

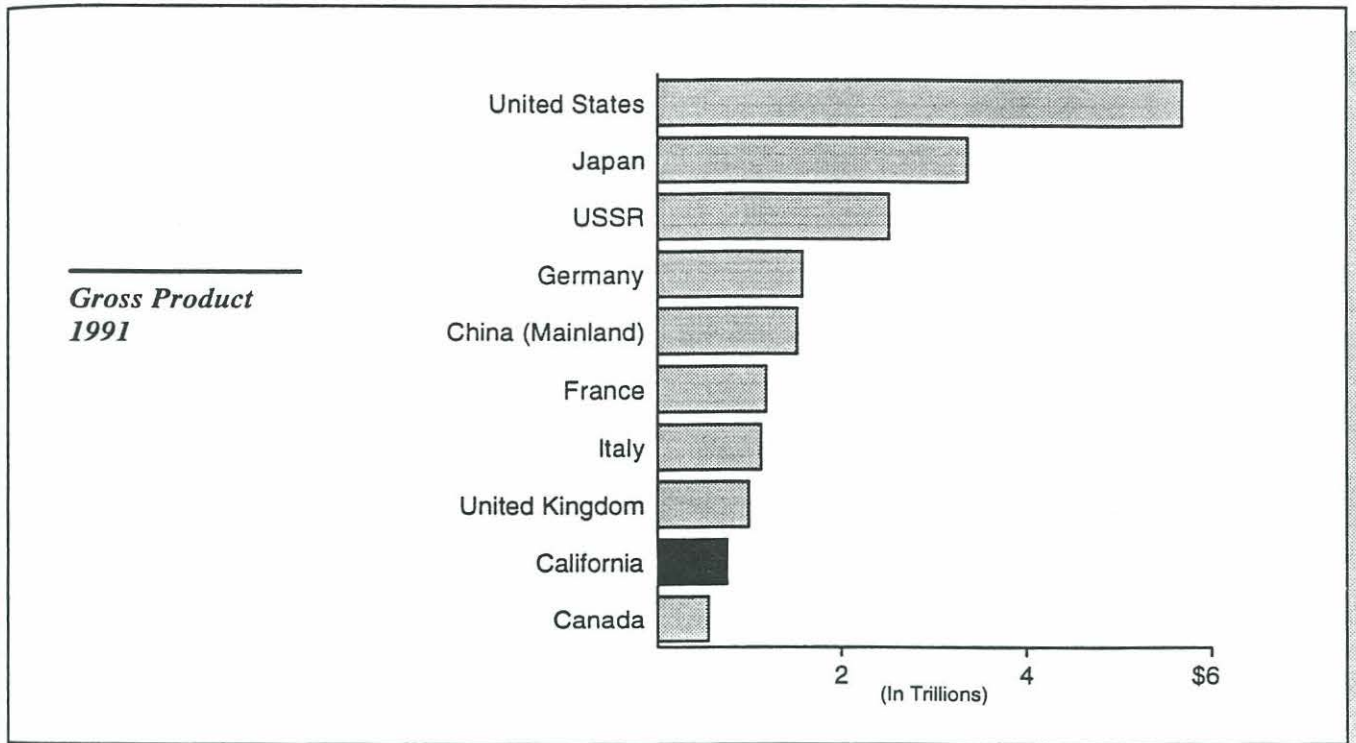


# Perspectives on California's Budget and Economy

Presented To  
Pharmaceutical Research and  
Manufacturers of America

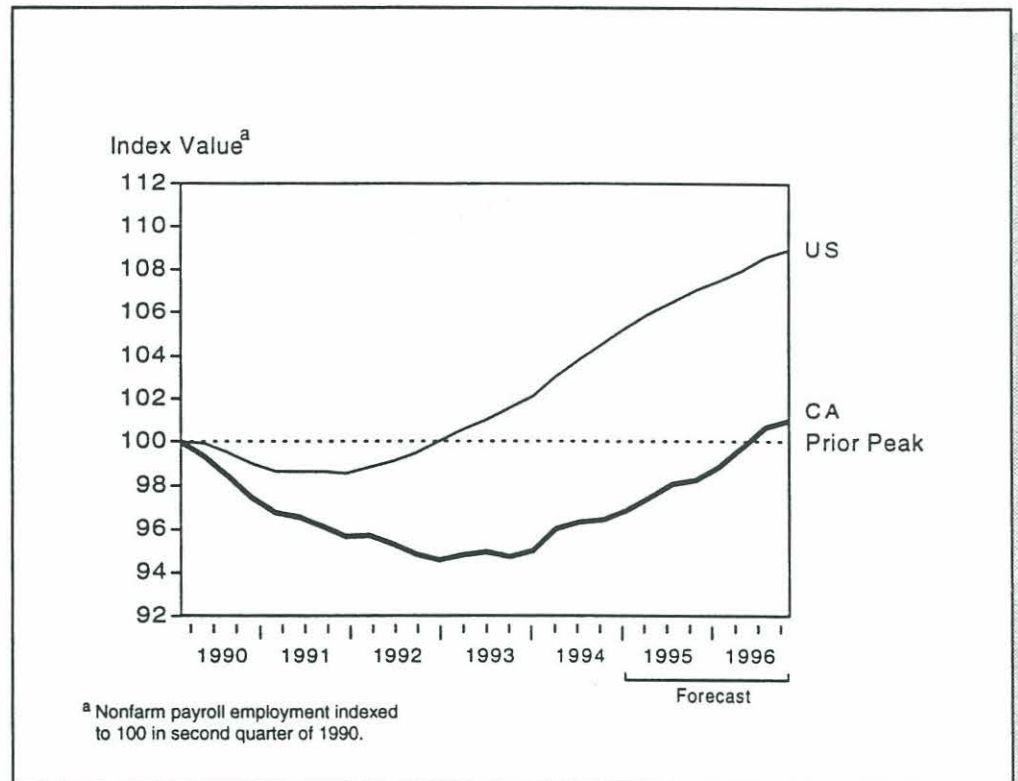
March 22, 1995

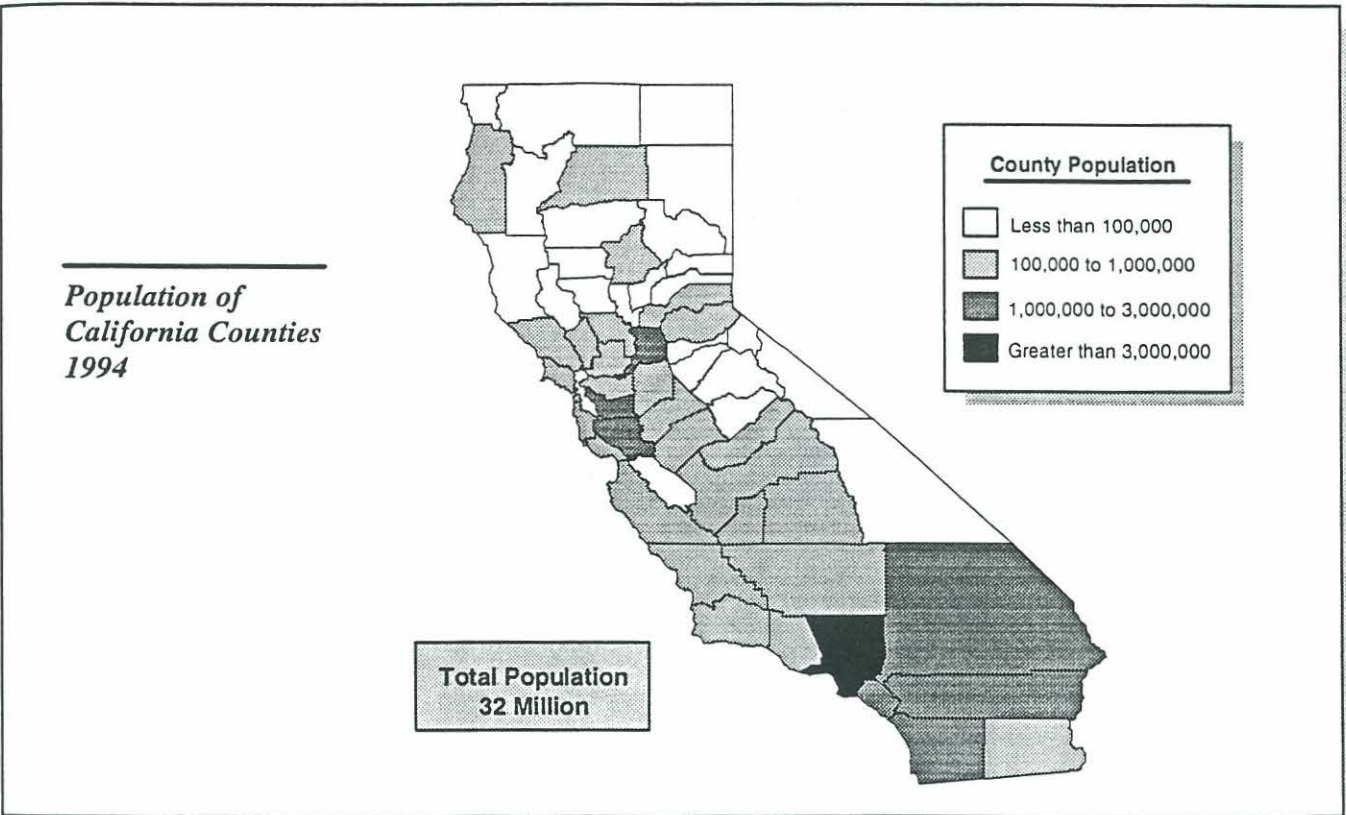
LEGISLATIVE ANALYST'S OFFICE





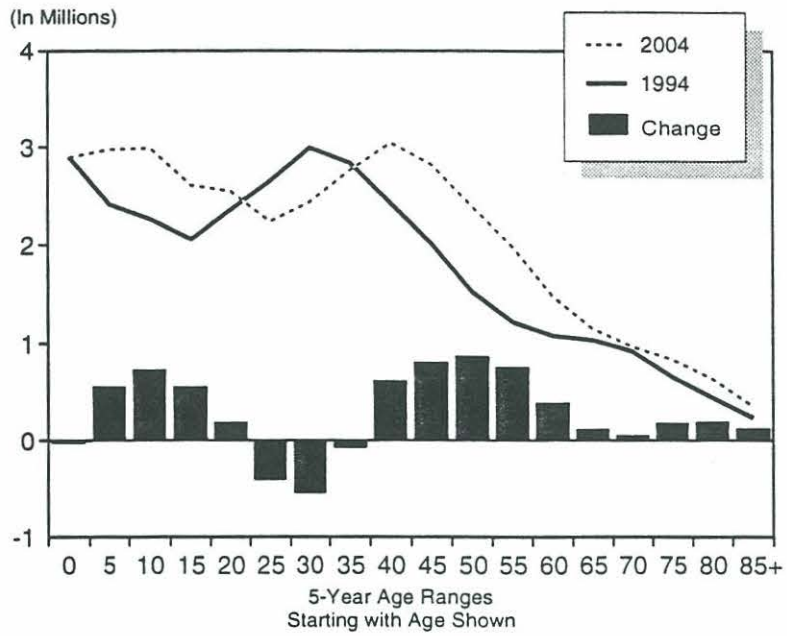
## California Employment Rising But Still Trailing Nation







*Population by  
Age Group  
1994-2004*





# July Two-Year Budget Plan Out of Balance

(Dollars in Billions)

	General Fund Impact <sup>a</sup>
<b>Reduced 1993-94 carryover deficit</b>	\$0.5
<b>1994-95</b>	
Improved revenues	\$0.8
Spending increases	-0.4
<b>1995-96</b>	
Improved revenues	\$0.6
Spending increases	-0.3
<b>Reduced encumbrance obligations</b>	\$0.1
<b>Underlying Improvement</b>	<b>\$1.3</b>
<b>Federal immigrant funds<sup>b</sup></b>	
1994-95	-\$0.7
1995-96	-2.6
<b>Federal funds shortfall</b>	<b>-\$3.3</b>
<b>Budget Gap</b>	<b>-\$2.0</b>

<sup>a</sup> Measures change between July 1994 and January 1995 budget estimates. Excludes Governor's proposed budget solutions and proposals, including realignment and tax reduction.

<sup>b</sup> Based on current federal appropriations and authorizations.



# Governor's Proposed Resolution Of the 1995-96 Budget Gap<sup>a</sup>

(In Billions)

