,288	4,546	--	65,834	161,017
Local Assistance	<b>\$83,526</b>	<b>\$4,803</b>	<b>\$88,329</b>	<b>\$278,486</b>	<b>\$67,514</b>	<b>\$4,802</b>	<b>\$72,316</b>	<b>\$178,937</b>	<b>\$67,935</b>	<b>\$4,809</b>	--	<b>\$72,744</b>	<b>\$171,138</b>
<b>4180-Commission on Aging</b>	--	--	--	511	217	--	217	523	52	--	--	52	515
State Operations	--	--	--	511	217	--	217	523	52	--	--	52	515
<b>Totals, 4180-Commission on Aging</b>	<b>\$511</b>	<b>\$217</b>	<b>\$511</b>	<b>\$217</b>	<b>\$217</b>	--	<b>\$217</b>	<b>\$523</b>	<b>\$52</b>	<b>\$52</b>	--	<b>\$52</b>	<b>\$515</b>
<b>4185-California Senior Legislature</b>	161	--	161	--	296	--	296	--	308	--	--	308	--
State Operations	161	--	161	--	296	--	296	--	308	--	--	308	--
<b>Totals, 4185-California Senior Legislature</b>	<b>\$161</b>	<b>\$161</b>	<b>\$161</b>	<b>\$296</b>	<b>\$296</b>	--	<b>\$296</b>	<b>\$308</b>	<b>\$308</b>	<b>\$308</b>	--	<b>\$308</b>	<b>\$308</b>
<b>4250-Children and Families Commission</b>	--	3,143	3,143	--	3,227	--	3,227	--	--	3,227	--	3,227	--
State Operations	--	3,143	3,143	--	3,227	--	3,227	--	--	3,227	--	3,227	--
Local Assistance	350,752	--	350,752	--	343,783	--	343,783	--	--	343,783	--	343,783	--
<b>Totals, 4250-Children and Families Commission</b>	<b>\$353,895</b>	<b>\$353,895</b>	<b>\$353,895</b>	<b>\$347,010</b>	<b>\$347,010</b>	--	<b>\$347,010</b>	<b>\$347,010</b>	<b>\$347,010</b>	<b>\$347,010</b>	--	<b>\$347,010</b>	<b>\$347,010</b>
<b>4260-State Department of Health Care Services</b>	255,296	150,281	405,577	549,084	250,029	206,540	456,569	476,743	279,567	256,067	--	535,634	514,117
State Operations	22,809,906	8,290,388	31,100,294	65,531,710	22,775,545	14,485,498	37,261,043	79,584,822	28,762,673	11,756,661	--	40,519,334	82,082,873
Local Assistance	<b>\$23,065,202</b>	<b>\$8,440,669</b>	<b>\$31,505,871</b>	<b>\$66,080,794</b>	<b>\$23,025,574</b>	<b>\$14,692,038</b>	<b>\$37,717,612</b>	<b>\$80,061,565</b>	<b>\$29,042,240</b>	<b>\$12,012,728</b>	--	<b>\$41,054,968</b>	<b>\$82,596,990</b>
<b>4265-Department of Public Health</b>	270,476	578,158	848,634	337,594	649,016	528,735	1,177,751	336,387	947,899	504,189	--	1,452,088	319,675
State Operations	193,146	553,939	747,085	1,179,826	99,971	584,046	684,017	1,221,225	110,171	648,132	--	758,303	1,268,116
Local Assistance	5,882	--	5,882	--	--	--	--	--	--	--	--	--	--
Capital Outlay	<b>\$469,504</b>	<b>\$1,132,097</b>	<b>\$1,601,601</b>	<b>\$1,517,420</b>	<b>\$748,987</b>	<b>\$1,112,781</b>	<b>\$1,861,748</b>	<b>\$1,557,612</b>	<b>\$1,058,070</b>	<b>\$1,152,321</b>	--	<b>\$2,210,391</b>	<b>\$1,587,791</b>
<b>4300-Department of Developmental Services</b>	320,816	687	321,503	2,580	396,073	912	396,985	2,715	382,437	913	--	383,350	2,742
State Operations	4,565,450	2,982	4,568,432	53,577	5,521,650	1,727	5,523,357	54,307	6,108,245	2,766	--	6,111,011	54,307
Local Assistance	3,159	--	3,159	--	1,555	--	1,555	--	221	--	--	221	--
Capital Outlay	<b>\$4,889,425</b>	<b>\$3,669</b>	<b>\$4,893,094</b>	<b>\$56,157</b>	<b>\$5,919,258</b>	<b>\$2,639</b>	<b>\$5,921,897</b>	<b>\$57,022</b>	<b>\$6,490,903</b>	<b>\$3,679</b>	--	<b>\$6,494,582</b>	<b>\$57,049</b>
<b>4440-Department of State Hospitals</b>	1,847,333	--	1,847,333	--	1,766,753	--	1,766,753	--	2,301,880	--	--	2,301,880	--
State Operations	6,934	--	6,934	--	9,657	--	9,657	--	54,320	--	--	54,320	--
Capital Outlay	<b>\$1,854,267</b>	<b>\$1,854,267</b>	<b>\$1,854,267</b>	<b>\$1,776,410</b>	<b>\$1,776,410</b>	--	<b>\$1,776,410</b>	<b>\$57,022</b>	<b>\$2,356,200</b>	<b>\$54,320</b>	--	<b>\$2,356,200</b>	<b>\$57,022</b>
<b>4560-Mental Health Svcs Ovrst and Actnblty Comm</b>	18,206	--	18,206	--	16,758	--	16,758	--	16,028	--	--	16,028	--
State Operations	20,000	--	20,000	--	111,701	--	111,701	--	53,830	--	--	53,830	--
Local Assistance	<b>\$38,206</b>	<b>\$38,206</b>	<b>\$38,206</b>	<b>\$128,459</b>	<b>\$128,459</b>	--	<b>\$128,459</b>	<b>\$69,858</b>	<b>\$69,858</b>	<b>\$69,858</b>	--	<b>\$69,858</b>	<b>\$69,858</b>
<b>4700-Dept of Community Svcs, Development</b>	492	--	492	19,433	--	8	8	26,366	--	--	--	--	28,251
State Operations	9,500	--	9,500	349,013	--	260,846	--	260,846	--	--	--	--	260,846
Local Assistance	<b>\$9,992</b>	<b>\$9,992</b>	<b>\$9,992</b>	<b>\$368,446</b>	<b>\$8</b>	<b>\$8</b>	<b>\$8</b>	<b>\$287,212</b>	<b>\$287,212</b>	<b>\$287,212</b>	--	<b>\$287,212</b>	<b>\$287,097</b>
<b>4800-California Health Benefit Exchange</b>	250,507	--	250,507	--	355,245	--	355,245	--	405,647	--	--	405,647	--
Local Assistance	<b>\$250,507</b>	<b>\$250,507</b>	<b>\$250,507</b>	<b>\$355,245</b>	<b>\$355,245</b>	--	<b>\$355,245</b>	<b>\$405,647</b>	<b>\$405,647</b>	<b>\$405,647</b>	--	<b>\$405,647</b>	<b>\$405,647</b>
<b>5160-Department of Rehabilitation</b>	67,863	1,150	69,013	386,016	66,983	1,150	68,133	375,236	70,385	1,150	--	71,535	390,790
State Operations	<b>\$67,863</b>	<b>\$1,150</b>	<b>\$69,013</b>	<b>\$386,016</b>	<b>\$66,983</b>	<b>\$1,150</b>	<b>\$68,133</b>	<b>\$375,236</b>	<b>\$70,385</b>	<b>\$1,150</b>	--	<b>\$71,535</b>	<b>\$390,790</b>

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	5,705			5,705	10,598	6,375			6,375	10,066	6,375			6,375	10,066
<b>Totals 5160-Department of Rehabilitation</b>	<b>\$73,568</b>	<b>\$1,150</b>		<b>\$74,718</b>	<b>\$396,614</b>	<b>\$73,358</b>	<b>\$1,150</b>		<b>\$74,508</b>	<b>\$385,302</b>	<b>\$76,760</b>			<b>\$77,910</b>	<b>\$400,856</b>
<b>5175-Department of Child Support Services</b>															
State Operations	57,390			57,390	129,680	51,727			51,727	118,546	62,615			62,615	141,148
Local Assistance	276,018			276,018	381,548	263,627			263,627	362,561	270,425			270,425	430,024
<b>Totals 5175-Department of Child Support Services</b>	<b>\$333,408</b>			<b>\$333,408</b>	<b>\$511,228</b>	<b>\$315,354</b>			<b>\$315,354</b>	<b>\$481,107</b>	<b>\$333,040</b>			<b>\$333,040</b>	<b>\$571,172</b>
<b>5180-Department of Social Services</b>															
State Operations	253,318	40,139		293,457	367,394	247,812	39,679		287,491	427,750	266,012	37,514		303,526	487,624
Local Assistance	9,402,435	1,311		9,403,746	7,212,795	10,460,588	1,337		10,461,925	7,790,517	14,126,760	1,296		14,128,056	9,116,070
<b>Totals 5180-Department of Social Services</b>	<b>\$9,655,753</b>	<b>\$41,450</b>		<b>\$9,697,203</b>	<b>\$7,580,189</b>	<b>\$10,708,400</b>	<b>\$41,016</b>		<b>\$10,749,416</b>	<b>\$8,218,267</b>	<b>\$14,392,772</b>			<b>\$14,431,582</b>	<b>\$9,603,694</b>
<b>5195-State-Local Realignment, 1991</b>															
Local Assistance		5,672,296		5,672,296			6,013,553		6,013,553					5,897,635	
<b>Totals 5195-State-Local Realignment, 1991</b>		<b>\$5,672,296</b>		<b>\$5,672,296</b>			<b>\$6,013,553</b>		<b>\$6,013,553</b>					<b>\$5,897,635</b>	
<b>5196-State-Local Realignment, 2011</b>															
Local Assistance	6,000	4,939,657		4,945,657		12,000	5,182,073		5,194,073		6,000	5,083,941		5,089,941	
<b>Totals 5196-State-Local Realignment, 2011</b>	<b>\$6,000</b>	<b>\$4,939,657</b>		<b>\$4,945,657</b>		<b>\$12,000</b>	<b>\$5,182,073</b>		<b>\$5,194,073</b>		<b>\$6,000</b>	<b>\$5,083,941</b>		<b>\$5,089,941</b>	
<b>5206-General Obligation Bonds-HHS</b>															
State Operations	65,936			65,936		87,408			87,408		91,143			91,143	
<b>Totals 5206-General Obligation Bonds-HHS</b>	<b>\$65,936</b>			<b>\$65,936</b>		<b>\$87,408</b>			<b>\$87,408</b>		<b>\$91,143</b>			<b>\$91,143</b>	
<b>TOTALS: HEALTH AND HUMAN SERVICES</b>	<b>\$40,849,364</b>	<b>\$20,866,642</b>		<b>\$61,716,006</b>	<b>\$76,802,047</b>	<b>\$43,274,089</b>	<b>\$27,754,149</b>		<b>\$71,028,238</b>	<b>\$91,241,978</b>	<b>\$54,369,557</b>	<b>\$24,840,214</b>		<b>\$79,209,771</b>	<b>\$95,292,674</b>
State Operations	3,193,007	988,964		4,181,971	1,810,499	3,619,595	989,116		4,601,711	1,790,400	4,415,654	1,038,137		5,453,791	1,907,684
Local Assistance	37,640,382	19,877,678		57,518,060	74,991,548	39,643,282	26,765,033		66,408,315	89,451,578	49,899,362	23,802,077		73,701,439	93,384,990
Capital Outlay	15,975			15,975		11,212			11,212		54,541			54,541	
<b>Totals 5225-Corrections and Rehabilitation</b>	<b>\$13,055,943</b>	<b>\$181</b>		<b>\$13,056,124</b>	<b>\$1,318</b>	<b>\$12,028,792</b>	<b>\$202</b>		<b>\$12,028,994</b>	<b>\$1,981</b>	<b>\$12,784,909</b>	<b>\$52</b>		<b>\$12,784,961</b>	<b>\$1,999</b>
<b>5227-Board of State and Community Corrections</b>															
State Operations	20,157	179		20,336	1,323	26,077	1,987		28,064	3,660	36,329	3,011		39,340	4,160
Local Assistance	1,655,13	41,086		206,599	26,240	177,072	105,582		282,654	102,117	141,816	131,567		273,383	102,117
<b>Totals 5227-Board of State and Community Corrections</b>	<b>\$185,670</b>	<b>\$41,265</b>		<b>\$226,935</b>	<b>\$27,563</b>	<b>\$203,149</b>	<b>\$107,569</b>		<b>\$310,718</b>	<b>\$105,777</b>	<b>\$178,145</b>	<b>\$134,578</b>		<b>\$312,723</b>	<b>\$106,277</b>
<b>5228-Safe Neighborhoods and Schools Act</b>															
Local Assistance	78,444	-78,444				102,890	-102,890				114,787	-114,787			
<b>Totals 5228-Safe Neighborhoods and Schools Act</b>	<b>\$78,444</b>	<b>-\$78,444</b>				<b>\$102,890</b>	<b>-\$102,890</b>				<b>\$114,787</b>	<b>-\$114,787</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>\$489,900</b>		<b>\$489,900</b>			<b>\$489,900</b>		<b>\$489,900</b>			<b>\$489,900</b>		<b>\$489,900</b>	
<b>5396-Trial Court Security 2011 Realignment</b>															
Local Assistance		558,172		558,172			577,115		577,115			563,662		563,662	
<b>Totals 5396-Trial Court Security 2011 Realignment</b>		<b>\$558,172</b>		<b>\$558,172</b>			<b>\$577,115</b>		<b>\$577,115</b>			<b>\$563,662</b>		<b>\$563,662</b>	
<b>5496-Local Community Corrections</b>															
Local Assistance		1,344,709		1,344,709			1,441,869		1,441,869			1,408,260		1,408,260	
<b>Totals 5496-Local Community Corrections</b>		<b>\$1,344,709</b>		<b>\$1,344,709</b>			<b>\$1,441,869</b>		<b>\$1,441,869</b>			<b>\$1,408,260</b>		<b>\$1,408,260</b>	
<b>5596-Dist Attorney and Public Defender Svcs</b>															
Local Assistance		40,924		40,924			46,632		46,632			45,544		45,544	
<b>Totals 5596-Dist Attorney and Public Defender Svcs</b>		<b>\$40,924</b>		<b>\$40,924</b>			<b>\$46,632</b>		<b>\$46,632</b>			<b>\$45,544</b>		<b>\$45,544</b>	
<b>5696-Juvenile Justice Programs</b>															

**SCHEDULE 9 AT 2021 -22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	--	166,733	--	166,733	--	--	179,489	--	179,489	--	--	175,306	--	175,306	--
<b>Totals,5976-Juvenile Justice Programs</b>	--	<b>\$166,733</b>	--	<b>\$166,733</b>	--	--	<b>\$179,489</b>	--	<b>\$179,489</b>	--	--	<b>\$175,306</b>	--	<b>\$175,306</b>	--
<b>5776-Enhancing Law Enforcement Act Growth</b>	--	--	224,351	224,351	--	--	247,316	--	247,316	--	--	210,659	--	210,659	--
Local Assistance	--	224,351	--	224,351	--	--	247,316	--	247,316	--	--	210,659	--	210,659	--
<b>Totals,5776-Enhancing Law Enforcement Act Growth</b>	--	<b>\$224,351</b>	--	<b>\$224,351</b>	--	--	<b>\$247,316</b>	--	<b>\$247,316</b>	--	--	<b>\$210,659</b>	--	<b>\$210,659</b>	--
<b>5970-Federal Immigration Funding-Incarceration</b>	-58,629	--	--	-58,629	-58,629	--	--	--	--	--	--	--	--	--	--
State Operations	-58,629	--	--	-58,629	-58,629	--	--	--	--	--	--	--	--	--	--
<b>Totals,5970-Federal Immigration Funding-Incarceration</b>	<b>-58,629</b>	--	--	<b>-58,629</b>	<b>-58,629</b>	--	--	--	--	--	--	--	--	--	--
<b>5976-General Obligation Bonds-DCR</b>	16,217	--	--	16,217	--	7,205	--	--	7,205	--	11,502	--	--	11,502	--
State Operations	16,217	--	--	16,217	--	7,205	--	--	7,205	--	11,502	--	--	11,502	--
<b>Totals,5976-General Obligation Bonds-DCR</b>	<b>\$16,217</b>	--	--	<b>\$16,217</b>	--	<b>\$7,205</b>	--	--	<b>\$7,205</b>	--	<b>\$11,502</b>	--	--	<b>\$11,502</b>	--
<b>TOTALS, CORRECTIONS AND REHABILITATION</b>	<b>\$13,277,645</b>	<b>\$2,787,791</b>	--	<b>\$16,065,436</b>	<b>\$87,510</b>	<b>\$12,342,036</b>	<b>\$2,987,202</b>	--	<b>\$15,329,238</b>	<b>\$107,758</b>	<b>\$13,089,343</b>	<b>\$2,913,174</b>	--	<b>\$16,002,517</b>	<b>\$108,276</b>
State Operations	12,735,918	1,360	--	12,737,278	61,270	11,833,818	3,189	--	11,837,007	5,641	12,632,214	4,063	--	12,636,277	6,159
Local Assistance	415,182	2,786,431	--	3,201,613	26,240	471,489	2,984,013	--	3,455,502	102,117	408,274	2,909,111	--	3,317,385	102,117
Capital Outlay	126,545	--	--	126,545	--	36,729	--	--	36,729	--	48,855	--	--	48,855	--
<b>EDUCATION</b>															
<b>6100-Department of Education</b>															
State Operations	211,944	4,031	3,335	219,310	187,583	181,945	4,145	3,318	189,408	203,933	208,650	4,548	3,396	216,594	162,170
Local Assistance	50,153,246	82,671	--	50,235,917	8,859,662	51,804,895	83,690	--	51,889,585	10,593,397	52,639,947	80,785	--	52,720,732	6,650,545
Capital Outlay	--	--	--	--	--	2,177	--	--	2,177	--	1,027	--	--	1,027	--
<b>Totals, 6100-Department of Education</b>	<b>\$50,365,190</b>	<b>\$86,702</b>	<b>\$3,335</b>	<b>\$50,455,227</b>	<b>\$9,047,245</b>	<b>\$51,989,017</b>	<b>\$87,835</b>	<b>\$3,318</b>	<b>\$52,080,170</b>	<b>\$10,797,330</b>	<b>\$52,849,624</b>	<b>\$86,333</b>	<b>\$3,396</b>	<b>\$52,938,353</b>	<b>\$6,812,715</b>
<b>6120-State Library</b>															
State Operations	19,214	358	--	19,572	7,535	18,403	323	--	18,726	7,303	19,423	365	--	19,788	7,707
Local Assistance	34,280	552	--	34,832	11,266	12,875	552	--	13,427	14,836	23,978	552	--	24,530	11,266
<b>Totals, 6120-State Library</b>	<b>\$53,494</b>	<b>\$910</b>	--	<b>\$54,404</b>	<b>\$18,801</b>	<b>\$31,278</b>	<b>\$875</b>	--	<b>\$32,153</b>	<b>\$22,139</b>	<b>\$43,401</b>	<b>\$917</b>	--	<b>\$44,318</b>	<b>\$18,973</b>
<b>6125-Education Audit Appeals Panel</b>															
State Operations	737	--	--	737	--	1,149	--	--	1,149	--	1,207	--	--	1,207	--
<b>Totals, 6125-Education Audit Appeals Panel</b>	<b>\$737</b>	--	--	<b>\$737</b>	--	<b>\$1,149</b>	--	--	<b>\$1,149</b>	--	<b>\$1,207</b>	--	--	<b>\$1,207</b>	--
<b>6255-Summer School for the Arts</b>															
State Operations	1,428	--	--	1,428	--	1,442	--	--	1,442	--	1,442	--	--	1,442	--
<b>Totals, 6255-Summer School for the Arts</b>	<b>\$1,428</b>	--	--	<b>\$1,428</b>	--	<b>\$1,442</b>	--	--	<b>\$1,442</b>	--	<b>\$1,442</b>	--	--	<b>\$1,442</b>	--
<b>6300-Teachers Retirement System Contributions</b>															
State Operations	1,117,000	--	--	1,117,000	--	297,000	--	--	297,000	--	410,000	--	--	410,000	--
Local Assistance	3,323,223	--	--	3,323,223	--	3,427,623	--	--	3,427,623	--	3,857,665	--	--	3,857,665	--
<b>Totals, 6300-Teachers Retirement System Contributions</b>	<b>\$4,440,223</b>	--	--	<b>\$4,440,223</b>	--	<b>\$3,724,623</b>	--	--	<b>\$3,724,623</b>	--	<b>\$4,267,665</b>	--	--	<b>\$4,267,665</b>	--
<b>6305-Retirement Costs for Community Colleges</b>															
State Operations	-86,776	--	--	-86,776	--	-23,184	--	--	-23,184	--	-32,367	--	--	-32,367	--
Local Assistance	-298,171	--	--	-298,171	--	-280,760	--	--	-280,760	--	-304,543	--	--	-304,543	--
<b>Totals, 6305-Retirement Costs for Community Colleges</b>	<b>-\$344,947</b>	--	--	<b>-\$344,947</b>	--	<b>-\$303,944</b>	--	--	<b>-\$303,944</b>	--	<b>-\$336,910</b>	--	--	<b>-\$336,910</b>	--
<b>6350-School Facilities Aid Program</b>															
Local Assistance	--	59,532	1,493,069	1,552,601	--	--	8,179	1,511,925	1,520,104	--	200,000	359	1,511,815	1,712,174	--
<b>Totals, 6350-School Facilities Aid Program</b>	--	<b>\$59,532</b>	<b>\$1,493,069</b>	<b>\$1,552,601</b>	--	--	<b>\$8,179</b>	<b>\$1,511,925</b>	<b>\$1,520,104</b>	--	<b>\$200,000</b>	<b>\$359</b>	<b>\$1,511,815</b>	<b>\$1,712,174</b>	--
<b>6360-Commission on Teacher Credentialing</b>															
State Operations	100	26,405	--	26,505	--	125,000	--	--	26,548	--	29,501	--	--	29,501	--
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 6360-Commission on Teacher Credentialing</b>	<b>\$100</b>	<b>\$26,405</b>	--	<b>\$26,505</b>	--	<b>\$125,000</b>	--	--	<b>\$151,548</b>	--	<b>\$29,501</b>	--	--	<b>\$29,501</b>	--
<b>6396-General Obligation Bonds-K-12</b>															
State Operations	2,147,861	--	--	2,147,861	--	2,267,227	--	--	2,267,227	--	2,630,494	--	--	2,630,494	--
<b>Totals, 6396-General Obligation Bonds-K-12</b>	<b>\$2,147,861</b>	--	--	<b>\$2,147,861</b>	--	<b>\$2,267,227</b>	--	--	<b>\$2,267,227</b>	--	<b>\$2,630,494</b>	--	--	<b>\$2,630,494</b>	--

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22					
	General Fund	Special Funds	Budget Total	Selected Bond Funds	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
<b>K-12 Education</b>														
State Operations	3,411,508	30,794	3,335	3,445,637	195,118	2,743,982	31,016	3,318	2,776,316	211,236	3,236,849	34,414	3,396	169,877
Local Assistance	53,252,578	142,755	1,493,069	54,888,402	8,870,928	55,089,633	92,421	1,511,925	56,693,979	10,608,233	56,417,047	81,696	1,511,815	6,661,811
Capital Outlay	--	--	--	--	2,177	--	--	--	2,177	--	1,027	--	--	1,027
<b>Totals, K-12 Education</b>	<b>\$56,644,086</b>	<b>\$173,549</b>	<b>\$1,496,404</b>	<b>\$58,334,039</b>	<b>\$9,066,046</b>	<b>\$57,835,792</b>	<b>\$123,437</b>	<b>\$1,515,243</b>	<b>\$59,474,472</b>	<b>\$10,819,469</b>	<b>\$59,656,923</b>	<b>\$116,110</b>	<b>\$1,515,211</b>	<b>\$6,831,488</b>
<b>6440-University of California</b>														
State Operations	3,938,304	71,678	--	4,009,982	4,299,631	3,465,953	170,287	--	3,636,240	4,141,500	3,826,562	131,180	--	4,217,500
Capital Outlay	--	--	--	--	--	--	--	14,108	14,108	--	--	--	--	--
<b>Totals, 6440-University of California</b>	<b>\$3,938,304</b>	<b>\$71,678</b>	<b>--</b>	<b>\$4,009,982</b>	<b>\$4,299,631</b>	<b>\$3,465,953</b>	<b>\$170,287</b>	<b>\$14,108</b>	<b>\$3,650,348</b>	<b>\$4,141,500</b>	<b>\$3,826,562</b>	<b>\$131,180</b>	<b>--</b>	<b>\$3,957,742</b>
<b>6445-Institute for Regenerative Medicine</b>														
State Operations	--	--	13,724	13,724	--	--	--	15,614	15,614	--	--	--	16,827	16,827
Local Assistance	--	--	139,387	139,387	--	--	--	250,000	250,000	--	--	--	250,000	250,000
<b>Totals, 6445-Institute for Regenerative Medicine</b>	<b>--</b>	<b>--</b>	<b>\$153,111</b>	<b>\$153,111</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$265,614</b>	<b>\$265,614</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$266,827</b>	<b>\$266,827</b>
<b>6600-Hastings College of the Law</b>														
State Operations	16,328	--	--	16,328	--	18,140	--	--	18,140	--	19,885	--	--	19,885
<b>Totals, 6600-Hastings College of the Law</b>	<b>\$16,328</b>	<b>--</b>	<b>--</b>	<b>\$16,328</b>	<b>\$18,140</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$18,140</b>	<b>--</b>	<b>\$19,885</b>	<b>--</b>	<b>--</b>	<b>\$19,885</b>
<b>6610-California State University</b>														
State Operations	4,354,669	5,000	--	4,359,669	1,511,093	3,698,329	2,500	--	3,700,829	1,424,623	4,053,880	2,000	--	4,055,880
<b>Totals, 6610-California State University</b>	<b>\$4,354,669</b>	<b>\$5,000</b>	<b>--</b>	<b>\$4,359,669</b>	<b>\$1,511,093</b>	<b>\$3,698,329</b>	<b>\$2,500</b>	<b>--</b>	<b>\$3,700,829</b>	<b>\$1,424,623</b>	<b>\$4,053,880</b>	<b>\$2,000</b>	<b>--</b>	<b>\$4,055,880</b>
<b>6645-CSU Health Benefits, Retired Annuitants</b>														
State Operations	325,718	--	--	325,718	--	357,466	--	--	357,466	--	412,667	--	--	412,667
<b>Totals, 6645-CSU Health Benefits, Retired Annuitants</b>	<b>\$325,718</b>	<b>--</b>	<b>--</b>	<b>\$325,718</b>	<b>--</b>	<b>\$357,466</b>	<b>--</b>	<b>--</b>	<b>\$357,466</b>	<b>--</b>	<b>\$412,667</b>	<b>--</b>	<b>--</b>	<b>\$412,667</b>
<b>6870-Board of Governors of Community Colleges</b>														
State Operations	20,024	104	2,474	22,602	--	19,316	97	2,383	21,796	--	19,676	106	2,521	22,303
Local Assistance	6,077,782	11,231	--	6,089,013	--	6,262,466	6,548	--	6,269,014	--	6,412,138	5,112	--	6,417,250
Capital Outlay	--	--	152,612	152,612	--	--	--	620,771	620,771	--	--	--	355,788	355,788
<b>Totals, 6870-Board of Governors of Community Colleges</b>	<b>\$6,097,806</b>	<b>\$11,335</b>	<b>\$155,086</b>	<b>\$6,264,227</b>	<b>--</b>	<b>\$6,281,782</b>	<b>\$6,645</b>	<b>\$623,154</b>	<b>\$6,911,581</b>	<b>--</b>	<b>\$6,431,814</b>	<b>\$5,218</b>	<b>\$358,309</b>	<b>\$6,795,341</b>
<b>6874-General Obligation Bonds-HI Ed-CC</b>														
State Operations	259,410	--	--	259,410	--	332,072	--	--	332,072	--	307,730	--	--	307,730
<b>Totals, 6874-General Obligation Bonds-HI Ed-CC</b>	<b>\$259,410</b>	<b>--</b>	<b>--</b>	<b>\$259,410</b>	<b>--</b>	<b>\$332,072</b>	<b>--</b>	<b>--</b>	<b>\$332,072</b>	<b>--</b>	<b>\$307,730</b>	<b>--</b>	<b>--</b>	<b>\$307,730</b>
<b>6878-Retirement Costs-HI Ed-CC</b>														
State Operations	86,776	--	--	86,776	--	23,184	--	--	23,184	--	32,367	--	--	32,367
Local Assistance	298,171	--	--	298,171	--	280,760	--	--	280,760	--	304,543	--	--	304,543
<b>Totals, 6878-Retirement Costs-HI Ed-CC</b>	<b>\$344,947</b>	<b>--</b>	<b>--</b>	<b>\$344,947</b>	<b>--</b>	<b>\$303,944</b>	<b>--</b>	<b>--</b>	<b>\$303,944</b>	<b>--</b>	<b>\$336,910</b>	<b>--</b>	<b>--</b>	<b>\$336,910</b>
<b>6980-Student Aid Commission</b>														
State Operations	26,330	--	--	26,330	--	22,103	--	--	22,103	--	19,336	--	--	19,336
Local Assistance	1,361,707	5,631	--	1,367,338	--	2,222,267	782	--	2,223,049	--	2,386,338	378	--	2,386,716
<b>Totals, 6980-Student Aid Commission</b>	<b>\$1,388,037</b>	<b>\$5,631</b>	<b>--</b>	<b>\$1,393,668</b>	<b>--</b>	<b>\$2,244,370</b>	<b>\$782</b>	<b>--</b>	<b>\$2,245,152</b>	<b>--</b>	<b>\$2,405,674</b>	<b>\$378</b>	<b>--</b>	<b>\$2,406,052</b>
<b>7996-General Obligation Bonds-HI Ed</b>														
State Operations	346,092	--	--	346,092	--	159,264	--	--	159,264	--	77,832	--	--	77,832
<b>Totals, 7996-General Obligation Bonds-HI Ed</b>	<b>\$346,092</b>	<b>--</b>	<b>--</b>	<b>\$346,092</b>	<b>--</b>	<b>\$159,264</b>	<b>--</b>	<b>--</b>	<b>\$159,264</b>	<b>--</b>	<b>\$77,832</b>	<b>--</b>	<b>--</b>	<b>\$77,832</b>
<b>Higher Education</b>														
State Operations	9,373,651	76,782	16,198	9,466,631	5,810,724	8,095,827	172,884	17,997	8,286,708	5,566,123	8,769,935	133,286	19,348	8,922,569
Local Assistance	7,697,660	16,862	139,387	7,853,909	--	8,765,493	7,330	250,000	9,022,823	--	9,103,019	5,490	250,000	9,358,509
Capital Outlay	--	--	152,612	152,612	--	--	634,879	--	634,879	--	--	--	355,788	355,788
<b>Totals, Higher Education</b>	<b>\$17,071,311</b>	<b>\$93,644</b>	<b>\$308,197</b>	<b>\$17,473,152</b>	<b>\$5,810,724</b>	<b>\$16,861,320</b>	<b>\$180,214</b>	<b>\$902,876</b>	<b>\$17,944,410</b>	<b>\$5,566,123</b>	<b>\$17,872,954</b>	<b>\$138,776</b>	<b>\$625,136</b>	<b>\$18,636,866</b>
<b>TOTALS, EDUCATION</b>	<b>\$73,785,397</b>	<b>\$267,193</b>	<b>\$1,804,601</b>	<b>\$75,807,191</b>	<b>\$14,876,770</b>	<b>\$74,697,112</b>	<b>\$303,651</b>	<b>\$2,418,119</b>	<b>\$77,418,882</b>	<b>\$16,385,592</b>	<b>\$77,529,877</b>	<b>\$254,886</b>	<b>\$2,140,347</b>	<b>\$79,925,110</b>
State Operations	12,785,159	107,576	19,533	12,912,268	6,005,842	10,839,809	203,960	21,315	11,065,024	5,777,359	12,008,784	167,700	22,744	12,199,228
Local Assistance	60,950,238	159,617	1,632,456	62,742,311	8,870,928	63,855,126	99,751	1,761,925	65,716,802	10,608,233	65,500,066	87,186	1,761,815	67,369,067
Capital Outlay	--	--	152,612	152,612	--	2,177	--	634,879	637,056	--	1,027	--	355,788	356,815

