



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Control Section 3.60

It is requested that Control Section 3.60 be amended to capture changes in state retirement contribution rates for state members of the California Public Employees' Retirement System (CalPERS) and the Judges' Retirement System II (JRS II), adopted by the CalPERS Board on April 20, 2021 (see Attachment 1). The increase in state employer contribution is primarily a result of increases in payroll.

The newly adopted state employer contribution rates result in additional state costs of \$35,511,000 ongoing, an increase of \$169,060,000 from the -\$133,549,000 included in the Governor's Budget. The \$169,060,000 ongoing increase consists of an increase of \$80,893,000 General Fund, \$66,426,000 special funds, and \$21,741,000 other nongovernmental cost funds.

The decrease in the state employer contribution rate for JRS II members is attributed to a decrease in the employer normal cost as a percentage of payroll.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Mary Halterman, Principal Program Budget Analyst, at (916) 445-3274.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Justyn Howard, Deputy Secretary, Fiscal and Policy Administration, Government Operations Agency
Michael Cohen, Chief Financial Officer, California Public Employees' Retirement System
Jennifer Harris, Chief, Financial Planning, Policy and Budgeting, California Public Employees' Retirement System
Stacy Guzman, Budget Manager, California Public Employees' Retirement System

“SEC. 3.60. (a) Notwithstanding any other law, the employers' retirement contributions for the 2021–22 fiscal year that are chargeable to any item with respect to each state officer and employee who is a member of the Public Employees' Retirement System (PERS) or the Judges' Retirement System II and who is in that employment or office shall be the percentage of salaries and wages by state member category, as follows:

Miscellaneous, First Tier	29.50% <u>29.28%</u>
California State University, Miscellaneous, First Tier	29.50% <u>29.28%</u>
Miscellaneous, Second Tier	29.50% <u>29.28%</u>
State Industrial	17.48% <u>17.34%</u>
State Safety	19.38% <u>19.47%</u>
Peace Officer/Firefighter	32.55% <u>32.84%</u>
California State University, Peace Officer/Firefighter	32.55% <u>32.84%</u>
Highway Patrol	62.62% <u>63.71%</u>
Judges' Retirement System II	24.40% <u>24.24%</u>

The Director of Finance may adjust amounts in any appropriation item, or in any category thereof, as a result of changes from amounts budgeted for employer contributions for 2021–22 fiscal year retirement benefits to achieve the percentages specified in this subdivision. Beginning in the 2013–14 fiscal year, adjustments to the California State University (CSU) rates are applied to the actual pensionable 2013–14 fiscal year payroll, which is \$2,307,876,000, as identified by the Controller. This process establishes pension funding adjustments through this section for CSU. This results in pension funding for CSU of \$679,829,000 General Fund for the 2020–21 fiscal year. These amounts also will be part of the total appropriation in Item 6610-001-0001.

(b) Notwithstanding any other law, the Director of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other law, for purposes of calculating the “appropriations subject to limitation” as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed to be the amounts remaining after the adjustments required by subdivisions (a) and (b) are made.

(d) Of the percentage of salaries and wages by state member categories identified in subdivision (a), the following percentages are estimated to be the result of the increased employee contributions pursuant to Chapter 296 of the Statutes of 2012 (AB 340), known as the California Public Employees' Pension Reform Act of 2013, and will be directed toward the state's unfunded pension liability:

Miscellaneous, First Tier	0.10%
California State University, Miscellaneous, First Tier	0.10%

Miscellaneous, Second Tier	0.098% <u>0.10%</u>
State Industrial	0.88%
State Safety	1.18%
Peace Officer/Firefighter	1.65%
California State University, Peace Officer/Firefighter	1.65%
Highway Patrol	1.32%

The contributions to the unfunded liability, as a result of the percentages of salaries and wages in this subdivision, are estimated to be ~~\$134,759,000~~\$139,046,000 (~~\$91,782,000~~\$94,663,000 General Fund) for the 2021–22 fiscal year.

(e) The Director of Finance may adjust the percentage levels of the employers' retirement contributions listed in subdivisions (a) and (d) as a result of rates provided by the Board of Administration of the Public Employees' Retirement System. The Director of Finance shall notify the Controller by executive order of adjustments made pursuant to this subdivision. Within 30 days of making an adjustment pursuant to this subdivision, the Director of Finance shall report the adjustment in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.

(f) (1) In addition to the employers' retirement contributions listed in subdivisions (a) and (d), the Department of Finance may direct the Controller to transfer up to the amount identified for appropriation pursuant to subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution equivalent to the amount described in paragraph (3) of subdivision (d) of Section 35.50 to supplement the state's retirement contributions for the 2021–22 fiscal year.

(2) The Director of Finance shall direct the Controller to transfer the amount specified in paragraph (1) to either of the following:

(A) The Public Employees' Retirement Fund.

