



## **2025-26 Governor's Budget Proposal**

### **January 10, 2025**

TO: CSAC Board of Directors  
County Administrative Officers and County Executive Officers

FROM: Graham Knaus, CSAC Chief Executive Officer  
Jacqueline Wong-Hernandez, CSAC Chief Policy Officer

RE: **2025-26 Governor's Budget Proposal**

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Governor Newsom's \$322.2 billion budget proposal for 2025-26 arrives as California continues to battle devastating wildfires in Southern California. These fires remain active, with counties across the state stepping up to support Los Angeles County's extensive response efforts. This heroic collective action demonstrates the resilience and solidarity of Californians during crises. As the full impact of these fires becomes clearer, adjustments to the budget will be necessary to address the long-term recovery needs of affected communities.

In light of this devastation, one of the only certainties is that the fiscal plan included in the Governor's budget proposal cannot address all of the state's needs in 2025-26. As described in detail later in this publication, it is already estimated that the damage caused by the Los Angeles wildfires will yield the highest amount of insured losses in the nation's history, with some outlets estimating the insurance losses at over \$20 billion. This does not include estimated costs for emergency response, clean-up and reconstruction, or lost property tax revenue for local governments. Undoubtably, the fiscal fallout of this catastrophe will create intense pressure on California's already struggling insurance market, including the California Fair Access to Insurance Requirements (FAIR) Plan, California's insurer of last resort for individuals who cannot obtain insurance through the private insurance market.

With these fiscal pressures already on everyone's mind before the fires are contained, yesterday afternoon, Governor Newsom [announced](#) that President Biden has authorized increasing federal assistance to cover 100% of California's fire management and debris removal costs for 180 days, up from the traditional 75%. As encouraging as this news may be on January 10, it is not clear if this level of federal support will be continued by the incoming administration in ten scant days. As veteran emergency management professionals know, the immediate emergency response phase is a sprint, but the

emergency recovery phase is a marathon and presents an immense task in the coming weeks, months, and years ahead. The federal-state relationship will influence the efficacy of recovery efforts in Southern California.

Beyond the FAIR plan and FEMA reimbursement, the state's fiscal future will be further complicated by the rippling effects of bureaucratic actions necessary to shift from the "response" to "recovery" phase of emergency management. As many may recall, in 2023 the IRS extended the federal income tax filing deadline for residents of California counties affected by winter storms. The California Franchise Tax Board quickly conformed to this accommodation for the state income tax filing deadline as well. The result of this change, albeit an absolutely necessary extension for those affected, resulted in significant delays in revenue collection that impaired the state's ability to produce accurate fiscal forecasts. Into 2024, the state attempted to reconcile months of unknown revenue variables. CSAC will closely monitor any changes to tax filing deadlines and assess the potential impacts to the state's revenue forecasts as appropriate.

In years past, the state has consistently provided property tax backfills to counties with diminished property tax revenue due to wildfire-caused property damage. Most notably, the 2018 Budget Act included [\\$67 million](#) in direct assistance for disaster-impacted counties to backfill lost property tax revenue and to reimburse clean-up costs to communities devastated by wildfires and debris flows. A table showing state appropriations to compensate counties for lost property tax revenue caused by wildfires by fiscal year is included later in this publication. In the coming weeks and months, CSAC will engage in conversations with the Administration and the Legislature to advocate for the continuation of this tradition of providing fiscal relief to affected counties.

In the interim between this period of uncertainty and the next iteration of the state's budget plan for 2025-26, the Legislature has already taken some proactive steps to address the impending additional stress on California's insurance market. Yesterday afternoon, Assembly Speaker Robert Rivas [announced](#) that the Assembly intends to introduce legislation to support recovery efforts, including a bill focused on expediting insurance claims for homeowners.

In the midst of this tragedy, you can count on CSAC staff to continue to monitor the state's fiscal condition and advocate for a state budget plan that is fiscally responsible while equipping local leaders with the tools, funding, and flexibility needed to rebuild following the devastation of the wildfires and preserve core government functions. With California already facing profound devastation from wildfire, we are reminded that there is no bigger priority for CSAC than to protect our counties, our communities, and our residents.

*"We must remember that there are many ways to accomplish our goals, together."*

*~ Former President Jimmy Carter*

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## Agriculture, Environment, and Natural Resources

California is facing unprecedented threats from climate and weather driven events. Regional dry conditions, extreme wind events and the resulting wildfires are devastating communities from the rural forested regions to the largest urban populations across the state.

The Governor's budget proposal focuses on increased investments in climate resiliency through expenditure of the Climate Bond (Proposition 4). Baseline increases sustained in recent years for firefighting, wildfire resilience and flood protection are proposed to be enhanced through bond funds. Additionally, the proposed budget relies on recent federal investments and expects to receive further allocations to assist with funding climate change programs.

The current budget language provides a high-level overview, but CSAC staff will continue to monitor and share information as more details become available.

### **WILDFIRE, FOREST RESILIENCE AND EMERGENCY RESPONSE**

The Governor's budget proposes to continue baseline funding for firefighting activities, including the use of the emergency funds for the current extreme wildfire events in Southern California. In recent years, agreements with the CalFIRE firefighter bargaining unit resulted in a decreased workweek from 72 to 66 hours. Recent wildfire events will likely require adjustments in the overall wildfire budget in the coming months.

### **Firefighting Investments and Aircraft Contract Increases**

The Governor's budget continues to support the additional CalFIRE training center as a key component of the implementation of the new 66-hour work week. Building upon the recent increase in California's contract for exclusive use of firefighting aircraft, the Governor's budget proposes to more than double the contract from \$27 million to \$65 million based on recent fire historical average use. The aircraft are used to quickly address fire conditions and support fire suppression contracts.

### **Climate Bond Forestry and Fire Prevention Investments**

The Governor's budget proposes about \$325 million from Proposition 4 for various forest health and fire prevention programs (highlighted below). In addition to these specific program allocations, the budget proposes \$39 million (Proposition 4) for various wildfire and forest resilience projects and programs including defensible space, home hardening, reforestation and wood utilization. Counties will be pleased to see block grants available for regional projects, cutting down on the need for individual small-scale grant requests.

*Forest Health and Local Fire Prevention Projects*

The Governor's budget proposes to allocate bond funding for multiple wildfire mitigation and prevention projects. Counties are eligible for most of these programs either as individual applicants or in partnership with regional organizations (including state conservancies). The proposed Proposition 4 allocation includes:

- **Forest Health Program**—\$82.2 million for projects that improve forest health by reducing fuels, reintroducing beneficial fire, restoring degraded areas, and conserving threatened forests.
- **Regional Projects**—\$79.5 million for block grants to support landscape scale, multibenefit projects developed by forest collaboratives in high-risk regions.
- **Local Fire Prevention Grants**—\$59.1 million for the Wildfire Prevention Grants Program to support local projects in and near fire-threatened communities, including fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety.
- **Resilient State-Owned Lands**—\$33.4 million to help restore health and resilience to 3.8 million acres of state-owned lands vulnerable to destructive wildfires, including expansion of beneficial fire.
- **State Conservancies**—\$22.4 million for various state conservancies for watershed improvement, forest health, biomass utilization, chaparral and forest restoration, and workforce development.
- **Wildfire Mitigation**—\$9.1 million for the Wildfire Mitigation Program, administered by the Office of Emergency Services and the Department of Forestry and Fire Protection, which offers financial assistance to vulnerable populations in wildfire-prone areas throughout the state for cost-effective structure hardening and retrofitting to create fire-resistant homes, as well as defensible space and vegetation management activities.

*California Wildfire Mitigation Financial Assistance Program.*

CSAC supported successful legislation (Chapter 402, Statutes of 2024) that extends the Emergency Management Assistance Compact (EMAC). The EMAC is a national interstate mutual aid agreement that enables states to share resources during times of disaster and a critical piece of our California wildfire response. The Governor's budget proposal includes \$529 million (General Fund) in the first year, and \$809 million ongoing for the EMAC. The EMAC serves as an additional tool to assist local jurisdictions in case of an emergency.

**Fire Insurance**

CSAC continues to monitor proposals addressing the fire insurance crisis. The Governor's proposed budget does not yield any insight on proposals, but legislation has been introduced relevant to the FAIR Plan, the state's insurer of last resort.

## **WATER, DROUGHT, FLOOD, HABITAT and COASTAL RESILIENCE**

The Governor's proposed budget focuses on funding provided through the climate bond (Proposition 4) as well as recently passed legislation with funding for dam safety, regional projects and increasing water supply resources statewide.

### **Investments in Flood Protection and Groundwater Management Activities**

#### *Flood Management Projects*

The Governor's budget proposes \$173.1 million (Proposition 4) for flood control projects to evaluate, repair, rehabilitate, reconstruct, expand or replace flood infrastructure and facilities both in the Central Valley (State Plan of Flood Control) as well as funding for the flood subvention projects covering the entire state.