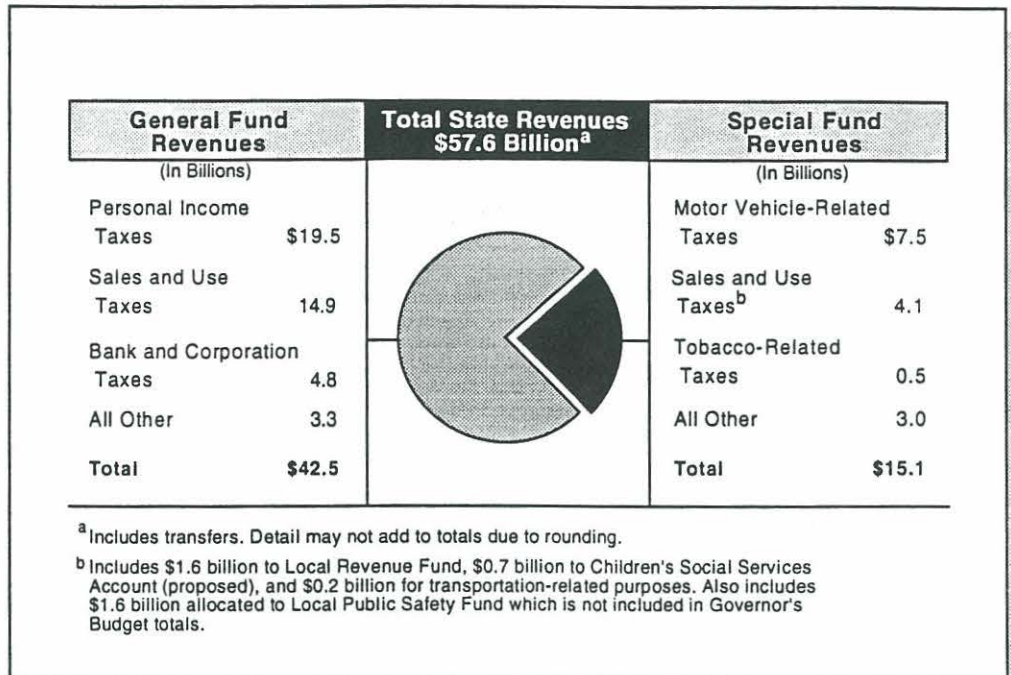
<b>Program reductions/savings</b>	
<b>Welfare</b>	
AFDC grant reductions and reforms	\$0.4
SSI/SSP grant reductions	0.4
Restrict eligibility	0.1
<b>Medi-Cal</b>	
Eliminate optional benefits and prenatal services for undocumented persons	0.2
Various cost containment measures	0.1
Proposition 98—tax cut reduces school funding guarantee	0.1
Other reductions/savings	0.2
Augment funding for disasters and emergencies	-0.1
Other augmentations, including REACH and AIM	-0.1
<b>Subtotal</b>	<b>\$1.4</b>
<b>Shifts to other levels of government</b>	
<b>Federal Government</b>	
Additional reimbursements for illegal immigrant costs	\$0.5
Increased refugee funding	0.1
Eliminate SSI/SSP administrative charge	0.1
<b>Counties—unfunded realignment costs</b>	<b>\$0.2</b>
<b>Subtotal</b>	<b>\$0.9</b>
<b>Taxes</b>	
Tax reduction proposal	-\$0.2
<b>Total solutions:</b>	<b>\$2.1<sup>a</sup></b>
<b>Establish 1995-96 General Fund reserve</b>	<b>\$0.1</b>

<sup>a</sup> Detail does not add to totals due to rounding.



# State Revenues in 1995-96<sup>a</sup>

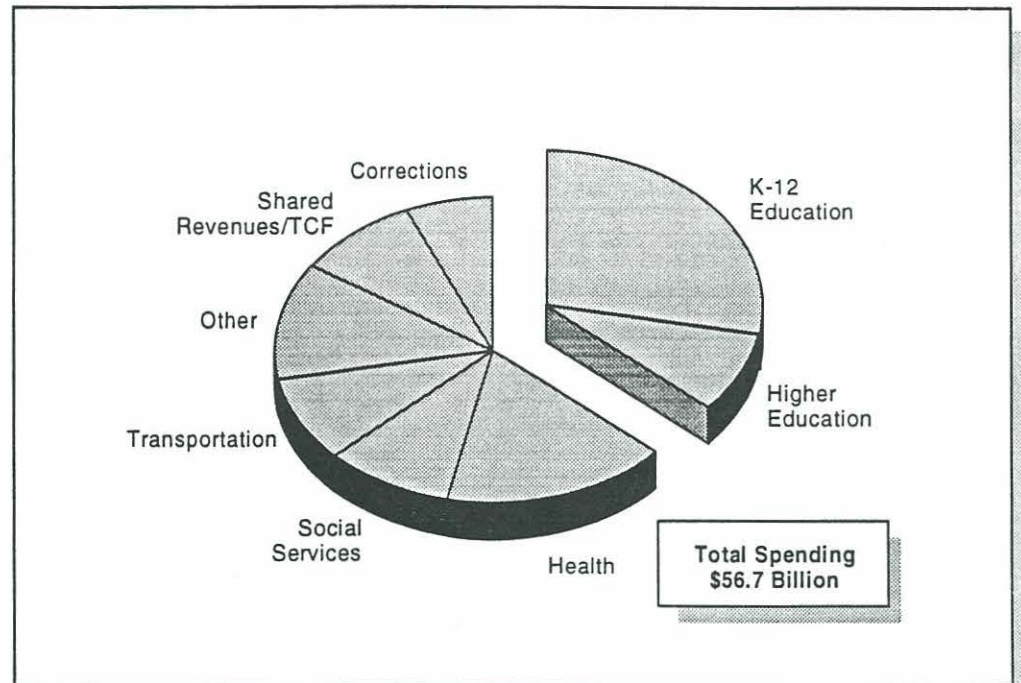
(In Billions)