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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>LABOR AND WORKFORCE DEVELOPMENT</b>															
<b>7100-Employment Development Department</b>															
State Operations	96,878	114,221	--	211,099	874,489	97,454	175,083	--	272,537	1,925,178	656,618	178,726	--	835,344	1,599,221
Local Assistance	--	--	--	--	50,244,987	--	--	--	--	108,261,530	--	--	--	--	33,022,839
<b>Totals, 7100-Employment Development Department</b>	<b>\$96,878</b>	<b>\$114,221</b>	<b>--</b>	<b>\$211,099</b>	<b>\$51,119,476</b>	<b>\$97,454</b>	<b>\$175,083</b>	<b>--</b>	<b>\$272,537</b>	<b>\$110,186,708</b>	<b>\$656,618</b>	<b>\$178,726</b>	<b>--</b>	<b>\$835,344</b>	<b>\$34,622,060</b>
<b>7120-Workforce Development Board</b>															
State Operations	1,316	1,205	--	2,521	3,956	1,350	6,482	--	7,832	6,564	1,287	2,801	--	4,088	6,474
Local Assistance	45,291	--	--	45,291	37,806	44,638	--	82,444	--	--	--	4,749	--	4,749	--
<b>Totals, 7120-Workforce Development Board</b>	<b>\$46,607</b>	<b>\$1,205</b>	<b>--</b>	<b>\$47,812</b>	<b>\$3,956</b>	<b>\$39,156</b>	<b>\$51,120</b>	<b>--</b>	<b>\$90,276</b>	<b>\$6,564</b>	<b>\$1,287</b>	<b>\$7,550</b>	<b>--</b>	<b>\$8,837</b>	<b>\$6,474</b>
<b>7300-Agricultural Labor Relations Board</b>															
State Operations	9,466	1,263	--	10,729	--	9,520	1,763	--	11,283	--	10,206	1,296	--	11,502	--
<b>Totals, 7300-Agricultural Labor Relations Board</b>	<b>\$9,466</b>	<b>\$1,263</b>	<b>--</b>	<b>\$10,729</b>	<b>--</b>	<b>\$9,520</b>	<b>\$1,763</b>	<b>--</b>	<b>\$11,283</b>	<b>--</b>	<b>\$10,206</b>	<b>\$1,296</b>	<b>--</b>	<b>\$11,502</b>	<b>--</b>
<b>7320-Public Employment Relations Board</b>															
State Operations	14,482	--	--	14,482	--	14,524	--	--	14,524	--	15,447	--	--	15,447	--
<b>Totals, 7320-Public Employment Relations Board</b>	<b>\$14,482</b>	<b>--</b>	<b>--</b>	<b>\$14,482</b>	<b>--</b>	<b>\$14,524</b>	<b>--</b>	<b>--</b>	<b>\$14,524</b>	<b>--</b>	<b>\$15,447</b>	<b>--</b>	<b>--</b>	<b>\$15,447</b>	<b>--</b>
<b>7350-Department of Industrial Relations</b>															
State Operations	12,300	616,532	--	628,832	37,561	--	631,333	--	631,333	35,873	--	667,451	--	667,451	36,789
<b>Totals, 7350-Department of Industrial Relations</b>	<b>\$12,300</b>	<b>\$616,532</b>	<b>--</b>	<b>\$628,832</b>	<b>\$37,561</b>	<b>--</b>	<b>\$631,333</b>	<b>--</b>	<b>\$631,333</b>	<b>\$35,873</b>	<b>--</b>	<b>\$667,451</b>	<b>--</b>	<b>\$667,451</b>	<b>\$36,789</b>
<b>TOTALS, LABOR AND WORKFORCE DEVELOPMENT</b>															
State Operations	\$179,733	\$733,221	--	\$912,954	\$51,160,993	\$160,654	\$859,299	--	\$1,019,953	\$110,229,145	\$683,558	\$855,023	--	\$1,538,581	\$34,665,323
Local Assistance	134,442	733,221	--	867,663	916,006	122,848	814,661	--	937,509	1,967,615	683,558	850,274	--	1,533,832	1,642,484
Local Assistance	45,291	--	--	45,291	50,244,987	37,806	44,638	--	82,444	108,261,530	--	4,749	--	4,749	33,022,839
<b>GOVERNMENT OPERATIONS</b>															
<b>7501-Department of Human Resources</b>															
State Operations	9,157	7	--	9,164	--	15,652	75	--	15,727	--	13,562	75	--	13,637	--
<b>Totals, 7501-Department of Human Resources</b>	<b>\$9,157</b>	<b>\$7</b>	<b>--</b>	<b>\$9,164</b>	<b>--</b>	<b>\$15,652</b>	<b>\$75</b>	<b>--</b>	<b>\$15,727</b>	<b>--</b>	<b>\$13,562</b>	<b>\$75</b>	<b>--</b>	<b>\$13,637</b>	<b>--</b>
<b>7502-Department of Technology</b>															
State Operations	7,674	--	--	7,674	--	6,770	--	--	6,770	--	39,510	--	--	39,510	--
<b>Totals, 7502-Department of Technology</b>	<b>\$7,674</b>	<b>--</b>	<b>--</b>	<b>\$7,674</b>	<b>--</b>	<b>\$6,770</b>	<b>--</b>	<b>--</b>	<b>\$6,770</b>	<b>--</b>	<b>\$39,510</b>	<b>--</b>	<b>--</b>	<b>\$39,510</b>	<b>--</b>
<b>7503-State Personnel Board</b>															
State Operations	1,249	--	--	1,249	--	2,475	--	--	2,475	--	2,620	--	--	2,620	--
<b>Totals, 7503-State Personnel Board</b>	<b>\$1,249</b>	<b>--</b>	<b>--</b>	<b>\$1,249</b>	<b>--</b>	<b>\$2,475</b>	<b>--</b>	<b>--</b>	<b>\$2,475</b>	<b>--</b>	<b>\$2,620</b>	<b>--</b>	<b>--</b>	<b>\$2,620</b>	<b>--</b>
<b>7600-Department of Tax and Fee Administration</b>															
State Operations	358,848	103,604	--	462,452	243	414,720	766	--	415,486	237	366,104	102,030	--	468,134	252
<b>Totals, 7600-Department of Tax and Fee Administration</b>	<b>\$358,848</b>	<b>\$103,604</b>	<b>--</b>	<b>\$462,452</b>	<b>\$243</b>	<b>\$414,720</b>	<b>\$766</b>	<b>--</b>	<b>\$415,486</b>	<b>\$237</b>	<b>\$366,104</b>	<b>\$102,030</b>	<b>--</b>	<b>\$468,134</b>	<b>\$252</b>
<b>7730-Franchise Tax Board</b>															
State Operations	855,592	24,297	--	879,889	--	831,794	21,801	--	853,595	--	936,630	23,651	--	960,281	--
<b>Totals, 7730-Franchise Tax Board</b>	<b>\$855,592</b>	<b>\$24,297</b>	<b>--</b>	<b>\$879,889</b>	<b>--</b>	<b>\$831,794</b>	<b>\$21,801</b>	<b>--</b>	<b>\$853,595</b>	<b>--</b>	<b>\$936,630</b>	<b>\$23,651</b>	<b>--</b>	<b>\$960,281</b>	<b>--</b>
<b>7760-Department of General Services</b>															
State Operations	1,883,335	132,843	8,500	2,024,678	--	570,311	122,212	7,456	699,979	--	182,358	129,826	8,108	320,292	--
Capital Outlay	27,120	--	--	27,120	--	--	--	--	--	--	--	--	--	--	--
<b>Totals, 7760-Department of General Services</b>	<b>\$1,910,455</b>	<b>\$132,843</b>	<b>\$8,500</b>	<b>\$2,051,798</b>	<b>--</b>	<b>\$570,311</b>	<b>\$122,212</b>	<b>\$7,456</b>	<b>\$699,979</b>	<b>--</b>	<b>\$182,358</b>	<b>\$129,826</b>	<b>\$8,108</b>	<b>\$320,292</b>	<b>--</b>
<b>7870-California Victim Compensation Board</b>															
State Operations	138	31,199	--	31,337	701	23,636	8,675	--	32,311	1,828	136	37,649	--	37,785	1,820
Local Assistance	--	74,966	--	74,966	16,582	--	75,763	--	75,763	23,000	33,000	43,952	--	76,952	23,000
<b>Totals, 7870-California Victim Compensation Board</b>	<b>\$138</b>	<b>\$106,165</b>	<b>--</b>	<b>\$106,303</b>	<b>\$17,283</b>	<b>\$23,636</b>	<b>\$84,438</b>	<b>--</b>	<b>\$108,074</b>	<b>\$24,828</b>	<b>\$33,136</b>	<b>\$81,601</b>	<b>--</b>	<b>\$114,737</b>	<b>\$24,820</b>
<b>7900-Public Employees Retirement System</b>															
State Operations	346	--	--	346	--	243,000	--	--	243,000	--	1,474,000	--	--	1,474,000	--
<b>Totals, 7900-Public Employees Retirement System</b>	<b>\$346</b>	<b>--</b>	<b>--</b>	<b>\$346</b>	<b>--</b>	<b>\$243,000</b>	<b>--</b>	<b>--</b>	<b>\$243,000</b>	<b>--</b>	<b>\$1,474,000</b>	<b>--</b>	<b>--</b>	<b>\$1,474,000</b>	<b>--</b>
<b>7910-Office of Administrative Law</b>															

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20					Estimated 2020-21					Estimated 2021-22				
	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	2,336	--	2,336	--	2,616	--	2,616	--	2,616	--	2,692	--	2,692	--	
<b>Totals, 7910-Office of Administrative Law</b>	<b>\$2,336</b>	<b>--</b>	<b>\$2,336</b>	<b>--</b>	<b>\$2,616</b>	<b>--</b>	<b>\$2,616</b>	<b>--</b>	<b>\$2,616</b>	<b>--</b>	<b>\$2,692</b>	<b>--</b>	<b>\$2,692</b>	<b>--</b>	
<b>TOTALS, GOVERNMENT OPERATIONS</b>	<b>\$3,145,795</b>	<b>\$366,916</b>	<b>\$3,512,711</b>	<b>\$17,526</b>	<b>\$2,110,974</b>	<b>\$229,292</b>	<b>\$7,456</b>	<b>\$2,347,722</b>	<b>\$25,065</b>	<b>\$3,050,612</b>	<b>\$337,183</b>	<b>\$8,108</b>	<b>\$3,395,903</b>	<b>\$25,072</b>	
State Operations	3,118,675	291,950	3,410,625	944	2,110,974	153,529	7,456	2,271,959	2,065	3,017,612	293,231	8,108	3,318,951	2,072	
Local Assistance	--	74,966	74,966	16,582	--	75,763	--	75,763	23,000	33,000	43,952	--	76,952	23,000	
Capital Outlay	27,120	--	27,120	--	--	--	--	--	--	--	--	--	--	--	
<b>Totals, 8120-Peace Officer Standards, Training Comm</b>	<b>\$48,297</b>	<b>--</b>	<b>\$48,297</b>	<b>--</b>	<b>\$44,948</b>	<b>--</b>	<b>--</b>	<b>\$44,948</b>	<b>--</b>	<b>\$35,102</b>	<b>--</b>	<b>--</b>	<b>\$35,102</b>	<b>--</b>	
State Operations	15,147	--	15,147	--	17,899	--	--	17,899	--	18,626	--	--	18,626	--	
<b>Totals, 8140-State Public Defender</b>	<b>\$15,147</b>	<b>--</b>	<b>\$15,147</b>	<b>--</b>	<b>\$17,899</b>	<b>--</b>	<b>--</b>	<b>\$17,899</b>	<b>--</b>	<b>\$18,626</b>	<b>--</b>	<b>--</b>	<b>\$18,626</b>	<b>--</b>	
<b>8260-Arts Council</b>	<b>1,684</b>	<b>524</b>	<b>2,208</b>	<b>838</b>	<b>1,839</b>	<b>817</b>	<b>--</b>	<b>2,656</b>	<b>1,073</b>	<b>2,039</b>	<b>881</b>	<b>--</b>	<b>2,920</b>	<b>1,067</b>	
State Operations	47,299	1,405	48,704	100	33,300	1,405	--	34,705	100	34,300	1,405	--	35,705	100	
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Totals, 8260-Arts Council</b>	<b>\$48,983</b>	<b>\$1,929</b>	<b>\$50,912</b>	<b>\$938</b>	<b>\$35,139</b>	<b>\$2,222</b>	<b>--</b>	<b>\$37,361</b>	<b>\$1,173</b>	<b>\$36,339</b>	<b>\$2,286</b>	<b>--</b>	<b>\$38,625</b>	<b>\$1,167</b>	
<b>8385-Citizens Compensation Commission</b>	<b>1</b>	<b>--</b>	<b>1</b>	<b>--</b>	<b>10</b>	<b>--</b>	<b>--</b>	<b>10</b>	<b>--</b>	<b>10</b>	<b>--</b>	<b>--</b>	<b>10</b>	<b>--</b>	
State Operations	\$1	--	\$1	--	\$10	--	--	\$10	--	\$10	--	--	\$10	--	
<b>Totals, 8385-Citizens Compensation Commission</b>	<b>\$1</b>	<b>--</b>	<b>\$1</b>	<b>--</b>	<b>\$10</b>	<b>--</b>	<b>--</b>	<b>\$10</b>	<b>--</b>	<b>\$10</b>	<b>--</b>	<b>--</b>	<b>\$10</b>	<b>--</b>	
<b>8570-Department of Food and Agriculture</b>	<b>1,66,517</b>	<b>170,731</b>	<b>337,248</b>	<b>108,190</b>	<b>109,415</b>	<b>199,346</b>	<b>1,661</b>	<b>310,422</b>	<b>111,482</b>	<b>131,983</b>	<b>158,476</b>	<b>1,639</b>	<b>292,098</b>	<b>118,160</b>	
State Operations	57,210	126,472	183,682	66,887	190,369	66,421	5,994	126,822	102,661	102,661	66,598	--	169,259	--	
Local Assistance	14,782	--	14,782	--	--	1,872	--	1,872	--	14,352	--	--	14,352	--	
Capital Outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Totals, 8570-Department of Food and Agriculture</b>	<b>\$238,509</b>	<b>\$297,203</b>	<b>\$535,712</b>	<b>\$108,190</b>	<b>\$161,822</b>	<b>\$267,639</b>	<b>\$7,655</b>	<b>\$437,116</b>	<b>\$111,482</b>	<b>\$248,996</b>	<b>\$225,074</b>	<b>\$1,639</b>	<b>\$475,709</b>	<b>\$118,160</b>	
<b>8620-Fair Political Practices Commission</b>	<b>12,748</b>	<b>--</b>	<b>12,748</b>	<b>--</b>	<b>13,532</b>	<b>--</b>	<b>--</b>	<b>13,532</b>	<b>--</b>	<b>14,606</b>	<b>--</b>	<b>--</b>	<b>14,606</b>	<b>--</b>	
State Operations	\$12,748	--	\$12,748	--	\$13,532	--	--	\$13,532	--	\$14,606	--	--	\$14,606	--	
<b>Totals, 8620-Fair Political Practices Commission</b>	<b>\$12,748</b>	<b>--</b>	<b>\$12,748</b>	<b>--</b>	<b>\$13,532</b>	<b>--</b>	<b>--</b>	<b>\$13,532</b>	<b>--</b>	<b>\$14,606</b>	<b>--</b>	<b>--</b>	<b>\$14,606</b>	<b>--</b>	
<b>8640-Political Reform Act of 1974</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,088</b>	<b>--</b>	<b>--</b>	<b>3,088</b>	<b>--</b>	
State Operations	--	--	--	--	--	--	--	--	--	3,088	--	--	3,088	--	
<b>Totals, 8640-Political Reform Act of 1974</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$3,088</b>	<b>--</b>	<b>--</b>	<b>\$3,088</b>	<b>--</b>	
<b>8660-Public Utilities Commission</b>	<b>--</b>	<b>356,680</b>	<b>356,680</b>	<b>7,495</b>	<b>--</b>	<b>399,514</b>	<b>--</b>	<b>399,514</b>	<b>10,802</b>	<b>--</b>	<b>427,708</b>	<b>--</b>	<b>427,708</b>	<b>11,114</b>	
State Operations	--	1,185,898	1,185,898	--	--	1,190,199	--	1,190,199	--	--	1,180,144	--	1,180,144	--	
Local Assistance	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Totals, 8660-Public Utilities Commission</b>	<b>--</b>	<b>\$1,542,578</b>	<b>\$1,542,578</b>	<b>\$7,495</b>	<b>--</b>	<b>\$1,589,713</b>	<b>--</b>	<b>\$1,589,713</b>	<b>\$10,802</b>	<b>--</b>	<b>\$1,407,852</b>	<b>--</b>	<b>\$1,407,852</b>	<b>\$11,114</b>	
<b>8780-Milton Marks Little Hoover Commission</b>	<b>921</b>	<b>--</b>	<b>921</b>	<b>--</b>	<b>1,198</b>	<b>--</b>	<b>--</b>	<b>1,198</b>	<b>--</b>	<b>1,261</b>	<b>--</b>	<b>--</b>	<b>1,261</b>	<b>--</b>	
State Operations	\$921	--	\$921	--	\$1,198	--	--	\$1,198	--	\$1,261	--	--	\$1,261	--	
<b>Totals, 8780-Milton Marks Little Hoover Commission</b>	<b>\$921</b>	<b>--</b>	<b>\$921</b>	<b>--</b>	<b>\$1,198</b>	<b>--</b>	<b>--</b>	<b>\$1,198</b>	<b>--</b>	<b>\$1,261</b>	<b>--</b>	<b>--</b>	<b>\$1,261</b>	<b>--</b>	
<b>8820-Comm on the Status of Women and Girls</b>	<b>580</b>	<b>--</b>	<b>580</b>	<b>--</b>	<b>1,124</b>	<b>--</b>	<b>--</b>	<b>1,124</b>	<b>--</b>	<b>962</b>	<b>--</b>	<b>--</b>	<b>962</b>	<b>--</b>	
State Operations	\$580	--	\$580	--	\$1,124	--	--	\$1,124	--	\$962	--	--	\$962	--	
<b>Totals, 8820-Comm on the Status of Women and Girls</b>	<b>\$580</b>	<b>--</b>	<b>\$580</b>	<b>--</b>	<b>\$1,124</b>	<b>--</b>	<b>--</b>	<b>\$1,124</b>	<b>--</b>	<b>\$962</b>	<b>--</b>	<b>--</b>	<b>\$962</b>	<b>--</b>	
<b>8825-Comm on Asian &amp; Pacif Islndr Amer Affairs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>504</b>	<b>--</b>	<b>--</b>	<b>504</b>	<b>--</b>	<b>504</b>	<b>--</b>	<b>--</b>	<b>504</b>	<b>--</b>	
State Operations	--	--	--	--	\$504	--	--	\$504	--	\$504	--	--	\$504	--	
<b>Totals, 8825-Comm on Asian &amp; Pacif Islndr Amer Affairs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$504</b>	<b>--</b>	<b>--</b>	<b>\$504</b>	<b>--</b>	<b>\$504</b>	<b>--</b>	<b>--</b>	<b>\$504</b>	<b>--</b>	
<b>8855-California State Auditor's Office</b>	<b>26,107</b>	<b>322</b>	<b>26,429</b>	<b>--</b>	<b>25,807</b>	<b>--</b>	<b>--</b>	<b>25,807</b>	<b>--</b>	<b>25,002</b>	<b>--</b>	<b>--</b>	<b>25,002</b>	<b>--</b>	
State Operations	\$26,107	\$322	\$26,429	--	\$25,807	--	--	\$25,807	--	\$25,002	--	--	\$25,002	--	
<b>Totals, 8855-California State Auditor's Office</b>	<b>\$26,107</b>	<b>\$322</b>	<b>\$26,429</b>	<b>--</b>	<b>\$25,807</b>	<b>--</b>	<b>--</b>	<b>\$25,807</b>	<b>--</b>	<b>\$25,002</b>	<b>--</b>	<b>--</b>	<b>\$25,002</b>	<b>--</b>	
<b>8860-Department of Finance</b>	<b>55,546</b>	<b>6</b>	<b>55,552</b>	<b>--</b>	<b>51,388</b>	<b>--</b>	<b>--</b>	<b>51,388</b>	<b>--</b>	<b>44,772</b>	<b>440</b>	<b>--</b>	<b>45,212</b>	<b>--</b>	
State Operations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22				
	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
<b>Totals, 8840-Department of Finance</b>	\$55,546	\$6	\$55,552		\$51,388		\$51,388		\$44,772	\$440		\$45,212	
8880-Financial Information System for CA													
State Operations	68,092	-1,613	66,479		70,231		70,231		47,832			47,832	
<b>Totals, 8880-Financial Information System for CA</b>	\$48,092	-\$1,613	\$46,479		\$70,231		\$70,231		\$47,832			\$47,832	
<b>8885-Commission on State Mandates</b>													
State Operations	2,356		2,356		2,421		2,421		2,631			2,631	
Local Assistance	51,374	1,453	52,827		41,147	1,997	43,144		45,623	2,055		47,678	
<b>Totals, 8885-Commission on State Mandates</b>	\$53,730	\$1,453	\$55,183		\$43,568	\$1,997	\$45,565		\$48,254	\$2,055		\$50,309	
<b>8940-Military Department</b>													
State Operations	115,106	1,633	116,739	120,811	77,682	1,654	79,336	119,650	77,860	1,682		79,542	122,249
Local Assistance	60		60		60		60		60			60	
Capital Outlay	2,932		2,932	2,753	28,992		28,992	1,950	1,579			1,579	49
<b>Totals, 8940-Military Department</b>	\$118,098	\$1,633	\$119,731	\$123,564	\$106,734	\$1,654	\$108,388	\$121,600	\$79,499	\$1,682		\$81,181	\$122,298
<b>8951-Federal Per Diem for Veterans Housing</b>													
State Operations	-81,727		-81,727	81,727	-82,862		-82,862	82,862	-92,892			-92,892	92,892
<b>Totals, 8951-Federal Per Diem for Veterans Housing</b>	-\$81,727		-\$81,727	\$81,727	-\$82,862		-\$82,862	\$82,862	-\$92,892			-\$92,892	\$92,892
<b>8955-Department of Veterans Affairs</b>													
State Operations	423,379	425	423,804	905	438,592	437	439,029	2,650	475,622	456	457	476,535	2,980
Local Assistance	9,250	2,170	11,420		5,600	2,205	7,805		5,600	2,205		7,805	
Capital Outlay	20,314	-19,732	598	20,565		700	700	9,573	1,250			1,250	
<b>Totals, 8955-Department of Veterans Affairs</b>	\$452,943	-\$17,137	\$435,806	\$21,470	\$444,192	\$3,342	\$447,534	\$12,223	\$482,472	\$2,661	\$457	\$485,590	\$2,980
<b>8998-General Obligation Bonds-Gen Gov</b>													
State Operations	11,558		11,558		8,137		8,137		6,882			6,882	
<b>Totals, 8998-General Obligation Bonds-Gen Gov</b>	\$11,558		\$11,558		\$8,137		\$8,137		\$6,882			\$6,882	
<b>Non-Agency Departments</b>													
State Operations	826,850	528,708	1,355,558	319,966	749,005	601,768	1,350,771	328,519	773,030	589,643	2,096	1,364,769	348,462
Local Assistance	204,655	1,317,398	1,522,053	100	1,653,374	1,262,227	1,915,599	100	211,104	1,252,407		1,463,511	100
Capital Outlay	38,028	-19,732	18,296	23,318	28,992	2,572	31,564	11,523	17,181			17,181	49
<b>Totals, Non-Agency Departments</b>	\$1,069,533	\$1,826,374	\$2,895,907	\$443,384	\$1,441,371	\$1,866,567	\$2,307,934	\$440,142	\$1,001,315	\$1,842,050	\$2,096	\$2,845,461	\$348,611
<b>9100-Tax Relief</b>													
Local Assistance	404,271	4,061	408,332		415,001	4,500	419,501		415,001	4,500		419,501	
<b>Totals, 9100-Tax Relief</b>	\$404,271	\$4,061	\$408,332		\$415,001	\$4,500	\$419,501		\$415,001	\$4,500		\$419,501	
<b>9210-Local Government Financing</b>													
Local Assistance	79,123		79,123		755,181		755,181		10,247			10,247	
<b>Totals, 9210-Local Government Financing</b>	\$79,123		\$79,123		\$755,181		\$755,181		\$10,247			\$10,247	
<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>	\$6,096		\$6,096		\$7,000		\$7,000		\$7,000			\$7,000	
<b>9286-Trial Court Security - Judgeships</b>													
Local Assistance	3,640		3,640		4,200		4,200		4,200			4,200	
<b>Totals, 9286-Trial Court Security - Judgeships</b>	\$3,640		\$3,640		\$4,200		\$4,200		\$4,200			\$4,200	
<b>9300-Payment to Counties for Homicide Trials</b>													
Local Assistance	18		18		1		1		1			1	
<b>Totals, 9300-Payment to Counties for Homicide Trials</b>	\$18		\$18		\$1		\$1		\$1			\$1	
<b>9350-Shared Revenues</b>													
Local Assistance	505	2,713,173	2,713,678	30,088	505	2,776,031	2,776,536	30,088	505	3,046,743		3,047,248	30,088
<b>Totals, 9350-Shared Revenues</b>	\$505	\$2,713,173	\$2,713,678	\$30,088	\$505	\$2,776,031	\$2,776,536	\$30,088	\$505	\$3,046,743		\$3,047,248	\$30,088
<b>Tax Relief-Local Gov</b>													
Local Assistance	493,653	2,717,234	3,210,887	30,088	1,181,888	2,780,531	3,962,419	30,088	436,954	3,051,243		3,488,197	30,088
<b>Totals, Tax Relief-Local Gov</b>	\$493,653	\$2,717,234	\$3,210,887	\$30,088	\$1,181,888	\$2,780,531	\$3,962,419	\$30,088	\$436,954	\$3,051,243		\$3,488,197	\$30,088
<b>9600-Debt Service GO Bonds Commercial Paper</b>													



**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22					
	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	25,525		25,525		38,327		38,327		43,652			43,652		43,652
<b>Totals, 9600-Debt Service GO Bonds Commercial Paper</b>	<b>\$25,525</b>		<b>\$25,525</b>		<b>\$38,327</b>		<b>\$38,327</b>		<b>\$43,652</b>			<b>\$43,652</b>		<b>\$43,652</b>
9612-Enhanced Tobacco Asset-Backed Bonds														
State Operations														
<b>Totals, 9612-Enhanced Tobacco Asset-Backed Bonds</b>														
9620-Cash Management and Budgetary Loans														
State Operations	93,417		93,417		10,000		10,000		19,684			19,684		19,684
<b>Totals, 9620-Cash Management and Budgetary Loans</b>	<b>\$93,417</b>		<b>\$93,417</b>		<b>\$10,000</b>		<b>\$10,000</b>		<b>\$19,684</b>			<b>\$19,684</b>		<b>\$19,684</b>
9625-Interest Payments to the Federal Govt														
State Operations	20,567	1,555	22,122	15,000	15,000	1,001	16,001	15,000	15,000	1,001	1,001	16,001	15,000	16,001
<b>Totals, 9625-Interest Payments to the Federal Govt</b>	<b>\$20,567</b>	<b>\$1,555</b>	<b>\$22,122</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$1,001</b>	<b>\$16,001</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$1,001</b>	<b>\$1,001</b>	<b>\$16,001</b>	<b>\$15,000</b>	<b>\$16,001</b>
9650-Health, Dental Benefits for Annuitants														
State Operations	1,843,664		1,843,664		2,022,852		2,022,852		2,350,140			2,350,140		2,350,140
<b>Totals, 9650-Health, Dental Benefits for Annuitants</b>	<b>\$1,843,664</b>		<b>\$1,843,664</b>		<b>\$2,022,852</b>		<b>\$2,022,852</b>		<b>\$2,350,140</b>			<b>\$2,350,140</b>		<b>\$2,350,140</b>
9670-Equity Claims & Settlements & Judgments														
State Operations	30,483		30,483		5,087		5,087							
<b>Totals, 9670-Equity Claims &amp; Settlements &amp; Judgments</b>	<b>\$30,483</b>		<b>\$30,483</b>		<b>\$5,087</b>		<b>\$5,087</b>							
9800-Augmentation for Employee Compensation														
State Operations	361		361		6,000		6,000		35,526	8,446		43,972		43,972
<b>Totals, 9800-Augmentation for Employee Compensation</b>	<b>\$361</b>		<b>\$361</b>		<b>\$6,000</b>		<b>\$6,000</b>		<b>\$35,526</b>	<b>\$8,446</b>		<b>\$43,972</b>		<b>\$43,972</b>
9840-Contingencies-Emergencies Augmentation														
State Operations														
<b>Totals, 9840-Contingencies-Emergencies Augmentation</b>														
9860-Capital Outlay Planning, Studies														
Capital Outlay	500		500											
<b>Totals, 9860-Capital Outlay Planning, Studies</b>	<b>\$500</b>		<b>\$500</b>											
9889-Public School System Stabilization Acct														
Local Assistance					746,535	-746,535			2,240,748	-2,240,748				
<b>Totals, 9889-Public School System Stabilization Acct</b>					<b>\$746,535</b>	<b>-\$746,535</b>			<b>\$2,240,748</b>	<b>-\$2,240,748</b>				
9892-Supplemental Pension Payments														
State Operations	390,000	156,189	546,189	221,000	350,921	6	571,927	76,489	228,000	238,355	6	466,361	76,489	76,489
<b>Totals, 9892-Supplemental Pension Payments</b>	<b>\$390,000</b>	<b>\$156,189</b>	<b>\$546,189</b>	<b>\$221,000</b>	<b>\$350,921</b>	<b>\$6</b>	<b>\$571,927</b>	<b>\$76,489</b>	<b>\$228,000</b>	<b>\$238,355</b>	<b>\$6</b>	<b>\$466,361</b>	<b>\$76,489</b>	<b>\$76,489</b>
9894-Statewide Proposition 98 Reconciliation														
Local Assistance	-170,238		-170,238		-467,845		-467,845		-222,536					-222,536
<b>Totals, 9894-Statewide Proposition 98 Reconciliation</b>	<b>-\$170,238</b>		<b>-\$170,238</b>		<b>-\$467,845</b>		<b>-\$467,845</b>		<b>-\$222,536</b>					<b>-\$222,536</b>
9897-Section 3.60 Rate Adjustments														
State Operations														
<b>Totals, 9897-Section 3.60 Rate Adjustments</b>														
9900-Statewide General Admin Exp (Pro Rata)														
State Operations	-765,679	676,806	-88,873	-762,178	698,870	891	-62,417	816,245	-89,624	816,245	818	-79,181	816,245	818
<b>Totals, 9900-Statewide General Admin Exp (Pro Rata)</b>	<b>-\$765,679</b>	<b>\$676,806</b>	<b>-\$88,873</b>	<b>-\$762,178</b>	<b>\$698,870</b>	<b>\$891</b>	<b>-\$62,417</b>	<b>\$816,245</b>	<b>-\$89,624</b>	<b>\$816,245</b>	<b>\$818</b>	<b>-\$79,181</b>	<b>\$816,245</b>	<b>\$818</b>
9901-Various Departments														
State Operations														
Local Assistance	-92,203	103,805	11,602	-104,353	82,437		-21,916	76,674	-55,682	76,674		615,420		615,420
<b>Totals, 9901-Various Departments</b>	<b>-\$92,203</b>	<b>\$103,805</b>	<b>\$11,602</b>	<b>-\$104,353</b>	<b>\$82,437</b>		<b>-\$21,916</b>	<b>\$76,674</b>	<b>-\$55,682</b>	<b>\$76,674</b>		<b>\$615,420</b>		<b>\$615,420</b>
9910-General Fund Credits from Federal Funds														
State Operations	-178,209		-178,209	-187,250			-187,250		-207,264			-207,264		-207,264
<b>Totals, 9910-General Fund Credits from Federal Funds</b>	<b>-\$178,209</b>		<b>-\$178,209</b>	<b>-\$187,250</b>			<b>-\$187,250</b>		<b>-\$207,264</b>			<b>-\$207,264</b>		<b>-\$207,264</b>
Statewide Expenditures														
State Operations	1,460,129	834,550	2,294,797	6,793,191	1,065,435	897	7,859,523	76,489	909,188	1,092,680	824	2,002,692	76,489	2,002,692
Local Assistance	-262,441	103,805	-158,636	174,337	-664,098		-487,761		2,556,958	-2,164,074		392,884		392,884

**SCHEDULE 9 AT 2021-22 GOVERNOR'S BUDGET  
COMPARATIVE STATEMENT OF EXPENDITURES  
(Dollars in Thousands)**

	Actual 2019-20				Estimated 2020-21				Estimated 2021-22						
	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Fund	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Funds	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	500			500											
Totals, Statewide Expenditures	\$1,198,188	\$938,355	\$118	\$2,136,661		\$6,967,528	\$401,337	\$897	\$7,369,762	\$76,489	\$3,466,146	\$1,071,394	\$624	\$2,395,576	\$76,489
<b>TOTALS, GENERAL GOVERNMENT</b>	<b>\$2,761,374</b>	<b>\$5,481,963</b>	<b>\$15,283</b>	<b>\$8,258,620</b>	<b>\$373,472</b>	<b>\$9,092,787</b>	<b>\$5,048,435</b>	<b>\$8,973</b>	<b>\$14,150,195</b>	<b>\$446,719</b>	<b>\$4,904,415</b>	<b>\$3,821,899</b>	<b>\$2,920</b>	<b>\$8,729,234</b>	<b>\$455,188</b>
State Operations	\$2,286,979	\$1,363,258	\$3,081	\$3,653,318	\$319,966	\$7,542,196	\$1,667,203	\$2,979	\$9,212,378	\$405,008	\$1,682,218	\$1,682,323	\$2,920	\$3,367,461	\$424,951
Local Assistance	\$435,867	\$4,138,437	\$6,687	\$4,580,991	\$30,188	\$1,521,599	\$3,378,660	\$5,994	\$4,906,253	\$30,188	\$3,205,016	\$2,139,576	--	\$5,344,592	\$30,188
Capital Outlay	\$38,528	-\$19,732	\$5,515	\$24,311	\$23,318	\$28,992	\$2,572	--	\$31,564	\$11,523	\$17,181	--	--	\$17,181	\$49
<b>GRAND TOTAL</b>	<b>\$146,556,100</b>	<b>\$55,277,902</b>	<b>\$6,438,125</b>	<b>\$208,272,127</b>	<b>\$151,527,579</b>	<b>\$155,898,125</b>	<b>\$63,183,761</b>	<b>\$7,868,356</b>	<b>\$226,950,242</b>	<b>\$227,964,566</b>	<b>\$164,515,689</b>	<b>\$58,324,494</b>	<b>\$4,397,317</b>	<b>\$227,237,500</b>	<b>\$150,791,880</b>
State Operations	\$42,163,715	\$17,916,017	\$305,579	\$60,385,311	\$11,047,410	\$46,487,567	\$18,024,861	\$638,770	\$65,151,198	\$11,423,328	\$41,827,914	\$18,627,156	\$329,049	\$60,784,119	\$11,281,678
Local Assistance	\$104,044,025	\$34,670,380	\$5,231,090	\$143,945,495	\$138,514,027	\$109,140,781	\$40,380,593	\$6,223,642	\$155,945,016	\$214,473,477	\$122,403,370	\$36,845,049	\$3,623,640	\$162,872,059	\$137,534,750
Capital Outlay	\$348,360	\$2,691,505	\$901,456	\$3,941,321	\$1,966,142	\$269,777	\$4,573,307	\$1,005,944	\$5,849,028	\$2,062,761	\$284,405	\$2,852,289	\$444,628	\$3,581,322	\$1,970,452
Unclassified	--	--	--	--	--	--	\$5,000	--	\$5,000	\$5,000	--	--	--	--	\$5,000

Note: Numbers may not add due to rounding

**SCHEDULE 10 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
<b>GENERAL FUND</b>	<b>11,292,231</b>	<b>140,623,155</b>	<b>146,556,100</b>	<b>5,359,286</b>	<b>162,742,249</b>	<b>155,898,125</b>	<b>12,203,410</b>	<b>158,370,127</b>	<b>164,515,689</b>	<b>6,057,848</b>
<b>SPECIAL FUNDS</b>										
0002-Property Acquisition Law Money Account	5,084	6,171	3,897	7,358	4,000	5,216	6,142	4,678	4,245	6,575
0003-Motor Vehicle Parking Facilities-Moneys Account	7,416	5,615	7,715	5,316	6,684	6,351	5,649	7,000	6,885	5,764
0004-Breast Cancer Fund	4	1,026	638	392	227	619	--	657	657	--
0006-Disability Access Account	31,019	17,670	11,639	37,050	-20,521	11,572	4,957	24,341	14,089	15,209
0007-Breast Cancer Research Account, Breast Cancer Fund	11,261	8,698	1,344	18,615	8,549	13,102	14,062	7,393	20,941	514
0009-Breast Cancer Control Account, Breast Cancer Fund	7,516	8,946	10,026	6,436	8,805	10,884	4,357	7,629	11,054	932
0012-Attorney General Antitrust Account	394	6,559	5,895	1,058	11,528	10,960	1,626	12,071	11,281	2,416
0014-Hazardous Waste Control Account	14,304	57,808	55,697	16,415	50,123	57,982	8,556	53,000	60,179	1,377
0017-Fingerprint Fees Account	67,172	101,742	96,289	72,625	29,448	101,606	467	104,433	101,245	3,655
0018-Site Remediation Account	12,610	19,215	10,341	21,484	6,900	28,371	13	19,678	19,555	136
0020-California State Law Library Special Account	217	299	390	126	299	349	76	299	375	--
0022-State Emergency Telephone Number Account	-9,726	126,295	111,927	4,642	192,415	170,474	26,583	192,412	182,716	36,279
0023-Farmworker Remedial Account	1,340	315	291	1,364	258	291	1,331	258	291	1,298
0026-State Motor Vehicle Insurance Account	43,910	38,768	48,658	34,020	33,957	34,229	33,748	34,098	34,314	33,532
0028-Unified Program Account	3,517	6,911	8,655	1,773	8,381	8,616	1,538	8,652	9,882	308
0029-Nuclear Planning Assessment Special Account	464	4,769	4,486	747	4,803	4,568	982	4,803	4,735	1,050
0032-Firearm Safety Account	5,986	893	362	6,517	-5,397	366	754	742	377	1,119
0033-State Energy Conservation Assistance Account	74,580	2,530	39,009	38,101	2,476	-1,059	41,636	2,550	-968	45,154
0034-Geothermal Resources Development Account	--	1,322	1,322	--	1,322	1,322	--	1,322	1,322	--
0035-Surface Mining and Reclamation Account	2,637	4,624	4,531	2,730	4,890	4,963	2,657	5,225	5,253	2,629
0041-Aeronautics Account, State Transportation Fund	3,533	7,648	7,714	3,467	8,039	8,358	3,148	8,660	8,618	3,190
0042-State Highway Account, State Transportation Fund	2,754,775	5,335,163	4,233,503	3,856,435	3,398,916	4,481,262	2,774,089	4,349,905	4,739,295	2,384,699
0044-Motor Vehicle Account, State Transportation Fund	602,326	3,971,144	4,185,894	387,576	3,967,162	4,177,602	177,136	4,303,375	4,343,811	136,700