(B) The Surplus Money Investment Fund and other funds in the Pooled Money Investment Account that accrue interest to the General Fund, for repayment of principal and interest of a cash loan that was made to supplement the state's retirement contributions.

(3) The supplemental payment described in this subdivision is for unfunded liabilities for state-level pension plans in excess of current base amounts for the 2021–22 fiscal year. Therefore, any amount transferred to a fund identified in paragraph (2) constitutes an obligation pursuant to subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution.

(4) The Director of Finance shall provide the Controller a schedule of the timing and amounts to be used for purposes of this subdivision."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Control Sections 11.90 and 11.96

Control Section 11.90: Coronavirus Relief Fund—It is requested that Control Section 11.90 be added to authorize the expenditure of allocations from the Coronavirus Relief Fund (CRF) through September 1, 2021 for local recipients and December 31, 2021 for state costs. It would also authorize the Director of Finance to reallocate the CRF (see Attachment I).

Control Section 11.96: Coronavirus Fiscal Recovery Fund of 2021—It is also requested that Control Section 11.96 be added to provide necessary flexibility related to availability and expenditure of federal funds received from the Coronavirus State Fiscal Recovery Fund of 2021. Funds will be used for a broad range of programs proposed in the May Revision to support the State's response to the COVID-19 public health emergency, address the negative economic impacts caused by COVID-19, support eligible infrastructure, or are otherwise eligible expenditures pursuant to federal law and/or federal guidance. These funds are available for specified purposes, including offsetting or reducing General Fund appropriations in fiscal year 2020-21 and 2021-22. The proposed language would allow the Director of Finance to reallocate funds to another item of appropriation, including shifting funds between state operations, local assistance, and capital outlay through August 1, 2024, to ensure that all funds are spent or encumbered by December 31, 2024, consistent with the allowable uses of the Fund. In addition, the language would allow the Director to authorize augmentations to conduct an audit or address audit findings to ensure compliance with federal requirements (see Attachment 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Kristin Shelton, Chief, Research and Analysis Unit, at (916) 322-2263.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office

It is requested that Section 11.90 be added as follows:

SEC.11.90. (a) It is the intent of the Legislature in enacting this section to provide flexibility for administrative approval to fully spend the \$9,525,844 in federal funds allocated from the Coronavirus Relief Fund in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), and any interest earned from the funds, subject to the requirements of this section.

(b) The Director of Finance may allocate the federal funds described in subdivision (a) to support activities and expenses that promote public health and safety or mitigate the impacts of the COVID-19 public health emergency as outlined in the 2020 Budget Act.

(c) Funds may be allocated to offset or reduce appropriations in the 2019–20, 2020–21, and 2021-22 fiscal years that were made to support the state's response to the COVID-19 pandemic between March 1, 2020, and December 31, 2021. If no item for a department exists to allow for adjustments to the allocation, then an item may be created for this purpose. Funds may also be transferred from the state Coronavirus Relief Fund to any other state fund to offset payments related to the COVID-19 pandemic.

(d) Any city, county, or community college district that received an allocation from the state in 2020-21 must spend those funds no later than September 1, 2021. The unexpended balance, as reflected in the quarterly report submitted to the Department of Finance in October 2021, must be returned to the state upon request of the Department of Finance. The Director of Finance may reallocate those funds to any item of appropriation, or transfer to any other state fund, to offset any allowable activities.

(e) Any funds provided to a local education agency from the state Coronavirus Relief Fund in 2020-21 pursuant to Chapter 110, Statutes of 2020, as amended by Chapter 10, Statutes of 2021, but were not spent by May 31, 2021, pursuant to enabling legislation, may be reallocated upon order of the Director of Finance.

(f) The Director of Finance may reduce any program, project or function in the schedule of any item of appropriation in this act whenever the director determines that funds to be received will be less than the amount taken into consideration in the schedule.

(g) Funds reallocated pursuant to this section shall not be expended prior to 10 days after the Director of Finance notifies the Joint Legislative Budget Committee in writing of the purposes of the planned expenditure and the justification for the amount proposed for expenditure. The Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, may shorten or waive that 10-day period by written notification to the Director of Finance.

It is requested that Section 11.96 be added as follows:

SEC.11.96. (a) It is the intent of the Legislature in enacting this section to provide flexibility for administrative adjustments, to fully spend the \$27,017,016,860 in federal funds allocated from the Coronavirus State Fiscal Recovery Fund as authorized by the American Rescue Plan Act of 2021 (P.L. 117-2), that support the state's response to the COVID-19 public health emergency, address the negative economic impacts caused by COVID-19, support eligible infrastructure, or are otherwise eligible expenditures pursuant to federal law and/or federal guidance. These funds shall be deposited in the Coronavirus Fiscal Recovery Fund of 2021 and may earn interest. Any interest earned from these funds may be used for the purposes outlined in the section.

