

# Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**STATE OF  
CALIFORNIA**

For the fiscal year ending  
June 30, 1999



*Cary Brueck*  
President  
*Jeffrey L. Esler*  
Executive Director

This Popular Annual Financial Report provides the citizens of California with an overview of the state's financial condition from 1996 through 2000. It presents selected basic information about the state of California's budget, economy, revenues, spending, and demographics in a nontechnical, easy to understand format.

The object of this report is to meet the State Controller's commitment to provide relevant disclosure to California taxpayers about the fiscal condition of the state, the economy and trends that affect the state's ability to meet the needs of its citizens. The report is presented in a concise, informal format. It is not intended to replace the more detailed reports prepared by the State Controller's Office. A more detailed and complete presentation of the State's financial information is contained in the Comprehensive Annual Financial Report.

Unless otherwise noted, this report uses generally accepted accounting principles (GAAP) to present financial information. This standardized method is the same or comparable to the methods used by other governmental entities in reporting financial data.

***A Message From***

**KATHLEEN CONNELL**

State Controller

December 26, 2000

---

I am pleased to present the citizens of California with this our second popular annual financial report of the State. Our first report, as can be seen on the inside front cover, received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association.

This report provides California taxpayers with a general overview of the State's financial condition and operations, and economic trends of the last five years. This information, presented in a non-technical format, is intended to provide financial data that is relevant to the citizens of this state.

Over the last five years, major changes have taken place in California:

- Population in California has grown by 5.1%, or 1.6 million, in the last four years. Between 1996 and 1999, twice as many new immigrants moved into California as into any other state. This continuing growth particularly impacts the areas of education, health, housing, and transportation.
- California has enjoyed a period of robust economic growth over the last few years. This has lead to record levels of employment. Unemployment continues to be at its lowest in 30 years. In 1999, California employed approximately 15.7 million people. California's per capita personal income has increased to \$29,819, which is 4.6% greater than the national average. The recent growth rate in income is the highest recorded in the state in 16 years.
- New residential units authorized by building permits in California rose to an annual rate of 147,000 for the first 10 months of 2000, a 5% increase over last year's level. Although the increase in new home construction is encouraging, the number of new homes in the state is far from adequate because it seriously lags the growth of population and jobs. Housing is generally in short supply across the state and, accordingly, expensive, particularly in the large metropolitan areas of Northern and Southern California.
- The median selling price of homes in California soared 12% in 2000 to \$243,000, the highest value on record. Among the larger California counties, Santa Clara County posted the highest median selling value in 2000, at \$528,850. With a median home price of \$485,980, San Francisco County was not far behind. In Southern California, the median selling price in Los Angeles County during 2000 was a relatively affordable \$210,600. In Orange County, the median price was \$316,300.
- As California's economy grew, so did the revenues of the State government. The State's revenues increased by 44% between 1996 and 2000. Also, the overall financial condition of the State substantially improved. The unreserved fund balance of the State's governmental funds increased from a \$2.8 billion deficit to a \$6.5 billion surplus.



- The improvement in the State's finances allowed spending to increase 37% between 1996 and 2000. The great majority of this increase went to education and to health and human services, which, combined, make up 75% of State spending.
- This also allowed the Legislature to reduce the average fee for registering a vehicle by approximately \$45 a year. Also, the retail sales and use tax will be reduced by 0.5% starting in January 2001.
- The number of social service recipients per thousand of population decreased from 78 to 40, or 49%, between 1996 and 1999.
- As a result of the children of the baby boom generation coming of age, demographers predict increases in student enrollments through 2006. In 1999, California's yearly spending per pupil for kindergarten through 12th grade (K-12) was \$5,462, or \$1,272 below the national average. With the projected growth in enrollment, catching up to the national average in spending per pupil will take a significant effort.
- Twenty eight percent of California's national highway miles have a "very good" rating. This is less than the national average of 52%, as measured by the International Roughness Index. California also has a higher percentage, 23%, of "fair" and "poor" highway miles than the national average of 14%. With the state highway system estimated to be worth \$300 billion, and with more cars being driven every year, the cost of improving California highways to the national average is substantial.
- A total of \$2.0 billion of General Fund money was appropriated for transportation improvements, supplementing gasoline tax revenues normally used for that purpose. This was part of a \$6.9 billion Transportation Congestion Relief Program to be implemented over six years. In addition, the Budget Act included \$570 million from the General Fund in new funding for housing programs.

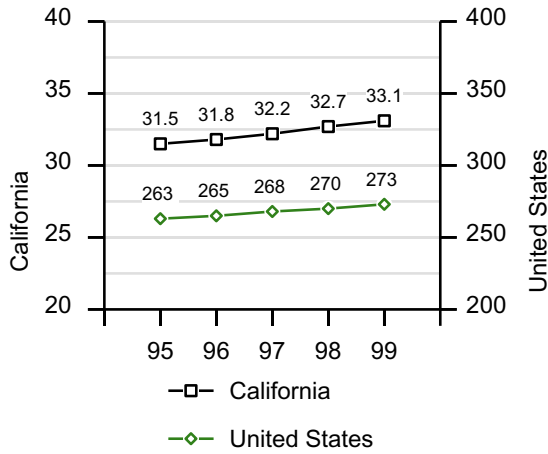
Major changes have taken place in California over the last five years. With the continued growth in the economy, even more changes can be expected in the next five years. California is still the "Golden State" for many, with some of the best weather and recreational activities in the world. As a result, California is the most visited state in the union, with Californians themselves comprising the great majority of in-state travel. California has weathered the recession of the early 1990s and is working toward improving the standard of living in the future. California State government will continue to assist in this effort by providing services that benefit all Californians.



KATHLEEN CONNELL  
California State Controller

**Population**

As of July 1  
(Amounts in millions)



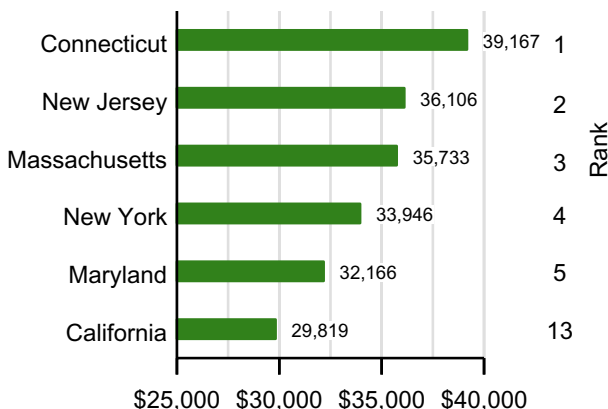
*California's international immigration is twice as great as any other state.*



San Francisco, Chinese New Year

**1999 Per Capita Personal Income Ranked by State**

Year Ended December 31  
(Amounts in dollars)



# Economy & Demographics

## Lives and Livelihoods

California's geographic proximity to the Pacific Rim and its shared border with Mexico link its economic health to the global marketplace. These factors, coupled with trends related to the state's population, ethnic makeup, and earning abilities underscore the success of current state programs and identify areas where future needs may arise.