#### *Salton Sea*

The Governor's budget proposes \$148.2 million (Proposition 4) to implement state water quality requirements for habitat and dust suppression on the exposed lakebed at the Salton Sea. The focus of these efforts is to both increase habitat and reduce exposure to toxic dust downwind from the Sea in Imperial and Riverside Counties. Later in spring, the Governor plans to introduce a proposal to establish the Salton Sea Conservancy which was established by SB 583 (Chapter 771, Statutes of 2024).

#### *Groundwater, Water Reuse and Recycling*

The Governor's budget proposes \$173.5 million (various funds) to improve water storage, replenish groundwater, improve conditions in streams and rivers, and complete various water resilience projects and programs.

The Governor's budget proposes \$148.2 million (Proposition 4) for water reuse and recycling projects that support storage, conveyance, or distribution facilities for potable and non-potable use. Funding is focused on infrastructure to service retrofit projects and multi-benefit projects that allow use of recycled water, including use for groundwater treatment projects.

### **Critical Reductions in Water and Flood Programs**

#### *Dam Safety, Climate Resilience and Dam Removal*

In 2022, CSAC joined a large coalition of local agencies, water suppliers, and emergency managers to advocate for significant improvements to overall dam safety by securing \$100 million for investments at aging facilities which was subsequently reduced by half in the 2023 budget cuts. The 2023 comprehensive dam safety program approved includes a fee on dam structures with a 50% local cost share to sustain the program.

The Governor's budget proposes \$231.5 million (Proposition 4) to the Dam Safety and Climate Resilience Local Assistance Program for competitive grants for projects that support dam safety and reservoir operations, including funding for repairs, rehabilitation and enhancements.

The Governor's budget proposes \$30 million (\$10 million per year for three years) of federal trust fund authority for the Federal Emergency Management Agency's (FEMA) rehabilitation of high hazard potential dams grant program. The program provides eligible dam owners with technical, planning, design, and construction assistance for rehabilitation activities that reduce dam risk and increase community preparedness.

The Governor's budget proposes \$8.5 million for removal or retrofit of obsolete or inefficient dams to increase habitat connectivity, increase fisheries, and improve coastal sediment (sand) supply for beaches and shorelines.

### **Coastal Resilience and Sea Level Rise**

Following several years of legislation designed to increase local planning for sea level rise, the 2025 budget continues local grant funding through the climate bond for coastal resilience and sea level rise mitigation. Counties and regional associations are eligible for most of the programs.

#### *Sea Level Rise, Coastal Flooding and Resilience*

The Governor's budget proposes \$30.8 million (Proposition 4) for projects to protect coastal lands, public access facilities and habitat. An additional \$20 million (Proposition 4) is dedicated to the San Francisco Bay Area for sea level rise management, flood management and wetland restoration within the San Francisco Bay Restoration Authority Act and Conservancy Program.

#### *Coastal Planning*

The Governor's budget proposes \$20.3 million (Proposition 4) for local planning and implementation projects to help communities prepare for coastal flooding. Counties are eligible for programs that also support recent legislative mandates for sea level rise planning in Local Coastal Plans.

### **Habitat and Conservancies**

The Governor's budget proposes to allocate significant funding for large-scale habitat and wildlife projects, most of which would have co-benefits of increased water resilience and wildfire prevention. Funding is intended to flow through larger regional or state programs (including state conservancies). The largest allocation of \$176 million (Proposition 4) will go to multiple programs focused on land conservation, easements, floodplain restoration, and wildlife connectivity.



### *State Conservancies*

The Governor's budget proposes \$80 million (Proposition 4) for nature-based solutions to state conservancies, including in particular the Sierra Nevada Conservancy, for projects to increase land conservation, enhance habitats, and improve natural watershed and wildfire resilient ecosystems and forests.

## **COMMUNITY RESILIENCE & EXTREME HEAT**

During recent budget surplus years, important investments were made in several programs designed to help local communities and residents through extreme heat and other emergency events. This year, the budget increases funding for programs eligible in the Climate Bond.

### *Fairgrounds*

CSAC was able to hear directly from the Department of Food and Agriculture at our annual meeting about plans to allocate \$37.6 million (General Fund) to modify or upgrade fairgrounds to enhance local emergency preparedness.

### *Extreme Heat*

The Governor's budget proposes \$16.1 million (General Fund) to fund projects that reduce the impacts of extreme heat and build resilience for local extreme heat events.

## **AGRICULTURE**

California's agriculture and ranching communities are facing increasing challenges, from water supply to global economic pressures and avian flu. The Governor's budget proposes funding for climate-focused agriculture programs through the Climate Bond as well as improvements to facilities and laboratory infrastructure. Proposals for mitigation of avian flu and invasive species or pests are likely to be introduced this spring.

### **Key Agriculture Proposals**

#### *State Water Efficiency and Enhancement Program (SWEET)*

The Governor's budget proposes \$37.6 million (Proposition 4) for improving irrigation systems on farms and ranches to save water and reduce emissions from pumping.

#### *Healthy Soils*

The Governor's budget proposes \$35.9 million (Proposition 4) for sequestering carbon and reducing emissions through the implementation of soil health practices on farms and ranches.

## **ENERGY**

The Governor's budget proposal continues investments in energy upgrades, grid improvements and safety. The Governor's budget discusses grid reliability and energy affordability, particularly given the costs of wildfire mitigation measures. There are no direct proposals to reduce energy costs statewide either through the Investor-Owned Utilities



(regulated by the California Public Utility Commission, such as Pacific Gas and Electric or Southern California Edison) or the Publicly Owned Utilities.

#### *Offshore Wind—Development of Port Upgrades*

The Governor's budget proposes \$228.2 million (various funds) for port upgrades, including construction and improvements of publicly owned port facilities for manufacturing, assembly, staging, and integration of components and vessels, to support the development of offshore wind generation and other activities.

### **CANNABIS**

Proposition 64 specifies that money collected through the Cannabis Tax Fund be prioritized for: Allocation 1) Regulatory and administrative costs, Allocation 2) Specified allocations, including research; and finally, the remaining funds are directed toward Allocation 3) Percentage allocations for programs listed below. The Governor's proposed budget estimates \$468.2 million will be available for Allocation 3 programs in 2025-26 as follows:

- *Education, prevention, and treatment of youth substance use disorders and school retention*—60% of Allocation 3 Funds (\$281 million)
- *Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation*—20% of Allocation 3 Funds (\$93.6 million)
- *Public safety-related activities*—20% of Allocation 3 Funds (\$93.6 million)

### **WASTE**

The Governor's proposed budget does not specify any new allocations toward local assistance grants for local governments to meet SB 1383 (2016) organic waste reduction goals. As of now, the proposal allocates funding toward implementation of legislation that CSAC supported such as (Chapter 452, Statutes of 2024), which expedites the construction of compost facilities and (Chapter 421, Statutes 2024) which extends (Chapter 395, Statutes of 2016) rural exemption.

### **CLIMATE BOND**

CSAC supported the passage of Proposition 4, which was approved by the voters in November 2024. The Governor's proposed budget breaks down the bond amount with \$2.7 billion allocated for budget year 2025-26. The bond investment is further being utilized to shift \$273 million from prior General Fund obligations to Climate Bond funding. The Administration plans to engage the Legislature on how to allocate funding that has yet to be scheduled.

<b>Climate Bond Expenditure Plan</b> (\$ in Millions)		
Investment Category	Bond Allocation	Proposed 2025-26
Safe Drinking Water, Drought, Flood & Water Resilience	\$3,800	\$1,074
Wildfire & Forest Resilience	\$1,500	\$325
Coastal Resilience	\$1,200	\$173
Extreme Heat Mitigation	\$450	\$102
Biodiversity & Nature-Based Solutions	\$1,200	\$286
Climate Smart Agriculture	\$300	\$134
Outdoor Access	\$700	\$286
Clean Air & Energy	\$850	\$275
Total	\$10,000	\$2,655

## Administration of Justice

### Local Public Safety

#### *Proposition 47 Savings Estimate*

The Governor's budget proposal includes an estimated total state savings of \$88.3 million in 2025-26. In comparison, the estimated net savings in June 2024 for 2024-25 was \$94.8 million. Each year, state savings from the implementation of Proposition 47 are allocated through grants to public agencies for various recidivism reduction programs such as mental health and substance use treatment services (65% of savings), truancy and dropout prevention (25% of savings), and victims' services (10% of savings). The estimated reduction in state savings is reflective of forecasted impacts due to voter approval of Proposition 36 last November, which repealed portions of Proposition 47, rendering specified drug and theft crimes from misdemeanors to felonies.

#### *Community Corrections Performance Incentive Grant*

The Community Corrections Performance Incentive Grant, established by SB 678 (Chapter 608, Statutes of 2009) was created to provide incentives for counties to reduce the number of individuals on felony probation, who are admitted to state prison. The Governor's budget proposal includes \$126.5 million General Fund in 2025-26 for probation departments. Funding under this grant was held constant due to impacts of the COVID-19 pandemic on probation populations, law enforcement practices, and court processes. The Governor's budget proposal includes a plan to update the methodology for calculating county payments, beginning this fiscal year, through close coordination with the Chief Probation Officers of California (CPOC) and the Legislature. The goal is to increase performance-based incentives to maximize public safety and reduce prison admissions, while stabilizing probation funding to achieve the aforementioned goals.

