

May 2017

# Conference Committee Overview

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L E G I S L A T I V E   A N A L Y S T ' S   O F F I C E

Presented to:  
Budget Conference Committee  
Hon. Holly J. Mitchell, Chair



## Key General Fund Differences in 2017-18

(In Millions)

	Governor	Senate	Assembly
<b>Available Resources</b>			
Prior-year balance	\$723	\$1,723	\$3,060
Revenues and transfers	125,912	125,744	125,818
<b>Total</b>	<b>\$126,635</b>	<b>\$127,467</b>	<b>\$128,878</b>
<b>Expenditures</b>			
Proposition 98 spending <sup>a</sup>	\$52,852	\$52,159	\$52,852
Other General Fund spending	71,166	71,671	73,365
<b>Total</b>	<b>\$124,018</b>	<b>\$123,830</b>	<b>\$126,217</b>
<b>Total Reserves</b>			
Special Fund for Economic Uncertainties balance	\$1,637	\$2,657	\$1,681
Budget Stabilization Account balance	8,488	8,496	8,483
<b>Total</b>	<b>\$10,125</b>	<b>\$11,153</b>	<b>\$10,164</b>

<sup>a</sup> Does not include Proposition 98 spending from local property taxes.

## Major Non-Proposition 98 Augmentations Proposed by the Legislature

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*(In Millions)*

	Senate	Assembly	Comments
<b>Health and Human Services</b>			
Medi-Cal (use of Proposition 56 revenues)	\$349	\$1,000	Both houses allocate Proposition 56 revenues to expand benefits and increase rates and provider reimbursements, although in different amounts. The amount in the Senate's plan would increase to \$1.1 billion annually by 2020-21.
Medi-Cal (other)	—	139	The Assembly provides \$109 million General Fund to restore optional Medi-Cal benefits beginning in 2017-18. (The Senate plan includes roughly the same amount from Proposition 56 revenues to restore optional benefits beginning in 2018-19.) The Assembly also provides \$30 million to expand Medi-Cal eligibility to seniors and persons with disabilities with income up to 138 percent of the Federal Poverty Level.
CalWORKs	100	253	Both houses provide funding to offset reductions to county services and administration funding included in the May Revision, but the Assembly provides \$40 million more than the Senate. The Assembly also provides \$113 million for home visiting programs, diaper assistance, and educational incentives for CalWORKs families.
Statewide Health Planning Development	6	33	Both houses reject the Governor's proposal to fully eliminate a \$100 million three-year legislative augmentation for health care provider education. Instead, the Senate and Assembly plans include \$18 million and \$100 million, respectively, from the General Fund over three-year periods for health care workforce development.
Foster Care	31	10	Both houses provide funding to establish an emergency child care bridge program for foster youth. The Senate assumed the program would implement on July 1, 2017, while the Assembly assumed a March 1, 2017 implementation date. Both houses assume ongoing annualized costs will be \$31 million.

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## Major Non-Proposition 98 Augmentations Proposed by the Legislature

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(In Millions)

	Senate	Assembly	Comments
<b>Higher Education</b>			
UC	—	\$75	Allocates \$50 million General Fund money to increase funding for graduate medical education and \$25 million for deferred maintenance.
Middle Class Scholarships	—	53	Rejects administration's proposal to phase out Middle Class Scholarship program.
CSU	—	64	Provides \$39 million ongoing General Fund to support additional 1 percent enrollment growth and \$25 million for deferred maintenance.
<b>Criminal Justice and Judiciary</b>			
Judicial branch	\$52	\$47	The Senate provides \$30 million ongoing for the Equal Access Fund and the Assembly provides \$10 million for this purpose. Both houses provide \$22 million for dependency counsel. The Assembly also provides \$15 million for court reporters in family law proceedings.

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# Major Non-Proposition 98 Augmentations Proposed by the Legislature

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(In Millions)

	Senate	Assembly	Comments
<b>Other</b>			
Housing and homelessness	—	\$468	Provides \$200 million for the multifamily housing program, \$90 million for the Housing of Healthy California program, \$68 million for homelessness services, \$45 million for the Down Payment Assistance program, \$40 million for the Joe Serna Farmworker Housing Grant program, and \$25 million for teacher workforce housing.
Earned Income Tax Credit	—	225	Expand the tax credit by (1) increasing its earned income threshold to approximately \$22,000 and (2) allowing self-employment income to be considered in calculating the credit.
Child care	\$20	52	Both houses increase funding for child care programs, including increasing eligibility and providing additional slots.
Natural Resource Agency	—	42	Makes various augmentations, including \$30 million for preserving open space in West Coyote Hills, \$2 million to commission a study for the rehabilitation of Clear Lake, and \$1.2 million to make improvements to the Walnut Creed Nature Park and Morgan Park.
Department of Veterans Affairs	—	30	Provides funding to develop the Orange County Veterans' Cemetery in the City of Irvine.
Note: Figure excludes smaller spending proposals and identical augmentations made by both houses. Shows differences relative to the May Revision in 2017-18.			