

General Fund Multi-Year Forecast at 2016-17 May Revision

(Dollars in Millions)

	2015-16	2016-17	2017-18	2018-19	2019-20
RESOURCES:					
Prior Year Balance	\$3,444	\$4,829	\$2,754	\$3,079	\$1,388
Revenues/Transfers	\$118,815	\$123,372	\$127,901	\$129,007	\$133,254
Transfer to the Budget Stabilization Account ^{1/}	-\$1,815	-\$3,292	-\$1,138	-\$968	-\$1,000
Total Resources	\$120,444	\$124,909	\$129,517	\$131,118	\$133,642
EXPENDITURES:					
Proposition 98	\$49,773	\$51,105	\$52,762	\$52,190	\$53,302
Non-Proposition 98	\$65,842	\$71,050	\$73,676	\$77,540	\$83,009
Total Expenditures	\$115,615	\$122,155	\$126,438	\$129,730	\$136,311
FUND BALANCES:					
	\$4,829	\$2,754	\$3,079	\$1,388	-\$2,669
Reserve for Encumbrances	\$966	\$966	\$966	\$966	\$966
Special Fund for Economic Uncertainties	\$3,863	\$1,788	\$2,113	\$422	-\$3,635
Budget Stabilization Account/Rainy Day Fund	\$3,421	\$6,713	\$7,851	\$8,819	\$9,819
BSA balance as a percentage of General Fund tax proceeds	2.9%	5.4%	6.2%	6.9%	7.4%
Operating Surplus/Deficit with BSA Transfer	\$1,385	-\$2,075	\$325	-\$1,691	-\$4,057

1/ Includes additional \$2 billion BSA transfer in 2016-17.

Debts and Liabilities Eligible for Accelerated Payments Under Proposition 2
2016-17 May Revision
(Dollars in Millions)

	Outstanding Amount at Start of 2016-17	Proposed Use of 2016-17 Pay Down	Proposed Use of 2017-18 Pay Down	Proposed Use of 2018-19 Pay Down	Proposed Use of 2019-20 Pay Down
Budgetary Borrowing					
Loans from Special Funds	\$1,819	\$692	\$252	\$392	\$483
Underfunding of Proposition 98—Settle-Up	1,232	218	347	156	1
Repayment of pre-Proposition 42 Transportation Loans	879	173	220	220	266
State Retirement Liabilities					
State Retiree Health	74,103	38	150	200	250
State Employee Pensions	49,592	0	0	0	0
Teacher Pensions ^{1/}	72,626	0	0	0	0
Judges' Pensions	3,279	0	0	0	0
Deferred payments to CalPERS	570	0	0	0	0
University of California Retirement Liabilities					
University of California Employee Pensions	10,786	171	169	0	0
University of California Retiree Health	17,270	0	0	0	0
Total	\$232,156	\$1,292	\$1,138	\$968	\$1,000

1/ The state portion of the unfunded liability for teacher pensions is \$13.939 billion.

**Projections of 2016-17 General Fund
(Dollars in Millions)**

	Projections at:				
	2016-17 May Revision ^{1/}	2015 Budget Act	2014 Budget Act	2013 Budget Act	2012 Budget Act
Total Revenues and Transfers	\$120,080	\$120,256	\$117,127	\$116,101	Not Available
Total Expenditures	122,155	120,599	117,126	115,178	Not Available

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2016-17 General Fund total resources and total expenditures be accompanied by the projections for the same year from the previous four budget acts. Each forecast is based on the assumptions in place at that time.

The 2016-17 May Revision multi-year projection is based on existing state/federal law and state policies, adjusted for any proposals for changes included in the 2016-17 May Revision. It reflects various assumptions depending on the particular program regarding changes in enrollment, caseload, and population. The projections also use various cost escalation and COLA factors depending on the particular program.

^{1/} Pursuant to Proposition 2 of 2014, projected revenues are reduced by \$1.292 billion reflecting the estimated required transfer to the Budget Stabilization Account (BSA). In addition, the May Revision includes \$1.292 billion to pay down debt, as reflected on the previous page, and proposes an additional \$2 billion transfer to the BSA that further reduces projected revenues.