#### *California Highway Patrol (CHP) Child Sexual Abuse Investigations*

The Governor's budget proposal includes \$5 million ongoing General Fund for the CHP to expand its Computer Crimes Investigation Unit focused on the distribution and downloading of child sexual abuse material across the state in coordination with local, state and federal agencies and prosecutors. The expansion will support the development of leading strategies for combatting child sexual abuse in counties and cities.

### California Department of Corrections and Rehabilitation (CDCR)

#### *CDCR Adult Institutions*

The Governor's budget proposal includes total funding of \$13.9 billion for CDCR in 2025-26, of which \$4.1 billion General Fund is allocated for mental health, medical, and dental care programs and services. Despite recent trends showing a continual decline in the adult

incarcerated population, as with Proposition 47 savings, there is projected to be a modest reversal of the downward trend because of the passage of Proposition 36. Projections made in the fall indicate that the adult incarcerated population is now estimated to be 91,672, which is a 0.9% increase. In 2025-26 the population is estimated to be 93,278, which is an increase of 1,606 individuals. The state anticipates the impacts from Proposition 36 to be short term, resuming the downward trend in future years, leading to an estimated population of 90,998 in 2027-28. The overall average daily population for individuals on parole is projected to be 34,940 in 2024-25, declining slightly to 34,671 in 2025-26. Proposition 36 is projected to slightly increase the parole population in the near-term future, but like the adult incarcerated population, it is anticipated to stabilize in the coming years, dropping to an estimated 33,756 by June 30, 2029.

#### *CDCR Outlook and Reentry*

While the Governor's budget proposal does not include plans to close additional institutions or facilities within institutions, the Administration remains committed to addressing the needs of staff and the incarcerated population, in addition to spacing needs within prisons, as the state transforms to a more rehabilitative system. This is demonstrated by the Governor's investment in San Quentin Rehabilitation Center (formerly San Quentin State Prison).

- The Governor's budget proposal includes \$7.8 million in 2025-26 and \$13 million ongoing beginning in 2026-27 to increase staffing, programming, specialty treatment, and a new campus under the *California Model* at San Quentin Rehabilitation Center.
- Previous budget investments include the expansion of community correctional reentry centers, which CDCR is entering contracts for four new facilities in Sacramento, San Bernardino, Ontario, and Fresno projected to open in 2025-26.
- Preserves past investments to support the long-term financial sustainability of reentry programs and adds \$32 million General Fund, growing to \$42.9 million in 2029-30 to enable CDCR to increase contract rates and provide annual adjustments for 14 parole reentry contracts.
- Includes \$12.9 million one-time General Fund in 2025-26 and 2026-27 to continue the Returning Home Well (RHW) program, established in 2022-23 to provide wraparound services for those at risk of being unhoused upon release.
- Includes \$1.2 million General Fund in 2024-25, and \$2.3 million in 2025-26 and ongoing, as part of the Division of Adult Parole Operations' redistricting plan, which will create efficiencies by aligning staffing levels with caseload levels by geographic areas.

#### *Council on Criminal Justice and Behavioral Health (CCJBH)*

The Governor's budget proposal eliminates the CCJBH, saving \$1.8 million ongoing (\$662,000 General Fund and \$1.1 million Behavioral Health Services Fund). The CCJBH was established

in 2001 to identify and promote strategies to reduce the incarceration of individuals with mental illness and substance use disorders.

### **Judicial Branch**

The Governor's budget proposal includes \$5 billion (\$3.1 billion General Fund and \$1.9 billion other funds) in 2025-26 for the Judicial Branch, with \$2.9 billion specifically for trial court operations.

- *Indigent Defense* – provides for \$6.3 million ongoing General Fund to support an increase in hourly rates for appointed counsel representing indigent appellants.
- *Trial Court Operations* – includes \$40 million ongoing General Fund beginning in 2025-26 for increasing trial court operation costs.
- *Court Construction and Maintenance* – includes \$39.8 million General Fund for the courthouse in the Juvenile Addition and Renovation in Butte County, the New Solano Hall of Justice in Fairfield, the New Fresno Courthouse, the New San Luis Obispo Courthouse, the New Tracy Courthouse in San Joaquin County; \$9.5 million one-time General Fund for cost increases associated with an existing facility modification at the San Diego Hall of Justice; and \$5.4 million one-time General Fund in 2025-26 to complete the build-out of court facilities' lactation rooms.

### **Department of Justice (DOJ)**

The Governor's budget proposal provides for total funding of approximately \$1.3 billion, including \$496 million General Fund, to support DOJ. Various augmentations to support workloads across the DOJ, include the following to list a few:

- *DNA Identification (DNA ID) Fund Backfill* – A projected cashflow shortage has required adjustments to previous DNA ID backfill. Previously, the 2023 Budget Act provided for a three-year backfill through 2025-26. The Governor's budget proposes to make backfill an ongoing adjustment with \$37 million General Fund in 2026-27, \$36 million in 2027-28, and \$35 million ongoing beginning in 2028-29.
- *Bureau of Firearms Workload* – The Governor's budget proposal includes \$3.2 million and 26.0 positions in 2025-26 ongoing to address workload. Further, it includes \$2.2 million and 14 positions (2025-26) and \$1.9 million (2026-27) ongoing to address the increased number of Dealers Record of Sale transactions.
- *Chaptered Legislation: Firearms* – \$2.4 million and 7 positions in 2025-26 and \$1.2 million General Fund ongoing relating to firearm storage, sale, transfer, and relinquishment.

The Governor and Legislature are also seeking upwards of \$25 million to support litigation efforts protecting California laws from federal overreach, however no dollar amount was included in the Governor's budget proposal. The Governor and Legislature will determine the total amount of funding allocated and finalize details through the upcoming Special Session.

**Office of Emergency Services (Cal OES)**

The Governor's budget proposal includes \$3.1 billion and 1,907 positions for Cal OES. One item of importance included in the Governor's budget proposal is the \$5 million ongoing General Fund to maintain funding levels for the California Internet Crimes Against Children Task Forces. Another item of importance that is not included in the Governor's budget proposal is supplemental funding to support the decline in local funding received through the federal, Victims of Crime Act (VOCA).

**Cannabis**

Please see the Agriculture, Environment, and Natural Resources section for information on cannabis.

**CARE Act**

Please see the Health and Human Services section for information on the CARE Act.

## Government Finance and Administration

### Property Tax Backfill for Counties Impacted by Disasters

Historically, the state has appropriated funding to backfill for property tax revenue lost due to wildfires from the previous fiscal year. Considering that devastating fires are still raging, the Governor's budget proposal includes no estimate of appropriations that will be needed to backfill for lost property taxes in 2025-26. The table below details property tax backfill appropriations from the past several fiscal years:

Fiscal Year	Appropriation (Backfill)	Citation
2018-19	\$33.0 million	<a href="#">SB 840 (Chapter 29, Statutes of 2018)</a>
2019-20	\$0.5 million	<a href="#">AB 74 (Chapter 23, Statutes of 2019)</a>
2020-21	\$0	
2021-22	\$11.0 million	<a href="#">AB 128 (Chapter 21, Statutes of 2021)</a>
2022-23	\$3.8 million	<a href="#">SB 154 (Chapter 43, Statutes of 2022)</a>
2023-24	\$0.6 million*	<a href="#">SB 101 (Chapter 12, Statutes of 2023)</a>
2024-25	\$1.6 million	<a href="#">AB 107 (Chapter 22, Statutes of 2024)</a>

\*This appropriation was made specifically for property tax revenue losses incurred in Sonoma County due to the 2019 Kincaid wildfire.

### Educational Revenue Augmentation Fund (ERAF)

The Governor's budget proposal lacks an estimate of an appropriation to backfill the insufficient ERAF amounts affected counties. Last year, Mono, Alpine, and San Mateo counties collectively required an appropriation of \$73.5 million to be held harmless under the Vehicle License Fee reduction made in 2004.

### Tax Proposals

The Governor's budget proposal includes several tax proposals that are estimated to increase General Fund revenues by a net total of \$186 million in 2025-26.

- **Single Sales Factor for Financial Institutions** – Beginning in tax year 2025, the budget proposes to move financial institutions to single sales factor apportionment, aligning financial institutions with nearly all other corporations. This results in an estimated increase in revenues of \$330 million in 2025-26 and by more than \$250 million annually thereafter.
- **Military Retirement Income Exclusion** – Beginning in tax year 2025, the budget proposes to exclude military retirement pay and survivor benefits as income for state tax purposes for taxpayers under certain income thresholds. This proposal is estimated to reduce revenues by \$130 million in 2025-26 and by \$85 million annually thereafter.
- **Film and Television Tax Credit** – Would increase the total annual Film and Television Tax Credit 4.0 award cap from \$330 million to \$750 million for 2025-26 through



2029-30. This proposal is expected to reduce revenues by \$15 million in 2025-26, increasing to a \$209 million reduction in 2028-29.

