

Appendix Figure 1

LAO General Fund Multiyear Forecast, 2025-26 May Revision

May 2025 LAO Outlook (In Millions)

	2024-25	2025-26	2026-27	2027-28	2028-29
Resources					
Prior-year balance	\$41,966	\$34,226	\$24,335	\$10,390	-\$7,249
Revenues/transfers	220,641	209,933	217,958	229,449	241,634
Transfer to Budget Stabilization Account	71	—	—	—	—
Withdrawal from the Budget Stabilization Account	4,926	7,100	—	—	—
Total Resources	\$267,462	\$251,258	\$242,294	\$239,838	\$234,385
Expenditures					
Proposition 98	\$85,209	\$81,634	\$85,179	\$91,466	\$96,131
Non-Proposition 98	148,028	145,289	146,725	155,621	156,888
Total Expenditures	\$233,237	\$226,923	\$231,904	\$247,088	\$253,019
Fund Balances					
Reserve for Encumbrances	\$18,001	\$18,001	\$18,001	\$18,001	\$18,001
Special Fund for Economic Uncertainties	16,225	6,335	-7,611	-25,250	-36,635
Safety Net Reserve	—	—	—	—	—
Budget Stabilization Account (Mandatory Deposits)	16,529	9,440	9,440	9,440	9,440
Budget Stabilization Account (Total Deposits)	18,292	11,192	11,192	11,192	11,192
Public School System Stabilization Account	1,266	854	—	133	1,097
Operating surplus/deficit	—	-9,890	-13,946	-17,639	-11,385

Note: Totals may not add due to rounding.

Appendix Figure 2

Proposition 98 Multiyear

May 2025 LAO Outlook (Dollars in Millions)

	2023-24 PY	2024-25 CY	2025-26 BY	2026-27 BY1	2027-28 BY2	2028-29 BY3
General Fund	67,952 ^a	86,524	81,634	85,179	91,466	96,131
Local Property Tax	31,470	32,699	34,243	35,309	36,586	38,464
Total Proposition 98	\$99,422	\$119,223	\$115,876	\$120,488	\$128,052	\$134,595
Settle-Up	—	-1,315	—	—	—	—
Total Proposition 98 General Fund Appropriation	\$67,952^a	\$85,209	\$81,634	\$85,179	\$91,466	\$96,131
Proposition 98 Change to Prior-year	-\$5,235	\$20,738	-\$3,346	\$4,612	\$7,564	\$6,543
Percent Change to Prior-year	-5.05%	21.06%	-2.81%	3.98%	6.28%	5.11%
Proposition 98 Operative Test	2	1	1	3	1	1
Maintenance Factor Balance	\$8,002	\$3,507	\$3,751	\$4,702	\$3,417	\$2,539
Settle-Up Balance	—	1,315	1,315	1,315	1,315	1,315
Mandate Balance	785	785	n/a	n/a	n/a	n/a
Public School Stabilization Account Transfer	—	\$,266	—	—	133	964
Public School Stabilization Account Withdrawal	-8,413	—	-412	-854	—	—
Public School Stabilization Account Balance	—	1,266	854	—	133	1,097

^a Includes \$938 million in Proposition 28 arts and music education funding.

PY = prior year; CY = current year; BY = budget year; and n/a = not applicable.

Appendix Figure 3

General Fund Multiyear Non-Proposition 98 Expenditures by Agency, 2025-26 May Revision

May 2025-26 LAO Outlook (In Millions)

	2024-25	2025-26	2026-27	2027-28	2028-29
Legislative, Executive	\$7,600	\$4,465	\$3,377	\$3,441	\$2,822
Courts	3,248	3,340	3,547	3,682	3,844
Business, Consumer Services, and Housing	3,726	287	222	221	221
Transportation	248	162	32	32	32
Natural Resources	7,532	2,090	2,024	2,057	2,093
Environmental Protection	623	117	117	117	117
Health and Human Services	76,022	83,713	86,270	91,437	95,106
Corrections and Rehabilitation	13,945	12,969	12,890	12,790	12,720
Education	19,981	19,591	21,223	22,644	20,183
Labor and Workforce Development	1,108	946	1,028	1,081	1,137
Government Operations	3,464	3,547	3,220	3,213	2,932
General Government	4,231	7,481	6,478	8,346	8,894
Non-Agency Departments	-2,367	-1,209	-1,114	-1,640	-1,090
Tax Relief/Local Government	-653	-556	-491	-491	-491
Statewide Expenditures	-1,211	-5,715	-4,873	-6,214	-7,313
Capital Outlay	773	681	217	277	230
Debt Service	5,525	5,900	6,080	6,284	6,556
Total Non-Proposition 98 Expenditures	\$148,028	\$145,289	\$146,725	\$155,621	\$156,888

Note: Totals may not add due to rounding.