## Population Trends

- Since 1984, the state's population has increased by 28.3% while the U.S. population as a whole has increased by 15.7%. That means California's population is outpacing the nation's by 80.3%.
- In just the last four years (1995 to 1999), California's population has grown by 1.6 million people – a 5.1% increase. The U.S. population overall has increased by 3.8% during the same period.
- California is still viewed as the "Golden State" by new immigrants but is experiencing a "revolving door syndrome." Between July 1, 1996, and July 1, 1999, California was the destination for 782,000 international immigrants, twice as many as New York, the next highest state. During this same time frame, California had 324,000 residents moving to other states, second only to New York with 583,000 residents moving to other states.

## Personal Income

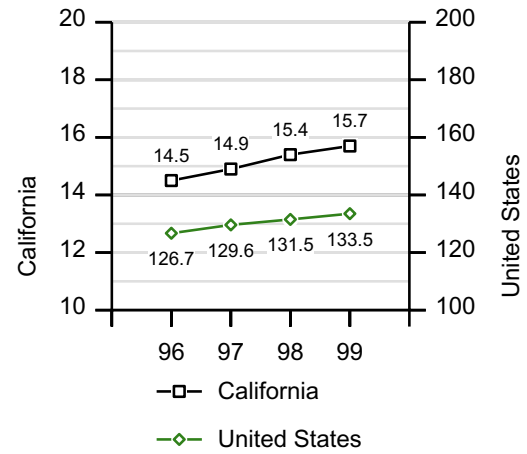
- California's per capita personal income increased by 17.5% between 1996 and 1999. United States per capita personal income increased by 16.7% during this same period.
- In 1996, California's per capita personal income was 3.8% greater than the national average of \$24,436. In 1999, California's per capita personal income was 4.6% greater than the national average.
- In 1999, California ranked 13th in per capita personal income, 23.9% less than first-ranked Connecticut. The lowest-ranked state was Mississippi, with per capita personal income of \$20,506.

## Employment Trends

- California's unemployment rate dropped by 27.8% between 1996 and 1999, while jobs grew by 1.2 million. The national unemployment rate fell by 22.2% during the same period.
- The number of employed Californians increased by 8.3% between 1996 and 1999. During the same period, employment in the United States increased by 5.4%.
- In 1999, California employed approximately 15.7 million people, or 11.8% of the entire national work force, while the nation as a whole employed 133.5 million.

### Employment

Annual Average  
(Amounts in millions)



## Cycles of Poverty

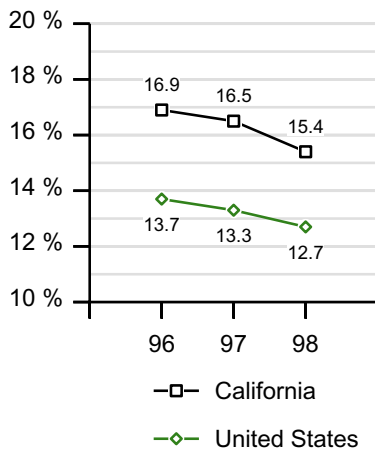
- Between 1996 and 1998, the percent of Californians living below the poverty level decreased by 1.5%, to 15.4% of the population. Nationally, the percent of persons living below the poverty level declined by 1.0%.
- In 1998, California ranked 8th in percent of population (15.4%) living below the poverty level. New Mexico had the highest level (20.4%). Maryland's percentage was the lowest (7.2%), and New York and Texas were ranked 5th and 10th (16.7%) and (15.1%), respectively.



Los Angeles, Grand Central Market

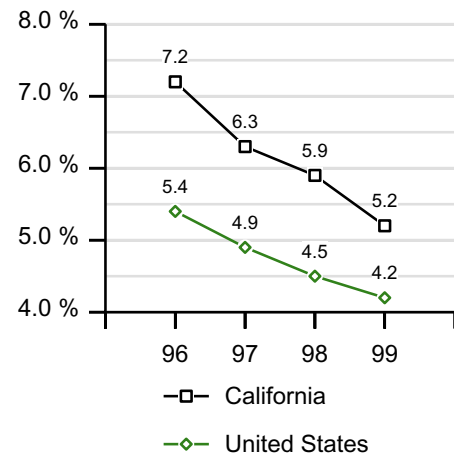
### Population Below the Poverty Level

(Amounts in percent)



### Unemployment Rate

Annual Average  
(Amounts in percent)





Oakland, Dunsmuir House



San Diego Wild Animal Park

*"California .... has better days and more of them, than any other country."*

*R.W. Emerson, 1871*

## Recreational Activities

Dining, entertainment and shopping are the most popular activities among California travelers. Touring and sightseeing, followed by beach and waterfront activities, are the most popular recreational pursuits.

Californians themselves are the mainstay of the state's travel and tourism industry, comprising 83% of in-state travel, or 227 million person-trips. Out-of-state and international visitors account for 45 million person-trips.

Outdoor activities such as visiting parks, hiking and biking, watching sports events, camping, hunting and fishing, and water recreation are all popular with families. Skiing is also a popular activity in California. In 1998, for the first time, more overnight skiers stayed in California than in Colorado.

Historic sites, museums, plays, festivals, and craft fairs are popular with both residents and non-residents.

*California, with an estimated 272 million travelers, is the most visited state in the United States.*

## Top 10 California State and National Parks

(Number of Visitors for Year Ended December 31, 1999)

Golden Gate National Recreation Area	14,048,100
Santa Monica State Beach	9,311,969
Old Town San Diego State Park	7,018,822
San Francisco Maritime Museum	3,535,300
Yosemite National Park	3,493,000
Dockweiler State Beach	3,085,600
Bolsa Chica State Beach	2,583,350
Huntington State Beach	2,376,667
Point Reyes National Seashore	2,300,600
Will Rogers State Park	2,256,517



Venice Beach

# Governmental Funds

## Funding by the People for the People

This report focuses on the activities supported by governmental funds, which are the State's General Fund, special revenue funds, and capital projects funds. These funds provide services to Californians and are financed primarily by taxes and grants.

Key measures used to analyze the finances of a governmental entity are the financial position of the entity and operating results. Operating results measure the difference between revenue and spending during the fiscal year. Depending on whether spending is more or less than revenue for the reporting period, deficits or surpluses result. Financial position shows the assets (what we own), liabilities (what we owe), and fund balance on a certain day (snapshot in time.)

