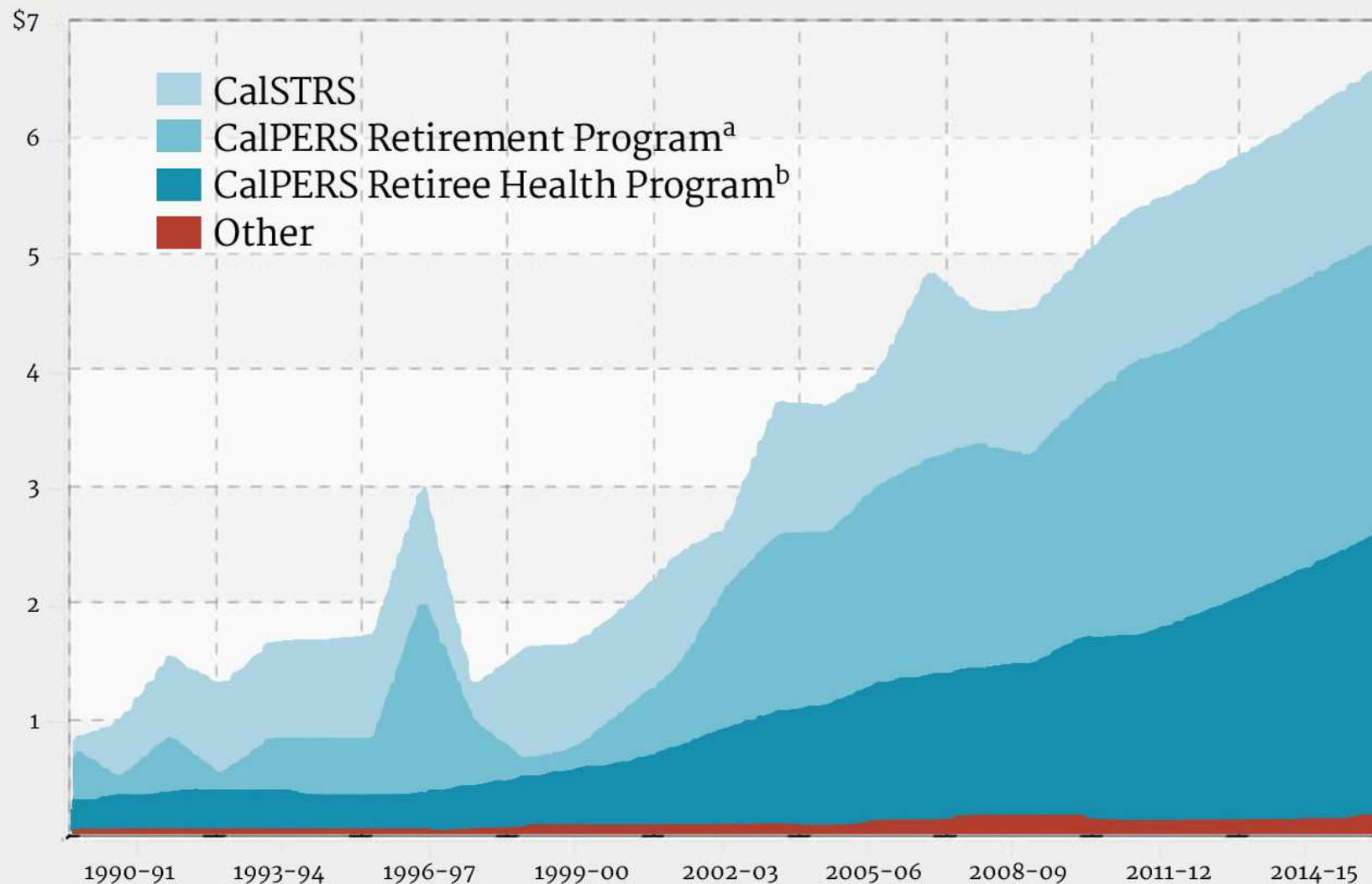


Current-Law State Retirement Costs to Keep Growing General Fund (In Billions)



^a Amount for 1997-98 includes over \$1 billion state payment related to a major court case involving CalPERS.

^b Includes the budget item for these costs and LAO estimate of the General Fund share of the implicit subsidy for annuitant benefits that is paid along with employees' health premiums.