(b) Except as provided in this section, proposals for expenditure of these funds shall be considered in the annual State Budget or other state legislation. Section 28.00 does not apply to the funds described in this section.

(c) Any appropriation from the Coronavirus Fiscal Recovery Fund of 2021 shall be available for expenditure through June 30, 2024, unless an earlier deadline is specified at the time of appropriation. These dates may be extended if the Director of Finance determines a later deadline is authorized by the federal government or the Director of Finance determines that the department will complete the program, project, or function such that funds will be expended or encumbered by December 31, 2024.

(d) The Department of Finance may authorize the establishment of positions and transfer amounts from any program, project, or function authorized and appropriated from the Coronavirus Fiscal Recovery Fund of 2021, pursuant to this act, to support the implementation of the program, project, or function.

(e) The Director of Finance may adjust any item of appropriation to reallocate unencumbered funds through August 1, 2024, to ensure funds are expended or encumbered by the federal deadline for other allowable activities.

(f) All obligations from the Coronavirus Fiscal Recovery Fund of 2021 shall be liquidated pursuant to the end of the period of performance of December 31, 2026, unless the Director of Finance determines this deadline should be adjusted pursuant to any changes authorized by the federal government, including regulations or other federal guidance.

(g) The funds described in subdivision (a) may be allocated to offset or reduce appropriations in the 2020–21 and 2021-22 fiscal years for eligible activities.

(h) The Director of Finance may authorize the augmentation of the funds described in subdivision (a) for expenditure for any program, project, or function in the schedule of any item of appropriation in this act, or any additional program, project, or function including augmentations to conduct an audit or address audit findings to mitigate and ensure full compliance and use of these funds for the intended purposes in subdivision (a) consistent with federal requirements. The Director may authorize transfers between schedules or items of appropriation consistent with federal statute and guidance from the United States Treasury. If no item for a department currently exists, then an item may be created for this purpose.

(i) The Department of Finance may transfer funds from the Coronavirus Fiscal Recovery Fund of 2021 to any other state fund to offset expenditures in the 2020-21 and 2021-22 fiscal years related to the state's response to the COVID-19 public health emergency, address the negative economic impacts of COVID-19, and support eligible infrastructure.

(j) If the United States Treasury releases final guidance that precludes the use of the funds described in subdivision (a) for an expenditure authorized in this act, the Director of Finance may instead make a transfer for that purpose from the General Fund.

(k) Adjustments authorized pursuant to this section shall not be expended prior to 30 days after the Director of Finance notifies the Joint Legislative Budget Committee in writing of the purposes of the planned expenditure and the justification for the amount proposed for expenditure. The Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, may shorten or waive that 30-day period by written notification to the Director of Finance.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Control Section 12.00

It is requested that Control Section 12.00 be amended to revise the State Appropriations Limit (SAL). Pursuant to Article XIII B of the California Constitution, the fiscal year 2021-22 SAL is estimated to be \$125,695,000,000 at May Revision. The revised limit is the result of applying the growth factor of 4.75 percent and adjusting the state's limit by \$4.6 billion to reflect combined room in local school and community college district spending limits. The Administration will propose technical statutory changes to reflect the treatment of the identified room. The revised 2021-22 limit is \$8.069 billion above the \$117,626,000,000 estimated in January. Control Section 12.00 is proposed to be amended as follows:

“SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state “appropriations limit” of ~~\$117,626,000,000~~ \$125,695,000,000 for the 2021–22 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the “appropriations limit” for the 2021–22 fiscal year shall be commenced within 45 days of the effective date of this act.”

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Susan Wekanda, Principal Program Budget Analyst, at (916) 445-5332.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Control Section 19.50 and Statutory Changes, Broadband Infrastructure and Affordability

This proposal provides resources to build out an open access middle-mile broadband network, increase affordability of broadband services in the state, and enhance access to broadband. This proposed language allows for the allocation of \$2 billion for this purpose in fiscal year 2021-22, with specified parameters.

Control Section 19.50: Broadband Infrastructure—It is requested that Control Section 19.50 be added to appropriate up to \$2 billion in Coronavirus Fiscal Recovery Fund of 2021 in 2021-22 for broadband infrastructure and associated activities, including administrative costs, as part of a \$7 billion multiyear broadband infrastructure proposal (see Attachment 1).