*California's fund balances and operating results reflect the State's ability to plan for and pay for needed services for its citizens.*

## Operating Results

In the last four years, California's operating results have increased by a total of \$6.4 billion – from \$0.3 billion in 1996 to \$6.7 billion in 2000.

## Fund Balance

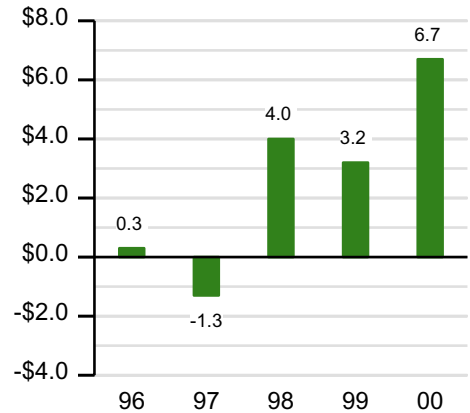
The difference between the assets and liabilities of a fund is called the fund balance. The fund balance is divided into two parts: reserved and unreserved. The **reserved fund balance** represents those amounts that are legally committed for encumbrances, advances and loans, continuing appropriations, and other specific purposes. A **positive unreserved fund balance** represents money available to spend in the next year's budget – like money left in the bank at the end of the month. A **negative unreserved fund balance** represents an over-commitment of available money – like an overdrawn checkbook.

- The total reserved and unreserved fund balance increased from \$4.9 billion in 1996 to \$17.5 billion in 2000, an increase of \$12.6 billion.
- The unreserved fund balance improved from a negative \$2.8 billion in 1996 to a positive \$6.5 billion balance in 2000, an increase of \$9.3 billion.

### Governmental Fund Operating Results

Year Ended June 30

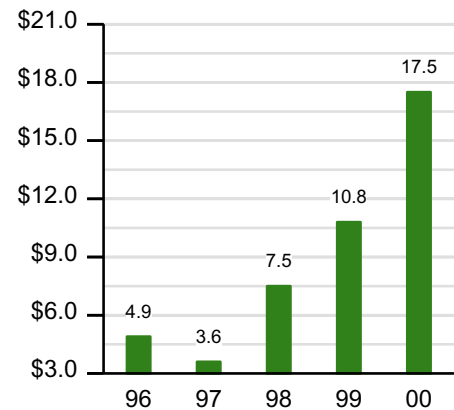
(Amounts in billions)



### Governmental Fund Fund Balances

Year Ended June 30

(Amounts in billions)

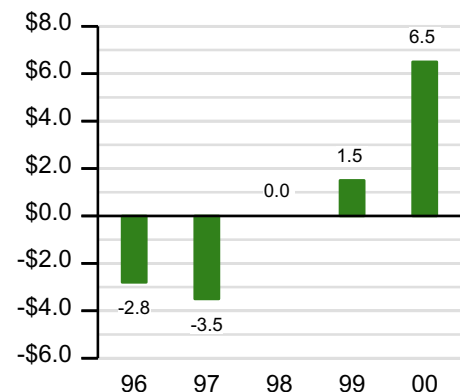


### Governmental Fund

### Unreserved Fund Balances

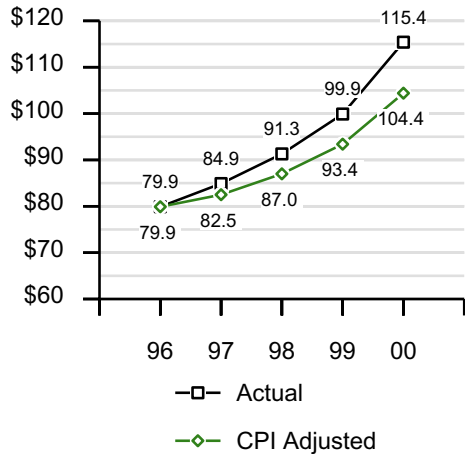
Year Ended June 30

(Amounts in billions)



**Revenues**

Year Ended June 30  
(Amounts in billions)



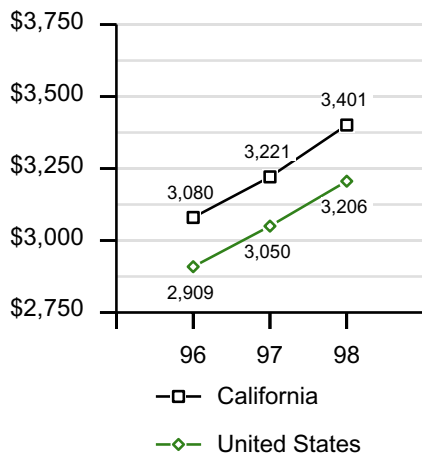
California's ongoing economic recovery resulted in a 44.4% increase in State revenues between 1996 and 2000.



Napa Valley Vineyards

**Per Capita Revenues**

Fiscal Year Ended  
(Amounts in dollars)



**Revenues**  
**Citizens Supporting Economic Growth**

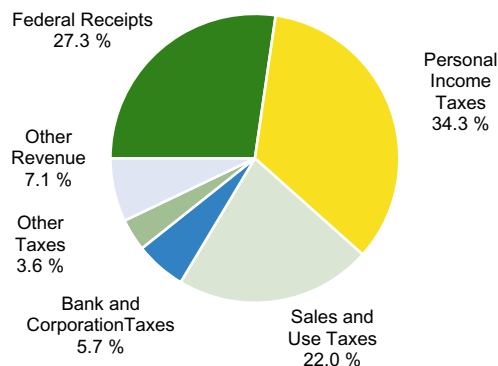
Continuing a trend that began in 1996, California is enjoying a period of robust economic growth. This expansion follows a four-year mini-recession that mirrored national doldrums during the early 1990s. Therefore, the state's burgeoning economy underscores the strength of its economic recovery.

During strong economic periods, more revenue is collected. Figures from the year ended June 30, 2000 illustrate this fact: in 2000, California's revenues reached \$115.4 billion, a 15.5% increase over the previous year and a 44.4% increase since 1996.

- More than half of California's revenue comes from its citizens, via the personal income tax (34.3%) and sales tax (22.0%).
- California's revenues increased by 44.4% between 1996 and 2000. However, after adjusting for inflation (CPI adjusted), revenues increased by 30.7%.
- California's per capita revenues, including University of California revenues, increased by 10.4% between 1996 and 1998. Per capita revenues for the United States as a whole increased by 10.2% during the same period.
- California ranked 19th in per capita revenues when compared with other states. Alaska ranked first, with \$12,986, and Texas ranked last, with \$2,433.
- In 1999, California ranked 22nd in per capita federal aid, with \$987. Alaska ranked first, with \$2,554, and Virginia ranked last, with \$641.