- Wildfire Settlements Income Exclusion – Would exempt all wildfire settlements from state taxation for settlements paid in tax years 2025 through 2029, regardless of when the fire occurred. In previous years, this exemption was considered on a case-by-case basis following certain large wildfires.

### **State-Mandated Programs**

The Governor's budget proposal includes an estimated \$94.5 million to reimburse local governments for costs incurred to implement state-mandated programs in 2025-26. A complete list of state-mandated programs that are proposed to be funded in 2025-26 (for payment of mandate claims for costs incurred in prior years) or mandates that are suspended were not included in the budget proposal, will be listed under Budget Item 8885-295-0001 in the 2025-26 Budget Bill(s).

To address revenue constraints or increasing costs, the state will suspend some mandated programs via the state budget. While a mandate is suspended, the requirement remains in law, however local governments are not required to comply with the state-mandated requirements in that fiscal year and the state has no reimbursement obligation.

While the California Constitution requires the state to reimburse local agencies for all valid mandate claims, specific payment deadlines for any mandate that is suspended or repealed in the following fiscal year is unclear. Consequently, local governments can spend significant resources to meet state-imposed mandates without any certainty of reimbursement. Interest on unpaid claims accrues until the claims are fully paid. According to the [State Controller's Office](#), as of April 2024 local agencies are collectively owed \$870 million for the cost to deliver state-mandated programs since 2004, a decrease of \$60 million from the prior year.

### **Libraries**

The Governor's January budget proposal includes \$6.8 million in one-time General Fund to pay for the California State Library Parks Pass program, which allows library users to obtain free access to California's state parks. Last year, the Governor's January budget proposal included no funding for the program, however funding was restored through the enacted budget.

## Health and Human Services

The Governor's budget proposal includes \$296.1 billion (\$83.7 billion General Fund – over 35% of the state's overall General Fund budget expenditures) for all health and human services programs in 2025-26. Significant investments have been made in health and human services programs over the last few years, with a focus on the state's most vulnerable communities, to expand access to care and benefits; advance health care affordability and the Master Plan for Aging; and strengthen the behavioral health continuum, health and human services workforce, and public health infrastructure.

### Realignment

The Governor's budget proposal includes revenue assumptions for 1991 Realignment and 2011 Realignment. The projections for 2024-25 and 2025-26 indicate revenue growth for both Realignments in each year. For 1991 Realignment, the 2024-25 estimates indicate that all of the sales tax growth would go to caseload growth and there would only be general growth for vehicle license fee revenues. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

## HEALTH

### Behavioral Health Services Act (Proposition 1)

The 2024 Budget Act included \$85 million (\$50 million General Fund) for counties to begin administering the Behavioral Health Services Act (BHSA) as passed by the voters under Proposition 1 in March 2024. The Governor's budget proposal maintains the \$85 million for counties in 2024-25 and includes an additional \$93.5 million (\$55 million General Fund) in 2025-26 for counties to continue implementation efforts under the BHSA.

Additionally, the Department of Health Care Services (DHCS) will propose budget trailer bill language seeking to address BHSA revenue stability to effectuate the report required to be submitted by June 30, 2025, to the Governor's Office and Legislature. The report will include recommendations to reduce BHSA revenue volatility and propose prudent reserve levels to support the sustainability of county programs and services.

### Community Assistance, Recovery and Empowerment (CARE) Act

The Governor's budget proposal continues to support statewide implementation of the CARE Act. General Fund support for state and county CARE Act activities consists of \$90.1 million in 2024-25, \$107.6 million in 2025-26, and \$111.8 million in 2026-27 and annually thereafter.

Specifically, the Governor's budget proposal includes \$36.6 million in 2024-25, \$47.1 million in 2025-26, and \$51.1 million in 2026-27 and annually thereafter for county behavioral health agency activities. These estimates reflect a decrease from the 2024 Budget Act due to a

reduction in caseload assumptions based on actual data and a reduction to the ramp up rate for 2024-25 to reflect statewide implementation on December 1, 2024. Increased funding in 2025-26 reflects an increase in the number of estimated CARE Act respondents and a 3% increase in rates for claimable activities.

The Governor's budget proposal also includes \$17.6 million in 2024-25 and \$18.4 million in 2025-26 and annually thereafter to support qualified legal services projects/centers and public defenders for legal services for CARE Act activities.

### **Medi-Cal**

The Medi-Cal budget includes \$174.6 billion (\$37.6 billion General Fund) in 2024-25 and \$188.1 billion (\$42.1 billion General Fund) in 2025-26. Medi-Cal is projected to cover approximately 15 million Californians in 2024-25 and 14.5 million in 2025-26—more than one-third of the state's population. The Governor's budget proposal includes increased Medi-Cal expenditures of approximately \$2.8 billion General Fund in 2024-25 compared to the 2024 Budget Act due to higher-than-projected enrollment, caseload, and pharmacy costs, offset by additional support from the Managed Care Organization (MCO) Tax.

#### *Public Health Emergency Unwinding Flexibilities and Medi-Cal Caseload*

The Governor's budget proposal includes the continuation of eligibility redetermination flexibilities initiated during the COVID-19 pandemic through June 30, 2025, resulting in reduced Medi-Cal disenrollment and increased costs of approximately \$3 billion (\$1.1 billion General Fund) in 2024-25 compared to the 2024 Budget Act. Caseload is anticipated to modestly decline in 2025-26 as unwinding flexibilities end, however, the Governor's proposed budget projects an increase in the average cost per Medi-Cal enrollee. Implementation of several significant state initiatives and federal policies has added complexity to Medi-Cal caseload projections. Further, additional variabilities are possible with any potential future changes in federal policy.

#### *Continued Funding for Expansion to Individuals Regardless of Immigration Status*

The Governor's budget proposal continues to support implementation of significant investments made to date in the Medi-Cal program, including fully funding the expansion of benefits to adults regardless of immigration status.

#### *MCO Provider Tax and Proposition 35*

Proposition 35, approved by voters in November 2024, continues the MCO tax enacted by AB 119 (Chapter 13, Statutes of 2023) permanently and specifies permissible uses of tax revenues starting with the 2025 tax year. Provider payment increases and investments that were new and authorized in the 2024 Budget Act are repealed as of January 1, 2025. Tax revenues will continue to support provider rate increases for primary care, maternal care, and non-specialty mental health services that were implemented in 2024. Proposition 35 also requires DHCS to consult with a stakeholder advisory committee to develop and implement new or modified payment methodologies.

Compared to the 2024 Budget Act, support for the existing Medi-Cal program is estimated to increase by \$1 billion in 2024-25 due to updated estimates of available tax revenues but support for the existing Medi-Cal program is estimated to decrease by \$2.2 billion in 2025-26 due to implementation of Proposition 35. The proposed spending plan reflected in the Governor's budget proposal is subject to change, pending consultation with the stakeholder advisory committee referenced above.

*Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration*

In December 2024, the federal Centers for Medicare & Medicaid Services (CMS) approved approximately \$8 billion (state, local, and federal funds) for the BH-CONNECT Demonstration effective January 1, 2025, through December 31, 2029, to expand access to and strengthen the continuum of behavioral health services for Medi-Cal members living with behavioral health needs. The funding will support activities and services administered by the DHCS, the Department of Social Services, and the Department of Health Care Access and Information.

*Senate Bill 525 Health Care Minimum Wage Impacts*

On October 16, 2024, specified health care minimum wage increases pursuant to SB 525 (Chapter 890, Statutes of 2023) were triggered by DHCS [notifying](#) the Joint Legislative Budget Committee that it had initiated the data retrieval process necessary to implement an increase to the Hospital Quality Assurance Fee (HQAF) beginning January 1, 2025, to fund increased supplemental Medi-Cal payments to hospitals. Pursuant to [Labor Code section 1182.14\(c\)\(5\)](#), minimum wage increases for health care facilities owned, affiliated, or operated by counties began on January 1, 2025.

On December 11, 2024, DHCS submitted a request to CMS to significantly increase the Private Hospital Directed Payment Program (PHDP) by approximately \$6 billion total funds beginning on January 1, 2025, to provide increased supplemental Medi-Cal managed care payments to hospitals for services delivered in 2025, subject to final federal approval.

**Lanterman-Petris-Short (LPS) Conservatorships (SB 43/SB 1238)**

Additional counties have begun implementation of SB 43 (Chapter 637, Statutes of 2023) prior to the statutory deadline of January 1, 2026. The Governor's budget proposal does not include additional funding for counties to implement the bill's requirements.