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0046-Public Transportation Account, State Transportation Fund	1,095,304	1,670,525	1,302,011	1,463,818	1,413,843	1,314,189	1,563,472	1,677,672	1,665,235	1,575,909
0052-Local Airport Loan Account	31,463	-546	-808	31,725	-23,861	-93	7,957	-2,104	-223	6,076
0054-New Motor Vehicle Board Account	2,409	1,787	1,738	2,458	1,830	1,877	2,411	1,964	2,028	2,347
0055-Mass Transif 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	-10,365	50,329	39,964	--	41,201	41,201	--	43,863	43,863	--
0062-Highway Users Tax Account, Transportation Tax Fund	--	1,480,844	1,480,844	--	1,583,598	1,583,598	--	1,741,116	1,741,116	--
0064-Motor Vehicle License Fee Account, Transportation Tax Fund	18,297	14,142	19,524	12,915	15,973	28,888	--	39,530	39,530	--
0065-Illegal Drug Lab Cleanup Account	778	24	--	802	4	16	790	4	749	45
0066-Sale of Tobacco to Minors Control Account	1,062	412	1,180	294	304	14	584	304	888	--
0067-State Corporations Fund	87,504	90,578	63,645	114,437	-114,437	--	--	--	--	--
0069-Barbering and Cosmetology Confingent Fund	22,374	45,449	21,549	46,274	-3,416	-4,047	46,905	21,818	22,175	46,548
0070-Occupational Lead Poisoning Prevention Account	3,475	3,387	5,067	1,795	3,390	3,357	1,828	3,387	5,215	--
0071-Yosemite Foundation Account, California Environmental License Plate Fund	281	900	610	571	900	840	631	900	840	691
0072-California Collegiate License Plate Fund	1	26	14	13	38	38	13	38	38	13
0074-Medical Waste Management Fund	1,303	2,746	3,082	967	2,507	2,925	549	2,507	3,037	19
0075-Radiation Control Fund	9,128	29,621	30,324	8,425	26,415	29,479	5,361	28,035	31,391	2,005
0076-Tissue Bank License Fund	3,205	493	711	2,987	408	681	2,714	452	731	2,435
0078-Graphic Design License Plate Account	396	1,856	2,063	189	2,250	2,355	84	2,314	2,378	20
0080-Childhood Lead Poisoning Prevention Fund	63,978	20,968	44,828	40,118	33,789	47,369	26,538	34,936	46,263	15,211
0082-Export Document Program Fund	1,070	410	910	570	480	875	175	480	655	--
0083-Veterans Service Office Fund	2,830	1,027	954	2,903	1,156	992	3,067	1,156	992	3,231
0093-Construction Management Education Account (CMEA)	374	143	98	419	260	105	574	260	106	728

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0098-Clinical Laboratory Improvement Fund	18,168	9,969	14,247	13,890	11,529	13,736	11,683	12,369	14,730	9,322
0099-Health Statistics Special Fund	12,854	27,526	31,967	8,413	27,478	32,061	3,830	31,478	33,718	1,590
0100-California Used Oil Recycling Fund	20,336	22,599	29,104	13,831	19,303	23,165	9,969	18,929	23,511	5,387
0102-State Fire Marshal Licensing and Certification Fund	2,201	5,082	5,969	1,314	5,748	5,678	1,384	5,738	6,204	918
0104-San Joaquin River Conservancy Fund	2,362	280	128	2,514	178	227	2,465	178	228	2,415
0106-Department of Pesticide Regulation Fund	17,974	105,232	109,171	14,035	106,583	108,459	12,159	129,969	141,286	842
0108-Acupuncture Fund	3,766	3,414	3,460	3,720	3,051	4,898	1,873	3,834	4,529	1,178
0111-Department of Agriculture Account, Department of Food and Agriculture Fund	148,374	168,223	190,736	125,861	163,883	190,205	99,539	171,210	196,199	74,550
0115-Air Pollution Control Fund	248,435	219,391	205,177	262,649	434,666	249,472	447,843	174,468	336,470	285,841
0117-Alcoholic Beverage Control Appeals Fund	4,361	1,827	1,401	4,787	1,833	1,741	4,879	1,878	1,658	5,099
0121-Hospital Building Fund	174,230	70,714	72,727	172,217	16,453	67,233	121,437	20,714	72,395	69,756
0122-Emergency Food Assistance Program Fund	388	487	481	394	545	541	398	860	541	717
0124-California Agricultural Export Promotion Account	49	10	10	49	10	10	49	10	10	49
0125-Assembly Operating Fund	145	--	--	145	--	--	145	--	--	145
0126-State Audit Fund	12,402	400	322	12,480	400	--	12,880	--	--	12,880
0129-Water Device Certification Special Account	1,329	236	416	1,149	215	400	964	215	415	764
0131-Foster Family Home and Small Family Home Insurance Fund	1,312	--	--	1,312	--	--	1,312	--	--	1,312
0132-Workers Compensation Managed Care Fund	595	17	82	530	18	74	474	18	78	414
0133-California Beverage Container Recycling Fund	308,895	1,211,738	1,246,313	274,320	1,155,626	1,239,444	190,502	1,129,968	1,242,545	77,925
0139-Driving Under-the-Influence Program Licensing Trust Fund	758	983	1,350	391	1,078	1,319	150	1,233	1,383	--
0140-California Environmental License Plate Fund	17,234	60,740	68,480	9,494	59,274	60,398	8,370	62,009	68,297	2,082
0141-Soil Conservation Fund	5,186	2,986	3,300	4,872	3,416	6,013	2,275	3,415	4,174	1,516
0142-Department of Justice Sexual Habitual Offender Fund	3,388	2,221	1,872	3,737	1,489	2,853	2,373	1,673	2,998	1,048
0143-California Health Data and Planning Fund	18,971	32,244	38,968	12,247	30,915	35,651	7,511	43,925	48,279	3,157
0144-California Water Fund	1,386	--	--	1,386	--	--	1,386	--	--	1,386

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0152-State Board of Chiropractic Examiners Fund	2,086	4,659	4,381	2,364	4,396	5,365	1,395	4,356	4,903	848
0156-California Heritage Fund	53	--	--	53	--	--	53	--	--	53
0158-Travel Seller Fund	1,754	759	910	1,603	720	1,534	789	776	1,565	--
0159-State Trial Court Improvement and Modernization Fund	20,951	5,662	5,461	21,152	3,215	10,247	14,120	2,962	15,413	1,669
0160-Operating Funds of the Assembly and Senate	34	8,809	8,809	34	--	--	34	--	--	34
0163-Continuing Care Provider Fee Fund	2,539	1,810	1,692	2,657	1,636	1,692	2,601	1,698	1,736	2,563
0166-Certification Account, Consumer Affairs Fund	1,266	1,445	1,412	1,299	1,189	1,493	995	1,279	1,598	676
0168-Structural Pest Control Research Fund	811	171	385	597	171	3	765	171	3	933
0169-California Debt Limit Allocation Committee Fund	7,583	2,018	1,611	7,990	-814	2,510	4,666	3,279	2,747	5,198
0170-Corrections Training Fund	182	14	--	196	--	--	196	--	--	196
0171-California Debt and Investment Advisory Commission Fund	5,500	3,236	3,984	4,752	3,055	3,944	3,863	3,273	4,255	2,881
0172-Developmental Disabilities Program Development Fund	1,034	1,941	2,700	275	1,242	1,289	228	2,280	2,331	177
0174-Clandestine Drug Lab Clean-Up Account	6	2	--	8	--	--	8	--	--	8
0175-Dispensing Opticians Fund	868	680	455	1,093	751	514	1,330	--	46	1,284
0177-Food Safety Fund	9,198	9,215	13,078	5,335	8,754	10,462	3,627	8,754	12,381	--
0178-Driver Training Penalty Assessment Fund	1,399	--	158	1,241	--	--	1,241	--	--	1,241
0179-Environmental Laboratory Improvement Fund	145	4,255	4,049	351	4,214	3,585	980	4,214	4,347	847
0180-Northern California Veterans Cemetary Master Development Fund	143	--	--	143	--	--	143	--	--	143
0181-Registered Nurse Education Fund	2,468	2,156	2,225	2,399	2,145	2,207	2,337	2,156	2,228	2,265
0183-Environmental Enhancement and Mitigation Program Fund	30,287	7,965	7,085	31,167	-9,307	7,068	14,792	7,693	7,122	15,363
0184-Employment Development Department Benefit Audit Fund	14,439	23,933	23,278	15,094	17,008	23,276	8,826	21,258	23,011	7,073
0185-Employment Development Department Contingent Fund	39,101	140,542	96,283	83,360	115,370	155,224	43,506	127,406	170,625	287
0191-Fair and Exposition Fund	5,004	258	849	4,413	180	1,578	3,015	162	1,637	1,540
0193-Waste Discharge Permit Fund	9,293	153,843	155,538	7,598	153,093	150,951	9,740	174,813	179,469	5,084

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0194-Emergency Medical Services Training Program Approval Fund	81	214	249	46	173	186	33	172	196	9
0198-California Fire and Arson Training Fund	95	2,062	2,149	8	4,416	3,766	658	5,485	3,888	2,255
0200-Fish and Game Preservation Fund	69,409	117,788	132,752	54,445	114,955	119,876	49,524	113,336	126,785	36,075
0203-Genetic Disease Testing Fund	30,774	126,148	144,760	12,162	139,088	141,218	10,032	143,550	148,118	5,464
0205-Geology and Geophysics Account, Professional Engineers and Land Surveyors Fund	1,131	--	--	1,131	--	--	1,131	--	--	1,131
0207-Fish and Wildlife Pollution Account	861	280	350	791	280	344	727	280	343	664
0209-California Hazardous Liquid Pipeline Safety Fund	12,324	3,933	5,695	10,562	863	5,099	6,326	3,712	7,581	2,457
0210-Outpatient Setting Fund of the Medical Board of California	475	88	2	561	83	28	616	83	28	671
0211-California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	2,275	20	221	2,074	20	221	1,873	20	222	1,671
0212-Marine Invasive Species Control Fund	3,585	4,906	6,124	2,367	4,906	5,732	1,541	5,700	6,115	1,126
0213-Native Species Conservation and Enhancement Account, Fish and Game Preservation Fund	763	144	153	754	144	149	749	144	158	735
0214-Restitution Fund	50,061	70,032	101,900	18,193	68,246	77,872	8,567	68,239	74,700	2,106
0217-Insurance Fund	24,592	304,029	298,339	30,282	301,078	308,656	22,704	311,861	330,383	4,182
0223-Workers Compensation Administration Revolving Fund	180,327	376,565	373,451	183,441	383,063	379,087	187,417	400,072	400,023	187,466
0226-California Tire Recycling Management Fund	90,504	29,172	48,141	71,535	22,464	46,122	47,877	23,307	41,777	29,407
0228-Secretary of States Business Fees Fund	1,000	73,745	73,745	1,000	73,021	73,021	1,000	73,092	73,092	1,000
0230-Cigarette and Tobacco Products Surtax Fund	--	7,872	7,871	1	7,616	7,616	1	8,065	8,066	--
0231-Health Education Account, Cigarette and Tobacco Products Surtax Fund	15,488	61,080	73,190	3,378	57,409	58,200	2,587	51,344	51,035	2,896
0232-Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	49,840	91,958	131,089	10,709	87,315	92,362	5,662	75,971	77,554	4,079
0233-Physician Services Account, Cigarette and Tobacco Products Surtax Fund	17,961	26,308	40,986	3,283	24,982	26,694	1,571	21,740	22,146	1,165
0234-Research Account, Cigarette and Tobacco Products Surtax Fund	4,772	15,232	19,204	800	14,351	14,673	478	12,799	12,569	708

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0235-Public Resources Account, Cigarette and Tobacco Products Surtax Fund	2,856	8,042	9,860	1,038	7,245	7,624	659	5,759	6,099	319
0236-Unallocated Account, Cigarette and Tobacco Products Surtax Fund	30,355	59,222	80,346	9,231	55,993	61,164	4,060	48,838	50,192	2,706
0238-Northern California Veterans Cemetery Perpetual Maintenance Fund	596	151	65	682	81	72	691	81	72	700
0239-Private Security Services Fund	9,143	14,738	15,485	8,396	15,040	16,876	6,560	15,830	17,985	4,405
0240-Local Agency Deposit Security Fund	96	666	556	206	679	536	349	679	661	367
0241-Local Public Prosecutors and Public Defenders Training Fund	995	18	1	1,012	22	1	1,033	22	--	1,055
0242-Court Collection Account	9,277	123,770	119,207	13,840	97,131	96,110	14,861	91,407	91,613	14,655
0243-Narcotic Treatment Program Licensing Trust Fund	4,122	2,104	2,033	4,193	2,025	1,932	4,286	2,144	2,078	4,352
0244-Environmental Water Fund	3,024	--	--	3,024	--	--	3,024	--	--	3,024
0245-Mobilehome Parks and Special Occupancy Parks Revolving Fund	2,545	8,220	9,397	1,368	7,826	9,638	-444	8,220	9,521	-1,745
0247-Drinking Water Operator Certification Special Account	3,703	3,453	2,021	5,135	1,768	1,856	5,047	1,768	3,043	3,772
0256-Sexual Predator Public Information Account	256	60	112	204	79	180	103	85	187	1
0257-Earthquake Emergency Investigations Account, Disaster Assistance Fund	30	--	3	27	--	--	27	--	--	27
0260-Nursing Home Administrators State License Examining Fund	799	--	--	799	--	--	799	--	--	799
0261-Off Highway License Fee Fund	45	2,403	2,448	--	2,404	2,404	--	2,404	2,404	--
0262-Habitat Conservation Fund	23,693	11,577	12,544	22,726	11,351	31,394	2,683	10,540	10,556	2,667
0263-Off-Highway Vehicle Trust Fund	155,929	76,101	114,665	117,365	74,554	142,107	49,812	81,610	113,766	17,656
0264-Osteopathic Medical Board of California Contingent Fund	3,307	4,212	2,494	5,025	2,853	3,159	4,719	2,838	3,519	4,038
0266-Inland Wetlands Conservation Fund, Wildlife Restoration Fund	3,254	127	--	3,381	68	--	3,449	68	--	3,517
0267-Exposition Park Improvement Fund	4,900	8,563	11,926	1,537	9,866	10,389	1,014	9,866	10,697	183
0268-Peace Officers Training Fund	340	-340	--	--	--	--	--	--	--	--



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0269-Glass Processing Fee Account, California Beverage Container Recycling Fund	24,407	71,232	67,857	27,782	79,377	65,985	41,174	79,377	65,985	54,566
0270-Technical Assistance Fund	9,099	23,195	26,842	5,452	22,217	26,847	822	24,308	24,586	544
0271-Certification Fund	1,615	1,548	2,249	914	1,788	2,257	445	1,829	2,268	6
0272-Infant Botulism Treatment and Prevention Fund	14,243	9,343	14,463	9,123	7,229	10,974	5,378	11,340	10,144	6,574
0275-Hazardous and Idle-Deserted Well Abatement Fund	10,408	4,284	1,605	13,087	-5,910	1,009	6,168	3,590	1,013	8,745
0276-Penalty Account, California Beverage Container Recycling Fund	6,541	276	5,015	1,802	276	15	2,063	276	15	2,324
0277-Bi-metal Processing Fee Account, California Beverage Container Recycling Fund	24,055	1,870	253	25,672	1,870	255	27,287	1,870	255	28,902
0278-PET Processing Fee Account, California Beverage Container Recycling Fund	25,070	76,959	62,637	39,392	86,546	61,649	64,289	86,546	61,649	89,186
0279-Child Health and Safety Fund	1,483	3,779	5,227	35	4,640	4,533	142	4,721	4,544	319
0280-Physician Assistant Fund	3,009	3,831	1,958	4,882	2,314	2,951	4,245	2,420	3,123	3,542
0281-Recycling Market Development/Revolving Loan Subaccount, Integrated Waste Management Account	10,142	1,680	7,403	4,419	1,680	1,992	4,107	1,924	2,080	3,951
0286-Lake Tahoe Conservancy Account	3,088	857	1,624	2,321	800	1,550	1,571	900	1,311	1,160
0288-The Registry of International Student Exchange Visitor Placement Organizations Fund	148	9	--	157	9	--	166	9	--	175
0289-State HICAP Fund	9,169	4,560	2,535	11,194	-759	2,538	7,897	5,248	2,538	10,607
0290-Board of Pilot Commissioners Special Fund	3,791	2,084	2,642	3,233	2,476	2,934	2,775	2,538	3,251	2,062
0293-Motor Carriers Safety Improvement Fund	1,115	1,883	1,916	1,082	1,783	1,989	876	1,929	2,174	631
0294-Removal and Remedial Action Account	7,330	2,295	2,010	7,615	633	3,245	5,003	633	3,282	2,354
0295-Board of Podiatric Medicine Fund	716	1,236	1,387	565	1,260	1,599	226	1,643	1,662	207
0298-Financial Institutions Fund	45,371	32,983	36,774	41,580	-41,580	--	--	--	--	--
0299-Credit Union Fund	896	12,183	12,460	619	12,962	11,687	1,894	12,962	13,564	1,292
0300-Professional Forester Registration Fund	10	272	219	63	198	211	50	198	247	1
0305-Private Postsecondary Education Administration Fund	6,985	14,853	18,380	3,458	22,838	19,878	6,418	14,834	20,540	712

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0306-Safe Drinking Water Account	4,801	28,087	30,559	2,329	27,698	27,374	2,653	29,118	31,581	190
0308-Earthquake Risk Reduction Fund of 1996	81	--	81	--	--	--	--	--	--	--
0309-Perinatal Insurance Fund	47,330	2,542	19,793	30,079	2,538	14,170	18,447	2,542	17,202	3,787
0310-Psychology Fund	7,779	9,415	5,798	11,396	3,189	6,496	8,089	4,420	7,437	5,072
0311-Traumatic Brain Injury Fund	51	1,156	1,156	51	1,150	1,154	47	1,150	1,150	47
0312-Emergency Medical Services Personnel Fund	1,697	2,478	3,288	887	2,745	3,423	209	3,261	3,322	148
0314-Diesel Emission Reduction Fund	4,493	212	--	4,705	-3,910	--	795	90	--	885
0317-Real Estate Fund	39,910	66,202	64,634	41,478	48,401	59,388	30,491	50,570	60,777	20,284
0318-Collins-Dugan California Conservation Corps Reimbursement Account	774	3,484	3,349	909	3,779	3,927	761	3,807	4,197	371
0319-Respiratory Care Fund	27,379	52,288	61,831	17,836	54,925	56,056	16,705	63,426	60,171	19,960
0320-Oil Spill Prevention and Administration Fund	13,448	36,893	107	50,234	-28,107	112	22,015	1,893	112	23,796
0321-Oil Spill Response Trust Fund	1,058	237	275	1,020	1,400	999	1,421	277	1,002	696
0322-Environmental Enhancement Fund	4,046	2,747	2,854	3,939	2,681	2,993	3,627	2,933	3,286	3,274
0325-Electronic and Appliance Repair Fund	1,741	1,830	1,938	1,633	556	1,904	285	1,799	1,984	100
0326-Athletic Commission Fund	1,242	198	214	1,226	153	168	1,211	153	156	1,208
0327-Court Interpreters Fund	48,199	84,762	67,268	65,693	39,288	68,266	36,715	89,186	74,650	51,251
0328-Public School Planning, Design, and Construction Review Revolving Fund	--	14,000	14,000	--	14,000	14,000	--	14,000	14,000	--
0329-Vehicle License Collection Account, Local Revenue Fund	--	897	897	--	861	861	--	920	920	--
0330-Local Revenue Fund	160	407	480	87	421	420	88	421	490	19
0335-Registered Environmental Health Specialist Fund	648	5,246	5,533	361	5,098	5,273	186	5,777	5,763	200
0336-Mine Reclamation Account	18,345	14,206	13,364	19,187	7,192	13,749	12,630	13,300	15,319	10,611
0338-Strong-Motion Instrumentation and Seismic Hazards Mapping Fund	--	31,533	31,533	--	31,533	31,533	--	31,533	31,533	--
0342-State School Fund	69,267	1,500	1,555	69,212	-48,995	1,735	18,482	440	1,906	17,016
0347-School Land Bank Fund	7	--	--	7	--	--	7	--	--	7
0348-Senate Operating Fund	607	--	607	--	--	--	--	--	--	--
0349-Educational Telecommunication Fund	--	1,120,551	1,120,551	--	1,129,949	1,129,949	--	1,146,096	1,146,096	--
0351-Mental Health Subaccount, Sales Tax Account	--	--	--	--	--	--	--	--	--	--

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0352-Social Services Subaccount, Sales Tax Account	--	2,296,188	2,296,188	--	2,296,188	2,296,188	--	2,345,276	2,345,276	--
0353-Health Subaccount, Sales Tax Account	--	--	--	--	23,890	23,890	--	--	--	--
0354-Caseload Subaccount, Sales Tax Growth Account	--	--	--	--	68,917	68,917	--	--	--	--
0361-General Growth Subaccount, Sales Tax Growth Account	--	--	--	--	114,781	114,781	--	--	--	--
0365-Historic Property Maintenance Fund	2,716	705	1,110	2,311	662	1,137	1,836	655	1,137	1,354
0367-Indian Gaming Special Distribution Fund	51,471	45,039	33,286	63,224	40,137	35,286	68,075	40,105	34,214	73,966
0371-California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	500	1,211	1,126	585	1,150	1,247	488	1,150	1,361	277
0375-Disaster Response-Emergency Operations Account, Special Fund for Economic Uncertainties	23	--	--	23	--	--	23	--	--	23
0376-Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund	2,076	2,217	2,440	1,853	2,471	2,419	1,905	2,498	2,602	1,801
0378-False Claims Act Fund	1,873	16,112	17,434	551	17,689	17,749	491	18,883	18,268	1,106
0381-Public Interest Research, Development, and Demonstration Fund	14,440	275	818	13,897	238	770	13,365	275	808	12,832
0382-Renewable Resource Trust Fund	31,316	1,685	1,347	31,654	-18,467	1,189	11,998	1,620	1,282	12,336
0384-The Salmon and Steelhead Trout Restoration Account	4	--	--	4	--	--	4	--	--	4
0386-Solid Waste Disposal Site Cleanup Trust Fund	7,877	5,471	5,736	7,612	1,404	5,853	3,163	5,471	5,762	2,872
0387-Integrated Waste Management Account, Integrated Waste Management Fund	42,725	55,824	66,095	32,454	54,071	54,675	31,850	56,944	58,229	30,565
0392-State Parks and Recreation Fund	2,939	252,671	225,471	30,139	243,824	188,369	85,594	247,830	286,353	47,071
0396-Self-Insurance Plans Fund	3,643	4,531	4,610	3,564	3,342	4,492	2,414	4,476	4,733	2,157
0399-Structural Pest Control Education and Enforcement Fund	1,079	425	388	1,116	456	401	1,171	459	340	1,290
0400-Real Estate Appraisers Regulation Fund	5,824	4,367	5,967	4,224	5,995	6,274	3,945	5,281	6,690	2,536
0407-Teacher Credentials Fund	24,778	26,493	24,018	27,253	5,915	24,911	8,257	21,571	25,140	4,688

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0408-Test Development and Administration Account, Teacher Credentials Fund	5,303	4,352	5,945	3,710	2,734	5,337	1,107	6,038	7,039	106
0410-Transcript Reimbursement Fund	37	1	3	35	--	--	35	--	--	35
0412-Transportation Rate Fund	499	9	--	508	--	--	508	--	--	508
0421-Vehicle Inspection and Repair Fund	115,856	256,333	150,824	221,365	74,405	145,114	150,656	114,747	154,818	110,585
0425-Victim - Witness Assistance Fund	5	2	--	7	2	--	9	2	--	11
0429-Local Jurisdiction Energy Assistance Account	387	-101	--	286	5	--	291	5	--	296
0434-Air Toxics Inventory and Assessment Account	1,382	2,087	631	2,838	854	703	2,989	804	735	3,058
0436-Underground Storage Tank Tester Account	11	20	19	12	20	18	14	20	18	16
0437-State Assistance For Fire Equipment Account	2,266	760	107	2,919	100	100	2,919	100	100	2,919
0439-Underground Storage Tank Cleanup Fund	1,018,766	347,764	322,097	1,044,433	-273,649	312,369	458,415	321,984	311,916	468,483
0448-Wildlife Restoration Fund	2,383	3,752	3,180	2,955	3,729	4,011	2,673	1,162	235	3,600
0447-Wildlife Restoration Fund	27,772	68,969	4,964	91,777	-53,022	7,151	31,604	7,242	7,512	31,334
0448-Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account	437	250	363	324	250	395	179	250	370	59
0449-Winter Recreation Fund	25,732	25,782	30,262	21,252	26,917	28,685	19,484	26,883	37,632	8,735
0452-Elevator Safety Account	1,782	5,834	6,158	1,458	5,465	5,936	987	5,460	6,267	180
0453-Pressure Vessel Account	3	--	--	3	--	--	3	--	--	3
0456-Expedited Site Remediation Trust Fund	46,007	51,567	3,541	94,033	-45,746	5,692	42,595	14,461	6,042	51,014
0457-Tax Credit Allocation Fee Account	-314	889	576	-1	486	396	89	486	394	181
0458-Site Operation and Maintenance Account, Hazardous Substance Account	1,073	--	--	1,073	--	--	1,073	--	--	1,073
0459-Telephone Medical Advice Services Fund	6,190	28,116	24,566	9,740	35,706	27,613	17,833	29,578	25,631	21,780
0460-Dealers Record of Sale Special Account	57,583	2,530	25,293	34,820	11,697	25,523	20,994	13,452	26,533	7,913
0461-Public Utilities Commission Transportation Reimbursement Account	51,037	142,447	203,066	-9,582	240,511	192,437	38,492	249,181	203,497	84,176
0462-Public Utilities Commission Utilities Reimbursement Account	24,495	24,265	36,429	12,331	34,240	44,286	2,285	47,971	49,450	806
0464-California High-Cost Fund-A Administrative Committee Fund										

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0465-Energy Resources Programs Account	40,597	62,781	75,626	27,752	56,290	68,079	15,963	62,600	73,593	4,970
0467-State Notes Expense Account	250	--	--	250	--	--	250	--	--	250
0470-California High-Cost Fund-B Administrative Committee Fund	103,763	1,836	8,708	96,891	-50,804	22,374	23,713	85,540	22,434	86,819
0471-Universal Lifeline Telephone Service Trust Administrative Committee Fund	444,658	332,587	410,824	366,421	47,336	411,766	1,991	576,860	399,858	178,993
0475-Underground Storage Tank Fund	109	--	--	109	1	--	110	1	--	111
0478-Vectorborne Disease Account	166	140	232	74	157	175	56	157	213	--
0479-Energy Technologies and Research, Development and Demonstration Account	3,001	41	--	3,042	-2,955	--	87	45	--	132
0481-Garment Manufacturers Special Account	8,335	279	500	8,114	225	500	7,839	225	500	7,564
0483-Deaf and Disabled Telecommunications Program Administrative Committee Fund	62,923	34,252	57,297	39,878	42,321	56,562	25,637	42,454	67,120	971
0485-Army Discretionary Improvement Account	591	8	160	439	40	173	306	40	171	175
0487-Financial Responsibility Penalty Account	1,099	-1,055	--	44	--	--	44	--	--	44
0492-State Athletic Commission Neurological Examination Account	469	14	58	425	21	58	388	20	59	349
0493-California Teleconnect Fund Administrative Committee Fund	83,249	55,132	88,525	49,856	63,491	108,044	5,303	107,416	108,323	4,396
0494-Other - Unallocated Special Funds	-461,834	--	--	-461,834	--	14,644	-476,478	--	37,080	-513,558
0496-Developmental Disabilities Services Account	150	--	--	150	150	150	150	150	150	150
0497-Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account	3,765	1,300	2,843	2,222	1,239	1,593	1,868	1,288	1,643	1,513
0557-Toxic Substances Control Account	24,916	130,226	145,401	9,741	122,748	119,101	13,388	77,560	87,803	3,145
0558-Farm and Ranch Solid Waste Cleanup and Abatement Account	1,668	1,052	1,784	936	1,052	1,200	788	1,052	1,194	646
0566-Department of Justice Child Abuse Fund	1,549	382	473	1,458	220	478	1,200	257	475	982
0567-Gambling Control Fund	64,679	52,659	21,426	95,912	-29,691	21,269	44,952	23,696	20,330	48,318

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0569-Gambling Control Fines and Penalties Account	7,980	3,491	294	11,177	-7,060	996	3,121	301	330	3,092
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	71,334	48,168	37,746	81,756	-11,992	50,882	18,882	49,094	53,964	14,012
0585-Counties Children and Families Account, California Children and Families Trust Fund	48,892	321,805	267,303	103,394	316,920	261,934	158,380	263,737	261,934	160,183
0587-Family Law Trust Fund	9,130	2,468	1,379	10,219	-5,988	1,829	2,402	2,011	1,794	2,619
0593-Coastal Access Account, State Coastal Conservancy Fund	2,100	625	830	1,895	625	786	1,734	625	764	1,595
0623-California Children and Families First Trust Fund	32,527	4,143	13,992	22,678	3,849	13,773	12,754	55,397	14,828	53,323
0631-Mass Media Communications Account, California Children and Families Trust Fund	16,196	24,986	20,342	20,840	24,620	20,342	25,118	20,631	20,342	25,407
0634-Education Account, California Children and Families Trust Fund	53,170	21,758	23,951	50,977	21,452	22,351	50,078	18,128	22,351	45,855
0636-Child Care Account, California Children and Families Trust Fund	27,136	13,053	15,121	25,068	12,870	15,121	22,817	10,875	15,121	18,571
0637-Research and Development Account, California Children and Families Trust Fund	44,034	13,267	16,983	40,318	13,084	16,983	36,419	11,089	16,983	30,525
0638-Administration Account, California Children and Families Trust Fund	7,931	4,211	3,727	8,415	4,154	3,785	8,784	3,485	4,478	7,791
0639-Unallocated Account, California Children and Families Trust Fund	13,662	8,145	7,052	14,755	8,023	7,052	15,726	6,693	7,052	15,367
0642-Domestic Violence Training and Education Fund	1,049	897	662	1,284	653	631	1,306	691	675	1,322
0643-Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund	1	--	--	1	--	--	1	--	--	1
0648-Mobilehome-Manufactured Home Revolving Fund	4,963	20,866	23,904	1,925	20,146	23,385	-1,314	20,866	23,721	-4,169
0704-Accountancy Fund, Professions and Vocations Fund	23,983	12,680	15,847	20,816	6,476	17,132	10,160	16,956	18,848	8,268
0706-California Architects Board Fund	5,052	4,600	3,869	5,783	3,677	4,283	5,177	4,653	4,592	5,238
0717-Cemetery and Funeral Fund	5,244	4,015	4,191	5,068	3,955	5,048	3,975	3,963	5,591	2,347
0735-Contractors License Fund	7,884	64,524	71,781	627	80,523	75,399	5,751	73,488	78,987	252

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0741-State Dentistry Fund	11,391	16,244	13,317	14,318	12,313	18,505	8,126	18,331	19,953	6,504
0752-Home Furnishings and Thermal Insulation Fund	4,424	5,217	4,428	5,213	4,881	5,614	4,480	5,201	6,196	3,485
0755-Licensed Midwifery Fund	451	60	109	402	55	133	324	55	134	245
0757-California Board of Architectural Examiners - Landscape Architects Fund	1,467	803	954	1,316	932	1,138	1,110	893	1,208	795
0758-Contingent Fund of the Medical Board of California	26,297	59,761	67,139	18,919	60,951	73,725	6,145	72,924	78,821	248
0759-Physical Therapy Fund	4,095	6,357	5,549	4,903	6,012	6,043	4,872	6,378	6,932	4,318
0761-Board of Registered Nursing Fund, Professions and Vocations Fund	33,934	67,229	53,644	47,519	31,014	59,288	19,245	68,252	64,485	23,012
0763-State Optometry Fund, Professions and Vocations Fund	2,694	1,786	2,400	2,080	1,810	2,336	1,554	2,778	3,039	1,293
0767-Pharmacy Board Contingent Fund, Professions and Vocations Fund	9,545	26,258	26,914	8,889	30,474	29,974	9,389	33,488	32,232	10,645
0769-Private Investigator Fund	912	654	1,135	431	--	85	346	--	17	329
0770-Professional Engineer's, Land Surveyor's, and Geologist's Fund	7,207	8,572	10,935	4,844	10,019	13,319	1,544	12,818	13,074	1,288
0771-Court Reporters Fund	349	1,447	1,185	611	1,419	1,232	798	1,422	1,306	914
0773-Behavioral Science Examiners Fund, Professions and Vocations Fund	6,535	9,307	12,377	3,465	12,881	12,801	3,545	16,589	13,902	6,232
0775-Structural Pest Control Fund	971	5,932	5,293	1,610	6,223	5,717	2,116	6,521	6,388	2,249
0777-Veterinary Medical Board Contingent Fund	2,014	5,852	4,920	2,946	7,197	6,723	3,420	7,520	7,342	3,598
0779-Vocational Nursing and Psychiatric Technicians Fund	6,435	16,702	17,920	5,217	17,316	17,923	4,610	17,853	19,224	3,239
0932-Trial Court Trust Fund	54,127	1,332,995	1,302,459	84,663	1,085,302	1,123,354	46,611	1,261,347	1,298,562	9,396
0933-Managed Care Fund	18,286	94,284	93,655	18,915	85,246	99,074	5,087	112,355	109,759	7,683
0940-Bosco-Keene Renewable Resources Investment Fund	1,992	1,200	1,169	2,023	1,095	1,071	2,047	1,200	1,196	2,051
1003-Cleanup Loans and Environmental Assistance to Neighborhoods Account	4,922	-40	--	4,882	-40	1,000	3,842	-40	1,000	2,802
1006-Rural CUPA Reimbursement Account	861	--	-55	916	--	--	916	--	--	916
1008-Firearms Safety and Enforcement Special Fund	11,706	14,172	8,414	17,464	4,408	10,331	11,541	10,077	10,718	10,900
1010-Natural Heritage Preservation Tax Credit Reimbursement Account	--	-7,608	--	-7,608	--	--	-7,608	--	--	-7,608