**Revenues by Source**

Year Ended June 30, 2000  
(As a percent)





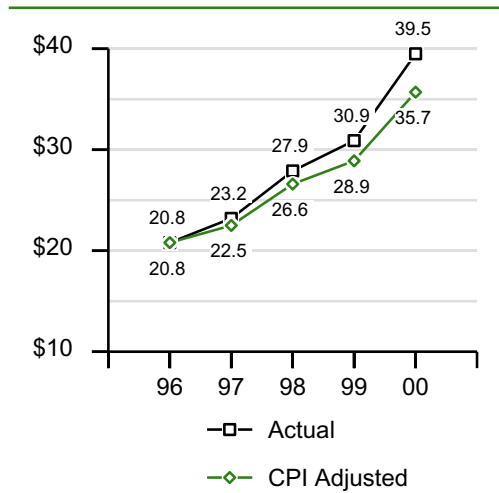
## Personal Income Tax

- Personal income tax revenue increased by 89.9% between 1996 and 2000. However, after adjusting for inflation, this revenue increased by 71.6%.
- Compared with other states, 10th-ranked California's \$851 per capita personal income tax collection was 34.9% less than first-ranked Massachusetts' \$1,307. The following states do not collect personal income taxes: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming.

### Personal Income Tax

Year Ended June 30

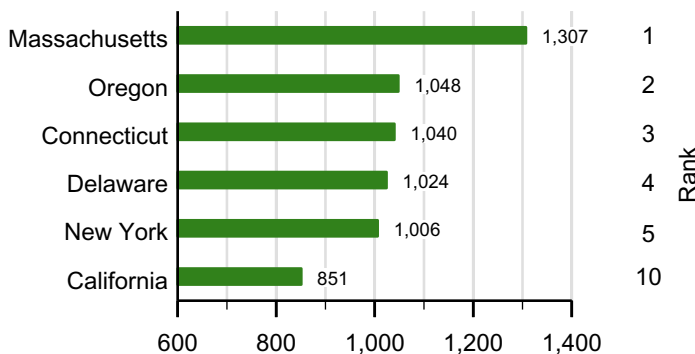
(Amounts in billions)



### 1998 Per Capita Personal Income Tax Ranked by State

Fiscal Year Ended

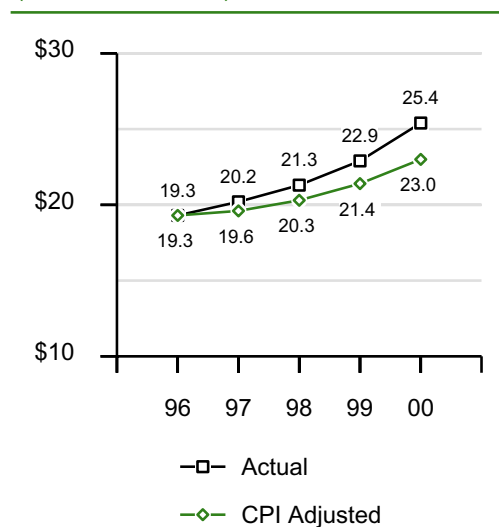
(Amounts in dollars)



### Sales and Use Tax

Year Ended June 30

(Amounts in billions)



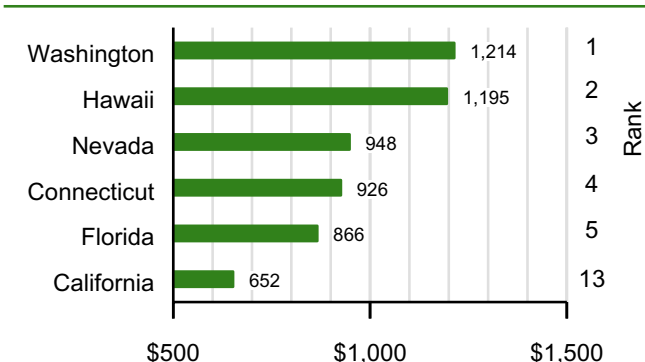
## Sales and Use Tax

- The State's share of sales and use tax revenue increased by 31.6% between 1996 and 2000. However, adjusted for inflation, this revenue increased only by 19.2%.
- Compared with other states, 14th-ranked California's \$652 per capita sales and use tax collection was 46.3% less than first-ranked Washington's \$1,214. The following states do not collect sales and use tax: Alaska, Delaware, Montana, New Hampshire, and Oregon.

### 1998 Per Capita Sales and Use Tax Ranked by State

Fiscal Year Ended

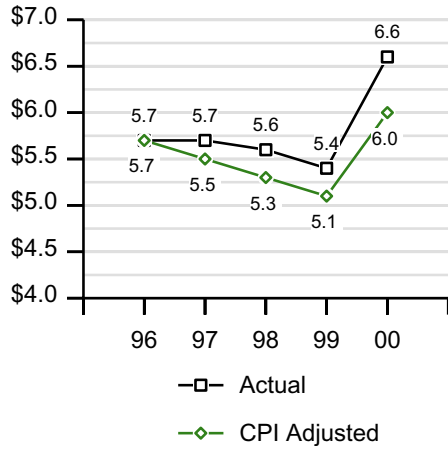
(Amounts in dollars)



**Bank and Corporation Tax Revenue**

Year Ended June 30

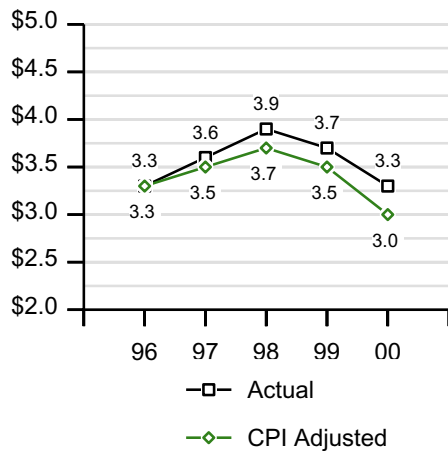
(Amounts in billions)



**Vehicle License Fees**

Year Ended June 30

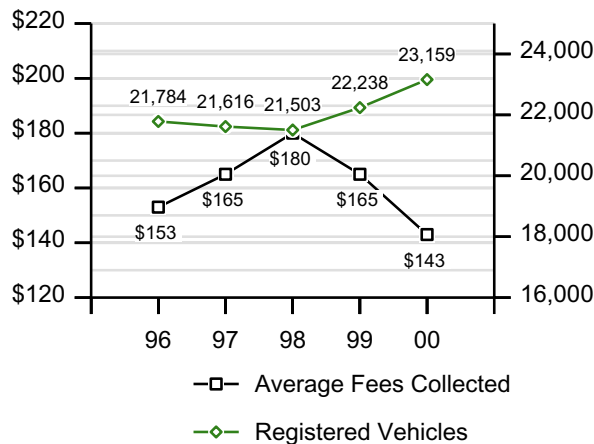
(Amounts in billions)



**Vehicle License Fees**

Year Ended June 30

(Amounts in thousands and dollars)



**Bank and Corporation Income Tax Revenue**

- Bank and corporation income tax revenue increased by 15.8% between 1996 and 2000. After adjusting for inflation, this revenue increased by 5.3%. The state's strong economy caused it to increase \$1.2 billion in the last year.
- Compared with other states, 7th-ranked California's \$171 per capita bank and corporation income tax was 61.9% less than first-ranked Alaska's \$449. The following states do not collect bank and corporation income taxes: Nevada, Texas, Washington, and Wyoming.