Relatedly, DHCS will submit a request for resources and expenditure authority to implement the provisions of SB 1238 (Chapter 644, Statutes of 2024), which authorizes county behavioral health agencies to designate specified facilities such as psychiatric health facilities and mental health rehabilitation centers to serve the population eligible under the expanded definition of "gravely disabled" enacted under SB 43. SB 1238 also requires DHCS to issue guidance regarding Medi-Cal reimbursement for covered Medi-Cal services provided to an

individual receiving involuntary treatment for a severe substance use disorder. Details of the funding request to implement SB 1238 were pending at the time of this publication.

## HUMAN SERVICES

### **California Work Opportunity and Responsibility to Kids (CalWORKs)**

The CalWORKs program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's budget proposal assumes \$9.5 billion in total state, local, and federal TANF expenditures in 2025-26. Of this, \$6.4 billion is included for CalWORKs program expenditures which is a net increase of \$50.2 million reflecting increased caseload and funding restorations for expanded subsidized employment and mental health and substance abuse services. For 2025-26, the average monthly CalWORKs caseload is estimated to be 361,834 families.

#### *Federal Pilot Program*

California is one of five states that were selected in November 2024 to participate in a federal TANF pilot program to test alternative performance measures. With this pilot program, California will utilize the CalWORKs Outcomes and Accountability Review (Cal-OAR) framework to focus on supportive and barrier removal services to improve employment and well-being.

#### *Single Allocation*

The Governor's budget proposal includes \$1.6 billion total funds for the CalWORKs Single Allocation in 2025-26. This reflects a \$44.5 million decrease from the 2024 Budget Act due to a lower projected Employment Services caseload.

#### *Projected CalWORKs Grant Increase*

The Governor's budget proposal includes an approximate 0.2% increase to CalWORKs Maximum Aid Payment levels, projected to begin October 1, 2025, with an estimated cost of \$9.1 million. The May Revision will include a determination and update of the projected grant increase. The projected increased costs would be funded by the Child Poverty and Family Supplemental Support Subaccount within 1991 Realignment and would be in addition to the 0.3% statutory increase that occurred in October 2024.

### **In-Home Supportive Services**

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2025-26, the Governor's budget proposal includes \$28.5 billion for IHSS, of which \$10.6 billion is from the General Fund. This is an increase of \$3.3 billion (\$1.4 billion General Fund) from the 2024 Budget Act due to increased caseload, costs per hour, and number of hours. The estimated average monthly caseload is 771,650 recipients in 2025-26.

*IHSS Collective Bargaining*

As required by the 2023 Budget Act, the California Department of Social Services (CDSS) will soon be releasing an analysis of the costs and benefits of moving IHSS collective bargaining responsibilities from counties to the state level. The Governor's budget does not contain any proposals related to moving IHSS collective bargaining responsibilities to the state. CSAC was an active member of the workgroup that CDSS convened to analyze this issue over the past year and will share the final report with counties once it becomes available.

**Child Welfare and Foster Care**

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect. The Governor's budget proposal includes \$1 billion General Fund for services to children and families. Total funding for children's programs is more than \$10.8 billion when federal funding and 1991 and 2011 Realignment revenues are included.

*Child and Adolescent Needs and Strengths (CANS)*

The Governor's Budget proposal includes \$1.7 million (\$1.2 million General Fund) to support implementation of the CANS Fidelity and training activities. This work is being done in preparation for the implementation of the Tiered Rate Structure (TRS) for foster care rates.

**Child Care and Early Childhood***Child Care*

The Governor's budget proposal includes \$7.1 billion (\$4.6 billion General Fund) for child care and development programs administered by CDSS. These programs include, among others, CalWORKs Stages One, Two, and Three, the Emergency Child Care Bridge Program, Alternative Payment Programs, and General Child Care.

Consistent with requirements related to the reimbursement floor for state-subsidized child care providers established in the 2024 Budget Act, the Governor's budget proposal maintains funding to continue the Cost of Care Plus Rate monthly payments. The Administration is continuing to work towards a single rate structure and utilization of an alternative methodology for estimating the costs of care. As required in a 2024 budget bill (Chapter 73, Statutes of 2024), the Administration will provide the Legislature with a timeline for transitioning to reimbursement rates informed by the cost of care under the state's alternative methodology, rather than the current structure that is largely informed by private market rates. The current Memorandum of Understanding with Child Care Providers United-California (CCPU) is set to expire on June 30, 2025.

*Diaper Initiative*

The Governor's budget proposal includes up to \$7.4 million General Fund in 2025-26 and \$12.5 million General Fund in 2026-27 for the Department of Health Care Access and Information to contract for the provision of a three-month supply of diapers to Californians with newborns via hospital systems.



## Homelessness

While not containing any new homelessness funding proposals, the Governor's budget proposal does outline several actions to improve statewide administration of these programs and increase accountability for current and future funding. CSAC will continue to be fully engaged on homelessness budget issues as a top CSAC advocacy priority consistent with the AT HOME plan.

### **New Housing and Homelessness Agency**

The Governor's budget proposes to create a new California Housing and Homelessness Agency. Currently, the Business, Consumer Services, and Housing Agency oversees numerous departments covering a range of issues including consumer affairs, cannabis, and civil rights in addition to housing and homelessness. The purpose of creating an agency solely focused on housing and homelessness is to allow the state to have a more integrated framework for addressing the efforts in these areas and to allow for better planning and alignment between these initiatives and related policy areas. The remaining departments would be housed in a new Consumer Protection Agency. The next step for this agency reformation will be the submission of a Reorganization Plan to the Little Hoover Commission in the spring.

### **Homelessness Accountability**

The Governor's budget proposal maintains existing commitments for Homeless Housing, Assistance and Prevention (HHAP) grant program and the Encampment Resolution Fund grants and indicates that the Administration is open to working with the Legislature related to additional funding for homelessness programs. Numerous actions are outlined in the Governor's budget proposal related to increasing accountability for homelessness funding.

For existing homelessness funding, the Administration will take several steps to increase accountability. These include:

- The Housing and Community Development Department (HCD) will ramp up review of Homeless Data Integration System (HDIS) fiscal and outcome reporting to ensure grantees are staying timely with reporting requirements.
- HCD will also focus on enforcing requirements for progress on implementing activities prior to releasing subsequent disbursements of HHAP funding.
- The state intends to work with some local governments to conduct a review of their overall housing and homelessness programs to identify best practices and look for opportunities for growth.
- HCD will host regional convenings with the HHAP regions that will focus on strengthening data and reporting, improving regional Memorandums of Understanding (MOUs), and achieving homelessness reduction goals.



- The Housing and Homelessness Accountability, Results, and Partnership Unit will work to ensure grantees are reaching HHAP Rounds 5 and 6 collaboration commitments by reviewing MOUs and plans.

For future homelessness funding, the Governor's budget proposal indicates that additional accountability measures must be incorporated. These include:

- Requirement for a local government to have a compliant Housing Element to be eligible for funding.
- Requirement for a local government to have a local encampment policy consistent with state guidance to be eligible for funding.
- Prioritization of funding for local governments that have a Pro-Housing Designation.
- Reallocation of funding to other jurisdictions when local governments fail to meet program requirements or show progress on key metrics.

## Housing, Land Use, and Transportation

In the Housing, Land Use and Transportation area there are no significant or notable proposals for new funding or appropriation changes. This is mainly due to the minor budget surplus the Administration is projecting as well as their commitment to honor the agreements made with the Legislature to restructure significant housing and transportation augmentations made with General Fund resources that were included in the 2024 Budget Act.

### Broadband

The Governor's budget proposes no major augmentations or modifications to the state's current efforts on broadband infrastructure. The Governor's budget proposal adheres to the funding shifts and delays agreed to in the 2024 Budget Act, with the most salient issues for counties being the continued delay of \$550 million funding for Last Mile Broadband project grants in 2027-28. The lack of augmentations or fund shifts indicates the Administration is focusing on constructing the state's Middle-Mile network and spending previously provided federal funds.

### Housing

The most significant issue in the housing policy area is the Governor's proposal to split the functions of the existing Business, Consumer Services and Housing Agency into two separate agencies (the Housing and Homelessness Agency and Consumer Protection Agency). Please see the Health and Human Services section for more information regarding the proposed Housing and Homelessness Agency. The Governor is not proposing any new funding or a reduction of funding to existing housing programs. However, the Governor's budget proposal reaffirms a commitment to the following policy principals for housing:

- Reduce Costs: The state seeks lower housing construction costs by streamlining processes and removing unnecessary barriers to development, such as delays associated with project approvals and permitting. Additionally, the state will pursue policies to reduce costs associated with existing laws that hinder housing production and increase costs and development risks.
- Enhance Accountability: The state will strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
- Housing and Transportation: The state will advance policies that remove barriers to infill housing near transit, including efforts to align long-term housing and transportation planning. Finally, the state will support policies that support the ability to utilize housing as a project impact mitigation strategy for infrastructure projects.

The Governor's budget proposal includes policies that seek to increase the Department of Housing and Community Development's (HCD) authority to shift funding between programs within their department, which is not typical for a state department. The Governor's budget proposes for HCD to update housing programs to promote affordability and expand existing California Environmental Quality Act streamlining tools to accelerate infill housing production. The Administration will most likely propose budget trailer bill language in the coming weeks to enact these policies.

