

BUDGET REPORT

## *California May Revise Updates*

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## *Introduction and Summary*

Last Thursday, Gov. Gavin Newsom released his May Revise for the 2026-27 fiscal year, presenting a markedly different fiscal outlook for the state than in January.

While the governor's final May Revise press conference featured pointed criticism of the Trump administration, at times with tongue-in-cheek visuals that did little to quiet speculation surrounding a possible 2028 presidential bid, the central message focused on a balanced budget for California this fiscal year and beyond.

Gov. Newsom's 2026-27 budget stands in sharp contrast to last year's surplus-to-deficit narrative. This year's May Revise instead reflects a deficit-to-balanced-budget outlook, closing what was projected in [January as a \\$2.9 billion deficit](#) and producing a balanced budget for the next two fiscal years, along with a \$0 structural deficit through July 2028. This came as somewhat of a surprise as even the governor's projected deficit in January was viewed as optimistic, particularly when compared to the Legislative Analyst's Office (LAO) fall 2025 estimate projecting a \$17.6 billion deficit.

According to Gov. Newsom, the balanced budget is driven by "California dominating revenue beyond what we had projected in January," with revenues coming in approximately \$16.5 billion above expectations. The increase is largely attributable to the state's "Big Three" revenue sources: personal income tax, corporate tax, and sales and use tax collections. The governor acknowledged that revenue projections remain fluid but emphasized that the upward trend is evident in both the administration's projections and the [LAO's updated revenue estimates](#). It is worth noting that part of the governor's proposal to maintain this balanced budget for fiscal years to come includes \$3.6 billion in revenue, which results in part a proposed expansion to the 7.25% software tax and a permanent cap on tax credits for large corporations.

Despite the stronger-than-anticipated revenue outlook, Gov. Newsom emphasized a continued focus on maintaining budget stability beyond the current fiscal year. To that end, the May Revise proposes transferring \$9.7 billion into the state's Surplus Money Investment Fund and refrains from introducing significant new expenditures, instead prioritizing the continuation of existing investments. Overall, the May Revise proposes a total budget of \$349.9 billion, including \$246.6 billion General Fund spending, which is \$1.8 billion lower than estimated in January.

**2026-27 May Revision  
General Fund Budget Summary**  
(Dollars in Millions)

	2025-26	2026-27
<b>Prior Year Balance</b>	\$56,576	\$56,190
Revenues and Transfers	\$245,442	\$222,874
<b>Total Resources Available</b>	<b>\$302,018</b>	<b>\$279,064</b>
Non-Proposition 98 Expenditures	\$158,227	\$154,569
Proposition 98 Expenditures	\$87,601	\$91,997
<b>Total Expenditures</b>	<b>\$245,828</b>	<b>\$246,566</b>
<b>Fund Balance</b>	<b>\$56,190</b>	<b>\$32,498</b>
Reserve for Liquidation of Encumbrances	\$27,998	\$27,998
Special Fund for Economic Uncertainties	\$28,192	\$4,500
<b>Public School System Stabilization Account</b>	<b>\$10,325</b>	<b>\$10,325</b>
<b>Safety Net Reserve</b>	-	-
<b>Budget Stabilization Account/Rainy Day Fund</b>	<b>\$11,496</b>	<b>\$15,075</b>

Note: Numbers may not add due to rounding.

Copy of the full May Revision [here](#)

## *TK-12 Education*

The May Revision includes total funding of \$151.6 billion (\$91.3 billion General Fund and \$60.3 billion other funds) for all TK-12 education programs. The May Revision reflects increased support for core programs such as the Local Control Funding Formula (LCFF) and special education.

### **ANALYSIS**

Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for TK-12 schools and community colleges. The May Revision's new estimates of GF revenues for TK-14 schools were calculated to be \$124.9 billion in 2024-25, \$125.1 billion in 2025-26, and \$127.1 billion in 2026-27, reflecting an increase of about \$6.4 billion from the governor's budget in January. However, it also maintains a \$3.9 billion settle-up amount in the current 2025-26 fiscal year to counter future financial volatility.

If revenues remain the same or increase in spring 2027, the legislature is statutorily required to pay back this amount to TK-14 schools since this is funding enshrined in the state's constitution. The Governor's call to delay constitutionally guaranteed funding temporarily has set off school officials across the state.

All TK-12 local educational agencies and community colleges are required to provide all employees with up to 14 weeks of paid pregnancy disability leave beginning in 2026-27.

The May Revision also includes a 2.87% statutory LCFF cost-of-living adjustment (COLA) increase, up from 2.41% from January. It also includes \$906.7 million to further increase funding for LCFF which raises the COLA to 4.31 percent after this discretionary funding. The additional funds would help local educational agencies (LEAs) offset reductions due to declining enrollment and fund the newly required paid pregnancy disability leave.