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1011-Budget Stabilization Account	13,996,422	3,124,000	--	17,120,422	-4,584,000	--	12,536,422	3,038,000	--	15,574,422
1017-Umbilical Cord Blood Collection Program Fund	7,887	3,398	2,500	8,785	3,398	2,500	9,683	3,398	2,500	10,581
1018-Lake Tahoe Science and Lake Improvement Account, General Fund	2,822	1,205	1,705	2,322	855	1,582	1,595	1,555	1,173	1,977
1019-Safety Net Reserve Fund	900,000	--	--	900,000	-450,000	--	450,000	--	--	450,000
1027-Full-Day Kindergarten Facilities Account	61,781	--	60,239	1,542	--	1,542	--	--	--	--
1029-The Public School System Stabilization Account	--	--	--	--	--	-746,535	746,535	--	-2,240,748	2,987,283
1030-Consumer Privacy Fund	--	113	--	113	113	--	226	113	--	339
2501-Local Transportation Loan Account, State Highway Account, State Transportation Fund	4,200	-4,200	--	--	--	--	--	--	--	--
2503-SR-710 Rehabilitation Account	532	-32	1	499	1,000	1,000	499	1,000	1,000	499
2504-Advance Mitigation Account, State Transportation Fund	60,964	31,443	--	92,407	30,647	30,000	93,054	547	30,000	63,601
3001-Public Beach Restoration Fund	9,394	-6,000	231	3,163	--	--	3,163	--	--	3,163
3002-Electrician Certification Fund	9,560	2,431	3,094	8,897	2,400	3,069	8,228	2,400	3,045	7,583
3004-Garment Industry Regulations Fund	3,089	2,057	3,549	1,597	2,560	3,101	1,056	2,557	3,309	304
3007-Traffic Congestion Relief Fund	142,216	19,370	87,262	74,324	-45,062	11,236	18,026	-2,056	11,770	4,200
3010-Pierces Disease Management Account	11,523	4,401	3,375	12,549	3,871	3,764	12,656	3,868	3,458	13,066
3013-California Central Coast State Veterans Cemetery at Fort Ord Operations Fund	25	351	338	38	90	77	51	90	75	66
3015-Gas Consumption Surcharge Fund	166,743	456,716	607,900	15,559	568,784	563,193	21,150	582,198	563,291	40,057
3016-Missing Persons DNA Data Base Fund	5,244	3,130	3,263	5,111	2,925	3,837	4,199	3,095	3,970	3,324
3017-Occupational Therapy Fund	2,097	2,294	2,541	1,850	2,647	3,169	1,328	3,099	3,514	913
3018-Drug and Device Safety Fund	2,743	5,990	6,756	1,977	5,851	5,061	2,767	6,408	8,284	891
3019-Substance Abuse Treatment Trust Fund	277	--	--	277	--	--	277	--	--	277
3020-Tobacco Settlement Fund	1,216	--	--	1,216	--	--	1,216	--	--	1,216
3022-Apprenticeship Training Contribution Fund	32,619	17,695	14,520	35,794	17,699	13,951	39,542	17,695	14,861	42,376
3024-Rigid Container Account	35	212	194	53	212	190	75	212	190	97



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Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
3025-Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account	1,588	1,001	901	1,688	1,007	906	1,789	994	918	1,865
3027-Trauma Care Fund	6	--	--	6	--	--	6	--	--	6
3030-Workers Occupational Safety and Health Education Fund	1,917	1,046	1,199	1,764	1,046	1,140	1,670	1,046	1,136	1,580
3034-Antiterrorism Fund	2,376	949	1,290	2,035	893	1,354	1,574	893	1,405	1,062
3035-Environmental Quality Assessment Fund	186	2	--	188	--	--	188	--	--	188
3036-Alcohol Beverage Control Fund	13,213	77,877	80,826	10,264	77,943	38,834	49,373	87,426	89,366	47,433
3037-State Court Facilities Construction Fund	270,314	89,795	161,069	199,040	45,719	158,177	86,582	482,833	391,896	177,519
3039-Dentally Underserved Account, State Dentistry Fund	1,560	27	218	1,369	--	133	1,236	--	134	1,102
3042-Victims of Corporate Fraud Compensation Fund	14,033	1,898	1,619	14,312	-5,202	1,572	7,538	1,898	1,588	7,848
3046-Oil, Gas, and Geothermal Administrative Fund	5,565	102,595	104,767	3,393	120,479	103,078	20,794	120,416	108,471	32,739
3053-Public Rights Law Enforcement Special Fund	5,504	2,872	7,613	763	19,323	19,886	200	25,039	22,206	3,033
3054-Health Care Benefits Fund	998	2,000	2,000	998	2,000	2,000	998	2,000	2,000	998
3056-Safe Drinking Water and Toxic Enforcement Fund	8,432	3,456	4,351	7,537	2,740	4,373	5,904	3,062	4,518	4,448
3057-Dam Safety Fund	7,004	22,066	19,233	9,837	19,106	21,502	7,441	19,000	22,568	3,873
3058-Water Rights Fund	2,042	27,219	27,896	1,365	27,554	27,111	1,808	28,983	30,643	148
3060-Appellate Court Trust Fund	22,090	5,906	1,589	26,407	-831	7,935	17,641	4,169	7,713	14,097
3062-Energy Facility License and Compliance Fund	13,705	4,325	5,158	12,872	3,917	6,261	10,528	4,313	6,673	8,168
3063-State Responsibility Area Fire Prevention Fund	938	--	-10	948	--	936	12	--	--	12
3064-Mental Health Practitioner Education Fund	1,268	854	832	1,290	417	822	885	429	839	475
3065-Electronic Waste Recovery and Recycling Account, Integrated Waste Management Fund	137,886	67,367	93,765	111,488	39,494	88,712	62,270	63,809	89,790	36,289
3066-Court Facilities Trust Fund	11,132	97,756	91,108	17,780	98,448	104,030	12,198	98,430	104,030	6,598
3067-Cigarette and Tobacco Products Compliance Fund	12,506	9,178	13,050	8,634	8,520	12,545	4,609	9,178	13,451	336
3068-Vocational Nurse Education Fund	811	255	231	835	252	230	857	255	233	879
3069-Naturopathic Doctors Fund	430	515	490	455	444	373	526	444	434	536

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3070-Nontoxic Dry Cleaning Incentive Trust Fund	616	24	95	545	50	112	483	15	94	404
3071-Car Wash Worker Restitution Fund	3,756	445	421	3,780	445	421	3,804	445	421	3,828
3072-Car Wash Worker Fund	5,701	585	848	5,438	585	819	5,204	585	849	4,940
3074-Medical Marijuana Program Fund	186	3	169	20	--	3	17	--	17	--
3075-Unlawful Sales Reduction Fund	85	--	--	85	--	--	85	--	--	85
3078-Labor and Workforce Development Fund	101,494	43,375	11,137	133,732	-57,970	30,147	45,615	50,435	11,232	84,818
3079-Childrens Medical Services Rebate Fund	6,753	59,341	61,815	4,279	78,524	77,636	5,167	25,488	24,600	6,055
3080-AIDS Drug Assistance Program Rebate Fund	449,785	500,459	307,668	642,576	330,534	373,892	599,218	449,764	410,801	638,181
3081-Cannery Inspection Fund	2,767	3,120	3,327	2,560	2,416	3,222	1,754	2,605	3,461	898
3082-School Facilities Emergency Repair Account	6,787	16	-707	7,510	--	6,637	873	--	359	514
3083-Welcome Center Fund	107	181	78	210	90	111	189	90	111	168
3084-State Certified Unified Program Agency Account	-516	2,390	1,839	35	2,092	1,699	428	2,092	2,180	340
3085-Mental Health Services Fund	173,698	2,326,610	2,300,588	199,720	2,411,111	2,321,951	288,880	2,506,409	2,427,673	367,616
3086-DNA Identification Fund	7,496	48,326	46,661	9,161	46,377	37,488	18,050	44,649	57,839	4,860
3087-Unfair Competition Law Fund	4,349	30,221	29,430	5,140	32,982	34,462	3,660	34,682	36,132	2,210
3088-Registry of Charitable Trusts Fund	8,114	4,642	5,836	6,920	4,548	6,396	5,072	4,953	6,716	3,309
3089-Public Utilities Commission Public Advocate's Office Account	8,075	43,226	41,105	10,196	42,253	47,641	4,808	48,066	50,709	2,165
3091-Certified Access Specialist Fund	1,965	382	356	1,991	350	411	1,930	363	419	1,874
3093-Transportation Deferred Investment Fund	10,681	-10,681	--	--	--	--	--	--	--	--
3095-Film Promotion and Marketing Fund	27	12	5	34	10	10	34	10	10	34
3096-Nondesignated Public Hospital Supplemental Fund	3,038	584	--	3,622	483	-236	4,341	428	--	4,769
3097-Private Hospital Supplemental Fund	70,381	49,428	27,000	92,809	39,969	116,255	16,523	43,217	26,916	32,824
3098-State Department of Public Health Licensing and Certification Program Fund	25,765	200,028	204,707	21,086	221,849	222,773	20,162	261,362	271,661	9,863
3099-Mental Health Facility Licensing Fund	1,478	398	415	1,461	387	404	1,444	398	420	1,422

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3101-Analytical Laboratory Account, Department of Food and Agriculture Fund	7,521	476	525	7,472	733	2,387	5,818	584	521	5,881
3103-Hatchery and Inland Fisheries Fund	6,552	21,700	25,267	2,985	21,722	22,097	2,610	21,700	23,702	608
3107-Transportation Debt Service Fund	--	1,623,319	1,623,319	--	1,715,506	1,715,506	--	1,436,027	1,436,027	--
3108-Professional Fiduciary Fund	291	607	633	265	687	620	332	736	683	385
3109-Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund	34,927	25,800	45,681	15,046	25,741	32,136	8,651	25,741	24,047	10,345
3110-Gambling Addiction Program Fund	1,506	325	156	1,675	278	156	1,797	278	158	1,917
3111-Retail Food Safety and Defense Fund	61	1	--	62	--	--	62	--	--	62
3112-Equality in Prevention and Services for Domestic Abuse Fund	58	85	--	143	7	--	150	7	--	157
3113-Residential and Outpatient Program Licensing Fund	7,222	6,476	8,690	5,008	6,504	8,583	2,929	6,441	9,370	--
3114-Birth Defects Monitoring Program Fund	1,994	3,240	2,836	2,398	3,129	2,659	2,868	3,231	2,746	3,353
3117-Alternative and Renewable Fuel and Vehicle Technology Fund	296,107	107,400	316,688	86,819	99,266	162,024	24,061	419,250	413,747	29,564
3119-Air Quality Improvement Fund	22,918	43,587	51,296	15,209	42,354	31,911	25,652	42,600	32,198	36,054
3120-State Fire Marshal Fireworks Enforcement and Disposal Fund	210	--	--	210	--	--	210	--	--	210
3121-Occupational Safety and Health Fund	48,211	107,132	105,277	50,066	98,781	100,450	48,397	112,201	111,397	49,201
3122-Enhanced Fleet Modernization Subaccount, High Polluter Repair or Removal Account	23,134	33,672	39,054	17,752	30,037	33,292	14,497	33,840	33,381	14,956
3123-Coastal Act Services Fund	3,225	1,545	1,206	3,564	1,175	1,518	3,221	1,175	1,833	2,563
3131-California Bingo Fund	708	--	--	708	--	--	708	--	--	708
3132-Charity Bingo Mitigation Fund	5	--	--	5	--	--	5	--	--	5
3133-Managed Care Administrative Fines and Penalties Fund	5,911	-2,139	--	3,772	-242	--	3,530	--	--	3,530
3134-School District Account, Underground Storage Tank Cleanup Fund	3,754	123	3,260	617	36	--	653	36	--	689
3136-Foreclosure Consultant Regulation Fund	13	1	--	14	--	--	14	--	--	14

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3137-Emergency Medical Technician Certification Fund	1,245	1,644	1,700	1,189	1,553	1,932	810	1,615	1,977	448
3138-Immediate and Critical Needs Account, State Court Facilities Construction Fund	211,980	191,317	227,282	176,015	260,151	204,085	232,081	-232,081	--	--
3139-Specialized License Plate Fund	1,262	514	712	1,064	755	713	1,106	755	925	936
3140-State Dental Hygiene Fund	2,508	1,856	2,128	2,236	1,768	2,490	1,514	1,908	2,659	763
3141-California Advanced Services Fund	176,366	42,490	71,479	147,377	-9,069	81,329	56,979	123,794	81,339	99,434
3142-State Dental Assistant Fund	2,258	2,536	1,879	2,915	--	156	2,759	--	33	2,726
3144-Building Standards Administration Special Revolving Fund	8,632	3,932	2,439	10,125	-4,665	3,211	2,249	4,950	3,760	3,439
3145-Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund	14,987	359	13,299	2,047	112	--	2,159	112	--	2,271
3147-State Water Pollution Control Revolving Fund Small Community Grant Fund	18,335	12,880	9,100	22,115	10,787	8,000	24,902	10,787	8,000	27,689
3149-Local Safety and Protection Account, Transportation Tax Fund	704	--	--	704	--	--	704	--	--	704
3150-State Public Works Enforcement Fund	9,702	12,275	13,528	8,449	7,285	13,320	2,414	12,275	13,628	1,061
3151-Internal Health Information Integrity Quality Improvement Account	1	--	--	1	--	--	1	--	--	1
3152-Labor Enforcement and Compliance Fund	44,963	85,676	85,309	45,330	91,530	92,086	44,774	101,658	100,113	46,319
3153-Horse Racing Fund	613	15,038	14,758	893	16,314	16,308	899	18,007	18,001	905
3155-Lead-Related Construction Fund	807	541	912	436	1,128	1,296	268	1,182	1,364	86
3156-Childrens Health and Human Services Special Fund	497,116	9,877	--	506,993	3,793	100,000	410,786	3,793	--	414,579
3157-Recreational Health Fund	547	10	--	557	--	--	557	--	--	557
3158-Hospital Quality Assurance Revenue Fund	566,157	3,178,502	2,890,639	854,020	6,376,456	5,408,109	1,822,367	2,312,954	3,863,566	271,755
3160-Wastewater Operator Certification Fund	2,737	766	1,761	1,742	1,056	1,701	1,097	1,084	1,972	209
3164-Renewable Energy Resources Development Fee Trust Fund	159	--	--	159	--	--	159	--	--	159
3165-Enterprise Zone Fund	1,254	58	1,144	168	58	--	226	58	--	284
3167-Skilled Nursing Facility Quality and Accountability Fund	4,546	487	-379	5,412	542	4,028	1,926	541	428	2,039

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3168-Emergency Medical Air Transportation and Children's Coverage Fund	4,968	5,308	6,660	3,616	4,837	7,004	1,449	2,074	3,446	77
3170-Heritage Enrichment Resource Fund	534	121	42	613	121	45	689	121	45	765
3171-Local Revenue Fund 2011	--	-6,000	-6,000	--	-12,000	-12,000	--	-6,000	-6,000	--
3172-Public Hospital Investment, Improvement, and Incentive Fund	998	860,654	860,655	997	463,811	440,129	24,679	--	--	24,679
3195-Carpet Stewardship Account, Integrated Waste Management Fund	754	394	460	688	394	603	479	394	651	222
3200-CaliWORKs Maintenance of Effort Subaccount, Sales Tax Account	--	742,049	742,049	--	742,048	742,048	--	752,888	752,888	--
3201-Low Income Health Program MCE Out-of- Network Emergency Care Services Fund	20,185	401	--	20,586	149	--	20,735	--	--	20,735
3202-Architectural Paint Stewardship Account, Integrated Waste Management Fund	608	279	451	436	279	394	321	279	428	172
3205-Appliance Efficiency Enforcement Subaccount, Energy Resources Programs Account	2,879	3,055	2,905	3,029	2,870	3,682	2,217	3,055	3,392	1,880
3209-Office of Patient Advocate Trust Fund	2,567	2,199	1,873	2,893	1,971	2,069	2,795	2,339	2,226	2,908
3210-Davis-Dolwig Account, California Water Resources Development Bond Fund	10,275	10,341	8,641	11,975	10,000	21,187	788	10,000	10,000	788
3211-Electric Program Investment Charge Fund	35,328	251,116	250,148	36,296	148,000	148,158	36,138	148,000	148,248	35,890
3212-Timber Regulation and Forest Restoration Fund	23,655	46,000	54,039	15,616	46,007	48,841	12,782	46,000	50,947	7,835
3213-Long-Term Care Quality Assurance Fund	143,365	425,485	542,358	26,492	767,372	628,556	165,308	531,428	532,752	163,984
3216-Protective Services Subaccount, Support Services Account	--	2,359,904	2,359,904	--	2,397,201	2,397,201	--	2,423,934	2,423,934	--
3217-Behavioral Health Subaccount, Support Services Account	--	1,460,098	1,460,098	--	1,483,256	1,483,256	--	1,540,352	1,540,352	--
3221-Trial Court Security Subaccount, Law Enforcement Services Account	--	558,172	558,172	--	566,994	566,994	--	563,662	563,662	--
3222-Enhancing Law Enforcement Activities Subaccount, Law Enforcement Services Account	--	489,900	489,900	--	489,900	489,900	--	489,900	489,900	--

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3223-Community Corrections Subaccount, Law Enforcement Services Account	--	1,344,709	1,344,709	--	1,365,962	1,365,962	--	1,408,260	1,408,260	--
3224-District Attorney and Public Defender Subaccount, Law Enforcement Services Account	--	40,924	40,924	--	41,571	41,571	--	45,544	45,544	--
3226-Juvenile Reentry Grant Special Account, Juvenile Justice Subaccount	--	9,202	9,202	--	9,347	9,347	--	9,675	9,675	--
3227-Youthful Offender Block Grant Special Account, Juvenile Justice Subaccount	--	157,531	157,531	--	160,021	160,021	--	165,631	165,631	--
3228-Greenhouse Gas Reduction Fund	3,992,195	2,408,890	3,348,166	3,052,919	2,000,225	4,848,326	204,818	2,134,300	2,199,190	139,928
3230-Juvenile Justice Growth Special Account, Law Enforcement Services Growth Subaccount	--	--	--	--	10,121	10,121	--	--	--	--
3231-Enhancing Law Enforcement Activities Growth Special Account, Enhancing Law Enforcement Activities Subaccount	--	224,351	224,351	--	247,316	247,316	--	210,659	210,659	--
3232-District Attorney and Public Defender Growth Special Account, Law Enforcement Services Growth Subaccount	--	--	--	--	5,061	5,061	--	--	--	--
3233-Community Corrections Growth Special Account, Law Enforcement Services Growth Subaccount	--	--	--	--	75,907	75,907	--	--	--	--
3234-Trial Court Security Growth Special Account, Law Enforcement Services Growth Subaccount	--	--	--	--	10,121	10,121	--	--	--	--
3235-Behavioral Health Services Growth Special Account, Support Services Growth Subaccount	--	--	--	--	93,980	93,980	--	--	--	--
3236-Protective Services Growth Special Account, Support Services Growth Subaccount	--	--	--	--	84,583	84,583	--	--	--	--
3237-Cost of Implementation Account, Air Pollution Control Fund	17,003	88,709	90,906	14,806	86,242	90,497	10,551	94,693	98,448	6,796

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3238-State Parks Revenue Incentive Subaccount, State Parks and Recreation Fund	4,918	108	1,242	3,784	3,000	2,000	4,784	3,000	4,502	3,282
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	3,020	567	715	2,872	531	694	2,709	567	1,211	2,065
3244-Political Disclosure, Accountability, Transparency, and Access Fund	518	507	807	218	631	801	48	631	668	11
3245-Disability Access and Education Revolving Fund	1,627	1,013	548	2,092	809	721	2,180	861	772	2,269
3246-Fair Employment and Housing Enforcement and Litigation Fund	2,283	556	262	2,577	500	572	2,505	500	576	2,429
3248-Family Support Subaccount, Sales Tax Account	--	443,648	443,648	--	419,759	419,759	--	460,934	460,934	--
3249-Child Poverty and Family Supplemental Support Subaccount, Sales Tax Account	--	102,919	102,919	--	102,919	102,919	--	152,263	152,263	--
3251-Prepaid Mobile Telephony Services Surcharge Fund	13,743	-1,887	--	11,856	--	--	11,856	--	--	11,856
3252-CURES Fund	4,090	1,800	4,039	1,851	2,045	2,978	918	3,114	3,878	154
3254-Business Programs Modernization Fund	2,967	1,864	2,187	2,644	1,864	1,686	2,822	1,864	3,567	1,119
3255-Home Care Fund	1,479	7,139	7,195	1,423	6,059	7,414	68	7,572	7,509	131
3256-Specialized First Aid Training Program Approval Fund	80	12	--	92	9	--	101	9	--	110
3257-Used Mattress Recycling Fund	2,025	--	12	2,013	--	12	2,001	--	12	1,989
3258-Mattress Recovery and Recycling Penalty Account, Used Mattress Recycling Fund	17	10	--	27	10	--	37	10	--	47
3259-Recidivism Reduction Fund	7,228	--	--	7,228	--	--	7,228	--	--	7,228
3260-Regional Railroad Accident Preparedness and Immediate Response Fund	1,325	--	54	1,271	--	--	1,271	-1,264	--	7
3261-Vessel Operator Certification Account, Harbors and Watercraft Revolving Fund	2,093	445	373	2,165	400	1,145	1,420	--	1,065	355
3262-Expedited Claim Account, Underground Storage Tank Cleanup Fund	58,785	--	58,785	--	--	--	--	--	--	--
3263-College Access Tax Credit Fund	5,771	403	5,662	512	403	861	54	403	457	--

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3264-Site Cleanup Subaccount	38,814	25,500	44,176	20,138	500	15,772	4,866	25,500	26,093	4,273
3265-Prepaid MTS PUC Account	31	1	--	32	--	--	32	--	--	32
3266-Prepaid MTS 911 Account	-54	68	--	14	--	--	14	--	--	14
3268-Senior Citizens and Disabled Citizens Property Tax Postponement Fund	15,805	6,252	6,721	15,336	6,737	7,069	15,004	6,737	7,280	14,461
3270-Local Charges for Prepaid Mobile Telephony Service Fund	-2,741	5,530	1,103	1,686	1,069	660	2,095	--	464	1,631
3273-Employment Opportunity Fund	555	--	-881	1,436	--	1,436	--	--	--	--
3274-Social Services Subaccount, Vehicle License Fee Account	--	216,223	216,223	--	216,223	216,223	--	212,429	212,429	--
3276-CatWORKs Maintenance of Effort Subaccount, Vehicle License Fee Account	--	363,384	363,384	--	363,384	363,384	--	367,663	367,663	--
3278-Mental Health Subaccount, Vehicle License Fee Account	--	--	--	--	--	--	--	2,115	2,115	--
3279-Health Subaccount, Vehicle License Fee Account	--	1,050,566	1,050,566	--	1,016,415	1,016,415	--	1,096,569	1,096,569	--
3280-General Growth Subaccount, Vehicle License Fee Growth Account	--	--	--	--	157,559	157,559	--	--	--	--
3281-Family Support Subaccount, Vehicle License Fee Account	--	152,435	152,435	--	186,586	186,586	--	113,889	113,889	--
3282-Child Poverty and Family Supplemental Support Subaccount, Vehicle License Fee Account	--	290,884	290,884	--	290,884	290,884	--	354,064	354,064	--
3285-Electronic Recording Authorization Fund	104	163	141	126	252	300	78	252	308	22
3286-Safe Neighborhoods and Schools Fund	4,354	-50,740	-50,761	4,375	-66,629	-66,482	4,228	-74,363	-74,209	4,074
3287-Second Chance Fund	9,897	50,740	41,106	19,531	66,629	66,649	19,511	74,363	74,383	19,491
3288-Cannabis Control Fund	62,049	110,043	91,317	80,775	133,856	157,224	57,407	146,250	170,104	33,553
3290-Road Maintenance and Rehabilitation Account, State Transportation Fund	920,052	3,067,160	3,325,721	661,491	3,141,495	3,058,942	744,044	3,368,551	3,363,844	748,751
3291-Trade Corridor Enhancement Account, State Transportation Fund	379,388	369,726	96,798	652,316	322,284	166,635	807,965	336,704	367,782	776,887
3292-State Project Infrastructure Fund	751,865	4,740	--	756,605	-707,496	--	49,109	--	--	49,109
3293-Health and Human Services Special Fund	182	640,548	640,730	--	--	--	--	--	--	--



**SCHEDULE 10 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
3295-Education and Research Account	725	200	200	725	200	200	725	200	228	697
3297-Major League Sporting Event Raffle Fund	1,757	1,216	684	2,289	746	650	2,385	790	697	2,478
3299-Oil and Gas Environmental Remediation Account	66	49	6	109	201	206	104	201	204	101
3301-Lead-Acid Battery Cleanup Fund	1,306	14,167	5,133	10,340	15,086	12,936	12,490	15,082	15,033	12,539
3302-Safe Energy Infrastructure and Excavation Fund	2,585	7,000	4,359	5,226	-392	4,520	314	6,109	4,605	1,818
3303-Ammunition Safety and Enforcement Special Fund	8,120	1,861	3,853	6,128	1,999	3,984	4,143	1,974	3,984	2,133
3304-California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	1,597	1,591	6	1,346	1,341	11	1,482	1,416	77
3305-Healthcare Treatment Fund	629,133	872,788	924,559	577,362	797,316	992,359	382,319	337,378	719,516	181
3306-Graduate Medical Education Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	38,000	38,023	32,974	43,049	36,389	35,649	43,789	33,877	34,625	43,041
3307-State Dental Program Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	5,493	28,517	32,584	1,426	27,291	26,581	2,136	25,407	25,172	2,371
3308-Tobacco Law Enforcement Account, California Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	36,770	-35,398	--	1,372	--	--	1,372	--	--	1,372
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 Tobacco Tax Act of 2016 Fund	66,875	53,219	11,207	108,887	48,617	96,195	61,309	40,224	52,170	49,363
3311-Health Care Services Plan Fines and Penalties Fund	48,210	4,911	8,981	44,140	2,772	26,477	20,435	2,530	5,842	17,123
3312-Natural Resources and Parks Preservation Fund	100,000	--	4,690	95,310	-95,310	--	--	--	--	--
3313-Southern California Veterans Cemetery Master Development Fund	4,500	--	-20,000	24,500	--	700	23,800	--	--	23,800
3314-California Cannabis Tax Fund	198,756	132,534	11,407	319,883	101,437	2,897	418,423	109,825	9,519	518,729

**SCHEDULE 10 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
3315-Household Movers Fund, Professions and Vocations Fund	2,335	2,952	1,971	3,316	2,906	3,132	3,090	3,064	2,203	3,951
3318-Department of Public Health Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	3,682	9,666	13,064	284	5,458	5,090	652	5,081	4,692	1,041
3319-Department of Tax and Fee Administration Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	2,883	11,407	10,197	4,093	10,917	4,770	10,240	10,163	6,015	14,388
3320-Department of Justice Subaccount, Tobacco Law Enforcement Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	4,924	63,346	57,883	10,387	32,754	34,742	8,399	30,489	31,991	6,897
3321-Department of Education Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	--	20,755	19,528	1,227	18,961	18,990	1,198	15,687	15,852	1,033
3322-Department of Public Health Subaccount, Tobacco Prevention and Control Programs Account, CA Healthcare, Research and Prevention Tobacco Tax Act of 2016 Fund	41,194	117,613	150,047	8,760	107,443	111,964	4,239	88,894	88,625	4,508
3323-Medi-Cal Emergency Medical Transport Fund	14,680	77,055	70,967	20,768	91,331	66,214	45,885	83,129	69,873	59,141
3324-Safe and Affordable Drinking Water Fund	--	--	--	--	130,000	130,000	--	130,000	130,000	--
3328-Pharmaceutical and Sharps Stewardship Fund	--	2,000	1,539	461	3,833	3,113	1,181	4,000	3,671	1,510
3329-Mobilehome Dispute Resolution Fund	1,877	3,754	1,057	4,574	3,586	3,753	4,407	3,754	3,921	4,240
3330-TNC Access for All Fund	--	24,671	--	24,671	45,000	45,000	24,671	45,000	45,000	24,671
3331-Medi-Cal Drug Rebate Fund	--	175,365	-175,365	350,730	1,321,734	1,490,899	181,565	1,542,198	1,456,697	267,066
3333-Cannabis Tax Fund - Department of Tax and Fee Administration	--	8,941	7,441	1,500	12,425	12,425	1,500	9,104	10,465	139

**SCHEDULE 10 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
3334-The Health Care Services Special Fund	--	1,031,357	--	1,031,357	2,317,734	2,769,657	579,434	2,584,032	2,517,458	646,008
3335-Cannabis Tax Fund - Department of Consumer Affairs	--	15,590	15,590	--	15,517	15,517	--	--	--	--
3338-Cannabis Tax Fund - Department of Fish and Wildlife	--	9,577	9,577	--	7,783	7,783	--	8,128	8,128	--
3339-Cannabis Tax Fund - State Water Resources Control Board	--	14,375	14,375	--	10,097	10,097	--	10,890	10,890	--
3340-Cannabis Tax Fund - Department of Pesticide Regulation	--	2,282	1,339	943	3,418	4,361	--	2,668	2,668	--
3342-Cannabis Tax Fund - Department of Finance	--	--	--	--	--	--	--	440	440	--
3345-Cannabis Tax Fund - Employment Development Department	--	2,531	2,531	--	3,633	3,633	--	3,630	3,630	--
3346-Cannabis Tax Fund - Bureau of Cannabis Control - Allocation 2	--	10,000	--	10,000	10,000	10,000	10,000	10,000	10,000	10,000
3347-Cannabis Tax Fund - California Highway Patrol - Allocation 2	--	3,000	3,000	--	3,000	3,000	--	3,000	3,000	--
3348-Cannabis Tax Fund - Governor's Office of Business and Economic Development - Allocation 2	--	20,000	19,614	386	30,000	30,000	386	40,000	40,000	386
3349-Cannabis Tax Fund - University of California San Diego Center for Medicinal Cannabis Research - Allocation 2	--	2,000	--	2,000	2,000	4,000	--	2,000	2,000	--
3350-Cannabis Tax Fund - Department of Health Care Services, Youth Education, Prevention, Early Intervention and Treatment Account - Allocation 3	1	126,464	126,464	1	206,782	206,782	1	265,906	265,906	1
3351-Cannabis Tax Fund - Department of Fish and Wildlife, Environmental Restoration and Protection Account - Allocation 3	--	25,293	25,293	--	41,356	41,356	--	53,181	53,181	--
3352-Cannabis Tax Fund - Department of Parks and Recreation, Environmental Restoration and Protection Account - Allocation 3	--	16,862	16,862	--	27,571	27,571	--	35,454	35,454	--

**SCHEDULE 10 AT 2021-22 GOVERNOR'S BUDGET  
SUMMARY OF CONDITION STATEMENTS  
(Dollars in Thousands)**

Fund	Beginning Reserve 2019-20	Revenues 2019-20	Expenditures 2019-20	Beginning Reserve 2020-21	Revenues 2020-21	Expenditures 2020-21	Beginning Reserve 2021-22	Revenues 2021-22	Expenditures 2021-22	Ending Reserve 2021-22
3353-Cannabis Tax Fund - California Highway Patrol, State and Local Government Law Enforcement Account - Allocation 3	--	14,476	14,476	--	22,508	22,508	--	28,420	28,420	--
3354-Cannabis Tax Fund - Board of State and Community Corrections, State and Local Government Law Enforcement Account - Allocation 3	--	27,690	179	27,511	46,419	40,940	32,990	60,215	60,215	32,990
3357-The Supportive Housing Program Subaccount, Mental Health Services Fund	--	53,735	53,735	--	140,000	140,000	--	140,000	140,000	--
3360-Financial Empowerment Fund	--	--	--	--	5,353	1,349	4,004	--	1,340	2,664
3361-California Earthquake Safety Fund	--	--	--	--	17,283	17,283	--	--	--	--
3362-PACE Oversight Fund of the State Department of Health Care Services	--	--	--	--	460	460	--	771	771	--
3363-Financial Protection Fund	--	--	--	--	243,300	109,546	133,754	102,989	136,470	100,273
3364-Department of Fish and Wildlife - California Environmental Quality Act Fund	--	--	--	--	6,290	5,517	773	6,290	5,517	1,546
3372-Data Brokers' Registry Fund	--	--	--	--	356	353	3	187	188	2
3373-Building Initiative for Low-Emissions Development Program Fund	--	--	--	--	40,000	40,000	--	20,000	20,000	--
3375-Loan Repayment Program Account, Healthcare Treatment Fund	--	--	--	--	--	--	--	322,289	29,092	293,197
3376-Cannabis Tax Fund - Gov Office of Business and Economic Development	--	--	--	--	--	--	--	15,548	15,548	--
3377-Data Insights Innovation Fund	--	--	--	--	--	--	--	443	443	--
3378-Small Business Hiring Credit Fund	--	--	--	--	--	-100,000	100,000	--	--	100,000
8059-State Community Corrections Performance Incentive Fund	212	--	-225	437	--	7	430	--	7	423
8080-Clean Energy Job Creation Fund	6,085	--	--	6,085	--	--	6,085	--	--	6,085
<b>Totals, Special Funds</b>	<b>\$36,775,447</b>	<b>\$59,872,566</b>	<b>\$55,277,902</b>	<b>\$41,370,111</b>	<b>\$52,154,865</b>	<b>\$63,183,761</b>	<b>\$30,341,215</b>	<b>\$61,163,442</b>	<b>\$58,324,494</b>	<b>\$33,180,163</b>
<b>GRAND TOTALS</b>	<b>\$48,067,678</b>	<b>\$200,495,721</b>	<b>\$201,834,002</b>	<b>\$46,729,397</b>	<b>\$214,897,114</b>	<b>\$219,081,886</b>	<b>\$42,544,625</b>	<b>\$219,533,569</b>	<b>\$222,840,183</b>	<b>\$39,238,011</b>