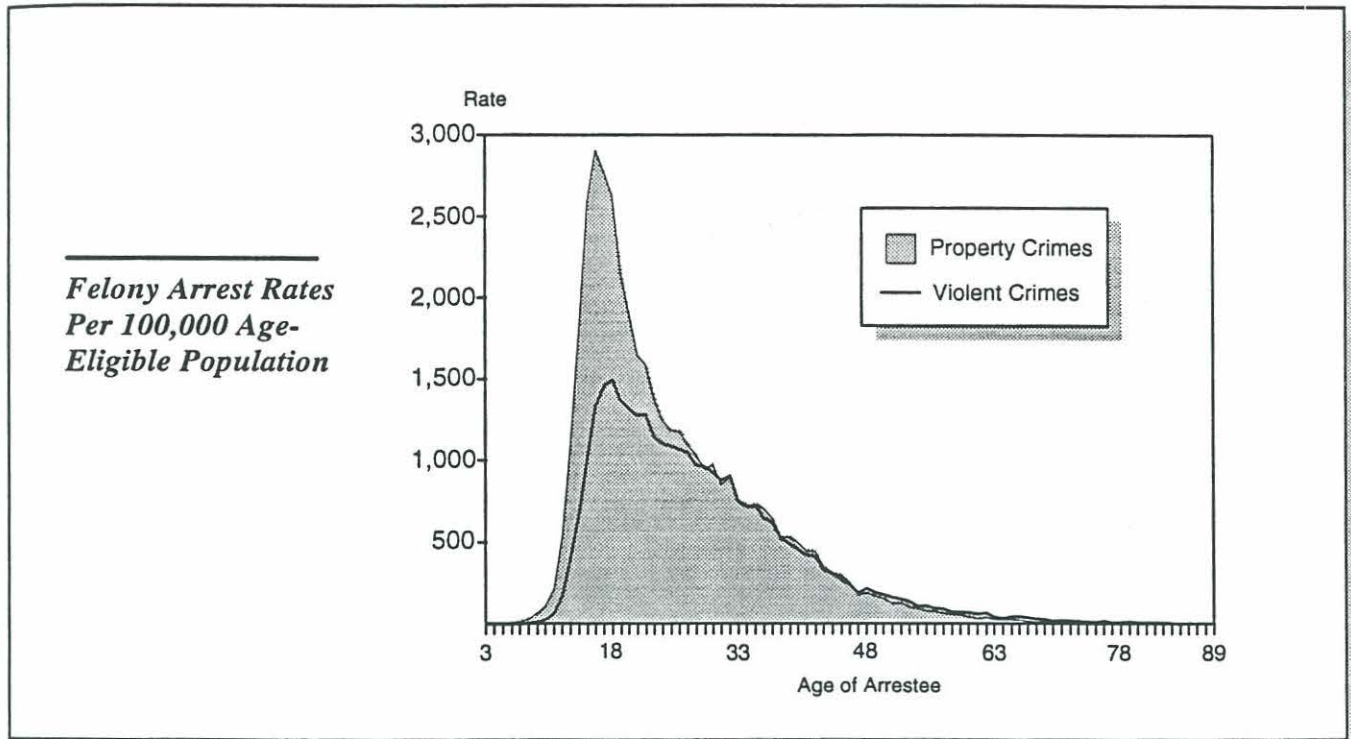


## Total State Spending By Major Program 1995-96





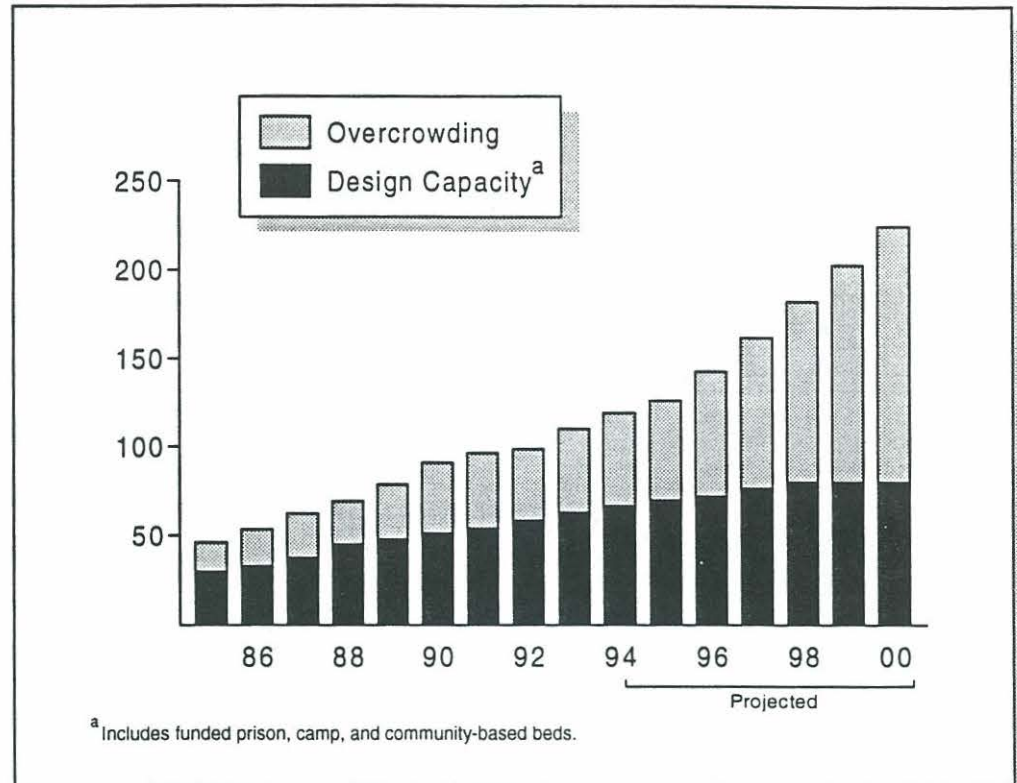
LAO  
50 years of service





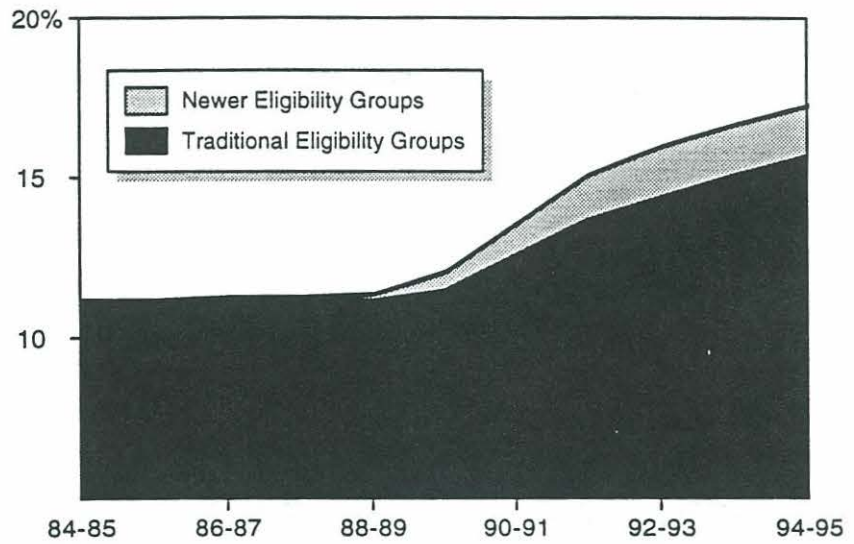
# Prison Population Exceeds Design Capacity 1984-85 Through 1999-00

(Inmates in Thousands)





*Medi-Cal  
Caseload as  
Percentage of  
State's Population*



*Medi-Cal  
Spending and  
Caseload  
1993-94*