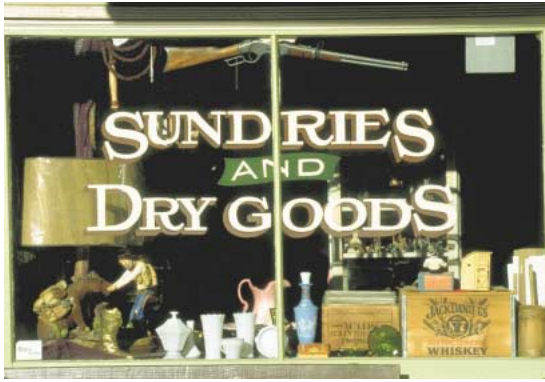


Towe Ford Museum, Sacramento

**Vehicle License Fees**

On January 1, 1999, the vehicle license fee (VLF) was reduced by 25%. A year later, the VLF was reduced an additional 10%, at a cost to the General Fund of over \$1 billion annually. This reduced the average cost to register a vehicle by approximately \$45.

- Vehicle license fee revenue (on a budgetary basis) was the same in 2000 as it was in 1996. An increase in the number of vehicles was offset by the decrease in the VLF. However, after adjusting for inflation, revenue decreased by 9.1%.
- The average license fee for automobiles, motorcycles, and commercial vehicles has decreased by 6.5% between 1996 and 2000, while the number of registered vehicles increased by 6.3%.



Store Front, Columbia State Historic Park

## Spending

### Caring for Our Own

An analysis of spending data provides a window into the use of California tax dollars. For example, the State funding that resulted from the California Adoption Initiative has increased the annual number of foster children placed for adoption by 88%. Also, as a result of the Class Size Reduction Program, the number of students per class has been reduced for kindergarten through third grade (K-3) by additional support from the State of \$844 per pupil.

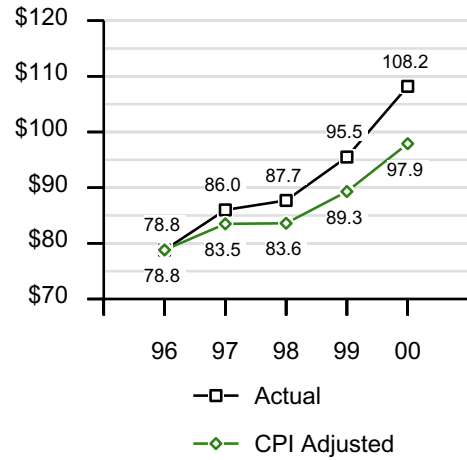
*Education and health and human services spending represent 75.2% of State spending.*

Spending data can also be used to evaluate the State's program priorities and, when compared to revenue data, can be used to measure the State's ability to support continuing programs.

- State spending increased by 37.3% between 1996 and 2000. However, after adjusting for inflation, spending increased by 24.2%.
- California's per capita spending, including University of California spending, increased by 5.4% between 1996 and 1998. During the same period, per capita spending for the United States increased by 7.5%.
- Compared with other states, California's \$3,266 per capita spending ranked 20th. Alaska was ranked first, with \$8,518, and Texas was the lowest of all states, with \$2,348.

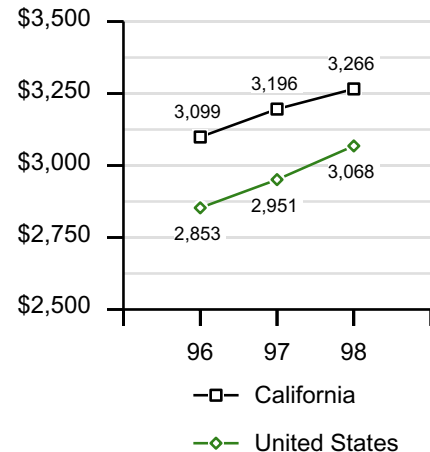
### Spending

Year Ended June 30  
(Amounts in billions)



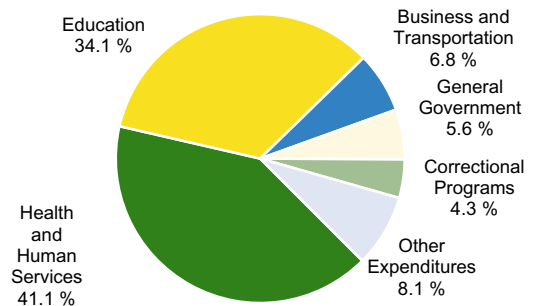
### Per Capita Spending

Fiscal Year Ended  
(Amounts in dollars)

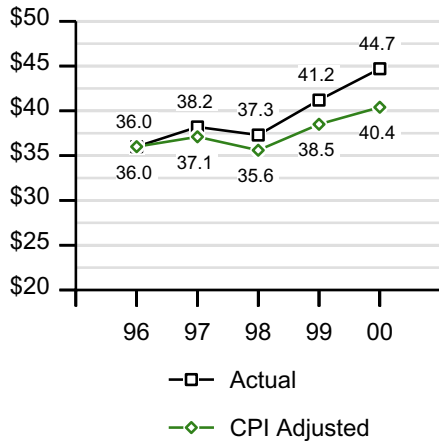


### Spending by Program

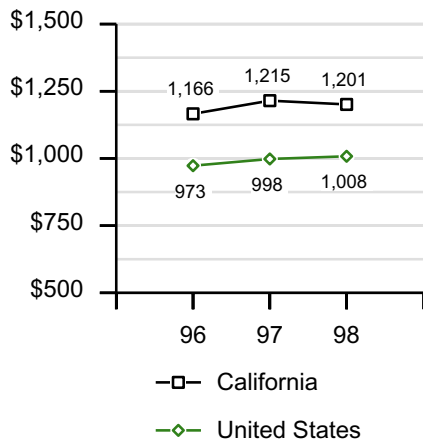
Year ended June 30, 2000  
(As a percent)