**SCHEDULE 11 AT 2021-22 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, 2020	
			Authorized	Unissued	Outstanding	Redeemed**	Jan-June 2021	July-Dec 2021	Resolution Authorization	Commercial Paper Outstanding
6032	LEGISLATIVE, JUDICIAL, EXECUTIVE Voting Modernization (2002) Total, Legislative, Judicial, Executive	2029	\$200,000	\$13,260	\$41,105	\$145,635	\$0	\$0	\$13,260	\$1,205
0714	BUSINESS, CONSUMER SERVICES & HOUSING Housing & Homeless (1990)	2022	\$150,000	\$0	\$610	\$149,390	\$0	\$0	\$0	\$0
6037	Housing and Emergency Shelter (2002)	2040	2,100,000	71,395	1,918,575	4,875	773	64,395	0	0
6066	Housing and Emergency Shelter (2006)	2045	2,850,000	277,445	935,965	1,636,590	19,813	13,286	206,245	362,10
6082	Veterans Housing and Homeless Prevention (2014)	2031	3,000,000	432,170	92,385	75,445	13,412	28,677	91,030	72,345
6089	Veterans and Affordable Housing (2018)	2030	6,000,000	2,839,200	149,000	11,800	75,989	65,215	119,200	10,830
	Total, Business, Consumer Services & Housing		\$8,700,000	\$3,620,210	\$1,287,990	\$5,791,800	\$113,989	\$107,951	\$482,870	\$119,385
0703	TRANSPORTATION Clean Air & Transp Improv (1990)	2039	\$1,990,000	\$4,985	\$395,615	\$1,589,400	\$0	\$0	\$4,985	\$0
6053	Highway Safe, Traffic Red, Air Qual, Port Sec (2006)	2047	19,925,000	893,705	14,816,115	\$4,215,180	54,112	53,261	252,965	86,460
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	0	1,825	\$998,175	0	0	0	0
6043	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2048	9,950,000	5,492,685	3,095,280	\$1,362,035	45,400	45,400	5,492,685	86,220
0653	Seismic Retrofit (1995)	2039	2,000,000	0	766,170	\$1,233,830	0	0	0	0
	Total, Transportation		\$34,865,000	\$6,391,375	\$19,075,005	\$9,398,620	\$99,512	\$98,661	\$5,750,635	\$174,680
6088	NATURAL RESOURCES Ca Drought, Water, Parks, Climate, Coastal Protection (2018)	2045	\$4,100,000	\$3,900,995	\$49,570	\$149,435	\$418,299	\$459,794	\$64,985	\$137,660
0722	Ca Park & Recreational Facil (1984) <sup>1/</sup>	2027	368,900	0	4,995	363,905	0	0	0	0
0721	Ca Parklands (1980)	2024	285,000	0	790	284,210	0	0	0	0
0707	Ca Safe Drinking Water (1976) <sup>1/</sup>	2027	172,500	0	1,580	170,920	0	0	0	0
0707	Ca Safe Drinking Water (1984)	2027	75,000	0	855	74,145	0	0	0	0
0707	Ca Safe Drinking Water (1986)	2030	100,000	0	10,600	89,400	0	0	0	0
0793	Ca Safe Drinking Water (1988)	2040	75,000	0	14,790	60,210	0	0	0	0
6001	Ca Safe Drinking Water (2000) <sup>4/</sup>	2040	1,884,000	43,346	1,067,695	772,959	5,635	5,399	43,346	0
6051	Ca Safe Drinking Water (2006) <sup>4/5/</sup>	2047	5,266,357	968,307	3,292,350	1,005,700	109,119	78,430	264,170	131,335
0786	Ca Wildlife, Coast, & Park Land Cons (1988) <sup>1/</sup>	2032	768,670	0	62,645	716,025	0	0	0	0
0740	Clean Water (1984)	2024	325,000	0	3,820	321,180	0	0	0	0
6029	Clean Water, Clean Air, and Parks (2002) <sup>5/</sup>	2046	2,596,643	145,133	1,694,715	756,795	10,968	7,396	129,383	23,180
0716	Community Parklands (1986)	2022	100,000	0	755	99,245	0	0	0	0
6052	Disaster Prep and Flood Prevent (2006) <sup>4/</sup>	2050	3,990,000	691,467	2,795,370	503,163	119,152	77,084	383,215	25,280
0748	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	0	3,065	81,935	0	0	0	0
0402	Safe, Clean, Reliable Water Supply (1996) <sup>4/</sup>	2040	969,500	62,915	370,540	536,045	0	0	62,915	0
0005	Safe Neighborhood Parks (2000)	2040	2,100,000	29,725	1,089,420	990,855	5,844	4,373	29,725	8,095
0742	State, Urban & Coastal Park (1976)	2029	280,000	0	1,785	278,215	0	0	0	0
0744	Water Conserv & Water Quality (1986) <sup>4/</sup>	2031	136,500	230	12,190	124,080	0	0	230	0
0790	Water Conserv (1988) <sup>6/</sup>	2036	54,765	0	9,200	45,565	0	0	0	0
6031	Water Security, Coastal & Beach Protection (2002) <sup>4/</sup>	2043	3,345,000	244,514	2,265,925	834,561	12,291	11,675	88,604	21,490
6083	Water Quality, Supply, and Infrastructure Improvement (2014) <sup>5/</sup>	2050	7,465,000	5,778,520	1,459,080	227,400	394,654	413,540	820,950	87,990
	Total, Natural Resources		\$34,542,835	\$11,865,152	\$14,201,735	\$6,475,948	\$1,075,862	\$1,057,691	\$2,457,523	\$435,030
0737	ENVIRONMENTAL PROTECTION Clean Water & Water Conserv. (1978)	2028	\$375,000	\$0	\$2,110	\$372,890	\$0	\$0	\$0	\$0
0764	Clean Water & Water Reclam (1988)	2029	65,000	0	8,305	56,695	0	0	0	0
	Total, Environmental Protection		\$440,000	\$0	\$10,415	\$429,585	\$0	\$0	\$0	\$0
6046	HEALTH AND HUMAN SERVICES Children's Hospital Projects (2004)	2040	\$750,000	\$1,530	\$529,265	\$219,205	\$0	\$0	\$1,530	\$0
6079	Children's Hospital Projects (2008)	2047	980,000	60,890	763,590	155,520	0	0	60,890	44,880
6090	Children's Hospital (2018)	2035	1,500,000	1,489,440	7,800	2,760	250	15,250	489,700	470
	Total, Health and Human Services		\$3,230,000	\$1,551,860	\$1,300,655	\$377,485	\$250	\$15,250	\$552,210	\$45,350
0711	YOUTH AND ADULT CORRECTIONAL Co Corr Facil Cap Expend (1986)	2022	\$495,000	\$0	\$3,945	\$491,055	\$0	\$0	\$0	\$0
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2029	500,000	0	23,355	476,645	0	0	0	0
0746	New Prison Construction (1986)	2034	500,000	0	915	499,085	0	0	0	0
0747	New Prison Construction (1988)	2030	817,000	1,245	2,265	813,490	0	0	1,245	35
0751	New Prison Construction (1990)	2029	450,000	605	665	448,730	0	0	307	0
	Total, Youth and Adult Correctional		\$2,762,000	\$1,850	\$31,145	\$2,729,005	\$0	\$0	\$1,552	\$35

**SCHEDULE 11 AT 2021-22 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, 2020 Commercial Paper Outstanding
			Authorized	Unissued	Outstanding	Redeemed**	Jan-June 2021	
<b>EDUCATION--K-12</b>								
0794	Ca Library Constr & Renov (1988) <sup>1/</sup>	2030	\$72,405	\$0	\$4,645	\$67,760	\$0	\$0
6000	Ca Library Constr & Renov (2000)	2040	350,000	5,040	198,785	146,175	0	5,040
0119	Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	2033	6,700,000	615	2,730,580	3,968,805	0	615
0657	Public Education Facil (1996) K-12 <sup>2/</sup>	2034	2,012,035	0	511,985	1,500,050	0	0
6036	Public Education Facil (2002) K-12	2046	11,400,000	6,240	7,452,450	3,941,310	0	6,240
6044	Public Education Facil (2004) K-12	2046	10,000,000	16,160	6,763,960	3,219,880	0	16,160
6057	Public Education Facil (2006) K-12	2048	7,329,000	182,935	5,518,455	1,627,610	0	182,935
6086	Public Education Facil (2016) K-12	2050	7,000,000	3,390,560	3,284,035	325,405	0	340,000
0739	* School Bldg & Earthquake (1974)	2026	150,000	0	7,980	142,020	0	0
0708	School Facilities (1990)	2033	800,000	0	61,905	738,095	0	0
0745	School Facilities (1992)	2036	1,900,000	10,280	178,655	1,711,065	0	10,280
0776	1988 School Facil Bond Act (Nov) <sup>3/</sup>	2032	797,745	0	19,420	778,325	0	0
0774	1990 School Facil Bond Act (Jun) <sup>4/</sup>	2032	797,875	0	38,200	759,675	0	0
0765	1992 School Facil Bond Act (Nov) <sup>5/</sup>	2035	896,211	0	84,740	813,471	0	0
	Total, Education--K-12		\$50,207,271	\$3,611,830	\$26,855,795	\$19,739,646	\$542,030	\$561,270
<b>HIGHER EDUCATION</b>								
0674	Class Size Reduction K-U Pub. Ed. Facil (1998) HI-Ed	2039	\$2,500,000	\$0	\$1,304,165	\$1,195,835	\$0	\$0
0785	Higher Education Facil (1988)	2032	600,000	0	10,325	589,675	0	0
0791	Higher Education Facil (Jun 1990)	2040	450,000	540	18,120	431,340	0	540
0705	Higher Education Facil (Jun 1992)	2040	900,000	0	121,165	778,835	0	0
0658	Public Education Facil (1996) HI-Ed	2032	975,000	4,650	329,970	640,380	0	4,650
6028	Public Education Facil (2002) HI-Ed	2039	1,650,000	0	1,047,975	602,025	0	0
6041	Public Education Facil (2004) HI-Ed	2040	2,300,000	58,019	1,722,110	519,871	0	58,019
6048/6049	Public Education Facil (2006) HI-Ed	2043	3,087,000	38,775	2,647,455	400,770	0	38,775
6087	Public Education Facil (2016) CCC	2050	2,000,000	1,815,210	132,470	52,320	0	215,210
6047	Stem Cell Research and Cures (2004) <sup>6/</sup>	2039	3,000,000	186,650	1,050,255	1,763,095	0	186,650
	Stem Cell Research and Cures (2020) <sup>7/</sup>		5,500,000	5,500,000	0	0	0	0
	Total, Higher Education		\$22,962,000	\$7,603,844	\$8,384,010	\$6,974,146	\$229,485	\$503,844
<b>GENERAL GOVERNMENT</b>								
0768	Earthquake Safety & Public Bldg. Rehab (1990) <sup>8/</sup>	2030	\$292,510	\$0	\$18,100	\$274,410	\$0	\$0
0701	Veterans' Homes (2000)	2039	50,000	975	30,635	18,390	0	975
	Total, General Government		\$342,510	\$975	\$48,735	\$292,800	\$0	\$975
	Total, All Agencies		\$158,251,616	\$34,660,356	\$71,236,590	\$52,354,670	\$2,060,728	\$10,324,139
<b>SELF-LIQUIDATING BONDS**</b>								
	Ca Water Resources Dev (1959)	2024	\$1,750,000	\$167,600	\$10,600	\$1,571,800	\$0	\$0
	Veterans and Affordable Housing (2018) CalVet	2050	1,000,000	803,365	194,410	2,225	0	803,365
	Veterans Bonds <sup>3/</sup>	2048	2,860,000	0	467,795	2,492,205	0	0
	Total, Self-Liquidating Bonds		\$5,710,000	\$970,965	\$672,805	\$4,086,230	\$0	\$803,365
	<b>Total</b>		<b>\$163,961,616</b>	<b>\$35,631,321</b>	<b>\$71,909,395</b>	<b>\$56,420,900</b>	<b>\$2,060,728</b>	<b>\$11,127,504</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  
 1/ Chapter 39, Statutes of 2012 (SB 1018), reduced the voter authorized amount  
 2/ Chapter 39, Statutes of 2012 (SB 1018) & Chapter 28, Statutes of 2013 (SB 771), reduced the voter authorized amount  
 3/ Chapter 727, Statutes of 2013 (AB 639), reduced the voter authorized amount  
 4/ Chapter 188, Statutes of 2014 (AB 1471), reduced the voter authorized amount  
 5/ Chapter 652, Statutes of 2017 (SB 5), reduced the voter authorized amount  
 6/ Chapter 18, Statutes of 2020 (AB 92) reduced the voter authorized amount  
 7/ The election results have not been certified by the Secretary of State as of this date

Source:  
 State Treasurer's Office, all information except "Proposed Sales"  
 Department of Finance, information under "Proposed Sales"



**SCHEDULE 12B AT 2021-22 GOVERNOR'S BUDGET  
REVENUES TO EXCLUDED FUNDS**

(Dollars in Thousands)

	<b>Actual 2019-20</b>	<b>Estimated 2020-21</b>	<b>Estimated 2021-22</b>
<b>MAJOR REVENUES:</b>			
4110400-Cigarette Tax	\$1,885,665	\$1,770,244	\$1,546,480
4114000-Mobilehome In-Lieu Tax	1,888	1,888	1,888
4115600-Motor Vehicles - Other Fees	177,151	193,519	187,910
<b>Total, MAJOR TAXES AND LICENSES</b>	<b>\$2,064,704</b>	<b>\$1,965,651</b>	<b>\$1,736,278</b>
<b>MINOR REVENUES:</b>			
<b>REGULATORY TAXES AND LICENSES:</b>			
4120000-Beverage Container Redemption Fees	\$1,352,912	\$1,314,532	\$1,288,874
4120400-Building Construction Filing Fees - Physically Handicapped	6,439	15,283	15,589
4120700-Cannabis Licensing Fees	21,745	45,882	56,303
4120800-Corporation Fees - Domestic Corporations	10,667	10,265	10,183
4121000-Corporation Fees - Foreign Corporations	1,116	1,294	1,294
4121200-Delinquent Fees	12,603	9,429	10,073
4121600-Elevator and Boiler Inspection Fees	29,052	29,462	29,462
4121800-Employment Agency Filing Fees	535	615	615
4122000-Employment Agency License Fees	4,847	5,337	5,337
4122200-Energy Resources Surcharge	542,130	653,666	667,016
4122800-Filing Financing Statements	1,566	2,476	2,476
4123000-Fish and Game - Licenses, Tags, and Permits	111,424	115,507	112,712
4123200-Fish and Game - Taxes	2,484	2,484	2,484
4123400-Genetic Disease Testing Fees	128,754	145,257	145,719
4123720-Horse Racing Licenses	15,269	16,484	18,160
4123800-Industrial Homework Fees	1	1	1
4124000-Insurance Company - Examination Fees	25,548	24,854	27,978
4124200-Insurance Company - License Fees and Penalties	65,171	63,617	65,616
4124400-Insurance Company - General Fees	36,074	35,138	36,749
4124600-Insurance Company - Proposition 103 Fees	35,252	31,993	38,798
4124800-Insurance Fraud Assessment - Automobile	53,238	53,238	53,238
4125000-Insurance Fraud Assessment - General	13,794	13,623	13,623
4125200-Insurance Fraud Assessment - Workers Compensation	72,366	78,137	78,137
4125400-Liquor License Fees	77,514	77,569	87,126
4125600-New Motor Vehicle Dealer License Fee	1,786	1,959	1,959
4125800-Notary Public License Fees	744	1,333	1,333
4126000-Off Highway Vehicle Fees	15,222	17,000	17,000
4126400-Processing Fee	346	334	334
4126600-Public Utilities Commission - Quarterly Fees	204,654	352,200	352,200
4126800-Public Utilities Commission - Penalties on Quarterly Fees	5	2	2
4127000-Real Estate - Examination Fees	4,161	3,895	4,163
4127200-Real Estate - License Fees	39,514	39,217	40,132
4127300-Refinery Fees	4,293	4,293	4,293
4127400-Renewal Fees	363,330	373,112	387,935
4128000-Subdivision Filing Fees	8,328	7,839	8,334
4128400-Teacher Credential Fees	25,169	19,363	23,236
4128600-Teacher Examination Fees	4,234	2,668	4,005
4129000-Other Fees and Licenses	20,765	22,322	22,082
4129200-Other Regulatory Fees	6,318,311	9,863,752	5,790,774
4129400-Other Regulatory Licenses and Permits	786,607	826,208	891,782
4129600-Other Regulatory Taxes	122,430	141,259	139,967
<b>Total, REGULATORY TAXES AND LICENSES</b>	<b>\$10,540,400</b>	<b>\$14,422,899</b>	<b>\$10,457,094</b>
<b>REVENUE FROM LOCAL AGENCIES:</b>			
4130000-Architecture Public Building Fees	\$93,926	\$78,858	\$80,435
4131000-Crimes of Public Offense Fines	18,944	15,000	15,000
4131500-Felony Conviction Penalties	42,143	45,002	45,002
4132000-Fingerprint Identification Card Fees	75,516	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 2021-22 GOVERNOR'S BUDGET  
REVENUES TO EXCLUDED FUNDS**

(Dollars in Thousands)

	<b>Actual 2019-20</b>	<b>Estimated 2020-21</b>	<b>Estimated 2021-22</b>
4134500-Local Agencies - Cost Recoveries	100	100	100
4135000-Local Agencies - Miscellaneous Revenue	1,504,487	1,101,656	643,305
4136500-Traffic Violation Penalties	54	--	--
<b>Total, REVENUE FROM LOCAL AGENCIES</b>	<b>\$1,735,740</b>	<b>\$1,314,946</b>	<b>\$858,172</b>
<b>SERVICES TO THE PUBLIC:</b>			
4140000-Document Sales	\$4,347	\$4,257	\$4,258
4140500-Emergency Telephone User's Surcharge	126,287	192,410	192,410
4142500-License Plate Fees - Personalized Plates	73,025	74,862	74,944
4143500-Miscellaneous Services to the Public	116,114	146,698	129,888
4144000-Parental Fees	1,941	1,242	2,280
4144500-Parking Lot Revenues	11,904	14,132	14,326
4145500-Secretary of State - Fees	36,755	43,903	43,903
4146000-State Beach and Park Service Fees	129,343	129,343	129,343
<b>Total, SERVICES TO THE PUBLIC</b>	<b>\$499,716</b>	<b>\$606,847</b>	<b>\$591,352</b>
<b>USE OF PROPERTY AND MONEY:</b>			
4150000-Geothermal Resources Well Fees	\$3,722	\$3,722	\$3,722
4150500-Interest Income - Interfund Loans	69,080	132	132
4151000-Interest Income - Other Loans	10,074	7,268	6,177
4151500-Miscellaneous Revenue - Use of Property and Money	19,991	20,089	20,089
4152500-Rental of State Property	15,189	12,153	41,325
4154000-Royalties - Federal Land	36,087	36,545	36,683
4160000-Investment Income - Condemnation Deposits Fund	490	--	--
4161000-Investment Income - Other	263	263	263
4162000-Investment Income - Pooled Money Investments	356	356	356
4163000-Investment Income - Surplus Money Investments	357,324	192,039	186,482
<b>Total, USE OF PROPERTY AND MONEY</b>	<b>\$512,576</b>	<b>\$272,567</b>	<b>\$295,229</b>
<b>MISCELLANEOUS:</b>			
4170400-Capital Asset Sales Proceeds	\$8,613	\$234	\$482
4170600-Carbon Allowances Auction Proceeds	2,105,810	2,121,000	2,256,000
4170700-Civil and Criminal Violation Assessment	121,510	101,023	108,224
4170800-Confiscated Property Sales	9	9	9
4171000-Cost Recoveries - Delinquent Receivables	223	175	175
4171100-Cost Recoveries - Other	147,810	119,741	111,046
4171200-Court Filing Fees and Surcharges	484,103	456,730	527,287
4171300-Donations	1,791	1,846	2,161
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	7,777	6,346	6,382
4171500-Escheat - Unclaimed Property	--	14	14
4172000-Fines and Forfeitures	179,114	179,513	178,602
4172500-Miscellaneous Revenue	1,113,493	2,088,758	2,569,566
4172800-Parking Violations	4,608	4,591	4,591
4172900-Penalty Assessments - Criminal Fines	148,179	107,992	117,328
4173000-Penalty Assessments - Other	224,050	483,361	183,072
4173100-Personal Income Tax - Penalties and Interest	23,598	23,598	23,598
4173300-Sales - Other	6,761	--	--
4173400-Settlements and Judgments - Anti-Trust Actions - Attorney General	6,543	12,055	12,055
4173500-Settlements and Judgments - Other	54,189	79,999	82,952
4173600-State Public Land Sales	306	1,000	1,000
4173800-Traffic Violations	18,054	13,124	14,552
4173900-Tribal Gaming Revenues	44,053	39,706	39,706
4174100-Unemployment and Disability Insurance Contributions - Penalties and Interest	135,537	107,702	122,563
4180050-Cash Adjustment for Transportation Funds	-27,481	-13,062	-2,056
<b>Total, MISCELLANEOUS</b>	<b>\$4,808,650</b>	<b>\$5,935,455</b>	<b>\$6,359,309</b>
<b>TOTAL, MINOR REVENUES</b>	<b>\$18,097,082</b>	<b>\$22,552,714</b>	<b>\$18,561,156</b>
<b>TOTALS, Revenue to Excluded Funds (MAJOR and MINOR)</b>	<b>\$20,161,786</b>	<b>\$24,518,365</b>	<b>\$20,297,434</b>

**SCHEDULE 12C AT 2021-22 GOVERNOR'S BUDGET  
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT**  
(Dollars in Thousands)

	Actual 2019-20		Estimated 2020-21		Estimated 2021-22	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
<b>MAJOR REVENUES:</b>						
4113000-Identification Card Fees	--	\$26,313	--	\$41,271	--	\$33,553
4113800-Lien Sale Application Fees	--	966	--	967	--	967
4115000-Motor Vehicles - Driver's License Fees	--	309,103	--	384,423	--	384,578
4115450-Transportation Improvement Fee	--	1,737,699	--	1,833,000	--	1,909,000
4115600-Motor Vehicles - Other Fees	--	78,637	--	91,178	--	88,452
<b>Total, MAJOR TAXES AND LICENSES</b>	<b>\$0</b>	<b>\$2,152,718</b>	<b>\$0</b>	<b>\$2,350,839</b>	<b>\$0</b>	<b>\$2,416,550</b>
<b>MINOR REVENUES:</b>						
<b>REGULATORY TAXES AND LICENSES:</b>						
4120600-Candidate Filing Fee	1,561	--	263	--	1,720	--
4123000-Fish and Game - Licenses, Tags, and Permits	--	1,286	--	1,288	--	--
4123720-Horse Racing Licenses	744	--	987	--	987	--
4123740-Horse Racing Miscellaneous	1	--	5	--	5	--
4125400-Liquor License Fees	--	1,135	--	1,103	--	1,114
4126000-Off Highway Vehicle Fees	--	5,286	--	5,756	--	5,148
4126400-Processing Fee	539	--	539	--	539	--
4129200-Other Regulatory Fees	1,952	7,533	1,692	7,609	1,692	7,685
4129400-Other Regulatory Licenses and Permits	4,538	1,158	5,347	42,010	5,347	41,946
4129600-Other Regulatory Taxes	--	15,000	--	15,000	--	15,000
<b>Total, REGULATORY TAXES AND LICENSES</b>	<b>\$9,335</b>	<b>\$31,398</b>	<b>\$8,833</b>	<b>\$72,766</b>	<b>\$10,290</b>	<b>\$70,893</b>
<b>REVENUE FROM LOCAL AGENCIES:</b>						
4131000-Crimes of Public Offense Fines	49	--	54	--	54	--
4131500-Felony Conviction Penalties	1	--	--	--	--	--
4134500-Local Agencies - Cost Recoveries	28,138	9,902	30,496	9,902	28,552	9,902
4135000-Local Agencies - Miscellaneous Revenue	202,688	14	194,934	14	159,285	14
4135500-Narcotic Fines	1,173	--	1,000	--	1,000	--
<b>Total, REVENUE FROM LOCAL AGENCIES</b>	<b>\$232,049</b>	<b>\$9,916</b>	<b>\$226,484</b>	<b>\$9,916</b>	<b>\$188,891</b>	<b>\$9,916</b>
<b>SERVICES TO THE PUBLIC:</b>						
4140000-Document Sales	159	3,899	155	3,805	155	3,813
4142500-License Plate Fees - Personalized Plates	--	1	--	2	--	2
4143000-Medicare Receipts - Federal Government	1,976	--	1,774	--	1,774	--
4143500-Miscellaneous Services to the Public	759	83,893	2,982	107,316	3,718	93,487
4144500-Parking Lot Revenues	--	534	--	534	--	534
4145000-Pay Patients Board Charges	646	--	557	--	557	--
4145500-Secretary of State - Fees	40	--	165	--	166	--
<b>Total, SERVICES TO THE PUBLIC</b>	<b>\$3,580</b>	<b>\$88,327</b>	<b>\$5,633</b>	<b>\$111,657</b>	<b>\$6,370</b>	<b>\$97,836</b>
<b>USE OF PROPERTY AND MONEY</b>						
4151500-Miscellaneous Revenue - Use of Property and Money	468	177	1,264	769	1,264	804
4152000-Oil and Gas Leases - 1 Percent Revenue, Cities, and Counties	238	--	125	--	148	--
4152500-Rental of State Property	19,543	57,499	17,830	55,210	22,030	54,682
4155000-Royalties - State Lands	107,004	--	44,961	--	57,421	--
<b>Total, USE OF PROPERTY AND MONEY</b>	<b>\$127,253</b>	<b>\$57,676</b>	<b>\$64,180</b>	<b>\$55,979</b>	<b>\$80,863</b>	<b>\$55,486</b>
<b>MISCELLANEOUS:</b>						
4170100-Abandoned Property Revenue	463,010	--	437,490	--	451,585	--
4170400-Capital Asset Sales Proceeds	2,115	--	--	--	--	--
4170700-Civil and Criminal Violation Assessment	837	3,469	300	3,469	300	3,469
4170800-Confiscated Property Sales	6,153	--	7,009	--	7,009	--
4171000-Cost Recoveries - Delinquent Receivables	10,270	108	10,276	107	10,276	107
4171100-Cost Recoveries - Other	763,506	6,005	2,782,091	6,005	6,477,611	6,005
4171200-Court Filing Fees and Surcharges	66	363	--	363	--	363
4171400-Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	66,965	3,849	76,472	2,914	76,472	2,953
4172000-Fines and Forfeitures	2,167	--	2,393	--	2,393	--
4172200-Fine and Penalties - Horse Racing	291	--	229	--	229	--
4172400-Forest Product Sales	--	46,000	--	46,000	--	46,000
4172500-Miscellaneous Revenue	43,523	3,769	40,303	4,173	40,052	4,116
4172800-Parking Violations	16,681	--	16,308	--	16,308	--
4173000-Penalty Assessments - Other	125,782	3,469	48,068	1,981	42,068	1,981
4173110-Individual Shared Responsibility Penalty Assessments	--	--	335,000	--	390,000	--
4173200-Proceeds from Estates of Deceased Persons	2,131	--	244	--	244	--
4173400-Settlements and Judgments - Anti-Trust Actions (Attorney General)	--	--	11,000	--	--	--
4173500-Settlements and Judgments - Other	15,977	--	16,752	5,451	11,051	--
4173600-State Public Land Sales	--	46,600	--	42,639	--	39,925
4173800-Traffic Violations	--	9,834	--	9,834	--	9,834
4173900-Tribal Gaming Revenues	3,237	--	1,416	--	333	--
4174200-Uninsured Motorist Fees	512	142	650	142	650	142
<b>Total, MISCELLANEOUS</b>	<b>\$1,523,223</b>	<b>\$123,608</b>	<b>\$3,786,001</b>	<b>\$123,078</b>	<b>\$7,526,581</b>	<b>\$114,895</b>
<b>TOTAL, MINOR REVENUES</b>	<b>\$1,895,440</b>	<b>\$310,925</b>	<b>\$4,091,131</b>	<b>\$373,396</b>	<b>\$7,812,995</b>	<b>\$349,026</b>
<b>TOTALS, Non-Tax Revenues (MAJOR AND MINOR)</b>	<b>\$1,895,440</b>	<b>\$2,463,643</b>	<b>\$4,091,131</b>	<b>\$2,724,235</b>	<b>\$7,812,995</b>	<b>\$2,765,576</b>

**SCHEDULE 12D AT 2021-22 GOVERNOR'S BUDGET  
STATE APPROPRIATIONS LIMIT  
TRANSFER FROM OTHER FUNDS TO INCLUDED FUNDS  
(Dollars in Thousands)**

	Actual 2019-20		Estimated 2020-21		Estimated 2021-22	
	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	\$ --	\$852	\$ --	\$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)	405	--	405	--	405	--
Revenue Transfer from Motor Vehicle Account, State Transportation Fund (0044) to General Fund (0001) per Government Code Section 16475	80	-80	71	-71	71	-71
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.4(b)	35,684	-35,684	38,110	-38,110	39,140	-39,140
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.5(b)	39,583	-39,583	39,583	-39,583	39,583	-39,583
Revenue Transfer from Motor Vehicle Fuel Account, Transportation Tax Fund (0061) to General Fund (0001) per Revenue and Taxation Code Section 8352.6(a)(2)	58,738	-58,738	61,162	-61,162	65,956	-65,956
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.	7,660	--	9,087	--	5,910	--
Revenue Transfer from the California Olympic Training Account (0442) to the General Fund (0001) per Government Code Section 7592	44	--	52	--	52	--
Revenue Transfer from the Greenhouse Gas Reduction Fund (3228) to the General Fund (0001) per Revenue and Taxation Code 6377.1	50,000	--	50,800	--	51,700	--
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)	-3,727	--	-3,727	--	-3,727	--
Revenue transfer from Site Operation and Maintenance Account, Hazardous Substance Account (0458) to Toxic Substances Control Account (0557) per Item 3960-011-0458, Annual Budget Act.	--	--	--	140	--	140
<b>TOTAL TRANSFERS</b>	<b>\$198,463</b>	<b>-\$143,229</b>	<b>\$300,849</b>	<b>-\$147,665</b>	<b>\$209,086</b>	<b>-\$153,489</b>

**SCHEDULE 12E at 2021-22 GOVERNOR'S BUDGET**  
**STATE APPROPRIATIONS LIMIT**  
**EXCLUDED APPROPRIATIONS**  
(Dollars in Millions)

	<b>Fund</b>	<b>Actual 2019-20</b>	<b>Estimated 2020-21</b>	<b>Estimated 2021-22</b>
<b>DEBT SERVICE:</b>				
9600 Bond Interest and Redemption (9600-510-0001)	General	\$4,910	\$5,043	\$5,487
(9600-510-3107)	Special	1,623	1,716	1,436
No Place Like Home bond (0977-501-3357) & (0977-601-3357)	Special	54	140	140
<b>TOTAL -- DEBT SERVICE</b>		<u>\$6,587</u>	<u>\$6,899</u>	<u>\$7,063</u>
<b>QUALIFIED CAPITAL OUTLAY PROJECTS:</b>				
Various (Ch. 3 Except DOT)	General	\$348	\$270	\$284
Various (Ch. 3 Except DOT)	Special	4	10	0
Various Qualified Capital Outlay Projects	General	621	421	1,628
Various Qualified Capital Outlay Projects	Special	1,202	1,085	1,152
Lease-Revenue Bonds (Capital Outlay)	General	598	635	661
Lease-Revenue Bonds (Capital Outlay)	Special	7	7	7
<b>TOTAL -- CAPITAL OUTLAY</b>		<u>\$2,780</u>	<u>\$2,428</u>	<u>\$3,732</u>
<b>SUBVENTIONS:</b>				
6100 K-12 / LCFF Apportionments	General	\$35,417	\$24,660	\$36,511
6100 K-12 Education Protection Account	General	4,227	12,090	8,390
6100 County Offices of Education Apportionments	General	503	446	460
6100 Subventions Not Counted in Local Limits	General	-17,407	-14,479	-16,312
6870 Community Colleges Apportionments	General	3,174	2,022	2,812
6870 Community Colleges Education Protection Account	General	522	1,494	1,037
<b>SUBVENTIONS -- EDUCATION</b>		<u>\$26,436</u>	<u>\$26,233</u>	<u>\$32,898</u>
5195 1991 State-Local Realignment Vehicle License Collection Account	Special	\$14	\$14	\$14
Vehicle License Fees	Special	2,189	2,243	2,204
5196 2011 State-Local Realignment Vehicle License Fees	Special	734	752	739
9100 Tax Relief (9100-101-0001)	General	404	415	415
9210 Property Tax Backfill (9210-102-0001)	General	73	0	0
<b>SUBVENTIONS -- OTHER</b>		<u>\$3,414</u>	<u>\$3,424</u>	<u>\$3,372</u>
<b>COURT AND FEDERAL MANDATES:</b>				
Various Court and Federal Mandates (HHS)	General	\$14,467	\$14,210	\$15,829
Various Court and Federal Mandates	General	4,929	4,568	4,702
Various Court and Federal Mandates	Special	255	256	268
<b>TOTAL -- MANDATES</b>		<u>\$19,651</u>	<u>\$19,034</u>	<u>\$20,799</u>
<b>SCA2/SB1</b>				
Retail Sales and Use Tax: Diesel	Special	\$345	\$271	\$282
<b>TOTAL -- SCA2/SB1</b>		<u>\$345</u>	<u>\$271</u>	<u>\$282</u>
<b>PROPOSITION 111:</b>				
Motor Vehicle Fuel Tax: Gasoline	Special	\$5,280	\$5,608	\$6,101
Motor Vehicle Fuel Tax: Diesel	Special	973	974	1,026
<b>TOTAL -- PROPOSITION 111</b>		<u>\$6,253</u>	<u>\$6,582</u>	<u>\$7,127</u>
<b>TOTAL EXCLUSIONS:</b>				
General Fund		\$52,786	\$51,795	\$61,904
Special Funds		\$12,680	\$13,076	\$13,369

**SCHEDULE 13 AT 2021 GOVERNOR'S BUDGET  
PROPOSITION 98 FINAL CERTIFICATION**  
(Dollars in Thousands)

	<b>2018-19</b>
<b>State Appropriations Limit General Fund Revenues</b>	\$143,523,464
Proposition 98 General Fund	\$54,745,590
Education Protection Account	(\$8,648,747)
Local Revenues	\$23,776,344
<b>Total State and Local Prop 98</b>	\$78,521,934
Prop 98 Test	1
Appropriations over/(under) the Prop 98 Guarantee	-
 <b>Proposition 98 Factors</b>	
K-14 Appropriations	\$78,521,934
K-12 Average Daily Attendance	5,922,164
Full-time Equivalent Students	1,123,008
Civilian Population	39,695,376
K-12 Average Daily Attendance (% growth)	-0.64%
Per Capita Personal Income (Test 2)(% growth)	3.67%
Per Capita General Fund plus 0.5% (Test 3)(% growth)	6.68%
Test 1 Percentage	38.14%
 <b>Proposition 98 Re-benchings (included in calculation):</b>	
One-Time:	(\$142,688)
Ongoing:	-

# Finance Glossary of Accounting and Budgeting Terms

The following terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, the annual Budget (Appropriations) Bill, the Enacted Budget, and other documents. Definitions are provided for terms that are common to many of these publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation. Certain terms may be interpreted or used differently depending on the context, the audience, or the purpose.

## **Abatement**

A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See SAM 10220 for more detail.)

## **Abolishment of Fund**

The closure of a fund pursuant to the operation of law. Funds may also be administratively abolished by the Department of Finance with the concurrence of the State Controller's Office. When a special fund is abolished, all of its assets and liabilities are transferred by the State Controller's Office to a successor fund, or if no successor fund is specified, then to the General Fund. (GC 13306, 16346, 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 for the hierarchy of State Government Organizations.)

or:

A government organization belonging to the highest level of the state organizational hierarchy as defined in the UCM. An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member.

### **Allocation**

A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations (e.g., the allocation of employee compensation funding from the statewide 9800 Budget Act items to departmental appropriation items). (SAM 9200 et seq.)

### **Allotment**

The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization.

### **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 FISCAL (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.)

### **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.)

### **Changes in Authorized Positions**

A schedule in the Governor's Budget that reflects staffing changes made subsequent to the adoption of the current year budget and enacted legislation. This schedule documents changes in positions for various reasons. Some examples are: actual expenditures in the past year, as well as transfers, positions established, selected re-classifications, and proposed new positions included in BCPs, for the current or budget year.

### **Chapter**

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the year in which it became law. For example, *Chapter 1, Statutes of 2017*, would refer to the first bill enacted in 2017.

### **Character of Expenditures**

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

### **Chart of Account (COA) Crosswalk**

A detailed guide found on the Department of Finance's website that crosswalks the Account Category Code used by FI\$Cal departments to the 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 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.)

### **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.)

### **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 2019 means the period beginning October 1, 2018 and ending September 30, 2019.

