



2020-21 Budget: May Revision

May 14, 2020

California's Economic Outlook in January



Unemployment at record lows



118 months of consecutive job growth



1 out of 7 new U.S. jobs in California



5th largest economy in the world



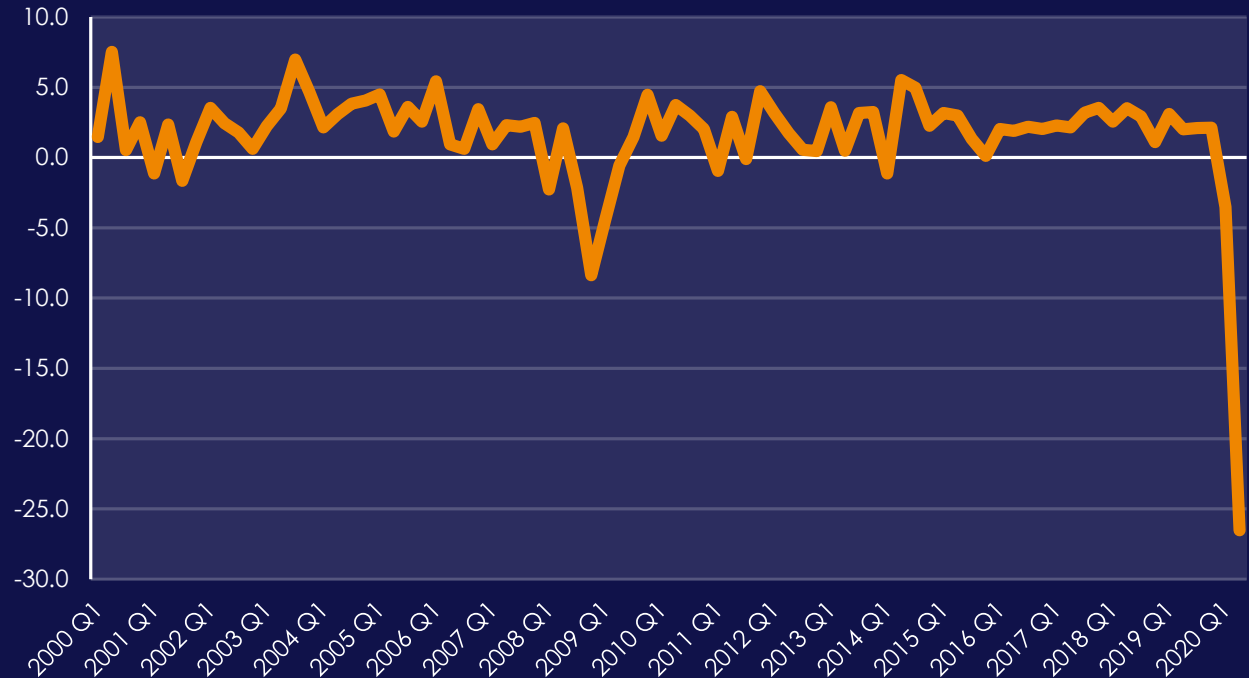
Projected surplus \$5.6 billion

U.S. in Recession Due to COVID-19

COVID-19 recession projected to be worse than Great Recession

U.S. GDP is projected to decrease by 26.5% in spring of 2020

U.S. Real GDP Growth



Source: U.S. Bureau of Economic Analysis; CA Department of Finance, May Revision Forecast

Budget Built on Strong Fiscal Foundation

2019 - 2020 Budget



- \$21.5 billion surplus
- Final \$4.5 billion to eliminate decade-old Wall of Debt
- Only 12% of new spending ongoing
- \$16 billion - Largest rainy day fund in State history

Protecting California's Core Values



Public Education



Public Health



Public Safety



People hit hardest by COVID-19