Broadband Infrastructure and Affordability—It is requested that statutory changes be added to make the reforms necessary to the California Public Utilities Commission's Public Purpose Programs to increase broadband access and affordability. Statutory changes for this proposal is forthcoming.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Damien Mimnaugh, Principal Program Budget Analyst, at (916) 322-2263.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Rachel Peterson, Executive Director, California Public Utilities Commission
Ryan Dulin, Deputy Executive Director, California Public Utilities Commission
Harsh Thakar, Budget Manager, California Public Utilities Commission

Add Control Section 19.50:

Sec 19.50. (a) It is the intent of the Legislature in enacting this section to provide flexibility for administrative allocation of the appropriation in fiscal year 2021-22 of up to \$2,000,000,000 in federal funds allocated from the Coronavirus Fiscal Recovery Fund of 2021 to support the construction of statewide broadband infrastructure and activities to increase the affordability of broadband, subject to the requirements of this section. These funds are intended to be supplemented in fiscal year 2022-23 by up to \$1,500,000,000 General Fund and up to \$3,500,000,000 in federal funds allocated from the Coronavirus Fiscal Recovery Fund of 2021, as part of future Budget Acts.

(b) The Director of Finance may allocate the 2021-22 funds described in subdivision (a) to state entities to support activities and expenses that increase broadband access, improve affordability, and support the construction of broadband infrastructure, including, but not limited to, any of the following:

(1) Construction of a statewide open access middle-mile broadband network.

(2) Funding of last-mile broadband infrastructure.

(3) Funding for a loan loss reserve account within the California Public Utilities Commission's California Advanced Services Fund Program to support efforts by local governments, counties, and tribes to secure financing to construct locally-owned broadband infrastructure.

(4) To support improvements to the networks of participating Incumbent Local Exchange Carriers networks to support broadband within the California Public Utilities Commission High Cost Fund A Program.

(5) One-time administrative costs to implement these efforts.

(c) Section 28.00 does not apply to the funds described in this section.

(d) The funds will be expended for a purpose that is consistent with this section and state law.

(e) Acceptance of the funds does not impose on the state any requirement to commit or expend new state funds for any program or purpose.

(f) The provisions of Section 11.96 of the Budget Act of 2021 shall also apply to the funds made available pursuant to this section.

(g) In fiscal year 2021-22, the Department of Finance shall provide quarterly reports about expenditures permitted by this section to the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees in each house of the Legislature.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Control Section 35.50

It is requested that Control Section 35.50 be amended as follows to reflect updated calculations at May Revision:

“SEC. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (g) of Section 12, of Article IV of the California Constitution, “General Fund revenues” means the total resources available to the General Fund for a fiscal year before any transfer to or withdrawal from the Budget Stabilization Account.

(b) For purposes of subdivision (g) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2021–22 fiscal year pursuant to this act, as passed by the Legislature, is ~~\$173,611,000,000~~ \$206,801,000,000.

(c) For purposes of paragraph (2) of subdivision (a) of Section 20 of Article XVI of the California Constitution, “General Fund revenues” shall be defined as revenues and transfers before any transfer to or withdrawal from the Budget Stabilization Account.

(d) Pursuant to subdivision (h) of Section 20 of Article XVI of the California Constitution, the following estimates are provided:

(1) For purposes of paragraph (2) of subdivision (a) of Section 20 of Article XVI of the California Constitution, the sum equal to 1.5 percent of General Fund revenues for the 2021–22 fiscal year is ~~\$2,421,000,000~~ \$2,622,000,000.

(2) For purposes of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (b) of Section 20 of Article XVI of the California Constitution, capital gain revenues that exceed 8 percent of General Fund proceeds of taxes for the 2021–22 fiscal year is ~~\$5,895,000,000~~ \$6,885,000,000.

(3) For purposes of subparagraph (F) of paragraph (1) of subdivision (b) of Section 20 of Article XVI of the California Constitution, the amount of transfer to the Budget Stabilization Account in the 2021–22 fiscal year is ~~\$3,038,000,000~~ \$3,445,000,000.

(4) For purposes of clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 20 of Article XVI of the California Constitution, the updated estimate of capital

gain revenues that exceeds 8 percent of General Fund proceeds of taxes for the 2020-21 fiscal year is ~~\$5,655,000,000~~ \$5,216,000,000.

(5) For purposes of subparagraph (G) of paragraph (2) of subdivision (b) of Section 20 of Article XVI of the California Constitution, the first true up of the transfer to the Budget Stabilization Account for the 2020–21 fiscal year is ~~\$3,222,000,000~~ \$2,950,000,000.

(6) For purposes of clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 20 of Article XVI of the California Constitution, the updated capital gain revenues that exceed 8 percent of General Fund proceeds of taxes for the 2019-20 fiscal year is ~~\$5,006,000,000~~ \$5,379,000,000.

(7) For purposes of subparagraph (G) of paragraph (2) of subdivision (b) of Section 20 of Article XVI of the California Constitution, the second true up of the transfer to the Budget Stabilization Account for the 2019–20 fiscal year is ~~\$1,004,000,000~~ \$1,234,000,000."

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Susan Wekanda, Principal Program Budget Analyst, at (916) 445-5332.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office