To address teacher shortages, the May Revision included the following investments:

- \$30 million one-time Prop 98 GF funding for the statewide teacher residency technical assistance center, extending its ability to support LEAs in implementing teacher residency programs, the National Board for Professional Teaching Standards Certification Incentive Program and other educator preparation programs through 2034.
- \$16.2 million ongoing federal special education (IDEA) funds and \$1.6 million in one-time federal Title II funds to continue the Golden State Teacher Grant Program
- \$15 million one-time Prop 98 GF funding to expand and enhance opportunities through the 21st Century California School Leadership Academy (21CSLA) program for school leaders.
- \$5 million one-time Prop 98 GF funding to build and validate a system for statewide college transcript review by the California Commission on Teacher Credentialing, saving teacher candidates hundreds of dollars in examination fees. To support this, it also includes an increase of \$25 in the fee that teachers pay to renew their clear teaching credential.

- \$265.6 million in additional GF for school districts and county offices of education in 2025-26 and an increase of \$244.4 million in ongoing GF for them in 2026-27, resulting from decreased offsetting property taxes.
- \$30 million one-time funding for grants to LEAs to increase identification and improve outcomes for students experiencing homelessness.
- Ongoing shift of \$1.5 million non-Prop 98 GF in 2026-27, increasing to \$3 million in 2027-28, from the Department of Education (CDE) to the new Office of the Superintendent of Public Instruction. The administration holds that this is a fiscally neutral funding shift for the governor's education governance proposal from January.

## *Higher Education*

The May Revision proposes a total of \$50 billion in funding for higher education and the California Student Aid Commission, including \$31.2 billion from the General Fund and local property taxes and \$18.8 billion from other fund sources. The May Revision also includes significant budget adjustments to higher education as detailed below.

### **ANALYSIS**

**University of California:** The May Revision continues to increase UC's base funding as planned under the compact, including ongoing funding for the final year and partial funding for a prior year. However, it also delays several large payments totaling hundreds of millions of dollars from 2025–2026 and 2026–2027 to 2027–2028, including compact funding, enrollment-related backfill and repayment of a prior base increase.

- The May Revision maintains the proposed ongoing General Fund increases of \$254.3 million for the fifth and final year of the compact (a 5% base increase), and \$96.3 million to partially fund the fourth-year compact payment as scheduled in the 2025 Budget Act.
- The May Revision maintains the planned one-time deferral of the 2025-2026 compact investment of \$240.8 million (a 5% base increase for the fourth year of the compact) to 2027-2028. It also continues the planned one-time deferral of \$31 million from 2025-2026 to 2027-2028 to offset revenue losses associated with replacing 902 nonresident undergraduate students at three campuses with an equivalent number of California resident undergraduate students from 2025-2026 to 2027-2028.
- The May Revision maintains the deferral of a \$143.8 million one-time repayment tied to a 3% base increase from 2025–2026, moving the repayment from 2026–2027 to 2027–2028.

**California Community Colleges:** In his revision, the governor provides an ongoing increase of \$197.7 million Proposition 98 General Fund to raise the SCFF cost-of-living adjustment from 2.41% to 4.31%, bringing the total COLA increase for 2026–2027 to \$438.3 million, including 1.4% that is discretionary. The May Revision requires community colleges and TK–12 schools to provide up to 14 weeks of paid pregnancy disability leave beginning in 2026–2027, with costs expected to be covered within the 1.4% discretionary SCFF COLA.

- Additional ongoing increases in the May Revision include: an ongoing increase of \$122.8 million Proposition 98 General Fund to backfill lower local property tax revenues, an increase of \$6.1 million Proposition 98 General Fund to reflect a higher cost-of-living adjustment (from 2.41% to 2.87%) for select categorical programs and the Adult Education Program, an ongoing increase of \$2 million Proposition 98 General Fund to maintain the governor's budget proposal to fund 0.5% enrollment growth.
- The May Revision continues proposed one-time increases such as for the Adult Learner Demonstration Project and for a flexible community college block grant. The Adult Learner Demonstration Project offers comprehensive services to help low-income adult workers

secure stable, higher-wage employment through a \$9.7 million Proposition 98 General Fund allocation, available over three years. Additionally, a one-time \$607,000 Proposition 98 General Fund increase for a flexible community college block grant, increasing total proposed funding to \$100.6 million in 2026–27.

