



AGENDA ITEM 9

Information

Commission Mid-Year Budget Report

Item Goals

- Hear an overview of the Commission’s financial position at the midpoint of the Fiscal Year (FY) 2025-26 budget cycle.

Behavioral Health Landscape

- Governor Gavin Newsom released his proposed FY 2026-27 California state budget on January 9, 2026, projecting a deficit of \$2.9 billion. Administration proposals to address the out-year deficits will be released at the May Revision after revenue changes are taken into consideration.
- The Governor’s January budget includes a total of \$343.6 billion (\$94.4 billion General Fund and \$249.2 billion other funds) in FY 2026-27 for health and human services programs that serve low-income, vulnerable individuals and families.
- According to the 2025 Department of Health Care Services’ Mental Health Services Act Expenditure Report, the 2025 Budget Act indicated that approximately \$2.7 billion was deposited into the Behavioral Health Services Fund (BHSF) in FY 2023-24. The Budget Act also estimated \$3.7 billion will be deposited into the BHSF in FY 2024-25 and \$3.5 billion will be deposited into the BHSF in FY 2025-26. The 2025 Budget Act also indicated that approximately \$4.6 billion was expended from the BHSF in FY 2023-24. Additionally, \$3.7 billion is estimated to be expended in FY 2024-25, and \$3.7 billion is projected to be expended in FY 2025-26.

Relevant Commission Work

- The Commission’s Rules of Procedure require a mid-year expenditure report halfway through each fiscal year.
- The Budget and Fiscal Advisory Committee heard an update on the Commission’s budget at its February 19, 2026 meeting.