

Controller's Proposition 25 Budget Analysis

(All figures in millions)

	Expenditures	Revenues	Reserve
June 15 Budget's Estimates	\$ 86,550.7	\$ 87,803.0	\$ 1,252.3
<i>Liquidation of Encumbrances</i>	\$ 770.1		
	\$ 87,320.8	\$ 87,803.0	\$ 482.2
	Budget's Reserve:		\$ 482.2

School Funding (Prop 98)

\$ 1,478

The Prop. 98 guarantee based on revenue and legislative actions is \$36.8 billion. The June 15 budget provided \$35.6 billion, more than \$1.3 billion below the requirement. Also, the amount of Prop. 98 General Fund savings adopted in the budget bill (\$2.689 billion) was \$163 million less than the amount estimated by the Legislature (\$2.852 billion).

SB 335 Hospital Fee

\$ 320

June 15 budget assumes this fee would leverage additional federal funds and is anticipated to generate \$320 million per year. Without corresponding legislation to pass the fee, or actual program reductions, costs remain above those in the June 15 budget.

SB1X 9 Managed Care Plan Taxes

\$ 103

June 15 budget assumed extension of taxes on Medi-Cal managed care plans to generate \$103 million per year, but legislation extending the tax was not adopted. Without that legislation, or actual program reductions, costs remain above those in the June 15 budget.

AB1X 22 Motor Vehicle Fees

\$ 300

The June 15 budget expects to generate \$300 million in revenue through an additional \$12 DMV registration charge. The budget, however, did not include an appropriation to replace General Fund costs. Without an appropriation, or actual program reductions, costs would remain above those in the June 15 budget.

Increased Premiums for Healthy Families

\$ 22

June 15 budget included \$22 million in savings from an increase in the Healthy Families Program's premiums. Without necessary legislation to change the program, costs remain above those in the June 15 budget.

Realignment

\$ 209

The Governor proposed moving some state services to the local level. The June 15 budget assumes \$209 million savings from more-efficient correctional administration at the local level. But the proposal was not adopted, so costs remain above those in the June 15 budget.

SB 156 Jobs Credit

\$ 94

The budget assumed passage of legislation to provide \$94 million worth of hiring incentives. But the bill has not passed, which adds \$94 million back as revenue.

Actual Totals

\$ 89,752.8 \$ 87,897.0 \$ (1,855.8)

Actual Reserve: \$ (1,855.8)