**California Student Aid Commission:** The May Revision adjusts funding levels across major aid programs, including Cal Grants and the Middle Class Scholarship, replaces prior proposals with alternative funding sources for teacher grants, and provides targeted support to implement emerging federal initiatives.

- Rising Cal Grant expenditures are accounted for by providing a \$4.8 million one-time General Fund increase in 2025–26 and a \$31.5 million ongoing increase beginning in 2026–27.
- There is a one-time \$90.5 million General Fund decrease to align with revised estimates of Middle Class Scholarship Program awards for the 2025–26 academic year, with costs paid in arrears pursuant to the 2025 Budget Act.
- The May Revision withdraws the governor’s proposal to reappropriate \$14.4 million General Fund for the Golden State Teacher Grant (GSTG), as updated estimates assume these funds will be fully spent in 2025–26. Instead, it provides an ongoing \$16.2 million in federal IDEA funds for special education teacher grants of up to \$20,000, and \$1.6 million one-time federal Title II funds in 2026–27 for grants of up to \$10,000 in other subject areas.
- There is a one-time \$664,000 General Fund increase to support Commission implementation activities required for California to participate in the federal Workforce Pell Grant program authorized under H.R. 1 (2025).

## *Climate Change, Natural Resources and Environment*

Gov. Newsom's May Revision proposes \$10.5 billion for programs under the California Natural Resources Agency (\$4.9 billion General Fund, \$3.2 billion special funds, \$1.9 billion bond funds and \$530 million federal funds) and \$5.8 billion for programs under the California Environmental Protection Agency (\$117 million General Fund, \$4.7 billion special funds, \$634 million federal funds and \$329 million bond funds).

The May Revision also includes an additional one-time \$25 million General Fund allocation for the Healthy Rivers and Landscapes Program to support environmental flows, habitat restoration, science and monitoring tied to the forthcoming update of the Bay-Delta Water Quality Control Plan. This funding is significant as the State Water Board is expected to adopt the updated Bay-Delta Plan by the end of 2026, with the Healthy Rivers and Landscapes Program serving as a compliance pathway for participating water agencies.

## *Health and Human Services*

The May Revision includes \$334.2 billion (\$90.4 billion General Fund) for health and human services programs in 2026-27.

### **ANALYSIS**

**Department of Health Care Services (DHCS):** The California Department of Health Care Services administers California's Medicaid program, Medi-Cal, as well as other special programs such as county-operated community mental health and substance use disorder programs. Specifically, the Medi-Cal budget includes \$194.4 billion (\$48.6 billion General Fund) in 2025-26 and \$216.7 billion (\$44.9 billion General Fund) in 2026-27. Medi-Cal is projected to cover approximately 14.4 million people in the state in 2025-26 and 13.9 million in 2026-27.

#### *Managed Care Organization (MCO) Tax*

The May Revision proposes \$4.5 billion in 2025-26 and \$2.5 billion in 2026-27 to support the Medi-Cal program. The May Revision also includes \$1.3 billion in 2025-26, \$2.4 billion in 2026-27, and \$150 million in 2027-28 to support managed care and other payments relative to calendar year 2024, for hospital, community clinic, behavioral health and other services for provider payments. The existing MCO Tax expires on December 31, 2026.

Additionally, the May Revision proposes to seek renewal of an MCO Tax effective Jan. 1, 2027. The May Revision includes \$575 million in 2026-27, \$2.3 billion each in 2027-28 and 2028-29 and \$1.7 billion in 2029-30 from this new tax to support the Medi-Cal program and maintain targeted rate increases for primary, maternal and non-specialty mental health care implemented on January 1, 2024.

#### *Major Budget Adjustments*

- Adjusts to a \$2.2 billion General Fund increase for Medi-Cal expenditures in 2025-26.
- Projects Medi-Cal General Fund expenditures of \$44.9 billion in 2026-27.
- Reduction of \$583.8 million (\$471.6 million General Fund) in 2026-27 and \$1.5 billion (\$1.2 billion General Fund) ongoing due to the new federal policy that prohibits states from covering federally eligible emergency Medicaid services for individuals with unsatisfactory immigration status.
- To comply with this new federal requirement, Medi-Cal members with unsatisfactory immigration status will receive all covered Medi-Cal services through the fee-for-service delivery system effective Jan. 1, 2027.
  - Allocates \$668.1 million in 2026-27 for a July 1, 2027, transition to restricted-scope Medi-Cal for individuals impacted by the federal eligibility changes for qualified non-citizens.
  - Federal eligibility redetermination is set to every six months beginning in 2027-28.