**Federal Funds**

For legal basis budgeting purposes, classification of funds into which money received in trust from an agency of the federal government will be deposited and expended by a state department in accordance with state and/or federal rules and regulations. State departments must deposit federal grant funds in the Federal Trust Fund or other appropriate federal fund in the State Treasury. (GC 13326 (Finance approval), 13338 approp. of FF, CS 8.50.)

**Feeder Funds**

For legal basis accounting purposes, funds into which certain taxes or fees are deposited upon collection. In some cases, administrative costs, collection expenses, and refunds are paid. The balance of these funds is transferable at any time by the State Controller's Office to the receiving fund, in most cases, the General Fund.

**Final Budget**

Generally refers to the Governor's Budget as amended by actions taken on the Budget Bill (e.g., legislative changes, Governor's vetoes). Note: subsequent legislation (law enacted after the Budget Bill is chaptered) may add, delete, or change appropriations, or require other actions that affect a budget appropriation.

**Final Budget Summary**

A document produced by the Department of Finance after enactment of the Budget Act, which reflects the Budget Act, any vetoes to language and/or appropriations, technical corrections to the Budget Act, and summary budget information. (See also "Budget Act" and "Final Change Book.") (SAM 6130, 6350.)

**Final Change Book**

A document produced by the Department of Finance after enactment of the Budget Act. It includes detailed fiscal information on the changes made to the budget bill that accompanies the Governor's Budget as submitted to the legislature on or before January 10 of each year. It contains a detailed list of changes in Budget Act items, non-Budget Act items, and control sections for state operations, local

assistance, capital outlay, and unclassified items. The Final Change Book also includes fiscal summaries. (SAM 6355)

### **Finance Letter (FL)**

Proposals made by the Director of Finance to the chairpersons of the budget committees in each house to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for enrollment, caseload, population, updated revenues, and Proposition 98 by May 14. (GC 13308.)

### **FI\$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 2019-20, this is the time period beginning July 1, 2019 and ending June 30, 2020. (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." (UCM.)

**May Revision**

An annual update to the Governor's Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year. (See also "Finance Letter.") (SAM 6130; GC 13308.)

**Merit Salary Adjustment (MSA)**

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

Merit salary adjustments for employees of the University of California and the California State University are determined in accordance with rules established by the regents and the trustees, respectively.

Funding typically is not provided for MSAs in the budget; given normal attrition rates, additional costs usually must be absorbed within existing resources. (GC 19832.)

**Minor Capital Outlay**

Construction projects, or equipment acquired to complete a construction project, estimated to cost less than \$656,000 plus any escalation per Public Contract Code section 10108. (SAM 6807.)

**Modified Accrual Basis**

The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or 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 that 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.)

### **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 FISCAL departments, the SCO transfers the funds for PFA transactions using FISCAL'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 chargeable to and recovered from special funds (other than the General Fund, Central Service Cost Recovery Fund, and federal funds) as determined by the Department of Finance. (GC 11010, 11270-11275, 13332.03; SAM 8753, 8754.)

### **Program Budget**

See "Budget—Program or Traditional."

### **Program Cost Accounting**

A level of accounting that identifies costs by activities performed in achievement of a purpose in contrast to the traditional line-item format. The purpose of accounting at this level is to produce cost data sufficiently accurate for allocating and managing program resources. (SAM 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, Receipt Codes.*)

**Revenue Anticipation Notes (RANs)**

A cash management tool generally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. RANs are not a budget deficit-financing tool.

**Revenue Anticipation Warrant (RAW)**

See "Reimbursement Warrant."

**Reversion**

The return of the unused portion of an appropriation to the fund from which the appropriation was made, normally two years (four years for federal funds) after the last day of an appropriation's availability period. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit. The reversion may also occur upon order of Finance. (GC 16304, 16304.1)

**Reverted Appropriation**

An appropriation that is reverted to its fund source after the date its liquidation period has expired.

**Revolving Fund**

Generally refers to a cash account known as an office revolving fund (ORF). It is not a fund but an advance from a primary support item. Departments may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State Controller's Office transfer from a department appropriation. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. (*SAM 8100, et seq.*)

**SAL**

See "Appropriations Limit, State."

**Salaries and Wages Supplement**

An annual publication, issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance's website. (See "Schedule 7A.")

### **Schedule**

The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the programs, or projects thereof.

or:

A supplemental schedule submitted by departments to detail certain expenditures.

or:

A summary listing in the Governor's Budget.

### **Schedule 7A**

A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance's website. (See "Salaries and Wages Supplement") (SAM 6415-6418.)

### **Schedule 8**

A detailed listing generated from the State Controller's Office payroll records for a department's past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. (SAM 6424-6429, 6448.)

### **Schedule of Federal Funds and Reimbursements, Supplementary**

A supplemental schedule (DF-301) submitted by departments during budget preparation that displays federal expenditures by source. (SAM 6460.)

### **Schedule of Operating Expenses and Equipment, Supplementary**

A supplemental schedule (DF-300) submitted by departments during budget preparation that details by object the expenses included in the Operating Expenses and Equipment category. (SAM 6454, 6457.)

### **Section 1.50**

Section of the Budget Act that (1) specifies a certain format and style for the codes used in the Budget Act, (2) authorizes the Department of Finance to revise codes used in the Budget Act to provide compatibility with the Governor's Budget and records of the State Controller's Office, and (3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act or in other spending authority outside of the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the distribution of any unallocated amounts within an appropriation, adjustments of schedules to facilitate departmental accounting operations, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement. The Section also authorizes Finance to make certain technical corrections related to the implementation of and conversion into FI\$Cal.

**Section 1.80**

Section of the Budget Act that includes periods of availability for Budget Act appropriations.

**Section 8.50**

A Control Section of the Budget Act that provides the authority to increase federal fund spending authority.

**Section 26.00**

A Control Section of the Budget Act that provides the authority for the transfer of funds from one program or function within a schedule to another program or function within the same schedule, subject to specified limitations and reporting requirements to the Legislature. (SAM 6548.)

**Section 28.00**

A Control Section of the Budget Act that authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements to the Legislature. Appropriation authority for unanticipated federal funds is contained in Section 8.50. (SAM 6551-6557.)

**Section 28.50**

A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements to the Legislature. (SAM 6551-6557.)

**Section 30.00**

A Control Section of the Budget Act that amends Government Code section 13340 to sunset continuous appropriations.

**Section 31.00**

A Control Section of the Budget Act that grants departments the authority to administratively establish or reclassify positions. This section states that administratively establishing positions outside of the budget process requires both Finance's approval and legislative notification. Administratively established positions are to be temporary and expire June 30 of the current year, unless extended by Finance and the Legislature during the following budget cycle. Additionally, Section 31.00 requires Finance to review all reclassification requests involving a position meeting a specified threshold.

**Senate**

The upper house of California's Legislature consisting of 40 members. As a result of Proposition 140 (1990, term limits) and Proposition 28 (2012, limits on Legislators' terms in office), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. (Article IV, § 2 (a).)

**Service Revolving Fund**

A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. (SAM 8471.)

**Settlements**

Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. (See also "Judgments.") (GC 965.)

**Shared Revenue**

A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

**Sinking Fund**

A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

**Special Fund for Economic Uncertainties**

A fund in the General Fund (a similar reserve is included in each special fund), authorized by statute and Budget Act Control Section 12.30, to provide for emergency situations. (GC 16418, 16418.5.)

**Special Funds**

For legal basis budgeting purposes, funds created by statute, or administratively per Government Code section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

**Special Items of Expense**

An expenditure/account category that covers non-recurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). (SAM 6469; UCM.)

**Sponsor**

An individual, group, or organization that initiates or brings to a legislator's attention a proposed law change.

**Spot Bill**

An introduced bill that makes non-substantive changes in a law, usually with the intent to amend the bill at a later date to include substantive law changes. This procedure provides flexibility to meet the deadline for the introduction of bills.

**Staff Benefits**

An object of expenditure representing the state costs of contributions for employees' retirement, OASDI, health benefits, and non-industrial disability leave benefits. (SAM 6412; UCM.)

### **State-Mandated Local Program**

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This reimbursement requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. (*Article XIII B, § 6; SAM 6601.*)

### **State Operations (SO)**

A character of expenditure representing expenditures for the support of state government, exclusive of capital investments and expenditures for local assistance activities.

### **Statewide Cost Allocation Plan (SWCAP)**

The amount of state administrative costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, the State Personnel Board, the State Controller's Office, and the Department of Finance for the general administration of state government) chargeable to and recovered from federal funds, as determined by the Department of Finance. These statewide administrative costs are for administering federal programs, which the federal government allows reimbursement. (*GC 13332.01-13332.02; SAM 8753, 8755-8756 et seq.*)

### **Statute**

A written law enacted by the Legislature and signed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses), usually referred to by its chapter number and the year in which it is enacted. Statutes that modify a state code are "codified" into the respective Code (e.g., Government Code, Health and Safety Code). (See also "Bill" and "Chapter.") (*Article IV, § 9.*)

### **Subcommittee**

The smaller groupings into which Senate or Assembly committees are often divided. For example, the fiscal committees that hear the Budget Bill are divided into subcommittees generally by departments/subject area (e.g., Education, Resources, General Government).

### **Subventions**

Typically used to describe amounts of money expended as local assistance based on a formula, in contrast to grants that are provided selectively and often on a competitive basis. For the purposes of Article XIII B, state subventions include only money received by a local agency from the state, the use of which is unrestricted by the statutes providing the subvention. (*GC 7903.*)

### **Summary Schedules**

Various schedules in the Governor's Budget Summary that summarize state revenues, expenditures, and other fiscal and personnel data for the past, current, and budget years.

### **Sunset Clause**

Language contained in a law that states the expiration date for that statute.

**Tax Expenditures**

Subsidies provided through the taxation systems by creating deductions, credits, and exclusions of certain types of income or expenditures that would otherwise be taxable.

**Technical**

In the budget systems, refers to an amendment that clarifies, corrects, or otherwise does not materially affect the intent of a bill.

**Tort**

A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, and assault and battery. Recently, torts have been broadly expanded such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. (GC 948, 965-965.9; SAM 6472, 8712; Budget Act Items 9670.)

**Traditional Budget**

See "Budget—Program or Traditional."

**Transfers**

As displayed in fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

**Trigger**

An event that causes an action or actions. Budget "trigger" mechanisms have been enacted in statute under which various budgeted programs are automatically reduced if revenues fall below expenditures by a specific amount.

**Unanticipated Cost/Funding Shortage**

A lack or shortage of (1) cash in a fund, (2) expenditure authority due to an insufficient appropriation, or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis). (See Budget Act Items 9840 and 9850.)

**Unencumbered Balance**

The balance of an appropriation not yet committed for specific purposes. (See "Encumbrance.")

**Uniform Codes Manual (UCM)**

A document maintained by the Department of Finance that sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, business units, programs, funds, receipts, line items, and objects of expenditure. The Accounts used in FISCAL combine the legacy general ledger code, receipt and object of expenditure codes in a single classification code. (See also "Account" and "Chart of Account Crosswalk")

**Unscheduled Reimbursements**

Reimbursements collected by an agency that were not budgeted and are



accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., CS 28.50).

### **Urgency Statute/Legislation**

A measure that contains an "urgency clause" requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health, or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. (*Article IV, § 8 (d)*). However, the Budget Bill and other bills providing for appropriations related to the Budget Bill may be passed by a majority vote to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. (*Article IV § 12 (e) (1)*.)

### **Veto**

The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. (*Article IV, §10 (e)*; SAM 6345.)

### **Voucher**

A request from a state department using FISCAL to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The voucher identifies the appropriation or account to be charged, the payee, the amount(s) to be paid, and an affidavit attesting to the validity of the request.

### **Warrant**

An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. (*SAM 8400 et seq.*)

### **Without Regard to Fiscal Year (WRTFY)**

Where an appropriation has no period of limitation on its availability.

### **Working Capital and Revolving Fund**

For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. In contrast, self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

### **Workload Budget**

Workload Budget means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, population, statutory cost-of-living adjustments, chaptered legislation, one-time expenditures, full-year costs of partial-year programs, costs incurred pursuant to Constitutional requirements, federal mandates, court-ordered mandates, state employee merit salary adjustments, and state agency operating expense and equipment cost adjustments. (*GC 13308.05*.)

This definition is related to the calculation of the workload budget required by Section 36 of Article 13 of the California Constitution.

**Year of Appropriation (YOA)**

Refers to the first fiscal year of enactment or availability, whichever is later. Also referred to as the Enactment Year, or ENY.

**Year of Budget (YOB)**

The fiscal year revenues and expenditures are recognized. For revenues, this is generally the fiscal year when revenues are earned, measurable, and "available." For expenditures, this is generally the fiscal year when obligations, including encumbrances, have been created during the availability period of the appropriation. When the availability period of encumbrance of an appropriation is one year (e.g., most Budget Act items), the YOB is the same as the year of appropriation (YOA) and the year of completion (YOC). However, when the availability period is more than one year, the YOB may be any fiscal year during the availability period, including the YOA or the YOC, as appropriate. For example, an appropriation created in 2016-17 and is available for three years, the YOA is 2016 and the YOC is 2018. If an obligation is created in 2017-18, the YOB for this obligation is 2017. In FISCAL (PeopleSoft), the YOB is referred to as Budget Period. The rules of recognition are not the same for all funds depending on the appropriate basis of accounting for the fund types or other factors.

**Year of Completion (YOC)**

The last fiscal year for which the appropriation is available for expenditure or encumbrance.

\* Abbreviations used in the references cited:

Article	Article of California Constitution
BA	Budget Act
CS	Control Section of Budget Act
GC	Government Code
SAM	State Administrative Manual
UCM	Uniform Codes Manual

# Oakland Unified School District

Board of Education  
1000 Broadway, Suite 300  
Oakland, CA 94607-4033  
(510) 879-8199 Voice  
(510) 879-2299 eFax  
(510) 879-2300 eTTY/TDD  
boe@ousd.org E-Mail  
<http://www.ousd.org>

**ZOOM LINK**

**eComment**



## ACCESSIBILITY OF AGENDA AND AGENDA MATERIALS

Agenda and agenda materials are accessible at <http://www.ousd.org> or from any computer terminal in the Offices of the Board of Education and Superintendent, 1000 Broadway, Suite 300, Oakland, CA 94607-4099

## AMERICANS WITH DISABILITIES ACT COMPLIANCE AND LANGUAGE SERVICES

Individuals requiring interpretation or translation services or a reasonable accommodation to participate in meetings should notify the Office of the Board of Education seventy-two (72) hours prior to the meeting at either (510)879-8199(VM); or [boe@ousd.org](mailto:boe@ousd.org) (E-Mail); or (510) 879-2300 (eTTY/TDD); or (510) 879-2299 (eFax).

## **Meeting Agenda Long - Final**

**Wednesday, January 13, 2021**

**4:00 PM**

**INTERNET STREAMED (VIA ZOOM AND GRANICUS LIVE MANAGER) AND  
BROADCASTED ON KDOL-TV (Cable Channel 27) - LIVE - SIMULTANEOUSLY  
AND ARCHIVED FOR NEXT DAY INTERNET RETRIEVAL  
Board of Education**

***President Shanthi Gonzales,***

***Vice President Benjamin "Sam" Davis***

***Directors: Aimee Eng, VanCedric Williams, Gary Yee, Mike Hutchinson, Clifford  
Thompson***

***Student Directors: Jessica Ramos, Samantha Pal***

***Staff: Kyla Johnson-Trammell, Superintendent & Secretary***

**LEY CUMPLIMIENTO PARA AMERICANOS CON DISCAPACIDADES Y SERVICIO DE IDIOMAS**

Personas que requieran servicios de traducción o interpretación o facilidades razonables para participar en juntas deberán notificar a la Oficina de la Mesa Directiva de Educación setenta y dos (72) horas antes de la junta ya sea al [\(510\)879-8199](tel:5108798199)(VM); o [boe@ousd.org](mailto:boe@ousd.org) (E-Mail); o [\(510\) 879-2300](tel:5108792300) (eTTY/TDD); o [\(510\) 879-2299](tel:5108792299) (eFax).

**美國殘障人士法案條例遵守及語言服務**

個別人士需要傳譯及翻譯服務或有合理安排去參與會議的應該在舉行會議之前的七十二 (72) 小時通知教育委員會。請致電[\(510\)879-8199](tel:5108798199) (留言) ; 或 [boe@ousd.org](mailto:boe@ousd.org) (電郵) ; 或[\(510\) 879-2300](tel:5108792300) (電子文字電話/聽障專用電信設備 (eTTY/TDD)) ; 或[\(510\) 879-2299](tel:5108792299) (電子圖文傳真 (eFax))。

**TUÂN HÀNH ĐẠO LUẬT NGƯỜI MỸ KHUYẾT TẬT VÀ DỊCH THUẬT**

Những người nào cần thông ngôn hay phiên dịch hay một sắp xếp hợp lý nào để tham gia các buổi họp phải thông báo Văn phòng của Hội đồng Giáo dục bảy mươi hai (72) tiếng đồng hồ trước buổi họp, số điện thoại [\(510\)879-8199](tel:5108798199) (VM); hay là [boe@ousd.org](mailto:boe@ousd.org) (E-Mail); hay là [\(510\) 879-2300](tel:5108792300) (eTTY/TDD); hay là số [\(510\) 879-2299](tel:5108792299) (eFax).

**សេវាបកប្រែភាសា និងការអនុលោមតាមច្បាប់ជនជាតិអាមេរិកាំងពិការ**

អ្នកណាដែលត្រូវការសេវាបកប្រែភាសាដោយផ្ទាល់មាត់ ឬជាលាយលក្ខណ៍កុរុរ ឬត្រូវការការជួយសម្របសម្រួលយ៉ាងសមរម្យមួយ ដើម្បីចូលរួមក្នុងកិច្ចប្រជុំនានានោះ ត្រូវផ្តល់ដំណឹងទៅកាន់ការិយាល័យនៃក្រុមប្រឹក្សាអប់រំ ឱ្យបានចិតសិបពី (72) ម៉ោងមុនកិច្ចប្រជុំ តាមរយៈទូរស័ព្ទលេខ [\(510\) 879-8199](tel:5108798199) ឬតាមរយៈអ៊ីមែល [boe@ousd.org](mailto:boe@ousd.org) ឬទូរស័ព្ទ eTTY/TDD លេខ [\(510\) 879-2300](tel:5108792300) ឬទូរសារលេខ [\(510\) 879-2299](tel:5108792299)។

**الامتثال لقانون الأمريكيين ذوي الإعاقات (ADA) وتوفير الخدمات اللغوية**

من يحتاج إلى خدمات الترجمة المكتوبة أو خدمات الترجمة الفورية أو الترتيبات التيسيرية المعقولة لكي يساهم في الاجتماعات فالمرجو منه إبلاغ مكتب إدارة التعليم إثنين وسبعين (72) ساعة قبل الاجتماع بوسيلة من الوسائل التالية:

الهاتف الصوتي:	الهاتف للصم والبكم:	الفاكس الإلكتروني:	البريد الإلكتروني:
510.879.8199	510.879.2300	510.879.2299	boe@ousd.org

## **NOTICE - COVID-19 PUBLIC HEALTH EMERGENCY BOARD MEMBERS TO ATTEND VIRTUALLY**

*Pursuant to the Governor's Executive Order Nos. N-25-20 and N-29-20, members of the Board of Education, as well as the Superintendent or designee and other designated staff, will join the meeting via phone/video conference and no teleconference locations need be posted.*

*•To view the meeting by Zoom video conference, please click <https://ousd.zoom.us/j/88505114407> at the Noticed meeting time. Instructions on how to join a meeting by video conference are available at:*

*<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Meeting>.*

*•To listen to the meeting by phone, please call at the Noticed meeting time (669) 900-9128, then enter Webinar ID 885 0511 4407, then press “#”. If asked for a participant id or code, press #. Instructions on how to join a meeting by phone are available at:*

*<https://support.zoom.us/hc/en-us/articles/201362663-Joining-a-meeting-by-phone>.*

*•To view the Noticed meeting from the District's Home Page - Upcoming Events & Live Meeting Video, select the meeting name and click on the "In Progress" link under Video or go to the Legislative Information Center (under Board of Education on Home Page)>Calendar Tab>Calendar>Today>Board of Education>"In Progress" link under Video.*

## NOTICE - COVID-19 PUBLIC HEALTH EMERGENCY PUBLIC COMMENT @ THIS VIRTUAL MEETING

*There are three ways to make public comment within the time allotted for public comment on an eligible Agenda item.*

*•To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on the eligible Agenda item. You will be called on (by the name you logged in with), unmuted and allowed to make public comment. After the allotted time, you will then be re-muted. Instructions on how to “Raise Your Hand” is available at:*

*<https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>.*

*•To comment by phone, press “\*9” to “Raise Your Hand” to request to speak when Public Comment is being taken on the eligible Agenda Item. You will be called on (by the Area Code and the last three digits of your phone number), unmuted and allowed to make public comment. After the allotted time, you will then be re-muted. Instructions of how to raise your hand by phone are available at:*

*<https://support.zoom.us/hc/en-us/articles/201362663-Joining-a-meeting-by-phone>.*

*• eComment. To make a written comment, before or while a meeting is "In Progress," from the District's Home Page - Upcoming Events & Live Meeting Video, select the meeting name and click on the "eComment" link or go to the Legislative Information Center (under Board of Education on Home Page)>Calendar Tab>Calendar>Today>Board of Education>"eComment". Or click **eComment** in bold herein. Written comments made on an eligible Agenda item, upon clicking of the Submit Button, are immediately sent via email to all members of the legislative body and key staff supporting the legislative body. Each eComment is a*

*Public Record.*

## **MEETING RULES OF ENGAGEMENT**

- Five (5) minute speaking limit for Board Members*
- No mingling with the audience*
- Address comments to other Board Members*
- Focus on agenda items*
- Don't repeat what's been said*
- Always be respectful*
- No interruptions*
- Enforce norms*
- Model desired behavior*

## **MEETING PROCEDURES**

*All Governing Board meetings shall begin on time and shall be guided by an Agenda prepared in accordance with Board Bylaws and posted and distributed in accordance with the Ralph M. Brown Act (open meeting requirements) and other applicable laws.*

**A. Call To Order - 4:00 P.M.**

**B. Roll Call**

**C. President's Statement Disclosing Item(s) To Be Discussed In Closed Session Today**

**Closed Session Item(s):**

**Labor Matter(s)****C.-1      20-1448****Conference With Labor Negotiators**

United Administrators of Oakland Schools (UAOS), Service Employees International Union - Local 1021 (SEIU), Oakland Education Association (OEA), Oakland Child Development Paraprofessional Association (OCDPA), American Federation of State, County and Municipal Employees-Local 257 (AFSCME), Brotherhood of Teamsters, Auto Truck Drivers-Local 70 of Alameda County, Brotherhood of Teamsters, Warehouse, Mail Order, Retail Employees- Local 853 of Alameda County, American Federation of Teachers/CFT-Local 771 (AFT), Building and Construction Trades Council of Alameda County, California School Employees Association (CSEA).  
Principal District Representative(s): Jenine Lindsey, Executive Director of Labor Relations & ADR

**Legal Matter(s)****C.-2      20-2549****Conference With Legal Counsel - Existing Litigation**

Stinson v. Oakland Unified School District, Workers' Compensation Appeals Board, Case No. ADJ12173714

**C.-3      20-2550****Conference With Legal Counsel - Existing Litigation**

Johnson v. Oakland Unified School District, Workers' Compensation Appeals Board, Case No. ADJ11127360.

**C.-4      20-2551****Conference With Legal Counsel - Existing Litigation**

RW v. Oakland Unified School District, OAH Case No. 2020100213

**Public Employee Performance Evaluation Matter(s)****C.-5      20-1450****Public Employee Performance Evaluation**

General Counsel



**Pupil Matter(s)****C.-6 19-1484 Readmission Hearing - Student TT**

Readmission Hearing - Student TT.

**C.-7 19-2235 Readmission Hearing - Student L**

Readmission Hearing - Student L.

**C.-8 20-0480 Readmission Hearing - Student FF**

Readmission Hearing - Student FF.

**Real Property Matter(s)****C.-9 20-2344 Conference With Real Property Negotiator(s)**

Property: Former Tilden Childhood Development Center, 4551 Steele Street, Oakland.94619

Agency Negotiators: Andrea Epps, Deputy General Counsel, Landis Graden and Lauren Jennings, DGS

Negotiating Parties: Oakland Unified School District and Parties TBD

Under Negotiation: Instruction to Negotiator will concern price and terms for lease

**C.-10 20-2345 Conference With Real Property Negotiator(s)**

Property: Former Edward Shands Adult School, 2455 Church Street, Oakland, 94605

Agency Negotiators: Andrea Epps, Deputy General Counsel, Landis Graden and Lauren Jennings, DGS

Negotiating Parties: Oakland Unified School District and Parties TBD

Under Negotiation: Instruction to Negotiator will concern price and terms for lease

**D. Recess To Closed Session**

- E. Reconvene To Public Session - 5:30 P.M.**
  
- F. Second Roll Call**
  
- G. President's Statement of Reportable Action Taken In Closed Session and the Vote or Abstention of Members Present, If Any**
  
- H. Recognitions and Celebrations (1 Minute Per Board Member)**
  
- I. Future Engagement Opportunities (1 Minute per Board Member for verbal updates; Board Members also may submit written updates)**
  
- J. Modification(s) To Agenda**

*Submission of Speaker Cards in the traditional manner is N/A, given this meeting is Virtual, during the COVID-19 Public Health Emergency. See the above NOTICE - COVID-19 PUBLIC HEALTH EMERGENCY for instructions on how to request to speak during this meeting.*

*Modification(s) to the Agenda, by the Board, allows for any change in the printed Order of Business including, but not limited to, an announcement that an Item or Legislative File will be considered out of Agenda printed order, that consideration of an Item has been withdrawn, postponed, rescheduled or "pulled" or taken off of the General Consent Report for separate discussion and/or possible action.*

**K. Public Comment On All Non-Agenda Items (30 Minutes)**

*This section of the Agenda provides an opportunity for a Member of the Public (“Speaker”), pursuant to the time limit(s) and non transfer of minutes to directly address the Board on any item of interest not on the current Agenda but is within the subject matter jurisdiction of the Board. This Item is limited to a total of thirty (30) minutes. The Board may not discuss or take any action on a non agenda item at the current meeting, except the Board or staff, as permitted by law, may briefly respond to a statement made or question(s) posed by a Speaker. In addition, on his or her own initiative or in response to questions posed by the public, a member of the Board or its staff may ask a question for clarification, make a brief announcement, or make a brief report of personal activities.*

**L. Public Comment On All Agenda Items (30 Minutes)****M. Special Orders of the Day**

*None*

**N. Student Board Members Report**

*This is an oral report to the Board and to the Public by a Student Director of any information that he/she wishes to share regarding past, present or future personal or official activities as a representative of the All City Council and students of the District.*

 N.-1

[21-0005](#)

**Student Board Member's Report - January 13, 2021**

Student Board Member's Report - January 13, 2021.

Attachments: [21-0005 Student Board Member's Report - January 13, 2021](#)

## O. President's Report

*This is an oral report to the Board and to the Public by the President of the Board of any information that he/she wishes to share regarding past, present or future personal or official activities as the chief officer of the Board.*

### O.-1 [21-0006](#) **President's Report - January 13, 2021**

President's Report - January 13, 2021.

## P. Superintendent's Report

*This is an oral report to the Board and the Public by the Superintendent of Schools of any information that he/she wishes to share regarding past, present or future personal or official activities.*

### P.-1 [21-0007](#) **Superintendent's Report - January 13, 2021**

Superintendent's Report - January 13, 2021:

- ❖ Fall Family Survey
- ❖ COVID Dashboard
- ❖ Attendance Update
- ❖ Learning Hub Updates
- ❖ CARES Act Funding Update
- ❖ Academic Update

**Attachments:** [21-0007 Superintendent's Report - January 13, 2021](#)

## Q. Comment By Collective Bargaining Units

*This section of the Agenda provides an opportunity for the leadership of the District's recognized Collective Bargaining Units to address the Board of Education on issues or matters of concern other than as provided for in the respective Collective Bargaining Agreement and/or state law.*

**R. Public Hearing(s) - 6:15 P.M.; 6:30 P.M.**

*Public Comment taken separately on each Public Hearing Agenda item.*

 R.-1      [21-0035](#)      **Public Hearing - Proposed Long-Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Tilden Child Development Center**

Public Hearing by the Board of Education for members of the public, including labor organizations, to comment on possible uses of and to share concerns regarding any impact on the community of the District's selection of a proposal by Eagle Environmental Construction & Development (ECCD), Oakland, CA, for a Long-Term Ground Lease of the Former Tilden Child Development Center, 4551 Steele Street, Oakland, CA, 94619-2743, a District surplus property.

**Attachments:**      [21-0035 Presentation - Public Hearing - Proposed Long-Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Tilden Child Development Center](#)  
[21-0035 Board Memorandum - Public Hearing - Proposed Long Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Tilden Child Development Center](#)

 R.-2      [21-0036](#)      **Public Hearing - Proposed Long-Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Edward Shands Adult Education Center**

Public Hearing by the Board of Education for members of the public, including labor organizations, to comment on possible uses of and to share concerns regarding any impact on the community of the District's selection of a proposal by Eagle Environmental Construction & Development (ECCD), Oakland, CA, for a Long-Term Ground Lease of the Former Edward Shands Adult Education Center, 2455 Church Street, Oakland, CA, 94605-2370, a District surplus property.

**Attachments:**      [21-0036 Presentation - Public Hearing - Proposed Long-Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Edward Shands Adult Education Center](#)  
[21-0036 Board Memorandum - Public Hearing - Proposed Long Term Ground Lease - Eagle Environmental Construction & Development - District Surplus Property - Former Edward Shands Adult Education Center](#)

## S. Unfinished Business

*None.*

## T. New Business

 T.-1

[21-0099](#)

### **Organizational Wellness Update - Talent/Human Resources Department**

Presentation to the Board of Education by the Superintendent of Schools, or designee, on the status of the Organizational Wellness Plan and teacher retention.

**Attachments:** [21-0099 Presentation - Organizational Wellness Update - Talent/Human Resources Department](#)  
[21-0099 Board Memorandum - Organizational Wellness Update - Talent/Human Resources Department](#)

 T.-2

[21-0011](#)

### **2021 Oakland Unified School District Principles and State Legislative Priorities (First Reading)**

Adoption by the Board of Education of its Legislative Principles and 2021 State Legislative Priorities, in the areas of School Finance.

**Attachments:** [21-0011 2021 Oakland Unified School District Principles and State Legislative Priorities \(First Reading\)](#)

  T.-3

[21-0100](#)

### **2020-21 Tax and Revenue Anticipation Notes (TRANS) - California School Finance Authority - Oakland Unified School District**

Approval by the Board of Education of Resolution No. 2021-0035 - Authorizing, Pursuant to California Government Code Section 53635.7, District Participation in the California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School And Community College District Deferrals) through the Issuance and Sale of One or More Series of Fiscal Year 2020-21 Tax and Revenue Anticipation Notes, in a cumulative amount not to exceed \$85,000,000.00, and Requesting the Board of Supervisors of the County to Waive/Decline Such Issuance by the County or to Issue and Sell Said Series of Notes.

**Attachments:** [21-0100 2020-21 Tax and Revenue Anticipation Notes \(TRANS\) - California School Finance Authority - Oakland Unified School District](#)

✉ 📄 T.-4 [20-2494](#)

**Application for Provisional Internship Permit – California Commission on Teacher Credentialing - Named Employee for School Year 2020-2021**

Approval by the Board of Education of Resolution No. 2021-0091 - Application for Provisional Internship Permit - California Commission on Teacher Credentialing - Named Employee for School Year 2020-2021:

1. Daria Kieffer, Art Prep, Think College Now.

**Attachments:** [20-2494 Application for Provisional Internship Permit – California Commission on Teacher Credentialing - Named Employee for School Year 2020-2021](#)

✉ 📄 T.-5 [20-2496](#)

**Application for Variable Term Program Waiver CBEST, BCLAD and Program – California Commission on Teacher Credentialing – Named Employees for School Year 2020-2021**

Approval by the Board of Education of Resolution No. 2021-0092 - Application for Variable Term Program Waiver - CBEST, BCLAD and Program - California Commission on Teacher Credentialing - Named Employees for School Year 2020-2021:

1. Daniel Johnson, 9th - 12th Grade, Single Subject PE, Skyline High School; and
2. Mayra Acosta-Villegas, 9th - 12th Ed Specialist Mild/Moderate, La Escuelita/Met West.

**Attachments:** [20-2496 Application for Variable Term Program Waiver CBEST, BCLAD and Program – California Commission on Teacher Credentialing – Named Employees for School Year 2020-2021](#)

## U. Adoption of the Pupil Discipline Consent Report

*Adoption of the Pupil Discipline Consent Report by the Board is the final Public Session decision, required by state law, on an individual pupil case from Closed Session, based on consideration of report and recommendations from the Pupil Discipline Hearing Panel, to either suspend, expel, grant a suspended expulsion, revoke a suspended expulsion order, reinstate, readmit, admit a pupil or not to do any of the preceding regarding a pupil. An individual pupil case specifics, other than as disclosed on printed agenda, is non-discloseable pursuant to federal and state law.*

U.-1      **19-1484**      **Readmission Hearing - Student TT**

Readmission Hearing - Student TT.

U.-2      **19-2235**      **Readmission Hearing - Student L**

Readmission Hearing - Student L.

U.-3      **20-0480**      **Readmission Hearing - Student FF**

Readmission Hearing - Student FF.



## V. Adoption of the General Consent Report

*"Adoption of the General Consent Report" means that all items appearing on the Agenda under this topic are approved in one motion unless a Board Member requests that an item be removed and voted on separately or otherwise acted upon. Generally, these items are routine in nature, and are acted upon in one motion to conserve time and permit focus on other-than-routine items on the Agenda. An item on the General Consent Report which a Member has requested be removed, shall be removed, without debate for separate consideration and vote or other disposition. All items remaining on the General Consent Report, thereafter, shall be adopted in a single motion.*

Chief Academic Officer

✉ V.-1 [20-1828](#)

### **Nonpublic, Nonsectarian School/Agency Services Master Contract(s) – Soliant Health, LLC - 2020-2021 School Year - Special Education Program**

Approval by the Board of Education of Special Education Services Nonpublic, Nonsectarian School/Agency Services Master Contract between the District and Soliant Health, LLC, Orange, CA, for the latter to provide services to pupils as specified in Section 1 of Contract, for the period July 1, 2020 through June 30, 2021, in an amount not to exceed \$200,000.00, pursuant to terms and conditions of Resolution No. 2021-0008.

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-1828 Nonpublic, Nonsectarian School/Agency Services Master Contract\(s\) – Soliant Health, LLC - 2020-2021 School Year - Special Education Program](#)

✉ 📄 V.-2 [20-1840](#)

**Nonpublic, Nonsectarian School/Agency Services  
Master Contract(s) – Telos Residential Treatment LLC  
- 2020-2021 School Year - Special Education Program**

Approval by the Board of Education of Special Education Services Nonpublic, Nonsectarian School/Agency Services Master Contract between the District and Telos Residential Treatment LLC, Orem, UT, for the latter to provide services to pupils as specified in Section 1 of Contract, for the period July 1, 2020 through June 30, 2021, in an amount not to exceed \$300,000.00, pursuant to terms and conditions of Resolution No. 2021-0008.

