

JUNE 13, 2022

# Overview of Legislature's Budget Package

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PRESENTED TO: Assembly Committee on Budget  
Hon. Philip Y. Ting, Chair



LEGISLATIVE ANALYST'S OFFICE

# General Fund Condition Under Legislative Budget Package

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## General Fund Condition Summary

(In Millions)

	2021-22	2022-23
Prior-year fund balance	\$37,698	\$24,574
Revenues and transfers	227,056	219,171
Expenditures	240,180	235,959
Ending fund balance	<b>\$24,574</b>	<b>\$7,688</b>
Encumbrances	\$4,276	\$4,276
<b>SFEU Balance</b>	<b>\$20,298</b>	<b>\$3,510</b>
<b>Reserves</b>		
BSA	\$20,325	\$23,283
SFEU	20,298	3,510
Safety net	900	1,500
<b>Total Reserves</b>	<b>\$41,523</b>	<b>\$28,239</b>

SFEU = Special Fund for Economic Uncertainties and BSA = Budget Stabilization Account.

- Addresses state appropriations limit requirements for 2022-23 (May Revision leaves roughly \$3 billion in unaddressed requirements in 2022-23).
- Plans \$28.2 billion in general purpose reserves for 2022-23 (above the May Revision by about \$700 million).
- Includes \$9.5 billion in constitutionally required reserves for schools and community colleges (in addition to the general purpose reserves above).



## Some Major Differences Between Legislature's Package and Governor's May Revision

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- **Schools and Community Colleges.** Provides the same overall funding increase for schools and colleges but designates more ongoing and one-time funding for discretionary purposes.
- **Tax Relief and Cash Assistance.** Rejects Governor's transportation-related relief proposals and instead provides tax rebates of \$200 per taxpayer and dependent for those with incomes below \$125,000 (\$250,000 for joint filers) and one-time cash assistance to SSI/SSP recipients and CalWORKs families.
- **Climate Change.** Provides the same overall funding as several of the Governor's climate change-related packages—including drought, energy, zero-emission vehicles, and wildfire—but does not yet specify specific allocations across categories or activities.
- **Housing and Homelessness.** Provides significant additional funding for affordable housing development, establishes a new homeownership program, and provides additional discretionary funding for homelessness services at the local level over multiple fiscal years.
- **Higher Education and Financial Aid.** Begins providing larger ongoing base increases and funding higher enrollment growth at the universities. Provides more funding for student housing. Provides larger augmentations for student financial aid grants.
- **Health and Developmental Services.** Accelerates implementation of developmental services rate study; provides additional funding for health workforce development; and defers action on, but sets aside funding for, a number of the Governor's major health-related budget proposals, most notably the hospital and nursing facility retention payments proposal.

