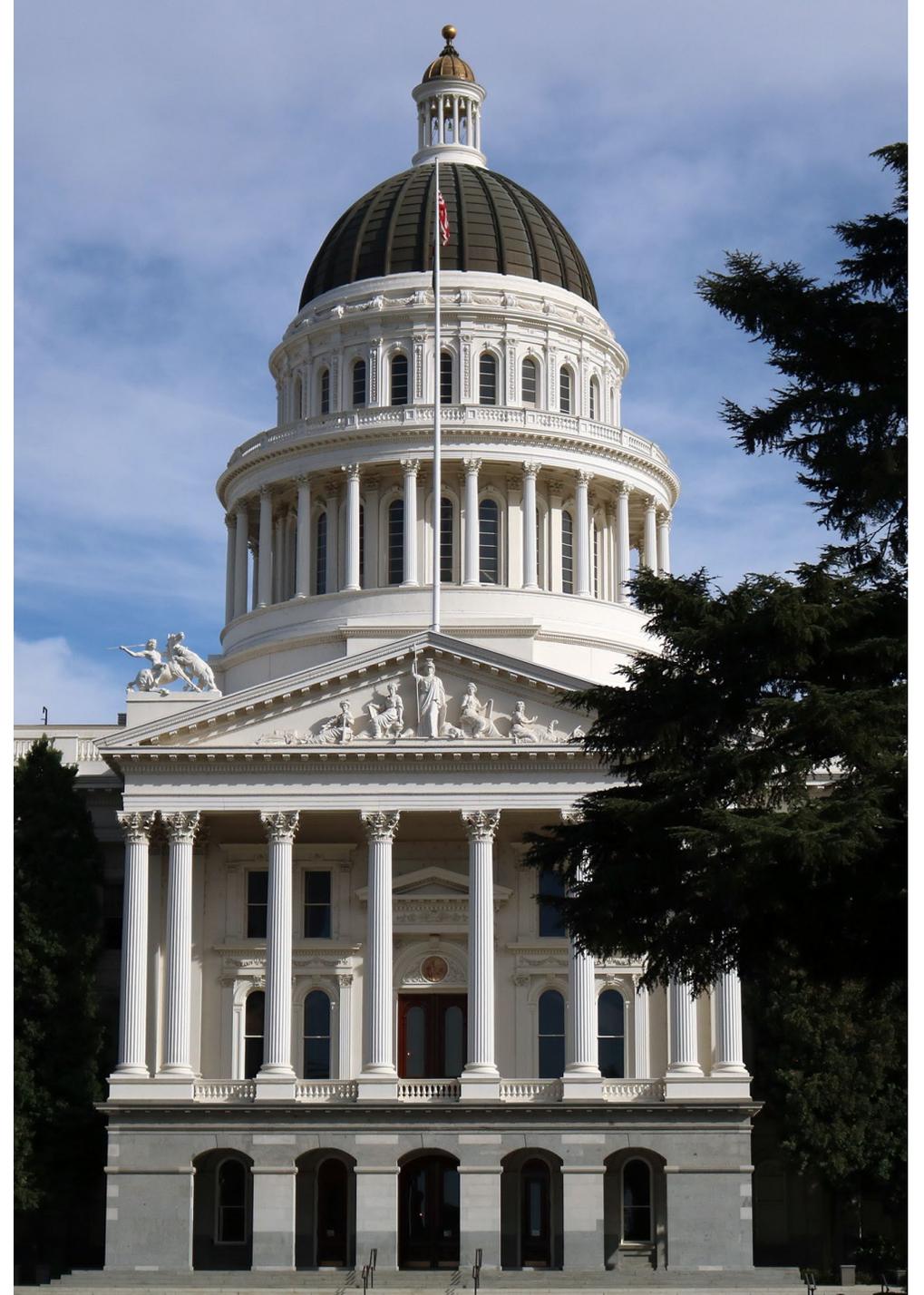




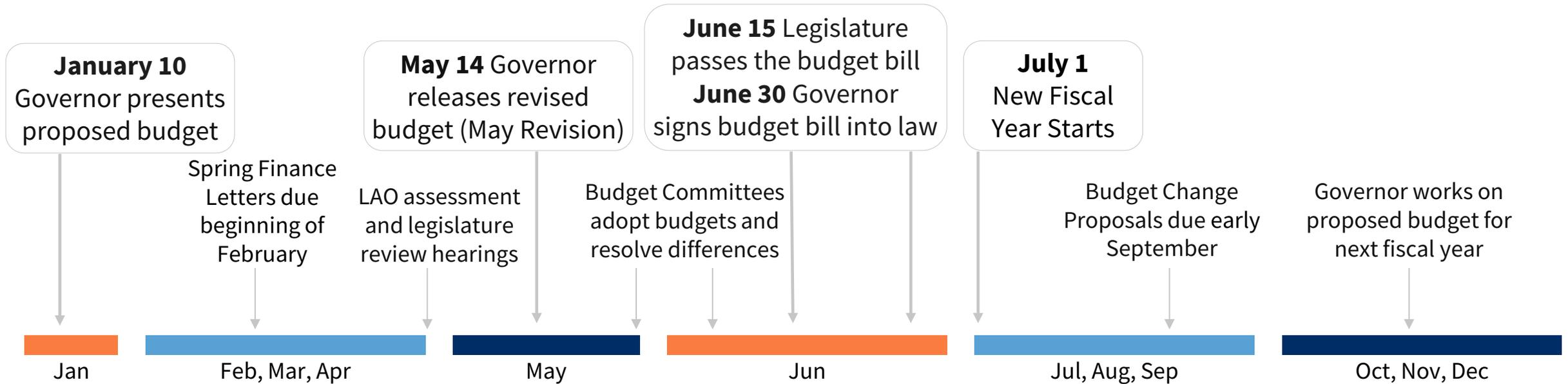
**JANUARY 22, 2026**

# **Update on the Governor's Proposed 2026-2027 State Budget**

[bhsoac.ca.gov](http://bhsoac.ca.gov)



# California's budget process timeline



## Key dates in the budget process:

- January 10** - Governor's Proposed Budget for the next fiscal year is released
- May 14** - Governor releases the May Revision of the proposed budget
- June 15** - Legislature must pass a balanced budget
- June 30** - Governor signs the Enacted Budget
- July 1** - New fiscal year starts

# Governor's Proposed Budget for Fiscal Year 2026-27

## BUDGET OVERVIEW

- Total budget: \$348.9 billion
- General Fund expenditures: \$248.3 billion
- Total reserves: \$23 billion
- Key focus:
  - Balanced budget
  - No major new spending proposals
  - Continued implementation of previous investments

# Fiscal Outlook

## FISCAL PROJECTIONS

- Current year: Balanced budget
- Shortfall: \$2.9 billion
- Future risks:
  - Projected \$22 billion deficit in 2027-28
  - Shortfalls expected in two years following
- Next steps:
  - Monitor revenue and spending trends
  - Revised plan in May to ensure fiscal stability

# Behavioral Health Services Fund

## REVENUE PROJECTIONS

- Annual revenue:
  - \$3.9 billion (2024-25)
  - \$4.6 billion (2025-26)
  - \$4.7 billion (2026-27)
- Upward revision: +\$2.2 billion compared to 2025 Budget Act
- Reason: Higher capital gains forecast

# Commission's Proposed Budget

## JANUARY PROPOSED BUDGET

- TOTAL - \$71.4 million
- Personnel Services: \$9.8 million (salaries and benefits)
- Operations: \$7.4 million
  - \$100,000 for Proposition 1 implementation
  - \$400,000 for Full Service Partnership evaluation
- Local Assistance: \$54.3 million
  - \$20 million – Innovation Partnership Fund
  - \$20 million – Mental Health Wellness Act
  - \$7.6 million – Behavioral Health Student Services Act
  - \$6.7 million – Community advocacy

**Thank you.**



**Questions?**