- Increase monthly premiums for adults with unsatisfactory immigration status to \$50, effective July 1, 2027.
- Reinstate the Medi-Cal asset limit for seniors and disabled adults to \$2,000 for an individual or \$3,000 for a couple, effective no sooner than Jan. 1, 2027.
- Applies a one-month retroactive Medi-Cal coverage payments and includes a reduction of \$34.6 million in 2026-27 and \$75.5 million in 2029-30.

**Department of Social Services (DSS):** The May Revision includes \$59.1 billion (\$26 billion General Fund) for DSS programs in 2026-27, which supports programs such as CalWORKS, CalFresh and Nutrition Programs, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare and Adult Protective Services, Community Care Licensing, Disability Determination Services and Child Care.

#### *Child Care & Development*

- The May Revision includes \$7.5 billion (\$5 billion General Fund) for DSS-administered childcare and development programs.

#### *California Work Opportunity and Responsibility to Kids (CalWORKS)*

- The May Revision assumes \$9.4 billion in total TANF and Maintenance of Effort expenditures (state, local and federal funds) in 2026-27.
- \$6.9 billion for CalWORKS program expenditures and \$2.4 billion for other programs.

#### *Food & Nutrition*

- Includes \$3.7 billion (\$1.6 billion General Fund) in total CalFresh and nutrition expenditures. In addition, \$11.6 billion in food benefits is provided directly to recipients by the federal government. The total CalFresh caseload is projected to be 3 million households in 2026-27.

#### *In-Home Supportive Services*

- Includes \$33.7 billion (\$12.7 billion General Fund) for the IHSS program in 2026-27.

#### *Children's Programs*

- Includes \$1.1 billion General Fund in 2026-27 for services to children and families.

### **Department of Developmental Services**

The May Revision includes \$18.7 billion (\$11.9 billion General Fund) and estimates that 487,000 individuals will receive services in 2025-26. For 2026-27, the May Revision includes \$21.6 billion (\$13.5 billion General Fund) and estimates that over 527,000 individuals will receive services that serve folks with intellectual and developmental disabilities.

## *Housing and Homelessness*

The May Revision continues to implement the governor's vision for the new California Housing and Homelessness Agency, dedicating funding for new positions in CHHA, introducing a proposal to reduce development impact fees imposed by local jurisdictions and advocating for the creation of a disaster rebuilding fund.

The governor proposes transferring positions and associated resources to support the realignment of responsibility to the CHHA, including communications capacity, information technology and administrative support for the Department of Housing and Community Development and leadership for the Housing Development and Finance Committee.

To help reduce the cost of affordable housing, the governor has released new trailer bill language that proposes significant changes to the way local governments can assess development impact fees on state-funded projects. Under the proposal, projects that receive direct state funding, such as Homekey or Infill Infrastructure Grant Program grants, will be exempt from any city or county development impact fees. Capacity charges for infrastructure such as sewer and water will still apply, as will school fees. For projects funded through the new Housing Development and Finance Committee, the proposal encourages local governments to provide development fee waivers by recognizing those waivers as a form of local contribution in state affordable housing programs. The more fee waivers a local jurisdiction offers, the more competitive its projects will become.

Finally, the administration is proposing the creation of a novel program aimed at assisting communities impacted by the 2025 Los Angeles wildfires to recover and rebuild as quickly as possible. The May Revision introduces the concept of a Disaster Rebuilding Fund to expand access to construction and renovation financing for disaster-impacted homeowners. The proposal includes a \$100 million investment, including \$56 million General Fund and \$44 million in existing National Mortgage Settlement funds. This investment will be used to reduce borrowing costs and facilitate access to private financing through a combination of a loan loss guarantee program, an interest rate buydown program, and additional tools. Together, these tools will lower monthly construction and mortgage loan costs, expand loan eligibility and enable more homeowners to secure the financing needed to rebuild.

On the homelessness front, the state continues to deploy significant resources while focusing on accountability and results. This includes a sixth round of Homeless Housing, Assistance and Prevention (HHAP) funding totaling \$1 billion that can be utilized by eligible grantees over multiple years, with a final expenditure deadline of June 30, 2029. In addition, there is a seventh round of HHAP funding totaling \$500 million planned, contingent on enhanced accountability and performance requirements. To maintain accountability, the May Revision proposes detailed statutory changes, such as maintaining a compliant general plan housing element, aligning with state guidance to address encampments, advancing pro-housing policies and leveraging local resources to scale HHAP investments.

## *Criminal Justice and Judicial Branch*

The governor's May Revision is largely aligned with the January budget, including approximately \$14.2 billion total funding for the California Department of Corrections and Rehabilitation (CDCR), with about \$4.1 billion General Fund dedicated to health care services for incarcerated individuals.