## **Transportation**

The Governor's budget proposes no new funding or significant changes to existing transportation programs. The main theme is the commitment to honor the \$2 billion included in the 2024 Budget Act for the 2025-26 fiscal year. The Governor's proposed budget includes \$1.6 billion General Fund resources and \$393 million in Greenhouse Gas Reduction Fund (GGRF) resources for transportation programs. The following transportation programs are relevant to all counties:

### Active Transportation Program

The Active Transportation Program (ATP) encourages projects that increase the use of active modes of transportation, such as walking and biking. The goals of the ATP include, but are not limited to, increasing the proportion of trips accomplished by walking and biking, increasing the safety and mobility of non-motorized users, advancing efforts of regional agencies to achieve greenhouse gas reduction goals, enhancing public health, and providing a broad spectrum of projects to benefit many types of users including disadvantaged communities. The Governor's budget proposes for the program to receive \$100 million in General Fund resources.

### Transit and Intercity Rail Capital Program

The Transit and Intercity Rail Capital Program (TIRCP) was created to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems, to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion.

- **Competitive Program:** The original TIRCP operates as a competitive grant program to support eligible transportation projects. The Governor's budget proposes for the program to receive \$564 million in combined resources from the General Fund (\$384 million) and Greenhouse Gas Reduction Fund (\$180 million).
- **Formula Program:** The 2023 Budget Act (SB 125, 2023) created a sub-program which distributes funding through the TIRCP on a population-based formula to regional transportation planning agencies, which can use the money to fund transit operations or capital improvements. The Governor's budget proposes for the program to receive \$1 billion in combined resources from the General Fund (\$812 million) and Greenhouse Gas Reduction Fund (\$188 million).

### **Formula Funding for Local Streets and Roads**

The Governor's budget proposal estimates essentially flat or mild increase year-over-year of 0.4% in gasoline excise tax revenue and a modest 3.2% growth in diesel excise tax revenue from 2024-25 to 2025-26. However, CSAC notes that any drop in fuel consumption driven by the overall economy may result in revenue decreases. These revenue streams fully fund county Highway User Tax Account allocations and provide approximately 70% of county Road Maintenance and Rehabilitation Account (RMRA) allocations. Transportation Improvement Fee revenues, which fund approximately 30% of county RMRA allocations, are estimated to grow by approximately 4%. CSAC will provide counties detailed revenue estimates for 2024-25 and 2025-26 in the coming weeks.

## The State's Fiscal Condition and Future Uncertainty

### Don't Count Your Chickens (Appropriations) Before They Are Hatched (Enacted)

As iterated earlier in this publication, the Governor's budget proposal for 2025-26 is subject to transformation, more so than typical years. Specifically, identified risks to monitor and major changes to the state's revenue forecast between January and May could include:

- Wildfire recovery in Southern California.
- Federal fiscal policy regarding global trade and the federal-state funding relationship generally.
- Geopolitical instability, including further escalation in the Middle East or the Russian invasion of Ukraine.
- Stock market and asset price volatility.
- Constrained labor supply and lower than average labor force participation rates.

### Does the state have a deficit or a surplus?

The Department of Finance's press conference to provide the details of the Governor's budget proposal was followed by many questions about how the state is characterizing this as a balanced budget despite borrowing from the Rainy Day Fund. Foremost, it is important to recall that the budget development process is not limited to a single fiscal year. The state addresses fiscal future years in tandem with the upcoming fiscal year at hand, with every decision having future implications. This budgeting practice has been especially embraced by the Newsom Administration to address short-term problems. At this time, the Administration's response to whether they have a deficit or a surplus appears to be, "you say to-MAY-to, I say to-MAH-to."

Therefore, how did the Department of Finance arrive at a modest surplus of \$363 million in 2025-26? The explanation begins in mid-2024:

- **Step 1:** In June 2024, the 2024 Budget Act allocated \$5.1 billion in reserves in 2024-25 and \$7.1 billion in 2025-26 to bridge the budget gap (address the deficit).
- **Step 2:** Development of the 2025-26 Governor's budget proposal begins with the underlying assumption that the architecture of the 2025-26 fiscal year will include \$7.1 billion in drawn-down reserves, as agreed to by the Governor and the Legislature in the 2024 Budget Act.
- **Step 3:** The state's updated fiscal forecast as of January 2025 includes increased revenues of \$16.5 billion across several fiscal years compared to revenue estimates as of mid-2024.
- **Step 4:** After accounting for increased expenditures in the aggregate of approximately \$15 billion in 2025-26—a combination of programmatic expenditures

and mandatory transfers to reserves for economic uncertainties pursuant to Proposition 2 (2014)—balanced against increased revenue estimates and the starting point of using \$7.1 billion in reserves, the state is left with a \$363 million “surplus.”

### **A Note on Debt Service and other Interest Payments**

Beyond the headlines of new programs, reductions to existing programs, and the creation of new state agencies, there also exists the important but less glamorous world of unfunded liabilities and debt service. Although we expect much change between now and the May Revision, debt service, especially to the federal government, is not discretionary. For example, the 2025-26 Governor's budget proposal includes \$634.3 million one-time General Fund to pay the annual interest payment on the state's Unemployment Insurance loan balance. California's Unemployment Insurance Fund was exhausted during the COVID-19 pandemic, and has an outstanding balance owed to the U.S. Department of Labor of approximately \$20 billion. In addition, debt service (interest) on general obligation and lease-revenue bonds is expected to be \$8 billion in 2024-25, \$8.6 billion in 2025-26, and increasing to \$9.5 billion by 2028-29. This assumes that only limited new lease revenue bonds are authorized in the next few years.

Issuing bonds is a method of financing capital projects through long-term borrowing. The state raises money by issuing financial securities (i.e. selling bonds) to investors. The state repays investors (principal and interest) over a scheduled period of time, usually decades. The term “debt service” is used by the state to describe the amount of money required to pay interest on outstanding bonds and the principal of maturing bonds. Usually, the state's General Fund pays the principal and interest on general obligation bonds.

## Appendix: Revenue Table

2025-26 Revenue Sources (Dollars in Millions)				
	General Fund	Special Funds	Total	Change from 2024-25
Personal Income Tax	\$133,685	\$3,586	\$137,271	\$12,933
Sales and Use Tax	35,121	15,994	51,115	1,403
Corporation Tax	37,697	-	37,697	-5,502
Highway Users Taxes	-	9,484	9,484	70
Insurance Tax	4,341	-	4,341	277
Alcoholic Beverage Taxes and Fees	428	-	428	5
Cigarette Tax	35	1,210	1,245	-42
Motor Vehicle Fees	46	12,632	12,678	351
Other	6,642	47,699	54,341	-3,597
<b>Subtotal</b>	217,995	90,605	\$308,600	5,898
Transfers to/from the Budget Stabilization Account/Rainy Day Fund	7,100	-7,100	-	-
<b>Total</b>	<b>\$225,095</b>	<b>\$83,505</b>	<b>\$308,600</b>	<b>\$5,898</b>



## Appendix: Expenditure Table

2025-26 Total State Expenditures by Agency (Dollars in Millions)				
	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial and Executive	\$8,198	\$4,968	\$374	\$13,541
Business, Consumer Services & Housing	517	1,338	538	2,392
Transportation	754	17,299	97	18,151
Natural Resources	5,426	2,749	2,466	10,640
Environmental Protection	137	4,308	369	4,814
Health and Human Services	83,385	43,294	437	127,115
Corrections and Rehabilitations	13,637	3,964	-	17,601
K-12 Education	83,067	104	1,513	84,704
Higher Education	23,324	105	566	23,995
Labor and Workforce Development	963	1,157	-	2,119
Government Operations	3,590	175	12	3,778
General Operations:				
Non-Agency Departments	1,303	2,069	171	3,543
Tax Relief/Local Governments	556	3,634	-	4,191
Statewide Expenditures	4,016	1,670	-	5,686
<b>Total</b>	<b>\$228,892</b>	<b>\$86,834</b>	<b>\$6,543</b>	<b>\$322,269</b>

Note: Numbers may not add due to rounding.