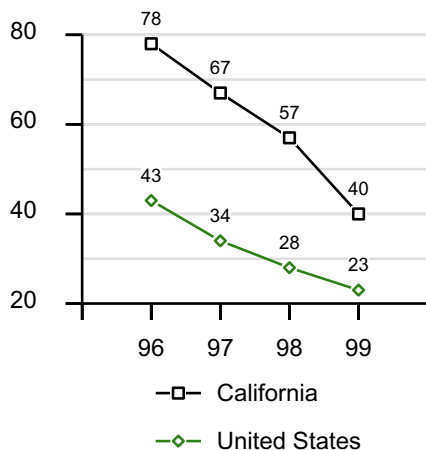
**Health and Human Services Spending**  
 Year Ended June 30  
 (Amounts in billions)



**Per Capita Health and Human Services Spending**  
 Fiscal Year Ended  
 (Amounts in dollars)



**Social Services Recipients**  
 (Per thousand population)



*CalWORKs, which replaced the Aid to Families with Dependent Children program, is designed to provide temporary assistance to children and families while fostering a work-first attitude.*

**Health and Human Services**

Health and human services programs provide medical, mental health, and social services to California's neediest population. Beginning in January 1998, CalWORKs became California's version of the federal Temporary Assistance for Needy Families program as a result of the Federal Welfare Reform Act.

- Total health and human services spending by California state government increased by 24.2% between 1996 and 2000. After adjusting for inflation, spending increased by 12.2%.
- California's per capita health and human services spending increased by 3.0% between 1996 and 1998. During this period, the state's population increased by 2.8%.
- Per capita health and human services spending for all states increased by 3.6% between 1996 and 1998. The U.S. population increased by 1.9% during this period.
- California has more social services recipients per thousand population than the national average. In 1996, there were 81.4% more recipients in California per thousand than the national average. By 1999, that number had decreased to 73.9% more than the national average.
- Nationally, the number of social services recipients per thousand decreased by 46.5% between 1996 and 1999. The number of recipients per thousand decreased by 48.7% in California during the same period.



*Napa Valley Ballooning*

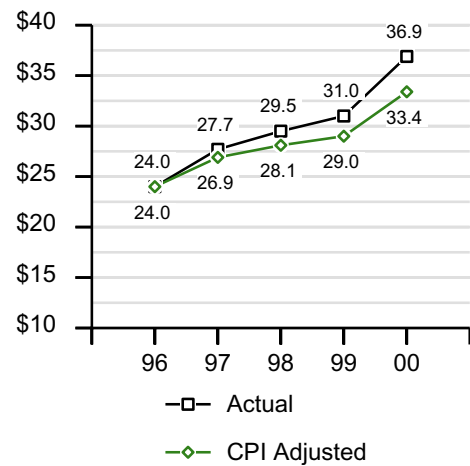
## Education

With 5.8 million students in kindergarten through 12th grade (K-12), California is home to the largest number of students in the nation. California schools educate 12.6% of the nation's students in K-12. The children of the baby boom generation have reversed a long period of declining school enrollments nationally and in California. Demographers predict that increases will continue in California's elementary enrollments through 2006, which means that high schools will be expanding well into the 21st century. California's per-pupil expenditure was near the national average in 1977. In 1999, California's spending per pupil was \$1,272 below the national average. With the projected growth in enrollment, catching up to the national average in spending will take a significant effort.

- Actual education spending by California State government increased by 53.8% between 1996 and 2000. Adjusted for inflation, spending increased by 39.2%.
- California's spending per pupil, based on Average Daily Attendance (ADA), increased by 9.7% between 1996 and 1999. During the same time frame, spending for the U.S. as a whole increased by 10.3%.
- California's \$5,462 average yearly spending per pupil is below the national average of \$6,734. California is ranked 43rd in K-12 per-pupil spending in the nation in 1999.
- In 1998, California schools had more students per teacher than all other states except Utah. The ratio in California was 22:1 students per teacher, in contrast to the United States average of 17:1. Vermont had the smallest ratio at 13:1. In 1996, the State initiated the Class Size Reduction Program to reduce this ratio to no more than 20:1 in grades K-3. In 1999-00, the General Fund provided \$844 per pupil toward this goal. In 1999, 99% of California school districts were participating in the program.
- California's total verbal and math Scholastic Aptitude Test (SAT) scores have increased by 0.5%, from 1,010 in 1997 to 1,015 in 2000. The national scores have increased by 0.3%, from 1,016 in 1997 to 1,019 in 2000. During the same period, Texas' combined score decreased by 0.3%, to 993, and Florida's combined score remained the same, at 998.

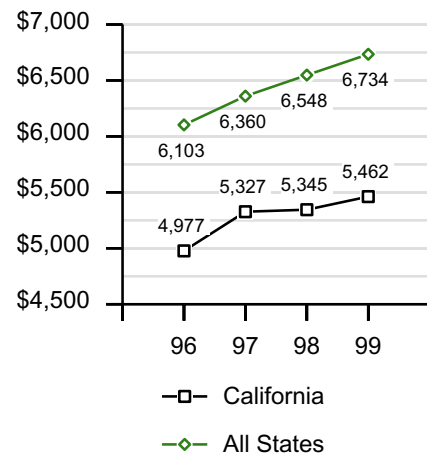
### Education Spending

Year Ended June 30  
(Amounts in billions)



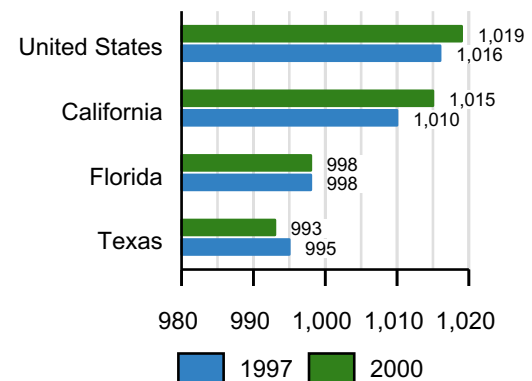
### Per Pupil K-12 Spending

School Year Ending in June  
(Amounts in dollars)



### Scholastic Aptitude Test Scores

School Year Ending in June





San Francisco Cable Car

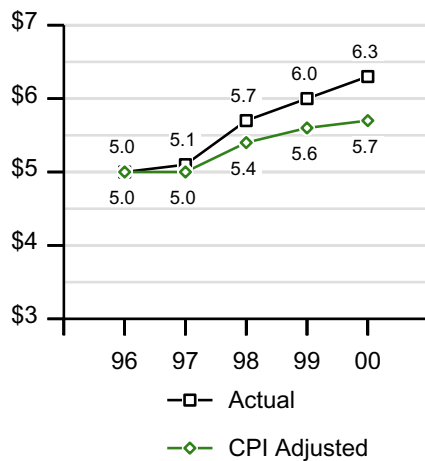
## Transportation

California constructs, operates, and maintains a comprehensive transportation system of 9 toll bridges and more than 50,000 lane miles of highways and freeways. Built over the last century, the State Highway System is estimated to be worth \$300 billion; its use is estimated to increase from 146 billion annual vehicle miles traveled in 1995 to 196 billion vehicle miles traveled in 2005.

