

**GENERAL FUND MULTI-YEAR PROJECTION at 2012-13 May Revision  
Balanced Budget and Pay Down Debt**

(Dollars in Millions)

|   | 2011-12         | 2012-13         | 2013-14         | 2014-15          | 2015-16          |
|---|-----------------|-----------------|-----------------|------------------|------------------|
| <b>RESOURCES:</b>                       |                 |                 |                 |                  |                  |
| Prior Year Balance                      | -\$2,844        | -\$2,535        | \$1,767         | \$2,197          | \$2,995          |
| Revenues/Transfers                      | \$86,809        | \$95,689        | \$96,182        | \$106,635        | \$112,886        |
| <b>Total Resources</b>                  | <b>\$83,965</b> | <b>\$93,154</b> | <b>\$97,949</b> | <b>\$108,832</b> | <b>\$115,881</b> |
| <b>EXPENDITURES:</b>                    |                 |                 |                 |                  |                  |
| Proposition 98                          | \$32,512        | \$37,729        | \$39,944        | \$46,281         | \$50,778         |
| Non-Proposition 98                      | \$53,988        | \$53,658        | \$55,518        | \$58,831         | \$60,637         |
| <b>Total Expenditures</b>               | <b>\$86,500</b> | <b>\$91,387</b> | <b>\$95,462</b> | <b>\$105,112</b> | <b>\$111,415</b> |
| Offset Estate Tax                       |                 |                 | -\$290          | -\$725           | -\$1,180         |
| <b>FUND BALANCES:</b>                   | -\$2,535        | \$1,767         | \$2,197         | \$2,995          | \$3,286          |
| Reserve for Encumbrances                | \$719           | \$719           | \$719           | \$719            | \$719            |
| Special Fund for Economic Uncertainties | -\$3,254        | \$1,048         | \$1,478         | \$2,276          | \$2,567          |
| Budget Stabilization Account            | \$0             | \$0             | \$0             | \$0              | \$0              |
| Total Reserve                           | -\$3,254        | \$1,048         | \$1,478         | \$2,276          | \$2,567          |
| Operating Surplus                       |                 | \$4,302         | \$430           | \$798            | \$291            |

**Balanced Budget and Pay Down Debt**  
**2012-13 May Revision**  
**(Dollars in Millions)**

|  | <b>Outstanding<br/>(as of end of<br/>2011-12) plus<br/>new solutions</b> | <b>2012-13<br/>impact</b> | <b>2013-14<br/>impact</b> | <b>2014-15<br/>impact</b> | <b>2015-16<br/>impact</b> | <b>Remaining<br/>Amount</b> |
|--|--|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 1 Deferred Payments to Schools and Community Colleges                                      | \$10,430   | \$2,815                   | \$2,034                   | \$4,168                   | \$1,413                   | \$0                         |
| 2 Economic Recovery Bonds  | 6,263 <sup>1/</sup>  | 1,349                     | 1,442                     | 1,557                     | 1,639                     | 276                         |
| 3 Loans from Special Funds   | 3,572 <sup>2/</sup>  | 181                       | 1,359                     | 933                       | 1,099                     | 0                           |
| 4 Unpaid Costs to Local Governments, Schools, and<br>Community Colleges for State Mandates | 4,472  | 0                         | 112                       | 113                       | 113                       | 4,134                       |
| 5 Underfunding of Proposition 98   | 2,596 <sup>2/</sup>  | 12                        | 450                       | 181                       | 1,953                     | 0                           |
| 6 Borrowing from Local Government (Proposition 1A)   | 2,095  | 2,095                     | 0                         | 0                         | 0                         | 0                           |
| 7 Deferred Medi-Cal Costs  | 1,659 <sup>2/</sup>  | 0                         | 355                       | 442                       | 0                         | 862                         |
| 8 Deferral of State Payroll Costs from June to July  | 759  | 0                         | 0                         | 0                         | 0                         | 759                         |
| 9 Deferred Payments to CalPERS   | 524  | 0                         | 0                         | 0                         | 0                         | 524                         |
| 10 Borrowing from Transportation Funds (Proposition 42)                                    | 334  | 83                        | 83                        | 83                        | 85                        | 0                           |
| <b>Total</b>   | <b><u>\$32,704</u></b>   | <b><u>\$6,536</u></b>     | <b><u>\$5,835</u></b>     | <b><u>\$7,477</u></b>     | <b><u>\$6,302</u></b>     | <b><u>\$6,554</u></b>       |

<sup>1/</sup> This outstanding number does not include future interest costs, however, interest costs are included in the budgetary impact totals.

<sup>2/</sup> This number includes new solutions that change the wall of debt

**Projections of 2012-13 General Fund**  
(Dollars in Millions)

Projections at:

|                              | 2012-13 May<br>Revision | 2011<br>Budget Act | 2010<br>Budget Act | 2009<br>Budget Act | 2008<br>Budget Act |
|------------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Total Revenues and Transfers | \$95,689                | \$89,723           | \$93,234           | \$95,586           | Not available      |
| Total Expenditures           | 91,387                  | 96,147             | 108,745            | 110,683            | Not available      |

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2012-13 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 2012-13 May Revision multi-year projection is based on existing state and federal law adjusted for any proposals for changes included in the 2012-13 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.