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-1840 Nonpublic, Nonsectarian School/Agency Services Master Contract\(s\) – Telos Residential Treatment LLC - 2020-2021 School Year - Special Education Program](#)

✉ 📄 V.-3 [20-1841](#)

**Nonpublic, Nonsectarian Agency, School 2020-21  
Master Contract - Provo Canyon School - Special  
Education Program**

Approval by the Board of Education of Special Education Services Nonpublic, Nonsectarian School/Agency Services Master Contract between the District and Provo Canyon School, Orem, UT, for the latter to provide services to pupils as specified in Section 1 of Contract, for the period July 1, 2020 through June 30, 2021, in an amount not to exceed \$300,000.00, pursuant to terms and conditions of Resolution No. 2021-0008.

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-1841 Nonpublic, Nonsectarian Agency, School 2020-21 Master Contract - Provo Canyon School - Special Education Program](#)

✉ 📄 V.-4 [20-1847](#)

**Nonpublic, Nonsectarian School/Agency Services  
Master Contract(s) – Mountain Valley Child and Family  
Services - 2020-2021 School Year - Special Education  
Program**

Approval by the Board of Education of Special Education Services Nonpublic, Nonsectarian School/Agency Services Master Contract between the District and Mountain Valley Child and Family Services, Nevada City, CA, for the latter to provide services to pupils as specified in Section 1 of Contract, for the period July 1, 2020 through June 30, 2021, in an amount not to exceed \$200,000.00, pursuant to terms and conditions of Resolution No. 2021-0008.

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-1847 Nonpublic, Nonsectarian School/Agency Services Master Contract\(s\) – Mountain Valley Child and Family Services - 2020-2021 School Year - Special Education Program](#)

✉ 📄 V.-5 [20-2059](#)

**Amendment, Community-Based Organization - Master  
Contract - County of Alameda - Health Care Services  
Agency - Community Schools and Student Services  
Department**

Approval by the Board of Education of Amendment, Community-Based Organization Master Contract [Cover Sheet] between the District and County of Alameda, on behalf of its Health Care Services Agency (ACHSA), incorporating and amending Exhibits A thru F, Master Contract 900322 (aka as Procurement Contract No. 20891), as specified, funding ACHSA Safe Routes to School Program and Coordination for the District, as described in the Master Contract, in an amount not to exceed \$255,000.00, for the period of October 1, 2020 through September 30, 2023. All other terms and conditions of the Master Contract remain in full force and effect.

**Resource Code-Site No.: 9206-922**

**Funding Source: Alameda County Public Health and Wellness**

**Attachments:** [20-2059 Amendment, Community-Based Organization - Master Contract - County of Alameda - Health Care Services Agency - Community Schools and Student Services Department](#)

✉ 📄 V.-6 [20-2274](#)

### **Amendment No. 1, Memorandum of Understanding - Bay Area Community Resources - On-Campus Learning Pod - Madison Park Academy, Upper Campus**

Approval by the Board of Education of Amendment No. 1, Memorandum of Understanding between the District and Bay Area Community Resources, San Rafael, CA, for the latter to provide in-person learning supports to students in grades 6-12 at Madison Park Academy, Upper Campus, as describe in Amended Scope of Work, incorporated herein by reference as though fully set forth, via the Community Schools and Student Services Department, for the period August 1, 2020 through July 31, 2021. All other terms and conditions of the MOU remain in full force and effect.

**Vendor No.: 00624**

**Funding Source: No Fiscal Impact**

**Attachments:** [20-2274 Amendment No. 1, Memorandum of Understanding - Bay Area Community Resources - On-Campus Learning Pod - Madison Park Academy, Upper Campus](#)

✉ 📄 V.-7 [20-2341](#)

### **Professional Services Agreement 2020-2021, No Cost - Axis Mundi Center for Mental Health - Community Partnerships - Community Schools and Student Services Department**

Approval by the Board of Education of Professional Services Agreement 2020-2021, No Cost between the District and Axis Mundi Center For Mental Health, Pinole, CA, for the latter to provide therapeutic services in the form of individual and/or group therapy for students, via the Community Schools and Student Services Department, for the period of September 1, 2020 through September 1, 2021, at no cost to the District.

**Funding Source: No Fiscal Impact**

**Attachments:** [20-2341 Professional Services Agreement, No Cost - Axis Mundi Center for Mental Health - Community Partnerships - Community Schools and Student Services Department](#)

✉ 📄 V.-8 [20-2416](#)

### **Agreement - Speech Pathology Group, Inc. - Special Education Department**

Approval by the Board of Education of Agreement between the District and Speech Pathology Group, Walnut Creek, CA, for the latter to provide services to pupils as described in Addendums A, B, C, D and/or E, of Agreement, among other services, enabling the District to implement the services in special education students' Individual Education Plan (IEP), including speech-language services, behavioral consultation and intensive individual services, via the Special Education Program Department, in an amount not to exceed \$6,500,000.00, for the period July 1, 2020 and ends on the earliest of the following: June 30, 2021; the completion of the Services (as stated in addendums A (speech) and/or B (behavior) and/or C (Psychological Services) and/or D (Occupational Therapy Services) and/or E (Physical Therapy Services); or when terminated as set in Agreement.

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-2416 Agreement - Speech Pathology Group, Inc. - Special Education Department](#)

✉ 📄 V.-9 [20-2418](#)

### **Professional Services Agreement 2020 - 2021 - Center for Transformative Teacher Training - Futures Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Center for Transformative Teacher Training, San Francisco, CA, for the latter to train staff to become RTTCs (Real Time Teacher Coaches) and also provide technology and web based platform training at Futures Elementary School, for the period of September 15, 2020 through June 30, 2021, in an amount not to exceed \$58,850.00.

**Vendor No.: 001016**

**Requisition No.: VR21-01178**

**Resource Code-Site No.: 3180-123**

**Funding Source: School Improvement Grant SIG**

**Attachments:** [20-2418 Professional Services Agreement 2020 - 2021 - Center for Transformative Teacher Training - Futures Elementary School](#)

✉ 📄 V.-10 [20-2419](#)

### **Professional Services Agreement 2020 - 2021 - Mustard Seed Neighborhood Development Corp - Lincoln Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Mustard Seed Neighborhood Development Corp, Oakland, CA, for the latter to provide reading support, using last in person Fountas and Pinnell assessment data to identify children behind in grade-level reading expectations and a plan to give them extra support according to Plan, Outcomes and Proposed Schedule, of Agreement, incorporated herein by reference, as though fully set forth, at Lincoln Elementary School, for the period of August 5, 2020 through May 15, 2021, in an amount not to exceed \$35,000.00.

**Vendor No.: 002970**

**Requisition No.: VR21-01513**

**Resource Code-Site No.: 0002-133**

**Funding Source: Unrest Supplemental Support**

**Attachments:** [20-2419 Professional Services Agreement 2020 - 2021 - Mustard Seed Neighborhood Development Corp - Lincoln Elementary School](#)

✉ 📄 V.-11 [20-2420](#)

### **Professional Services Agreement 2020-2021 - Children Rising - Martin Luther King Junior Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Children Rising, Oakland, CA, for the latter to provide literacy support to students who are far below and multiple years beyond grade level; provide tutors before and after school hours to support students in comprehension strategies to strengthen and grow them in literacy skills at MLK/Lafayette Elementary School, for the period of November 9, 2020 through May 27, 2021, in an amount not to exceed \$8,825.00.

**Vendor No.: 001645**

**Requisition No.: VR21-02188**

**Resource Code-Site No.: 4127-182**

**Funding Source: Title 4 - Student Support**

**Attachments:** [20-2420 Professional Services Agreement 2020-2021 - Children Rising - Martin Luther King Junior Elementary School](#)

✉ 📄 V.-12 [20-2421](#)

**Professional Services Agreement 2020-2021 - Children Rising - Martin Luther King Junior Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Children Rising, Oakland, CA, for the latter to conduct Learning Pods of Math instruction virtually and in person for 2nd and 3rd grade students, exposing them to the Common Core Standards in understanding the conceptual and traditional concepts of Math instruction at Martin Luther King Junior Elementary School, for the period of November 9, 2020 through May 27, 2021, in an amount not to exceed \$6,121.00.

**Vendor No.: 001645**

**Requisition No.: VR21-02297**

**Resource Code-Site No.: 3182-182**

**Funding Source: ESSA: Comp Support & Improvmt**

**Attachments:** [20-2421 Professional Services Agreement 2020-2021 - Children Rising - Martin Luther King Junior Elementary School](#)

✉ 📄 V.-13 [20-2438](#)

**Amendment No. 1, Memorandum of Understanding - East Bay Asian Youth Center - Learning Pod - Urban Promise Academy**

Approval by the Board of Education of Amendment No. 1, Memorandum of Understanding between the District and East Bay Asian Youth Center, Oakland, CA, for the latter to provide in-person learning supports to students in grades 6-8 at Urban Promise Academy, as describe in Amended Scope of Work, incorporated herein by reference as though fully set forth, via the Community Schools and Student Services Department, for the period August 1, 2020 through July 31, 2021. All other terms and conditions of the MOU remain in full force and effect.

**Vendor No.: 001474**

**Funding Source: No Fiscal Impact**

**Attachments:** [20-2438 Amendment No. 1, Memorandum of Understanding - East Bay Asian Youth Center - Learning Pod - Urban Promise Academy](#)

✉ 📄 V.-14 [20-2444](#)

### **Professional Services Agreement 2020-2021 - Reading Partners - Bella Vista Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Reading Partners, Oakland, CA, for the latter, working with school leadership and school teaching staff, to provide identified students based on reading intervention needs one on one tutoring through trained volunteers using a researched-validated curriculum, as described in the Scope of Work, incorporated herein by reference as though fully set forth, at Bella Vista Elementary School, for the period of September 8, 2020 through May 28, 2021 in an amount not to exceed \$15,000.00.

**Vendor No.: 003539**

**Requisition No.: VR21-01907**

**Resource Code-Site No.: 0003-102**

**Funding Source: Unrest Concentration Support**

**Attachments:** [20-2444 Professional Services Agreement 2020-2021 - Reading Partners - Bella Vista Elementary School](#)

✉ 📄 V.-15 [20-2445](#)

### **Professional Services Agreement 2020-2021 - Emma Donnelly - East Oakland Pride Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Emma Donnelly, Oakland, CA, for the latter to provide English Language instruction for parents of students, focusing on enhancing English fluency for life skills relevant to communicating with school faculty and staff, and helping parents develop the skills needed for guiding their children on a path to academic success at East Oakland Pride Elementary School, for the period of October 1, 2020 through January 31, 2021, in an amount not to exceed \$2,500.00.

**Vendor No.: 004937**

**Requisition No.: VR21-01997**

**Resource Code-Site No.: 3010-107**

**Funding Source: Iasa-i Basic Grants Low Income**

**Attachments:** [20-2445 Professional Services Agreement 2020-2021 - Emma Donnelly - East Oakland Pride Elementary School](#)



✉ 📄 V.-16 [20-2450](#)

**Professional Services Agreement 2020-2021 - Deario Austin - Elmhurst United Middle School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Deario Austin, Hayward, CA, for the latter to provide technical support and assistance to build out a multi-faceted music and performing arts program; provide support to various musical instructors and support staff associated with the Performing Arts Department at Elmhurst United Middle School, for the period of November 2, 2020 through May 31, 2021, in an amount not to exceed \$21,000.00.

**Vendor No.: 006786**

**Requisition No.: VR21-02488**

**Resource Code-Site No.: 9332-229**

**Funding Source: Measure G1 Parcel Tax**

**Attachments:** [20-2450 Professional Services Agreement 2020-2021 - Deario Austin - Elmhurst United Middle School](#)

✉ 📄 V.-17 [20-2451](#)

**Professional Services Agreement 2020-2021 - Mills Teacher Scholars - Academics and Instructional Innovation Department**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Mills Teacher Scholars, Oakland, CA, for the latter to plan and facilitate 13.5 hours of collaborative inquiry work, virtual or in-person; plan and facilitate 9 hours of small-group leadership support sessions; facilitate school site-specific collective visioning and goal-setting between SEL Lead Learners and their respective principals; provide resources and support for SEL Lead Learners and classroom teachers to build schoolwide SEL through public and facilitating learning conversations at their sites; synthesize SEL Lead Learners' key understandings of student learning needs, teacher instructional shifts to improve practice, and understand ways to support colleagues at their sites for progress reports and evaluation data via the Academics and Instructional Innovation Department, for the period of October 1, 2020 through June 30, 2021, in an amount not to exceed \$29,000.00.

**Vendor No.: 002866**

**Requisition No.: VR21-02784**

**Resource Code-Site No.: 9225-909**

**Funding Source: Kaiser Health&wellness W/ebcf**

**Attachments:** [20-2451 Professional Services Agreement 2020-2021 - Mills Teacher Scholars - Academics and Instructional Innovation Department](#)

✉ 📄 V.-18 [20-2453](#)

### **Professional Services Agreement 2020-2021 - Civic Productions LLC - Linked Learning Department**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Civic Productions LLC, Oakland, CA, for the latter to organize 2-3 projects, including those specifically mentioned in Specific Outcomes of the Agreement, incorporated herein by reference as though fully set forth, over the course of the year in which OUSD students produce work hosted by community partners; work in coordination with the OUSD Linked Learning Office and high schools to facilitate the connection between OUSD students and community college faculty to develop their work and learn about post-secondary opportunities and career pathways available to them via Linked Learning Department, for the period of November 10, 2020 through June 30, 2021, in an amount not to exceed \$50,000.00.

**Vendor No.: 005705**

**Requisition No.: VR21-02790**

**Resource Code-Site No.: 6388-912**

**Funding Source: K12 Strong Workforce Grant**

**Attachments:** [20-2453 Professional Services Agreement 2020-2021 - Civic Productions LLC - Linked Learning Department](#)

✉ 📄 V.-19 [20-2454](#)

### **Professional Services Agreement 2020-2021 - Seneca Family of Agencies - High School Network**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Seneca Family of Agencies, San Leandro, CA, for the latter to provide case management services, virtually or in person in accordance with current Distance Learning format, that will include students assigned to a mental health counselor and those offered the required counseling hours based on their rehabilitation plans, via the High School Network, for the period of September 1, 2020 through June 30, 2021, in an amount not to exceed \$55,000.00.

**Vendor No.: 003865**

**Requisition No.: VR21-01538**

**Resource Code-Site No.: 3010-964**

**Funding Source: Iasa-i Basic Grants Low Income**

**Attachments:** [20-2454 Professional Services Agreement 2020-2021 - Seneca Family of Agencies - High School Network](#)

✉ 📄 V.-20 [20-2455](#)

### **Professional Services Agreement 2020-2021 - Language People - Special Education Department**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Language People, Murrieta, CA, for the latter to provide virtual translation services, via telephone and/or in online platforms, based on parent communication needs for students needs and Individualized Education Program (IEP) goals, via the Special Education Department, for the period of August 10, 2020 through June 30, 2021, in an amount not to exceed \$50,000.00.

**Vendor No.: 002492**

**Requisition No.: VR21-01429**

**Resource Code-Site No.: 6500-975**

**Funding Source: Special Education**

**Attachments:** [20-2455 Professional Services Agreement 2020-2021 - Language People - Special Education Department](#)

✉ 📄 V.-21 [20-2456](#)

### **Professional Services Agreement 2020-2021 - Student Program for Academic & Athletic Transitioning (SPAAT) - Office of Equity**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Student Program for Academic & Athletic Transitioning (SPAAT), Oakland, CA, for the latter to provide Academic Coaching, Academic advising, College counseling and stipends via the Office of Equity, for the period of July 1, 2020 through May 28, 2021, in an amount not to exceed \$91,000.00.

**Vendor No.: 004011**

**Requisition No.: VR21-02791**

**Resource Code-Site No.: 9121-929**

**Funding Source: Oakland Fund Children & Youth**

**Attachments:** [20-2456 Professional Services Agreement 2020-2021 - Student Program for Academic & Athletic Transitioning \(SPAAT\) - Office of Equity](#)

✉ 📄 V.-22 [20-2457](#)

### **Professional Services Agreement 2020-2021 - Destiny Arts Center - Edna Brewer Middle School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Destiny Arts Center, Oakland, CA, for the latter to provide 4 hours of programming per week for 36 weeks through Arts Education and Social Emotional Learning and Creative Youth Development Framework utilizing a Teaching Artist (TA) to teach Hip Hop & Street Dance to over 150 Students; and to provide mindfulness, reflection, community building and creative expression for students through their classes at Edna Brewer Middle School, for the period of August 10, 2020 through May 28, 2021, in an amount not to exceed \$14,000.00.

**Vendor No.: 001363**

**Requisition No.: VR21-01991**

**Resource Code-Site No.: 9332-210**

**Funding Source: Measure G1 Parcel Tax**

**Attachments:** [20-2457 Professional Services Agreement 2020-2021 - Destiny Arts Center - Edna Brewer Middle School](#)

✉ 📄 V.-23 [20-2458](#)

### **Professional Services Agreement 2020-2021 - Lincoln - Met West High School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Lincoln, Oakland, CA, for the latter to provide qualified mental health staff to support the school based mental health services and screen any child referred for mental health supports for EPSDT/Medical service eligibility, as described in the Scope of Work, incorporated herein as though fully set forth, at Met West High School, for the period of September 1, 2020 through June 30, 2021, in an amount not to exceed \$5,000.00.

**Vendor No.: 002590**

**Requisition No.: VR21-01826**

**Resource Code-Site No.: 0002-338**

**Funding Source: Unrestricted Supplemental Support**

**Attachments:** [20-2458 Professional Services Agreement 2020-2021 - Lincoln - Met West High School](#)

✉ 📄 V.-24 [20-2460](#)

**Professional Services Agreement 2020-2021 - Cindy Oludayo - Edna Brewer Middle School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Cindy Oludayo, Oakland, CA, for the latter to virtually work collaboratively with Brewer administrators, teachers and other community members to increase parent/family engagement, specifically families of students of color, as described in the Scope of Work, incorporated herein by reference as though fully set forth at Edna Brewer Middle School, for the period of November 2, 2020 through May 28, 2021, in an amount not to exceed \$3,328.00.

**Vendor No.: 005780**

**Requisition No.: VR21-02607**

**Resource Code-Site No.: 3010-210**

**Funding Source: Iasa-i Basic Grants Low Income**

**Attachments:** [20-2460 Professional Services Agreement 2020-2021 - Cindy Oludayo - Edna Brewer Middle School](#)

✉ 📄 V.-25 [20-2461](#)

**Professional Services Agreement 2020-2021 - New Door Ventures - Ralph J. Bunche Academy**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and New Door Ventures, San Francisco, CA, for the latter, through its New Door Program, to provide pre-employment training, job placement, case management, and work skill training services to students, as described in the Scope of Work, incorporated herein by reference as though fully set forth at Ralph J. Bunche Academy, for the period of October 1, 2020 through May 31, 2021, in an amount not to exceed \$10,000.00.

**Vendor No.: 005644**

**Requisition No.: VR21-02009**

**Resource Code-Site No.: 9333-309**

**Funding Source: Measure N**

**Attachments:** [20-2461 Professional Services Agreement 2020-2021 - New Door Ventures - Ralph J. Bunche Academy](#)

✉ 📄 V.-26 [20-2472](#)

### **Professional Services Agreement 2020 - 2021 - Safe Passages - Laurel Elementary School**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Safe Passages, Oakland, CA, for the latter to provide a full-time coach who will facilitate positive play at recess, throughout the school day, and after school, as described in Agreement and offer a Junior Coach Leadership Program to teach students skills like, leadership and conflict resolution at Laurel Elementary School, for the period of November 20, 2020 through May 28, 2021, in an amount not to exceed \$40,000.00.

**Vendor No.: 003729**

**Requisition No.: VR21-01878**

**Resource Code-Site No.: 0002-131, 4127-131, 9011-131**

**Funding Source: Donations, Title 4-Student Support, Unrest Supplemental Support**

**Attachments:** [20-2472 Professional Services Agreement 2020 - 2021 - Safe Passages - Laurel Elementary School](#)

✉ 📄 V.-27 [20-2473](#)

### **Professional Services Agreement 2020-2021 - Lincoln - Fruitvale Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Lincoln, Oakland, CA, for the latter to provide school based mental health services and screen any child referred for mental health supports for EPSDT/Medical service eligibility, as described in the Scope of Work, at Fruitvale Elementary School, for the period of August 12, 2020 through June 30, 2021, in an amount not to exceed \$5,000.00.

**Vendor No.: 002590**

**Requisition No.: VR21-02797**

**Resource Code-Site No.: 4127-117**

**Funding Source: Title 4-Student Support**

**Attachments:** [20-2473 Professional Services Agreement 2020-2021 - Lincoln - Fruitvale Elementary School](#)

✉ 📄 V.-28 [20-2474](#)

### **Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Safe Passages, Oakland, CA, for the latter four (4) days per week for 3 hours per day (for a total 350 hours) to develop individualized intervention plans for English Language Learners that have been speaking English for one year or less, as described in the Scope of Work, at Laurel Elementary School, for the period of August 10, 2020 through May 28, 2021 in an amount not to exceed \$15,000.00.

**Vendor No.: 003729**

**Requisition No.: VR21-01822**

**Resource Code-Site No.: 0002-131**

**Funding Source: Unrest Supplemental Support**

**Attachments:** [20-2474 Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School](#)

✉ 📄 V.-29 [20-2475](#)

### **Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Safe Passages, Oakland, CA, for the latter to provide 720 hours of case management and other social work services for students and families at Laurel Elementary School, for the period of September 1, 2020 through May 28, 2021, in an amount not to exceed \$15,000.00.

**Vendor No.: 003729**

**Requisition No.: VR21-01880**

**Resource Code-Site No.: 9011-131**

**Funding Source: Donations**

**Attachments:** [20-2475 Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School](#)

✉ 📄 V.-30 [20-2476](#)

### **Professional Services Agreement 2020-2021 - Lincoln - Laurel Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Lincoln, Oakland, CA, for the latter to make available a clinician providing direct therapy to a caseload of up to 20 students as well as a behavioral intervention specialist who will provide in class support services to students; serve as member of the Coordination of Services Team and assist in the development of individualized intervention plans for students identified as in need of intensive support services as well as assist in efforts to strengthen overall school culture and climate at Laurel Elementary School, for the period of August 10, 2020 through May 28, 2021, in an amount not to exceed \$10,000.00.

**Vendor No.: 002590**

**Requisition No.: VR21-01823**

**Resource Code-Site No.: 3010-131**

**Funding Source: Iasa- i Basic Grants Low Income**

**Attachments:** [20-2476 Professional Services Agreement 2020-2021 - Lincoln - Laurel Elementary School](#)



✉ 📄 V.-31 [20-2477](#)

### **Professional Services Agreement 2020-2021 - Performance Fact - Network 4**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Performance Fact, Oakland, CA, after four years of design, development, implementation, and continuous improvement of a number of promising practices at the Lockwood Elementary School Campus, through the School Improvement Grant, at the Network level, and at the LEA (Oakland USD) level, for the latter to provide three strands:

#### **Strand #1: Assess SIG's Impact**

*Assess and document "what we did, what difference it made, what we learned"* during the years of SIG implementation at the Lockwood Campus,

Network, and LEA levels, including compilation and analysis of evidence such as:

artifacts, video/photos, interviews and surveys, student outcome data, impact

on/of teaching, learning, leadership, and operations;

.

#### **Strand #2: Design for Post-SIG Sustainability**

*Codify core tools and processes*, including full documentation in digital formats

(e.g., Google Suite) that ensure easy access and wide dissemination, and facilitators who would possess the knowledge and skills to serve as trainers for

others regarding the core tools and processes; and

#### **Strand #3: Focus Implementation in COVID-19 Era**

*Provide technical assistance regarding implementation* of the specific 2020-

2021 annual priorities (i.e., work plan) at the Lockwood Campus, the Network,

and the LEA, with adjustments for the COVID-19 environment,

via Network 4, for the period of December 1, 2020 through June 30, 2021, in an amount not to exceed \$195,000.00.

**Vendor No.: 003328**

**Requisition No.: VR21-02834**

**Resource Code-Site No.: 3180-923**

**Funding Source: School Improvement Grant SIG**

**Attachments:** [20-2477 Professional Services Agreement 2020-2021 - Performance Fact - Network 4](#)

✉ 📄 V.-32 [20-2478](#)

### **Professional Services Agreement 2020-2021 - Bay Area Community Resources - Futures Elementary School**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Bay Area Community Resources, San Rafael, CA, for the latter to provide a reading intervention program, as described in the Scope of Work, incorporated herein by reference as though fully set forth, at Futures Elementary School, for the period of October 1, 2020 through May 28, 2021, in an amount not to exceed \$14,000.00.

**Vendor No.: 000624**

**Requisition No.: VR21-02624**

**Resource Code-Site No.: 3180-123**

**Funding Source: School Improvement Grant SIG**

**Attachments:** [20-2478 Professional Services Agreement 2020-2021 - Bay Area Community Resources - Futures Elementary School](#)

✉ 📄 V.-33 [20-2479](#)

### **Professional Services Agreement 2020-2021 - Excel Consulting Services, LLC - MLK/Lafayette Elementary School**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Excel Consulting Services, LLC, Richmond, CA, for the latter to coach and guide the principal on instructional strategies that lead to the academic success of all students: using data to create and write out instructional plans that support teachers in learning strategies that will show growth in student reading, writing, and math; support school in addressing how to improve better student outcomes at MLK/Lafayette Elementary School, for the period of October 26, 2020 through May 21, 2021, in an amount not to exceed \$5,000.00.

**Vendor No.: 004022**

**Requisition No.: VR21-01026**

**Resource Code-Site No.: 0002-182**

**Funding Source: Unrest Supplemental Support**

**Attachments:** [20-2479 Professional Services Agreement 2020-2021 - Excel Consulting Services, LLC - MLK/Lafayette Elementary School](#)

✉ 📄 V.-34 [20-2480](#)

### **Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Safe Passages, Oakland, CA, for the latter to provide a consultant to conduct classes and provide a variety of counseling/mentoring services to students in grades 3-5, focusing on Youth Development Leadership and Advocacy, as described; mentor students during recess and work one on one with students that have been identified by the Coordination of Services Team as needing more intensive supports at Laurel Elementary School, for the period of August 10, 2020 through May 28, 2021, in an amount not to exceed \$27,000.00.

**Vendor No.: 003729**

**Requisition No.: VR21-01879**

**Resource Code-Site No.: 9011-131**

**Funding Source: Donations**

**Attachments:** [20-2480 Professional Services Agreement 2020-2021 - Safe Passages - Laurel Elementary School](#)

✉ 📄 V.-35 [20-2485](#)

### **Professional Services Agreement 2020-2021 - Community Education Partnership - Community Schools and Student Services Department**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Community Education Partnership, Oakland, CA, for the latter, under the Education of Homeless Children and Youth Grant, to offer McKinney-Vento families individualized one-on-one hourly GED tutoring services, up to 20 hours to four (4) unhoused students, as described in the Scope of Work, incorporated herein by reference as though fully set forth, via Community Schools and Student Services Department, for the period of August 10, 2020 through May 28, 2021, in an amount not to exceed \$1,250.00.

**Vendor No.: 006824**

**Requisition No.: VR21-02860**

**Resource Code-Site No.: 5630-922**

**Funding Source: Homeless Children & Youth**

**Attachments:** [20-2485 Professional Services Agreement 2020-2021 - Community Education Partnership - Community Schools and Student Services Department](#)

✉ 📄 V.-36 [20-2491](#)

### **Professional Services Agreement - Big Green - Learning Gardens - Community Schools and Student Services Department**

Ratification by the Board of Education of Professional Services Agreement between the District and Big Green, Broomfield, CO, for the latter to serve as a collaborating partner: (1) conducting school site garden assessments; (2) supporting district-wide assessment of environment, food and garden nutrition curriculum and programming; (3) conducting full assessment of instructional farm, community garden, and outdoor space at The Central Kitchen; and (4) collaborating on the 3-year implementation, fundraising and staffing plan, as described in the Scope of Work, incorporated herein by reference as though fully set forth, via the Community Schools and Student Services Department, for the period November 16, 2020 through June 30, 2023, in an amount not to exceed \$50,000.00.

**Vendor No.: 006893**

**Requisition No.: VR21-03317**

**Resource Code-Site No.: 9044-922**

**Funding Source: City of Oakland**

**Attachments:** [20-2491 Professional Services Agreement - Big Green - Learning Gardens - Community Schools and Student Services Department](#)

✉ 📄 V.-37 [20-2492](#)

### **Amendment No. 1, Standard Agreement - State of California - Department of Rehabilitation - Special Education Department**

Approval by the Board of Education of Amendment No. 1, Standard Agreement (Agreement No. 30906) - Subvention Contract - Vocational Rehabilitation Third Party Cooperative/Case Agreement - Transition Partnership Program - between District and California State Department of Rehabilitation, revising the Student Services Budget and Vocational Rehabilitation (VR) Employment Service, as specified, effective June 1, 2020, with no change in the original amount of the grant (\$1,206,957.00, July 1, 2018 through June 30, 2021). All other terms and conditions of the Agreement remain in full force and effect.

**Funding Source: State of California, Department of Rehabilitation**

**Attachments:** [20-2492 Amendment No. 1, Standard Agreement No. 30906 - California State Department of Rehabilitation - Transition Partnership Program - Special Education Department](#)

**Chief Business Officer**

✉ 📄 V.-38 [20-2423](#)

## **Professional Service Contract - Claremont Partners - Risk Management**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Claremont Partners, Inc., Alameda, CA, for the latter to work with the Health Benefits Governing Board - Communications Subcommittee to ensure that HBGB meeting minutes are drafted in detail and shared with all stakeholders; share employee benefits communications best practices from other school districts, including demonstration of other school districts' benefits web sites, employee newsletters and Board of Education presentations; establish and maintain consistent HBGB brand and consistent voice for health benefit programs for open enrollment, benefit plan change and promotion of the employee assistance program, including creating HBGB logo meeting requirements of all labor units; develop background on the HBGB mission and values, and the rationale for changes to certain health benefits, overall communications campaign including drafting of emails, hard copy letters, and web announcements regarding changes, coordination of in-person workshops with vendors, reviewing employee feedback shared by labor unions and District on health benefits and suggesting changes in communications strategy to align with employee feedback and providing benefits web page layout suggestions and reviewing to ensure that all material is up-to-date; coordinate input from labor and District stakeholders on editorial calendar which sets 12-month schedule for publishing information on, all employee health programs, health fund income and expense, employee health topics and in-person benefits workshops as needed, like the Employee communications campaigns currently under way for the 2021-22 year include VSP and eye health, Delta Dental and oral health, Kaiser and employee wellness and WageWorks FSA 125 and how to take advantage of flexible spending accounts, via Risk Management Department, for the period of July 1, 2020 through June 30, 2021, in an amount not to exceed \$44,352.00.

**Vendor No.: 001097**

**Requisition No.: VR21-00459**

**Resource Code-Site No.: 9032-987**

**Funding Source: General Purpose**

**Attachments:** [20-2423 Professional Service Contract - Claremont Partners - Risk Management](#)

## Chief Systems and Services Officer

✉ 📄 V.-39 [20-2383](#) **Professional Services Agreement 2020-2021 - Common Vision - Nutrition Services Department**

Ratification by the Board of Education of a Professional Services Agreement between the District and Common Vision, Berkeley, CA, for the latter to pick up meals from pick up meals from Coliseum College Preparatory Academy, Castlemont, Manzanita, LaEscuelita, Oakland High, West Street and High Street to distribute meals to student homes based upon a list of addresses provided by Nutrition Services and may also support home delivery enrollment and use bilingual staff members to assist OUSD families navigate the enrollment system, as described in the Scope of Work, incorporated herein by reference as though fully set forth, via Nutrition Services Department, for the period of November 3, 2020 through January 31, 2021, in an amount not to exceed \$90,000.00.

**Vendor No.: 001149**

**Requisition No.: VR21-02538**

**Resource Code-Site No.: 5310-991**

**Funding Source: Child Nutrition Food Program**

**Attachments:** [20-2383 Professional Services Agreement 2020-2021 - Common Vision - Nutrition Services Department](#)

✉ 📄 V.-40 [20-2384](#) **Professional Services Agreement 2020-2021 - 14 Caliber, LLC - Nutrition Services Department**

Ratification by the Board of Education of a Professional Services Agreement between the District and 14 Caliber, LLC, Schaumburg, IL, for the latter to continue to provide marketing and brand support services to District's Nutrition Services Program to successfully launch the central kitchen, education program and instructional farm and increase student participation in the school's meal program, via Nutrition Services Department, for the period of July 1, 2020 through June 30, 2021, in an amount not to exceed \$85,000.00.

**Vendor No.: 006466**

**Requisition No.: VR21-02397**

**Resource Code-Site No.: 5310-991**

**Funding Source: Child Nutrition School Program**

**Attachments:** [20-2384 Professional Services Agreement 2020-2021 - 14 Caliber, LLC - Nutrition Services Department](#)

✉ 📄 V.-41 [20-2447](#)

**Professional Services Agreement 2020-2021 - LA  
Fowler, LLC - Nutrition Services Department**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and LA Fowler, LLC, Chicago, IL, for the latter to continue to support the Nutrition Services Program, and central office leadership, to develop a full Central Kitchen project implementation plan including pilot sites, technology resources, procurement methods, staffing and budget models, staff training and development and a 3-5 year strategic plan for Nutrition Services (built through a process engaging key internal and external stakeholders), via Nutrition Services Department, for the period of July 1, 2020 through June 30, 2021 in an amount not to exceed \$84,000.00.

**Vendor No.: 006304**

**Requisition No.: VR21-02841**

**Resource Code-Site No.: 5310-991**

**Funding Source: Child Nutrition School Program**

**Attachments:** [20-2447 Professional Services Agreement 2020-2021 - LA Fowler, LLC - Nutrition Services Department](#)

**Deputy Chief, Facilities Planning and Management**

✉ 📄 V.-42 [20-2408](#)

**Agreement Between Owner and Contractor -  
Competitively Bid – George Masker – Rudsdale Middle  
School Exterior Painting Project – Buildings & Grounds  
Department**

Approval by the Board of Education of Agreement Between Owner and Contractor - Competitively Bid - on behalf of the District to George Masker (“Contractor”), Oakland, CA, for the latter to prime and paint exterior of school campus; pressure wash exterior of school; scrape and clean loose debris; apply two (2) coats of finish w/color will be chosen by the District, for the Rudsdale Middle School Exterior Painting Project, described in Bid Proposal - Document 00 31 01 - received 10:20 A.M., November 4, 2020, incorporated herein by reference as though fully set forth, in the amount of \$280,000.00, which includes a contingency of \$20,000.00, as the lowest responsive bidder, and rejecting all other bids if any, and authorizing the President and Secretary of the Board to sign the Agreement for same with said bidder anticipated to commence on January 14, 2021, and scheduled to last for Thirty (30) days, with an anticipated ending of February 13, 2021.