- Total transportation spending by California increased by 26.0% between 1996 and 2000. Adjusted for inflation, however, total spending increased by 14.0%. The number of cars on California's roadways increased by 6.3% during that same period.
- California's per capita spending for highways was 35.5% below the national average in 1996 and 39.8% below in 1998. During the same three-year period, per capita transportation spending for all other states increased by 7.3%.
- California has a smaller percentage, 28.2%, of "very good" highway miles than the national average of 51.7%. California also has a higher percentage, 22.6%, of "fair" and "poor" highway miles than the national average, 14.1%, as measured by the International Roughness Index. Highways with a fair or poor rating are candidates for rehabilitation.

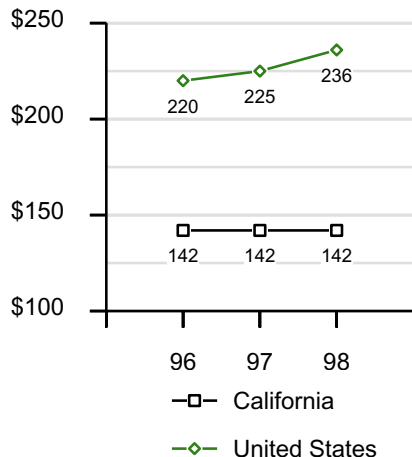
### Transportation Spending

Year Ended June 30  
(Amounts in billions)



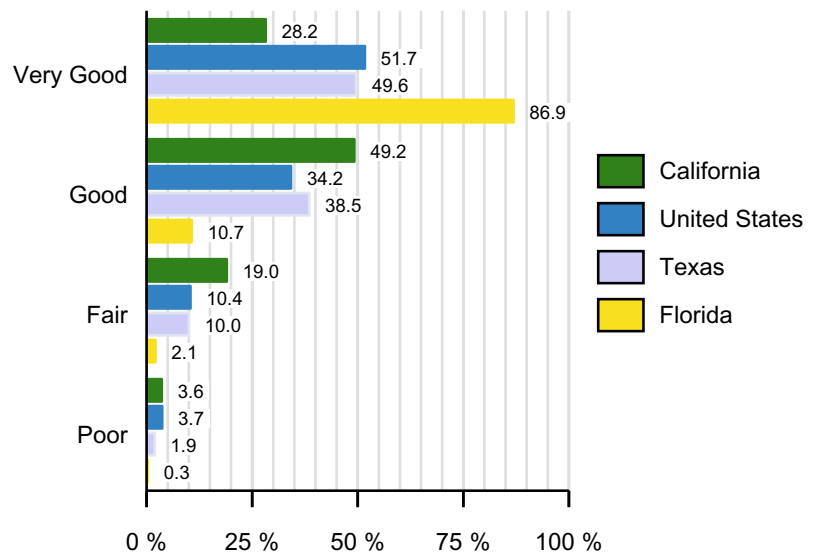
### Per Capita Highways Spending

Fiscal Year Ended  
(Amounts in dollars)



### 1999 National Highway System Condition

Percentage of Miles Measured by Pavement Roughness



*In 1998, each inmate cost \$21,470 a year to house in a California state prison*

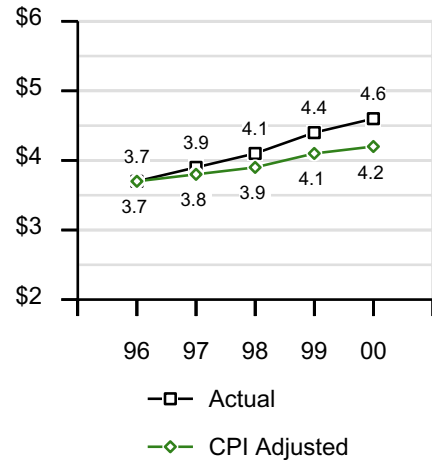
## Corrections

California is committed to providing safe and secure detention facilities for convicted felons and for the supervision of these felons after their release on parole. The “Three Strikes” law, as well as other get-tough measures on drug and DUI crimes, has resulted in an increase in the state’s incarceration rate. California’s average inmate population in 1999 was 163,067.

- Actual corrections spending increased by 24.3% between 1996 and 2000. After adjusting for inflation, spending increased by 13.5%.
- California has 33 state prisons and 11 youth authority institutions.
- California’s per capita correction cost of \$105, for the year ended June 30, 1998, was less than the national average of \$113. The state with the highest per capita cost was Alaska with \$259 and the state with the lowest was North Dakota with \$50.
- For the year ended June 30, 1998, the average cost to house an inmate in a California State prison was: security \$9,834, health care \$3,263, inmate support (meals, clothing, inmate evaluation) \$7,085, and inmate work and training \$1,288.
- In 1996, California’s spending was 17.5% greater, and in 1998, it was 7.1% less than the national average.
- On a per-inmate basis, California’s institutions are operated with fewer uniformed staff than those in most other states.
- Between 1996 and 1999, California’s prison population per 100,000 residents increased by 9.3%. The increase for the nation as a whole was 13.0%.
- California’s inmate population per hundred thousand population remains above the national average. In 1996, California had 12.4% more state prisoners than the national average. By 1999, California had 8.8% more state prisoners than the national average.

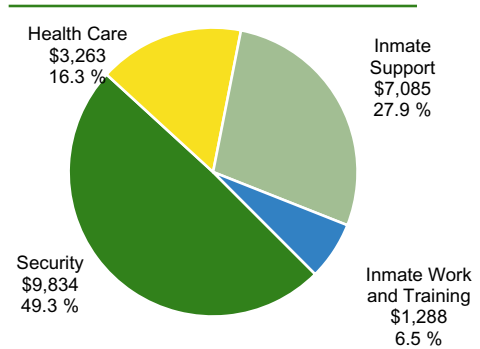
### Correction Spending

Year Ended June 30  
(Amounts in billions)