**5195 1991 State-Local Realignment - Continued****1991 Realignment Estimate at 2025 Governor's Budget**

\$s in Thousands

2023-24 State Fiscal Year (Actual)							
Amount	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Total
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$119,642	\$2,521,843	\$339,948	\$496,208	\$523,585	\$4,754,113
Vehicle License Fee Account	367,663	1,093,203	216,223	149,879	185,798	472,549	2,485,315
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,212,845</b>	<b>\$2,738,066</b>	<b>\$489,826</b>	<b>\$682,006</b>	<b>\$996,133</b>	<b>\$7,239,428</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$0	\$0	\$0	\$-	\$0	\$0
Caseload Subaccount	-	-	0	-	-	0	0
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	22,704	-	46,053	-	54,270	123,026
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$22,704</b>	<b>\$0</b>	<b>\$46,053</b>	<b>\$-</b>	<b>\$54,270</b>	<b>\$123,026</b>
<b>Total Realignment 2023-24<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,235,549</b>	<b>\$2,738,066</b>	<b>\$535,879</b>	<b>\$682,006</b>	<b>\$1,050,403</b>	<b>\$7,362,455</b>
2024-25 State Fiscal Year (Projected)							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$171,028	\$2,521,843	\$339,948	\$444,822	\$523,585	\$4,754,113
Vehicle License Fee Account	367,663	1,115,907	216,223	195,932	185,798	526,818	2,608,341
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,286,936</b>	<b>\$2,738,066</b>	<b>\$535,879</b>	<b>\$630,620</b>	<b>\$1,050,403</b>	<b>\$7,362,455</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$0	\$108,315	\$0	\$-	\$0	\$108,315
Caseload Subaccount	-	-	(108,315)	-	-	-	(108,315)
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	16,332	-	33,129	-	39,040	88,501
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$16,332</b>	<b>\$108,315</b>	<b>\$33,129</b>	<b>\$-</b>	<b>\$39,040</b>	<b>\$196,815</b>
<b>Total Realignment 2024-25<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,303,268</b>	<b>\$2,846,380</b>	<b>\$569,008</b>	<b>\$630,620</b>	<b>\$1,089,442</b>	<b>\$7,559,270</b>
2025-26 State Fiscal Year (Projected)							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$173,592	\$2,630,158	\$339,948	\$442,258	\$523,585	\$4,862,428
Vehicle License Fee Account	367,663	1,132,240	216,223	229,060	185,798	565,858	2,696,842
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,305,832</b>	<b>\$2,846,380</b>	<b>\$569,008</b>	<b>\$628,056</b>	<b>\$1,089,442</b>	<b>\$7,559,270</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$3,601	\$105,949	\$7,303	\$-	\$8,606	\$125,460
Caseload Subaccount	-	-	(105,949)	-	-	-	(105,949)
General Growth Subaccount	-	(3,601)	-	(7,303)	-	(8,606)	(19,510)
Vehicle License Fee Growth Account	-	13,262	-	26,900	-	31,700	71,862
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$16,862</b>	<b>\$105,949</b>	<b>\$34,204</b>	<b>\$-</b>	<b>\$40,306</b>	<b>\$197,322</b>
<b>Total Realignment 2025-26<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,322,694</b>	<b>\$2,952,330</b>	<b>\$603,212</b>	<b>\$628,056</b>	<b>\$1,129,749</b>	<b>\$7,756,592</b>

<sup>1/</sup> Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

**5196 2011 State-Local Realignment - Continued****2011 Realignment Estimate at 2025 Governor's Budget\***

(\$ millions)

	2023-24	2023-24 Growth	2024-25	2024-25 Growth	2025-26	2025-26 Growth
<b>Law Enforcement Services</b>	<b>\$3,428.3</b>		<b>\$3,432.1</b>		<b>\$3,538.4</b>	
Trial Court Security Subaccount	\$646.0	0.0	\$646.8	10.6	657.5	10.2
Enhancing Law Enforcement Activities Subaccount <sup>1</sup>	\$489.9	374.4	\$489.9	395.5	489.9	402.7
Community Corrections Subaccount	\$1,962.2	0.0	\$1,964.7	79.8	2,044.4	76.3
District Attorney and Public Defender Subaccount	\$81.4	0.0	\$81.5	5.3	86.8	5.1
Juvenile Justice Subaccount	\$248.9	0.0	\$249.2	10.6	259.8	10.2
Youthful Offender Block Grant Special Account	(235.1)		(235.4)		(245.5)	
Juvenile Reentry Grant Special Account	(13.7)		(13.8)		(14.3)	
<b>Growth, Law Enforcement Services</b>		<b>374.4</b>		<b>501.8</b>		<b>504.4</b>
<b>Mental Health<sup>2</sup></b>	<b>1,120.6</b>	0.0	<b>1,120.6</b>	9.9	<b>1,120.6</b>	9.4
<b>Support Services</b>	<b>5,287.2</b>		<b>5,293.9</b>		<b>5,481.6</b>	
Protective Services Subaccount	<b>3,060.4</b>	0.0	3,064.3	88.9	3,153.2	85.0
Behavioral Health Subaccount	<b>2,226.8</b>	0.0	2,229.6	98.8	2,328.4	94.4
Women and Children's Residential Treatment Services	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>0.0</b>		<b>197.5</b>		<b>188.8</b>
<b>Account Total and Growth</b>	<b>\$10,210.5</b>		<b>\$10,545.9</b>		<b>\$10,833.8</b>	
<b>Revenue</b>						
1.0625% Sales Tax	9,306.0		9,617.8		9,897.7	
General Fund Backfill <sup>3</sup>	40.1		42.8		43.4	
Motor Vehicle License Fee	864.3		885.4		892.6	
<b>Revenue Total</b>	<b>\$10,210.5</b>		<b>\$10,545.9</b>		<b>\$10,833.8</b>	

\*This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

<sup>1</sup>Base Allocation is capped at \$489.9 million. Growth does not add to the base.

<sup>2</sup>Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

<sup>3</sup>Reflects General Fund backfill for exempt sales tax categories.

\* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

## FY 2022/23 Redirection Summary

CMSP	Previously Redirected	Calculated Redirection	Reconciliation
Alpine	\$ 13,150.00	\$ 13,150.00	\$ -
Amador	\$ 620,264.00	\$ 620,264.00	\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00	\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00	\$ -
Colusa	\$ 799,988.00	\$ 799,988.00	\$ -
Del Norte	\$ 781,358.00	\$ 781,358.00	\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00	\$ -
Glenn	\$ 787,933.00	\$ 787,933.00	\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00	\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00	\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00	\$ -
Kings	\$ 2,832,833.00	\$ 2,832,833.00	\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00	\$ -
Lassen	\$ 687,113.00	\$ 687,113.00	\$ -
Madera	\$ 2,882,147.00	\$ 2,882,147.00	\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00	\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00	\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00	\$ -
Modoc	\$ 469,034.00	\$ 469,034.00	\$ -
Mono	\$ 369,309.00	\$ 369,309.00	\$ -
Napa	\$ 3,062,967.00	\$ 3,062,967.00	\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00	\$ -
Plumas	\$ 905,192.00	\$ 905,192.00	\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00	\$ -
Shasta	\$ 5,361,013.00	\$ 5,361,013.00	\$ -
Sierra	\$ 135,888.00	\$ 135,888.00	\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00	\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00	\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00	\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00	\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00	\$ -
Trinity	\$ 611,497.00	\$ 611,497.00	\$ -
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00	\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00	\$ -
CMSP Board	\$ 246,481,354.76	\$ 246,481,354.76	\$ -
<b>SUBTOTAL</b>	<b>\$ 335,550,315.76</b>	<b>\$ 335,550,315.76</b>	<b>\$ -</b>
Article 13 60 40	Previously Redirected	Calculated Redirection	Reconciliation
Placer	\$ 3,723,662.48	\$ 3,664,363.98	\$ (59,298.50)
Sacramento	\$ 36,179,241.05	\$ 35,682,902.90	\$ (496,338.15)
Santa Barbara	\$ 9,228,524.14	\$ 9,101,871.55	\$ (126,652.59)
Stanislaus	\$ 12,380,385.90	\$ 12,210,572.62	\$ (169,813.28)
Yolo	\$ 943,110.00	\$ 943,110.00	\$ -
<b>SUBTOTAL</b>	<b>\$ 62,454,923.57</b>	<b>\$ 61,602,821.05</b>	<b>\$ (852,102.52)</b>
Article 13 Formula	Previously Redirected	Calculated Redirection	Reconciliation
Fresno	\$ 18,044,306.02	\$ 18,044,306.02	\$ -
Merced	\$ 4,081,952.56	\$ 3,269,987.15	\$ (811,965.41)
Orange	\$ 47,912,244.38	\$ 47,912,244.38	\$ -
San Diego	\$ 51,821,488.19	\$ 51,821,488.19	\$ -
San Luis Obispo	\$ 3,325,430.65	\$ 3,325,430.65	\$ -
Santa Cruz	\$ 4,326,307.55	\$ 4,326,307.55	\$ -
Tulare	\$ 7,175,870.76	\$ 7,653,024.31	\$ 477,153.55
<b>SUBTOTAL</b>	<b>\$ 136,687,600.11</b>	<b>\$ 136,352,788.26</b>	<b>\$ (334,811.85)</b>
DPH	Previously Redirected	Calculated Redirection	Reconciliation
Alameda	\$ -	\$ 47,928,985.27	\$ 47,928,985.27