**Vendor No.: 001819**

**Requisition No.: VR21-02927**

**Resource Code-Site No.: 05021 352**

**Funding Source: Fund 140 - Deferred Management Fund**

**Attachments:** [20-2408 Agreement Between Owner and Contractor - Competitively Bid – George Masker – Rudsdale Middle School Exterior Painting Project – Buildings & Grounds Department](#)



✉ 📄 V.-43 [20-2410](#)

**Agreement Between Owner and Contractor -  
Competitively Bid – George Masker – Sequoia  
Elementary School Exterior Painting Project –  
Buildings & Grounds Department**

Approval by the Board of Education of Agreement Between Owner and Contractor - Competitively Bid - on behalf of the District to George Masker (“Contractor”), Oakland, CA, for the latter to prime and paint exterior of school campus; pressure wash exterior of school; scrape and clean loose debris; apply two (2 ) coats of finish w/color chosen by the District, for the Sequoia Elementary School Exterior Painting Project, described in Bid Proposal - Document 00 31 01 - received 10:20 A.M., November 4, 2020, incorporated herein by reference as though fully set forth, in the amount of \$197,000.00, which includes a contingency of \$18,000.00, as the lowest responsive bidder, and rejecting all other bids if any, and authorizing the President and Secretary of the Board to sign the Agreement for same with said bidder anticipated to commence on January 14, 2021, and scheduled to last for Thirty (30) days, with an anticipated ending of February 13, 2021.

**Vendor No.: 001819**

**Requisition No.: PO21-02644**

**Resource Code-Site No.: 0502 151**

**Funding Source: Fund 140 - Deferred Management Fund**

**Attachments:** [20-2410 Agreement Between Owner and Contractor - Competitively Bid – George Masker – Sequoia Elementary School Exterior Painting Project – Buildings & Grounds Department](#)

✉ 📄 V.-44 [20-2411](#)

**Agreement Between Owner and Contractor -  
Competitively Bid – George Masker – Howard  
Elementary School Exterior Painting Project –  
Buildings & Grounds Department**

Approval by the Board of Education of Agreement Between Owner and Contractor - Competitively Bid - on behalf of the District to George Masker (“Contractor”), Oakland, CA, for the latter to prime and paint exterior of school campus; pressure wash exterior of school; scrape and clean loose debris; apply two (2) coats of finish w/color chosen by the District, for the Howard Elementary School Exterior Painting Project, described in Bid Proposal - Document 00 31 01 - received 10:21 A.M., November 4, 2020, incorporated herein by reference as though fully set forth, in the amount of \$194,000.00, which includes a contingency of \$18,000.00, as the lowest responsive bidder, and rejecting all other bids if any, and authorizing the President and Secretary of the Board to sign the Agreement for same with said bidder anticipated to commence on January 14, 2021, and scheduled to last for Thirty (30) days, with an anticipated ending of February 13, 2021.

**Vendor No.: 001819**

**Requisition No.: PO21-02643**

**Resource Code-Site No.: 0502 166**

**Funding Source: Fund 140 - Deferred Management Fund**

**Attachments:** [20-2411 Agreement Between Owner and Contractor - Competitively Bid – George Masker – Howard Elementary School Exterior Painting Project – Buildings & Grounds Department](#)

Deputy Chief, Talent

✉ 📄 V.-45 [20-2481](#)

**Notice of Release - Probationary and Temporary  
Contract Certificated Employees - Non Reelects -  
School Year 2021-2022**

Approval by the Board of Education authorizing the Superintendent of Schools or designee to send a Notice of Release from Position to each and every probationary and temporary certificated employee who will not be reelected for employment for the School Year 2021-2022, pursuant to provisions of California Education Code Sections 44929.21 and 44954.

**Attachments:** [20-2481 Notice of Release - Probationary and Temporary Contract Certificated Employees - Non Reelects - School Year 2021-2022](#)

✉ 📄 V.-46 [20-2488](#)

**Notice to Categorically - Funded Certificated Employees of Possible Reassignment - School Year 2021-2022**

Approval by the board of Education authorizing the Superintendent of Schools or designee to send a Notice of Possible Reassignment for the School Year 2021-2022, to any and all Categorically-Funded, Certificated Employees, pursuant to provisions of California Education Code Section 44909.

**Attachments:** [20-2488 Notice to Categorically - Funded Certificated Employees of Possible Reassignment - School Year 2021-2022](#)

✉ 📄 V.-47 [20-2489](#)

**Notice - Possible Reassignment or Release - Administrative and/or Supervisory Certificated Employees - Effective School Year 2021-2022**

Approval by the Board of Education authorizing the Superintendent of Schools or designee to send a Notice to Administrative and/or Supervisory Certificated Employees of Possible Reassignment from or Release from Current Position for School Year 2021-2022, pursuant to provisions of California Education Code Section 44951.

**Attachments:** [20-2489 Notice - Possible Reassignment or Release - Administrative and/or Supervisory Certificated Employees - Effective School Year 2021-2022](#)

✉ 📄 V.-48 [20-2490](#)

**Personnel Report No. 2021-0006 - Talent/Human Resources Department**

Approval by the Board of Education of Personnel Report No. 2021-0006 - Talent/Human Resources Department.

**Attachments:** [20-2490 Personnel Report No. 2021-0006 - Talent/Human Resources Department](#)

✉ 📄 V.-49 [20-2493](#)

**Creation of Job Description – Director, Programs, The Center - Talent/Human Resources Department**

Adoption by the Board of Education of Resolution No. 2021-0094 - Creation Job Description - Director, Programs, The Center.

**Attachments:** [20-2493 Creation of Job Description – Director, Programs, The Center - Talent/Human Resources Department](#)

**Superintendent of Schools**

✉ 📄 V.-50 [20-2446](#)

### **Professional Services Agreement 2020-2021 - Moira De Nike - Office of the Chief of Staff**

Ratification by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Moira De Nike, San Francisco, CA, for the latter to provide work with District to provide project management, planning, writing, and evaluation/progress monitoring design to advance the reimagining of school safety district-wide, as described in the Scope of Work, incorporated herein by reference as though fully set forth, via Office of the Chief of Staff, for the period of September 1, 2020 through June 30, 2021, in an amount not to exceed \$30,000.00.

**Vendor No.: 001318**

**Requisition No.: VR21-03039**

**Resource Code-Site No.: 9225-901**

**Funding Source: Kaiser Health & Wellness**

**Attachments:** [20-2446 Professional Services Agreement 2020-2021 - Moira De Nike - Office of the Chief of Staff](#)

✉ 📄 V.-51 [20-2448](#)

### **Professional Services Agreement 2020-2021 - Student Program for Academic & Athletic Transitioning (SPAAT) - Office of the Superintendent**

Approval by the Board of Education of a Professional Services Agreement 2020-2021 between the District and Student Program for Academic & Athletic Transitioning (SPAAT), Oakland, CA, for the latter to provide its The Athletes Code (TAC), a school-based prevention and intervention program that integrates academic, athletic and enrichment services to 120 middle school students at two sites: Westlake and Montera Middle Schools, via Office of the Superintendent, for the period of August 13, 2020 through December 31, 2020, in an amount not to exceed \$60,000.00.

**Vendor No.: 004011**

**Requisition No.: VR21-03070**

**Resource Code-Site No.: 3220-941**

**Funding Source: Learning Loss Mitigation Covid**

**Attachments:** [20-2448 Professional Services Agreement 2020-2021 - Student Program for Academic & Athletic Transitioning](#)

**Board of Education**

✉ 📄 V.-52 [21-0082](#)

### **Certification of Measure "Y" - District's General Bond Election Results - November 3, 2020**

Adoption by Board of Education of Resolution No. 2021-0030 - Declaring Results of Measure Y School Bond Election Held November 3, 2020.

**Attachments:** [21-0082 Certification of Measure "Y" - District's General Bond Election Results - November 3, 2020](#)

✉ 📄 V.-53 [21-0083](#)

### **Establishment - District Independent Citizens School Facilities Bond Oversight Committee - As the Oversight Committee for Measure "Y" - Amending Board Bylaw 9131 Accordingly**

Adoption by the Board of Education of Resolution No. 2021-0031 - Assigning the Monitoring and Reporting of Expenditures of Facilities Bond Measures B, J, and Y to a single Independent Citizens' School Facilities Bond Oversight Committee, renaming said committee the Measures B, J, and Y Independent Citizens' School Facilities Bonds Oversight Committee, and amending Board Bylaw 9131 accordingly.

**Attachments:** [21-0083 Establishment - District Independent Citizens School Facilities Bond Oversight Committee - As the Oversight Committee for Measure "Y" - Amending Board Bylaw 9131 Accordingly](#)

## **V1. Adoption of General Consent Report - Measures A, B and J General Obligation Bonds (GOB)**

*"Adoption of the General Consent Report" means that all items appearing on the Agenda under this topic are approved in one motion unless a Board Member requests that an item be removed and voted on separately or otherwise acted upon. Generally, these items are routine in nature, and are acted upon in one motion to conserve time and permit focus on other-than-routine items on the Agenda. An item on the General Consent Report which a Member has requested be removed, shall be removed, without debate for separate consideration and vote or other disposition. All items remaining on the General Consent Report, thereafter, shall be adopted in a single motion.*

**Deputy Chief, Facilities Planning and Management**✉ 📄 V1.-1 [20-2402](#)**Amendment No. 2, Material and Testing Agreement - Consolidated Engineering Laboratories - Emerson Middle School Girls' Softball Field Project – Division of Facilities Planning and Management**

Approval by the Board of Education of Amendment No. 2, Material and Testing Agreement for Professional Services between the District and Consolidated Engineering Laboratories, Oakland, CA, for the latter additional materials testing and construction inspection, as described in the proposal dated November 10, 2020, attached as Exhibit A, for the Emerson Elementary School Girls' Softball Field Project, in an additional amount of \$64,187.07, which includes a \$5,835.19 contingency, increasing Agreement not to exceed amount from \$30,000.00 to \$94,187.07, and authorizing the President and Secretary of the Board to sign the Amendment for same with said Consultant. All other terms and conditions of the Agreement remain in full force and effect.

**Vendor No.: 001171****Requisition No.: PO21-01295****Resource Code-Site No.: 9350 115****Funding Source: Fund 21 Measure J**

**Attachments:** [20-2402 Amendment No. 2, Material and Testing Agreement – Consolidated Engineering Laboratories - Emerson Middle School Girls' Softball Field Project – Division of Facilities Planning and Management](#)

✉  V1.-2 [20-2426](#)

**Amendment No. 1, General Services Agreement – One Workplace – Glenview New Construction Project – Division of Facilities Planning and Management**

Approval by the Board of Education of Amendment No. 1, General Services Agreement between the District and One Workplace, San Leandro, CA, for the latter to provide delivery and purchase of new furniture for the Glenview New Construction Project, in an additional amount of \$9,417.05.00 increasing Agreement not to exceed amount from \$607,405.23 to \$616,822.28, extending time of Agreement by 120 additional calendar days, revising term from March 12, 2020 through December 31, 2020 to April 30, 2021, authorizing the President and Secretary of the Board to sign the Amendment for same with said Consultant. All other terms and conditions of the Agreement remain in full force and effect.

**Vendor No.: 003183**

**Requisition No.: VR21-03425**

**Resource Code-Site No.: 9650 119**

**Funding Source: Fund 21 Measure J**

**Attachments:** [20-2426 Amendment No. 1, General Services Agreement – One Workplace – Glenview New Construction Project – Division of Facilities Planning and Management](#)

**W. Introduction of New Legislative Matter(s)**

*This section of the Agenda permits the introduction of new business matter within subject matter jurisdiction of District that may be scheduled, pursuant to requirements of Board By-Law 9322, for a future meeting.*

 W.-1 [21-0012](#)

**Board Policy - Students - BP NTBD - Enrollment Stabilization**

Adoption by Board of Education of Board Policy - Students - BP NTBD Enrollment Stabilization.

**Attachments:** [21-0012 Board Policy - Students - BP NTBD - Enrollment Stabilization](#)

📄 W.-2 [21-0013](#) **Aspire Public Schools – Aspire ERES Academy - Grades TK-8 - July 1, 2019- June 30, 2024 (Material Revision)**

Submission to the Board of Education of Aspire Public Schools - Aspire ERES Academy - Material Revision - Request to Raise Enrollment Cap from 250 to 550, for Grades TK-8 - July 1, 2019 - June 30, 2024 - pursuant to Education Code Section 47605.

**Attachments:** [21-0013 Aspire Public Schools – Aspire ERES Academy - Grades TK-8 - July 1, 2019- June 30, 2024 \(Material Revision\)](#)

**Legislative History**

12/1/20	Office of Charter Schools	Submitted to the Board of Education
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📄 W.-3 [21-0095](#) **Resolution - Muwekma Ohlone Historic Land Acknowledgement**

Adoption by the Board of Education of Resolution No. 2021-0033 - Acknowledging Oakland as Part of the Historic Land Belonging to the Muwekma Ohlone - January 2021

**Requesters:** VanCedric Williams

**Attachments:** [21-0095 Resolution - Muwekma Ohlone Historic Land Acknowledgement](#)

📄 W.-4 [21-0096](#) **Resolution - Black Lives Matter at School Week of Action**

Adoption by the Board of Education of Resolution No. 2021-0034 - Black Lives Matter at School Week of Action.

**Requesters:** VanCedric Williams

**Attachments:** [21-0096 Resolution - Black Lives Matter at School Week of Action](#)

## X. Regular Board Members' Report

X.-1 [21-0008](#) **Board Member's Report - January 13, 2021**

Board Member's Report - January 13, 2021.



## Y. Agenda Building & Work Plan Review

📄 Y.-1 [20-2220](#) **Implementation Status - 2020-2021 School Year Work Plan - Board of Education**

Review Implementation Status of the adopted 2020-2021 School Year Work Plan - Board of Education.

**Attachments:** [20-1473 2020-2021 School Year Work Plan - Board of Education](#)

**Legislative History**

11/12/20 Board of Education Discussed

## Z. Additional Public Comments on Agenda Items (V-X)

## AA. Adjournment

## Cover Sheet

### Approve Minutes from December 3, 2020 Regular Meeting

<b>Section:</b>	VII. Other Business
<b>Item:</b>	B. Approve Minutes from December 3, 2020 Regular Meeting
<b>Purpose:</b>	Approve Minutes
<b>Submitted by:</b>	
<b>Related Material:</b>	Minutes for Regular Board Meeting on December 3, 2020

APPROVED



## Urban Montessori Charter School

### Minutes

#### Regular Board Meeting

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#### Date and Time

Thursday December 3, 2020 at 6:15 PM

#### Location

Join Zoom Meeting

<https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09>

Meeting ID: 510 290 4005

One tap mobile

+16699006833,,5102904005# US (San Jose)

+13462487799,,5102904005# US (Houston)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Germantown)

Meeting ID: 510 290 4005

Find your local number: <https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09>

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PER GOVERNOR NEWSOM'S SHELTER IN PLACE EXECUTIVE ORDER DATED MARCH 19, 2020 ([WHICH IS HERE IN ITS ENTIRETY](#)) AND BY ORDER OF THE HEALTH OFFICER OF THE COUNTY OF ALAMEDA DATED JUNE 5, 2020 (Revised June 18, 2020, July 15, 2020, and August 20, 2020) ([WHICH IS HERE IN ITS ENTIRETY](#)):

THIS WILL BE A VIRTUAL-ONLY MEETING

Join Zoom Meeting: <https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09>

<https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09>

Meeting ID: 510 290 4005; Passcode: 510 290 4005

One tap mobile [+16699006833](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09),,5102904005# US (San Jose)

[+13462487799](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09),,5102904005# US (Houston) Dial by your location [+1 669 900 6833](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US

(San Jose) [+1 346 248 7799](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US (Houston) [+1 253 215 8782](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US (Tacoma) [+1 312 626](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09)

[6799](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US (Chicago) [+1 929 436 2866](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US (New York) [+1 301 715 8592](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09) US (Germantown)

Meeting ID: 510 290 4005 Find your local number:

<https://us02web.zoom.us/j/81DmVDDD>

Important Notice: Due to increased demand, dial-in by phone audio conferencing capabilities may be unavailable. During this time, Zoom strongly recommends using computer audio capabilities (or via phone with the Zoom app) while on wifi.

If you have any trouble getting on the Zoom, please text 510-290-4005 for support.

Members: Loren Bentley Tammero, Olivia Couch, Jan Faraguna, Christina Greenberg, Greg Klein, Davis Leung, Hae-Sin Thomas, Stacey Wang

Urban Montessori Charter School welcomes your participation at Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the organization in public. Your participation assures us of continuing community interest in our school and assists the Board in making the best decisions for our school. To assist you in the ease of speaking/participating in our meetings, guidelines are provided at the bottom of this agenda. All materials for all board and committee meetings, including audio recordings of Regular Board Meetings, are available via on our [BoardOnTrack public portal](#) and is also accessible via the [UMCS School Calendar](#).

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#### **Directors Present**

C. Greenberg (remote), D. Leung (remote), G. Klein (remote), J. Faraguna (remote), L. Bentley Tammero (remote), O. Couch (remote)

#### **Directors Absent**

H. Thomas, S. Wang

#### **Guests Present**

K. Feeney (remote)

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### **I. Opening Items**

#### **A. Call the Meeting to Order**

D. Leung called a meeting of the board of directors of Urban Montessori Charter School to order on Thursday Dec 3, 2020 @ 6:17 PM.

#### **B. Record Attendance**

#### **C. Review of Action/Discussion Items**

No changes needed.

#### **D. Board and Community Appreciations**

Greg appreciated staff for joining this week's listening session.

Greg appreciated Daniel for sharing about the school with a prospective student.

Loren appreciated the classrooms teachers for all the effort that went into conferences.

Davis appreciated Greg supporting him.

Davis appreciated Krishna and Daniel for all their work.

Christina mentioned the appreciations from staff on the stipends.

Krishna appreciated Daniel for deep-diving into HVAC technologies.

Jan appreciated Daniel and Krishna for all the data coming to Academic Committee meetings.

**E. Board Member Comment**

Greg made a comment about the special meeting immediately following this meeting.

Greg made a comment about navigating BoardOnTrack to find public documents attached to meetings.

**F. Presentations from the Floor**

No public comment on non agendized items.

**II. Head of School Report**

**A. Head of School Report**

Krishna shared her Head of School report, which is uploaded as a public document attached to this meeting. She shared upcoming dates on the calendar, including breaks, PD, testing, and family nights.

Krishna asked for support in everyone completing Community Surveys.

Learning Everywhere Updates included that conferences occurred with families. Teachers reported that it was a lot of work and very positive connecting with families. Currently looking at how to prioritize small group instruction once reopening criteria is met. Purchased Waseca reading materials for LE and Primary classes.

Krishna shared about student Changemaker work and work with the California Academy of Sciences.

Krishna shared the draft School-wide Academic goals, two as measured by MAP, one measured by DIBELS, and one on decreasing Chronic Absenteeism -- each measured at the subgroup level.

[Loren lost power for a moment and left the meeting.]

Greg asked about teachers involved in the goal-setting. Krishna shared that the goals are higher level aligned with the teachers' more detailed work. Krishna will bring any updates/changes back to the Board if teachers bring further material feedback not already incorporated.

Krishna shared about recent and upcoming professional development with teachers and staff.

[Loren returned to the meeting.]

Krishna shared the draft UMCS reopening criteria, shared how input and feedback was gathered with staff and community. [This document is linked in the Head of School report and in public documents for this meeting.] COVID rates are obviously quite high right now, and so reopening isn't immediately pending or anything.

Daniel joined the meeting and appreciated Kara for joining the recent enrollment meeting for prospective families.

Loren asked about community engagement rates of participated on draft reopening criteria. Krishna responded that one hundred families responded, about a third of families. Loren about being able to

Jan asked if there are estimated timelines for the phases. Krishna responded that Phase II could begin after some operational work, but perhaps by mid January. This does not require County approval, and would be a very few kids, like fewer than ten even. Requires staffing support and that part is still not finalized.

No public comment on this item.

**B. Discuss and Vote on Academic Goals**

G. Klein made a motion to approve the academic goals.

C. Greenberg seconded the motion.

Loren asked about the DIBELS goal, and Krishna confirmed about moving up one level. The board **VOTED** unanimously to approve the motion.

**Roll Call**

D. Leung	Aye
C. Greenberg	Aye
J. Faraguna	Aye
H. Thomas	Absent
L. Bentley Tammero	Aye
O. Couch	Aye
G. Klein	Aye
S. Wang	Absent

**C. Discuss and Vote on Draft Reopening Criteria**

C. Greenberg made a motion to approve the reopening criteria.

J. Faraguna seconded the motion.

Greg asked about small group permission and Krishna shared that County doesn't have to approve plans related to small cohort targeted instruction.

Greg asked about tiering as measured by zip code. Krishna shared she made need further support to access the data.

Loren asked about the general staff response has been on openness to work in person. Krishna shared that the majority of staff still have concerns, and still want to keep learning how the facility continues to be prepared, and rates go down.

Jan asked about cleaning protocols and frequency. And Daniel shared that it will vary depending on items, but yes, high frequency cleanings will occur for highest touched items and spaces. Staff want more details about the HVAC upgrades, which Krishna agreed with. The board **VOTED** unanimously to approve the motion.

**Roll Call**

D. Leung	Aye
S. Wang	Absent
H. Thomas	Absent
G. Klein	Aye
L. Bentley Tammero	Aye
O. Couch	Aye
C. Greenberg	Aye
J. Faraguna	Aye

**III. Finance Committee**

**A. Discussion Item - Committee Report, including year to date financial report**

Finance Committee was pleased to see the investment of funds in HVAC and staff stipends, which were the primary drivers in the reduction of surplus in the projected budget.

The First Interim Report was created. This is a report that is due to ACOE. We will be taking a vote later this session for the First Interim Report, and we will vote on the Audit Report in Special Session this evening.

We will also be voting on the update the the fiscal policy (moving thresholds from \$10k to \$15k)

**B. 2021-2022 Facilities Use Agreement: Tilden campus**

J. Faraguna made a motion to approve the Facilities Use Agreement with the date typo fixed in Section 2.

L. Bentley Tammero seconded the motion.

Krishna shared the in-lieu of Prop 39 agreement to continue leasing the current facility through June 30, 2022. Exempts us from going through the Prop 39 process, and matches terms with Prop 39.

Jan asked about the term dates typo in Section 2. The board **VOTED** unanimously to approve the motion.

**Roll Call**

J. Faraguna	Aye
L. Bentley Tammero	Aye
C. Greenberg	Aye
O. Couch	Aye
S. Wang	Absent
D. Leung	Aye
H. Thomas	Absent
G. Klein	Aye

**IV. Academic Oversight Committee**

**A. Discussion Item - Committee Report**

Jan shared the report from the Committee's recent meeting. They worked on the reopening plan and going over data from families and staff surveys. Parents of younger children are the most eager to have a return to in-person instruction. Looked like there would be some "matching" that would later be able to happen of appropriate staff and students to return. Want to look at academic and attendance data to understand who might come back first -- who needs the most help and for whom distance learning isn't the best option. The committee discussed the academic goals that the Board looked at earlier this week, and the committee meets again next week.

Daniel shared about working with teachers to think about prioritizing individual students -- and not all of those students' families will want them in-person even when that later becomes an option.

Davis asked about being fully back in-person by end of school year. Krishna shared that distance-learning will remain an option for the rest of the year. We don't even have an approved vaccine for any one, and definitely not one approved for younger people.

No public comment on this item.

**V. Family Advisory Council**

**A. Committee Report**

[There is a FAC report in the documents section of this meeting.]

Loren shared the FAC report. Appreciated Jeremy for serving as FAC President and congratulations to Kara Fortuna -- our new FAC president! Board reps continue through this school year.

Loren shared the leadership of the three committees.

The Communications working group has been working on a UMCS Community Business Directory, to help support one another in the community.

Kara held a meeting, and worked with Krishna. Prioritizing the work of the three committees; with predictable work schedule and agendas, and also increasing representation and inclusiveness in the FAC. Like UMCS Staff, the FAC is now planning to also work with Dr. Rachelle Rogers-Ard.

Jan asked about the racial and linguistic backgrounds of the FAC, and Loren shared that is majority "White presenting" and "female presenting" -- didn't want to say exactly how folks identify for themselves. Thus, the need to do more work in creating a much more inclusive body.

Jan asked about any initiative on helping families with holiday/winter related support, like around coats, meals, or gifts. Loren shared that there is not a UMCS specific effort. Krishna shared that the school continues to be available when families have specific needs, and some resources to match families with in need.

No public comment on this item.

**VI. Executive & Governance Committee**

**A. Discussion Item: Committee Updates, including candidates for board service, Form 700, and training**

Christina shared the committee report. The committee held a listening session with staff and got positive and constructive feedback. Reminded them to also participated in other surveys, too, and that we will hold another listening session in the Spring semester. Christina also attended a conference for school board members interested in anti-racist school policies, for both traditional and charter school board members. There was a few offerings that will be taken up by the Committee, and one linked in tonight's agenda -- a rubric becoming an anti-racist school board is here: [https://docs.google.com/document/d/1Dw9IxDi24JO\\_Ga6Mb2jwmtDky72jgvJB-qZJ2sr4WHI/edit](https://docs.google.com/document/d/1Dw9IxDi24JO_Ga6Mb2jwmtDky72jgvJB-qZJ2sr4WHI/edit). They also had a pledge for individual board members to consider and sign.

No public comment on this item.

**B. Discuss and vote on Board Officers, committee chairs, and committee members for 2020-2021**

G. Klein made a motion to approve Davis for a new two-year term.

C. Greenberg seconded the motion.

No public comment. The board **VOTED** unanimously to approve the motion.

**Roll Call**

G. Klein	Aye
D. Leung	Abstain
C. Greenberg	Aye
H. Thomas	Absent



**Roll Call**

L. Bentley Tammero	Aye
O. Couch	Aye
S. Wang	Absent
J. Faraguna	Aye

**VII. Other Business**

**A. Oakland and California Updates**

Prop 15 at the state level did NOT pass. At the local level, the measure for 16 & 17 year olds to vote in school elections did pass. Oakland's bond measure did pass. 4 new representatives won in the school board elections. Those terms will start in January. OUSD published reopening plans, and like all school plans, those are still pending discussions and agreement with teachers. The Oakland REACH brought a lawsuit against the State of California alleging that students' rights to a quality education has NOT been provided during these times of COVID.

No public comment on this item.

**B. Approve Minutes from October 22, 2020 Regular Meeting**

C. Greenberg made a motion to approve the minutes from Regular Board Meeting on 10-22-20.

D. Leung seconded the motion.

No public comment. The board **VOTED** unanimously to approve the motion.

**Roll Call**

O. Couch	Aye
D. Leung	Aye
J. Faraguna	Aye
S. Wang	Absent
C. Greenberg	Aye
L. Bentley Tammero	Aye
H. Thomas	Absent
G. Klein	Aye

**C. Action Item - Vote on General Consent Report**

D. Leung made a motion to approve the general consent report.

C. Greenberg seconded the motion.

No public comment. Jan noted the Budget Overview for Parents page 5 template formatting issue. The board **VOTED** unanimously to approve the motion.

**Roll Call**

G. Klein	Aye
C. Greenberg	Aye
L. Bentley Tammero	Aye
S. Wang	Absent
J. Faraguna	Aye
O. Couch	Aye
D. Leung	Aye
H. Thomas	Absent

**D. Collect New Business items for Future Meetings**

No items at this time.

**VIII. Closed Session**

**A. Public Employee Performance Evaluation - Head of School**

The Board and Krishna entered closed session.

Davis left the meeting for approximately two minutes during closed session and then returned.

Krishna left closed session at 8:32.

## **IX. Return to Open Session**

### **A. Report out of any closed session action(s)**

Greg motioned, Loren seconded, and the Board voted unanimously to give Ms. Krishna a one-time \$750 stipend.

## **X. Closing Items**

### **A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:36 PM.

Respectfully Submitted,  
G. Klein

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## **Documents used during the meeting**

- UMCS-November\_Presentation.pdf
- UMCS-October\_Financials.pdf
- UMCS Fiscal Management\_Control Policy.pdf
- UMCS-02.2020-21-First.Interim.Alt\_Form.pdf
- UMCS-budgetoverviewparent2020.pdf

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## Cover Sheet

### Approve Minutes from December 3, 2020 Special Meeting

<b>Section:</b>	VII. Other Business
<b>Item:</b>	C. Approve Minutes from December 3, 2020 Special Meeting
<b>Purpose:</b>	Approve Minutes
<b>Submitted by:</b>	
<b>Related Material:</b>	Minutes for Special Board Meeting on December 3, 2020



## Urban Montessori Charter School

### Minutes

#### Special Board Meeting

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##### **Date and Time**

Thursday December 3, 2020 at 9:15 PM

##### **Location**

THIS MEETING WILL START IMMEDIATELY FOLLOWING THE REGULAR MEETING SCHEDULED JUST BEFORE IT -- SAME ZOOM LINK.

##### Join Zoom Meeting

[https://us02web.zoom.us/j/5102904005?](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09)

pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09

Meeting ID: 510 290 4005

One tap mobile

+16699006833,,5102904005# US (San Jose)

+13462487799,,5102904005# US (Houston)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Germantown)

Meeting ID: 510 290 4005

Find your local number: <https://us02web.zoom.us/u/kb8IDmVDDD>

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THIS MEETING WILL START IMMEDIATELY FOLLOWING THE REGULAR MEETING SCHEDULED JUST BEFORE IT -- SAME ZOOM LINK/INFO.

PER GOVERNOR NEWSOM'S SHELTER IN PLACE EXECUTIVE ORDER DATED MARCH 19, 2020 ([WHICH IS HERE IN ITS ENTIRETY](#)) AND BY ORDER OF THE HEALTH OFFICER OF THE COUNTY OF ALAMEDA DATED JUNE 5, 2020 (Revised June 18, 2020, July 15, 2020, and August 20, 2020) ([WHICH IS HERE IN ITS ENTIRETY](#)):

THIS WILL BE A VIRTUAL-ONLY MEETING

Join Zoom Meeting: [https://us02web.zoom.us/j/5102904005?](https://us02web.zoom.us/j/5102904005?pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09)

pwd=M1kxU2hXSzRSN1dCL3QwYVEzdkJ3Zz09

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Meeting ID: 510 290 4005; Passcode: 510 290 4005

One tap mobile [+16699006833](tel:+16699006833),5102904005# US (San Jose)  
[+13462487799](tel:+13462487799),5102904005# US (Houston) Dial by your location [+1 669 900 6833](tel:+16699006833) US  
(San Jose) [+1 346 248 7799](tel:+13462487799) US (Houston) [+1 253 215 8782](tel:+12532158782) US (Tacoma) [+1 312 626  
6799](tel:+13126266799) US (Chicago) [+1 929 436 2866](tel:+19294362866) US (New York) [+1 301 715 8592](tel:+13017158592) US (Germantown)  
Meeting ID: 510 290 4005 Find your local number:  
<https://us02web.zoom.us/j/81DmVDDD>

Important Notice: Due to increased demand, dial-in by phone audio conferencing capabilities may be unavailable. During this time, Zoom strongly recommends using computer audio capabilities (or via phone with the Zoom app) while on wifi.

If you have any trouble getting on the Zoom, please text 510-290-4005 for support.

Members: Loren Bentley Tammero, Olivia Couch, Jan Faraguna, Christina Greenberg, Greg Klein, Davis Leung, Hae-Sin Thomas, Stacey Wang

Urban Montessori Charter School welcomes your participation at Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the organization in public. Your participation assures us of continuing community interest in our school and assists the Board in making the best decisions for our school. To assist you in the ease of speaking/participating in our meetings, guidelines are provided at the bottom of this agenda. All materials for all board and committee meetings, including audio recordings of Regular Board Meetings, are available via on our [BoardOnTrack public portal](#) and is also accessible via the [UMCS School Calendar](#).

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### **Directors Present**

C. Greenberg (remote), D. Leung (remote), G. Klein (remote), J. Faraguna (remote), L. Bentley Tammero (remote)

### **Directors Absent**

H. Thomas, O. Couch, S. Wang

### **Guests Present**

K. Feeney (remote)

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## **I. Opening Items**

### **A. Call the Meeting to Order**

D. Leung called a meeting of the board of directors of Urban Montessori Charter School to order on Thursday Dec 3, 2020 @ 8:37 PM.

### **B. Record Attendance**

### **C. Review of Action/Discussion Items**

No changes to the agenda.

### **D. Board Member Comment**

None.

### **E. Presentations from the Floor**

No public comment.

## II. Finance Committee

### A. Action Item - Discuss and vote on accepting of the 2019-2020 Audit

G. Klein made a motion to to approve the 2019-2020 audit.

C. Greenberg seconded the motion.

Greg explained that the water mark is still on the document, but there are no findings.

No public comment. The board **VOTED** unanimously to approve the motion.

#### Roll Call

S. Wang	Absent
J. Faraguna	Aye
H. Thomas	Absent
O. Couch	Absent
L. Bentley Tammero	Aye
G. Klein	Aye
D. Leung	Aye
C. Greenberg	Aye

## III. Closing Items

### A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:41 PM.

Respectfully Submitted,  
G. Klein

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# Cover Sheet

## Action Item - Vote on General Consent Report

**Section:** VII. Other Business  
**Item:** D. Action Item - Vote on General Consent Report  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** UMCS-PPP Forgiveness Resolution.pdf

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF URBAN MONTESSORI CHARTER SCHOOL  
A California Public Benefit Corporation**

**APPROVAL TO APPLY FOR PAYCHECK PROTECTION PROGRAM LOAN  
FORGIVENESS**

WHEREAS, Urban Montessori Charter School (“UMCS”) received a loan from the Small Business Administration (“SBA”) Paycheck Protection Program (“PPP loan”) in the amount of \$729,014 through Beneficial State Bank; and

WHEREAS, the PPP loan was used to pay costs that are eligible for forgiveness (i.e., payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments), and at least 60% of the loan proceeds were used to pay payroll costs; and

WHEREAS, the Board of Urban Montessori Charter School passed a Resolution on May 21<sup>st</sup>, 2020 certifying UMCS’s condition of financial uncertainty, decrease in revenue, and increased costs due to the COVID-19 pandemic, thus affirming the need for UMCS to receive the PPP loan; and

WHEREAS, on June 15<sup>th</sup>, 2020 the SBA published an application for borrowers to apply for forgiveness, which it updated on October 31<sup>st</sup>, 2020; and Beneficial State Bank is soon to be accepting applications for forgiveness; and

WHEREAS, UMCS is prepared to provide Beneficial State Bank with a completed forgiveness application and documentation verifying the number of full-time equivalent employees on UMCS’s payroll as well as the dollar amounts of eligible payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the twenty-four-week period following this loan (as needed); and

WHEREAS, UMCS staff has verified that the information provided in its application for forgiveness and the information provided in all supporting documents and forms is true and accurate in all material respects; now, therefore, be it

Resolved by the Board of Trustees of Urban Montessori Charter School, that UMCS meets all requirements for forgiveness of the PPP loan; and be it further

Resolved by the Board of Trustees of Urban Montessori Charter School, that UMCS will submit an application for forgiveness for the PPP loan in a manner consistent with the requirements of the SBA and Beneficial State Bank; and be it further

Resolved by the Board of Trustees of Urban Montessori Charter School, that UMCS will return any funds not forgiven by the SBA on the schedule set forth by Beneficial State Bank according to the terms of the PPP loan; and be it further

Resolved by the Board of Trustees of Urban Montessori Charter School, that the authorized school leaders are hereby instructed to review any additional guidance relating to the PPP forgiveness as it is released by the SBA and Beneficial State Bank and are hereby authorized to take appropriate steps, including submitting the initial application and documentation and providing additional documentation as requested, to complete the forgiveness process.

\* \* \*

IN WITNESS WHEREOF, the Board of Trustees has adopted the above resolution by the following vote at a regular Board meeting this 21<sup>st</sup> of January, 2021.

AYES:

NOS:

ABSTENTIONS:

By: \_\_\_\_\_  
Board Secretary  
Urban Montessori Charter School