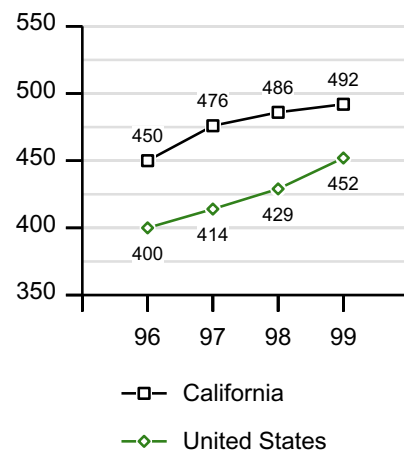
### Average Cost for an Inmate

Year ended June 30, 1998



### State Prison Inmate Population

(Per hundred thousand population)





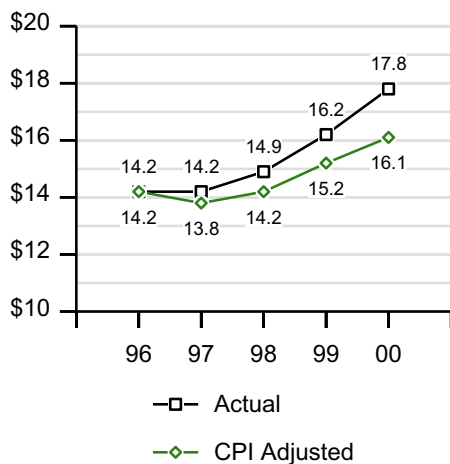
Yosemite Valley

## Bonded Debt

California's constitution permits the State to issue general long-term obligation bonds for the construction of water projects, correctional facilities, housing, educational facilities, and other major projects. General long-term obligation bonds are basically long-term loans that are backed by the full faith and credit of the State. Bonds must be approved by a two-thirds majority of both houses of the Legislature and by a majority of voters in a general or direct primary election.

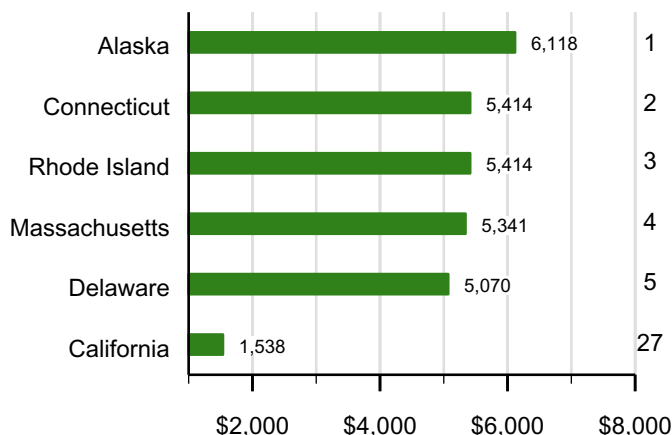
### State General Long-term Obligation Bonds

Year Ended June 30  
(Amounts in billions)



### 1998 Total Per Capita State Debt – Ranked by State

Fiscal Year Ended  
(Amounts in dollars)



*For the second consecutive year, California's bond rating was upgraded. This year, it was upgraded from "AA-" to "AA" by Standard and Poor's rating agency.*

Standard and Poor's is one of several companies that rate the degree of repayment risk that investors assume when they invest in bonds. AAA is Standard and Poor's highest rating. A rating of "A" indicates that the obligator's, or borrower's, capacity to meet its financial commitment is strong but it is more susceptible to adverse effects of changes in economic conditions than obligations rated AA or AAA. Just like a consumer's mortgage loan, the obligator's bond credit rating affects the interest rate of the obligation and therefore the additional interest, or debt service, that must also be paid. A higher rating means a lower interest rate, and therefore lower debt service – and actual cost – of the obligation.

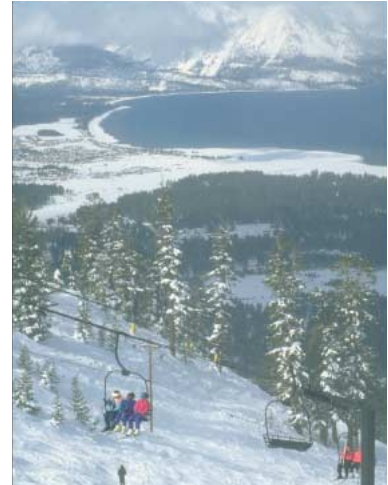
- California's total general long-term obligation bonded debt as of June 30, 2000, is \$17.8 billion.
- California's general long-term obligation bonded debt increased by 25.4% between 1996 and 2000. Adjusted for inflation, the debt increased by 13.4% during the period.
- California's per capita general long term obligation bonded debt increased by 1.8% between 1996 and 1998
- Compared to other states, California ranked 27th in spending on total per capita debt service, with \$1,538. Alaska had the highest, with \$6,118. Kansas spent the least on debt service, with \$537.



## Sources

The following sources were used to compile this report:

California State Controller's Office  
California State Treasurer's Office  
California Department of Corrections  
California Department of Education  
California Division of Tourism  
California Department of Social Services  
Education Data Partnership  
National Center for Education Statistics  
California Travel and Tourism Commission  
The College Board  
United States Census Bureau  
United States Department of Health and Human Services  
United States Department of Justice  
United States Bureau of Labor Statistics  
United States Department of Transportation



Heavenly Valley, South Lake Tahoe

The State uses two methods of accounting. The first method, called generally accepted accounting principles (GAAP), presents information in a standardized manner that is comparable to other governmental entities. Unless otherwise noted, this publication presents financial information using the GAAP method. The second method, called the budgetary basis, is used internally to control the appropriations of the budget and the operations of the State. The Motor Vehicle License Fees section on page 9 is presented using budgetary basis information, since these fees are not considered State revenues on a GAAP basis.

The United States Census Bureau compiles its statistical data somewhat differently than the State of California. The main difference between financial data compiled by the State and the U.S. Census Bureau is that the bureau includes financial data of the University of California, while the State does not include the University of California as part of its primary government. In order to provide a comparison with other states, the per capita revenue, spending, and debt information on pages 7 through 15 presents information using the U.S. Census Bureau data that is available only through 1998.

The U.S. Department of Transportation uses a worldwide standard for measuring pavement roughness called the International Roughness Index. The lower the index number, the smoother the ride. We have categorized the index numbers as very good, good, fair, and poor. These labels correspond to index readings of less than 94, 95 to 144, 145 to 194 and greater than 195, respectively.

This report is not intended to replace the more detailed reports prepared by the State Controller's Office. A more detailed and complete presentation of the State's GAAP financial information is presented in the *Comprehensive Annual Financial Report*. It is available from the State Controller's Office, Division of Accounting and Reporting, P.O. Box 942850, Sacramento, California 94250. This and other publications of the State Controller's Office are available at [www.sco.ca.gov](http://www.sco.ca.gov).

Photographs by Robert Holmes/CalTour, Tom Myers, Long Beach Area Convention & Visitors Bureau, and the University of California Los Angeles excluding the photograph of Kathleen Connell.