Contra Costa	\$ -	\$ -		\$ -
Merced	\$ 18,155,884.43	\$ 18,317,209.09	MAX	\$ 161,324.66
Los Angeles	\$ -	\$ -		\$ -
Monterey	\$ 6,819,965.64	\$ -		\$ (6,819,965.64)
Riverside	\$ 42,760,897.16	\$ 19,669,596.33		\$ (23,091,300.83)
San Bernardino	\$ 34,521,153.48	\$ 34,609,266.90	MAX	\$ 88,113.42
San Francisco	\$ -	\$ -		\$ -
San Joaquin	\$ -	\$ -		\$ -
San Mateo	\$ -	\$ -		\$ -
Santa Clara	\$ -	\$ -		\$ -
Ventura	\$ 17,023,827.93	\$ 17,417,654.45	MAX	\$ 393,826.52
<b>SUBTOTAL</b>	<b>\$ 119,281,728.64</b>	<b>\$ 137,942,712.04</b>		<b>\$ 18,660,983.40</b>
<b>DHCS Total</b>	<b>\$ 255,969,328.75</b>	<b>\$ 274,295,500.30</b>		<b>\$ 18,326,171.55</b>
<b>Grand Total</b>	<b>\$ 653,974,568.08</b>	<b>\$ 671,448,637.11</b>		<b>\$ 17,474,069.03</b>

## FY25-26 Interim Redirection Redirection Calculation

CMSP	25-26 Realignment		Maintenance of Effort	60 <input type="checkbox"/> Realignment <input type="checkbox"/> 60 <input type="checkbox"/> MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 61,626.92	\$ 129,198.11	\$ 21,465.00	\$ 127,374.02	\$ 13,150.00	\$ 114,224.02	\$ 13,150.00
Amador	\$ 937,203.57	\$ 1,827,134.43	\$ 278,460.00	\$ 1,825,678.80	\$ 620,264.00	\$ 1,205,414.80	\$ 620,264.00
Butte	\$ 6,857,293.59	\$ 12,489,792.27	\$ 724,304.00	\$ 12,042,833.92	\$ 5,950,593.00	\$ 6,092,240.92	\$ 5,950,593.00
Calaveras	\$ 1,058,702.10	\$ 1,974,694.22	\$ -	\$ 1,820,037.79	\$ 913,959.00	\$ 906,078.79	\$ 913,959.00
Colusa	\$ 860,353.42	\$ 1,590,369.72	\$ 237,754.00	\$ 1,613,086.28	\$ 799,988.00	\$ 813,098.28	\$ 799,988.00
Del Norte	\$ 964,254.41	\$ 1,825,040.96	\$ 44,324.00	\$ 1,700,171.62	\$ 781,358.00	\$ 918,813.62	\$ 781,358.00
El Dorado	\$ 3,914,847.10	\$ 7,240,178.47	\$ 704,192.00	\$ 7,115,530.54	\$ 3,535,288.00	\$ 3,580,242.54	\$ 3,535,288.00
Glenn	\$ 938,436.39	\$ 1,766,760.72	\$ 58,501.00	\$ 1,658,218.87	\$ 787,933.00	\$ 870,285.87	\$ 787,933.00
Humboldt	\$ 7,073,574.61	\$ 12,855,462.92	\$ 589,711.00	\$ 12,311,249.12	\$ 6,883,182.00	\$ 5,428,067.12	\$ 6,883,182.00
Imperial	\$ 6,956,467.10	\$ 12,608,772.88	\$ 772,088.00	\$ 12,202,396.79	\$ 6,394,422.00	\$ 5,807,974.79	\$ 6,394,422.00
Inyo	\$ 1,284,865.79	\$ 2,407,859.03	\$ 561,262.00	\$ 2,552,392.09	\$ 1,100,257.00	\$ 1,452,135.09	\$ 1,100,257.00
ings	\$ 3,370,908.18	\$ 6,166,625.05	\$ 466,273.00	\$ 6,002,283.74	\$ 2,832,833.00	\$ 3,169,450.74	\$ 2,832,833.00
Lake	\$ 1,417,142.01	\$ 2,636,413.01	\$ 118,222.00	\$ 2,503,066.21	\$ 1,022,963.00	\$ 1,480,103.21	\$ 1,022,963.00
Lassen	\$ 967,012.89	\$ 1,867,705.10	\$ 119,938.00	\$ 1,772,793.59	\$ 687,113.00	\$ 1,085,680.59	\$ 687,113.00
Madera	\$ 3,372,311.20	\$ 6,110,976.41	\$ 81,788.00	\$ 5,739,045.37	\$ 2,882,147.00	\$ 2,856,898.37	\$ 2,882,147.00
Marin	\$ 8,018,913.26	\$ 14,731,465.93	\$ 1,196,515.00	\$ 14,368,136.51	\$ 7,725,909.00	\$ 6,642,227.51	\$ 7,725,909.00
Mariposa	\$ 538,494.05	\$ 1,018,819.31	\$ -	\$ 934,388.02	\$ 435,062.00	\$ 499,326.02	\$ 435,062.00
Mendocino	\$ 2,098,619.88	\$ 3,871,451.28	\$ 347,945.00	\$ 3,790,809.70	\$ 1,654,999.00	\$ 2,135,810.70	\$ 1,654,999.00
Modoc	\$ 591,637.77	\$ 1,120,680.25	\$ 70,462.00	\$ 1,069,668.01	\$ 469,034.00	\$ 600,634.01	\$ 469,034.00
Mono	\$ 745,679.13	\$ 1,495,970.72	\$ 409,928.00	\$ 1,590,946.71	\$ 369,309.00	\$ 1,221,637.71	\$ 369,309.00
Napa	\$ 3,339,146.87	\$ 6,148,366.22	\$ 546,957.00	\$ 6,020,682.05	\$ 3,062,967.00	\$ 2,957,715.05	\$ 3,062,967.00
Nevada	\$ 2,104,583.74	\$ 3,873,765.86	\$ 96,375.00	\$ 3,644,834.76	\$ 1,860,793.00	\$ 1,784,041.76	\$ 1,860,793.00
Plumas	\$ 928,411.10	\$ 1,682,319.12	\$ 66,295.00	\$ 1,606,215.13	\$ 905,192.00	\$ 701,023.13	\$ 905,192.00
San Benito	\$ 1,244,236.57	\$ 2,334,022.04	\$ -	\$ 2,146,955.17	\$ 1,086,011.00	\$ 1,060,944.17	\$ 1,086,011.00
Shasta	\$ 5,988,135.02	\$ 10,801,401.00	\$ 184,049.00	\$ 10,184,151.01	\$ 5,361,013.00	\$ 4,823,138.01	\$ 5,361,013.00
Sierra	\$ 190,818.44	\$ 363,945.10	\$ 7,330.00	\$ 337,256.12	\$ 135,888.00	\$ 201,368.12	\$ 135,888.00
Siskiyou	\$ 1,606,932.52	\$ 2,996,930.56	\$ 287,627.00	\$ 2,934,894.05	\$ 1,372,034.00	\$ 1,562,860.05	\$ 1,372,034.00
Solano	\$ 8,323,322.00	\$ 15,134,911.04	\$ 115,800.00	\$ 14,144,419.82	\$ 6,871,127.00	\$ 7,273,292.82	\$ 6,871,127.00
Sonoma	\$ 13,923,819.37	\$ 25,153,890.67	\$ 438,234.00	\$ 23,709,566.42	\$ 13,183,359.00	\$ 10,526,207.42	\$ 13,183,359.00
Sutter	\$ 3,242,029.64	\$ 6,008,897.22	\$ 674,240.00	\$ 5,955,100.12	\$ 2,996,118.00	\$ 2,958,982.12	\$ 2,996,118.00
Tehama	\$ 2,156,214.19	\$ 4,010,730.19	\$ 446,992.00	\$ 3,968,361.83	\$ 1,912,299.00	\$ 2,056,062.83	\$ 1,912,299.00
Trinity	\$ 847,937.78	\$ 1,628,250.62	\$ 292,662.00	\$ 1,661,310.24	\$ 611,497.00	\$ 1,049,813.24	\$ 611,497.00
Tuolumne	\$ 1,656,038.58	\$ 3,096,881.95	\$ 305,830.00	\$ 3,035,250.32	\$ 1,455,320.00	\$ 1,579,930.32	\$ 1,455,320.00
Yuba	\$ 2,720,686.95	\$ 4,902,049.71	\$ 187,701.00	\$ 4,686,262.60	\$ 2,395,580.00	\$ 2,290,682.60	\$ 2,395,580.00
Yolo	\$ 1,961,813.71	\$ 4,158,661.17	\$ 1,081,388.00	\$ 4,321,117.73	\$ 943,110.00	\$ 3,378,007.73	\$ 943,110.00
CMSP Board	\$ 60,109,911.68	\$ 185,797,900.55	\$ -	\$ 147,544,687.34	NA	NA	\$ 245,907,812.23
<b>SUBTOTAL</b>	<b>\$ 162,372,381.53</b>	<b>\$ 373,828,293.81</b>	<b>\$ 11,534,612.00</b>	<b>\$ 328,641,172.40</b>	<b>\$ 90,012,071.00</b>	<b>\$ 91,084,414.07</b>	<b>\$ 335,919,883.23</b>