The May Revision reflects continued long-term declines in the state's prison population, with the adult incarcerated population projected to decrease to approximately 87,600 in 2026–27 and further to roughly 84,600 by 2030. However, the administration notes near-term fluctuations driven by the implementation of Proposition 36 (2024), which is expected to increase the prison population modestly in the short term.

The administration continues to pursue a strategy of "right-sizing" the prison system, building on prior actions to eliminate reliance on contract facilities and reduce overall capacity. The state has terminated all out-of-state and private prison contracts and deactivated multiple facilities and housing units, generating hundreds of millions of dollars in ongoing savings.

The May Revision maintains the governor's emphasis on rehabilitation and reentry, with CDCR focused on providing education, treatment and workforce preparation to improve outcomes for individuals returning to the community.

### **ANALYSIS**

The May Revision underscores a continued policy shift toward a rehabilitation-centered corrections model, paired with ongoing system downsizing. While overall population trends remain downward, Proposition 36 introduces uncertainty in near-term population and cost projections, requiring the state to balance facility closures with sufficient capacity.

A key cost driver is the aging incarcerated population, as more than 19,000 incarcerated individuals are age 55 or older. This demographic trend is expected to increase health care and custodial costs despite overall population decline. The budget also reflects a continued shift away from contracted capacity toward state-operated facilities, with prior contract terminations and facility deactivations already yielding state savings. These savings are expected to grow as additional closures and operational efficiencies are implemented.

The judicial branch remains a prioritized area within the May Revision, with funding levels generally maintained to support access to courts and judicial operations despite broader fiscal pressures. Overall, the May Revision reflects a balancing of fiscal constraints with ongoing investments in rehabilitation, health care and system transformation, while managing new pressures associated with voter-approved changes to criminal penalties and demographic shifts within the incarcerated population.

## *Labor and Workforce Development*

California's labor market has grown by 22,000 jobs from when the governor's initial budget was finalized in the fall through March 2026. The stronger job numbers were driven largely by growth in private education and health services. However, overall job growth is expected to be flat for 2026 before rebounding in 2027.

One challenge facing California is that wage growth among high-wage sectors, thanks to the technology and artificial intelligence industries, has been strong but low-wage workers are facing income stagnation. This is driving up costs for services to lower wage workers.

### **ANALYSIS**

#### **Workforce Development Initiatives**

##### *Education and Training Investments*

- **TK-12 Education:** The budget continues historic investments in teacher education, recruitment and retention. Notable allocations include:
  - \$30 million for the statewide teacher residency technical assistance center.
  - \$16.2 million in federal funds for the Golden State Teacher Grant Program (GSTG), supporting prospective special education teachers with grants up to \$20,000.
  - \$15 million for the 21st Century California School Leadership Academy to support school leaders.
  - \$5 million to create a statewide college transcript review system, reducing barriers for teacher credentialing.
- **Paid Pregnancy Disability Leave:** All TK-12 local educational agencies and community colleges must provide up to 14 weeks of paid pregnancy disability leave for employees starting in 2026-27, supporting educator recruitment and retention.
- **Career Pathways:** The Student Support and Professional Development Discretionary Block Grant (\$5 billion) funds teacher professional development, recruitment/retention strategies, and career pathways/dual enrollment expansion consistent with the Master Plan for Career Education.

##### *Higher Education and Adult Workforce*

- **California Community Colleges:** \$9.7 million is allocated for the Adult Learner Demonstration Project, which provides comprehensive services to help low-income adult workers move into stable, higher-paying jobs.
- **Workforce Pell Implementation:** The California Student Aid Commission receives funding to implement the new federal Workforce Pell Grant program, expanding access to short-term workforce training programs.

## *Social Services and Labor Programs*

- CalWORKs (Welfare-to-Work): The program provides temporary cash assistance and welfare-to-work services. The May Revision reflects a 1.8% increase in Maximum Aid Payment levels, funded by the Child Poverty and Family Supplemental Support Subaccount. The average monthly caseload is projected at 344,310 families in 2026-271.
- Child Care and Development: \$7.5 billion is allocated for childcare and development programs, with a focus on supporting working families and increasing administrative cost allowances for alternative payment agencies. There is also a one-time increase for childcare infrastructure in disaster-affected areas.
- CalFresh (SNAP): The budget includes support for county administration to implement new federal work requirements for able-bodied adults without dependents, reflecting the impact of federal H.R. 1.

## *Transportation*

The governor's May Revise reiterates the administration's commitment to maintaining the safety, sustainability and modernization of California's transportation system. Consistent with the proposal's broader emphasis on avoiding significant new expenditures, the transportation adjustments are relatively modest and reflect more of policy change than major fiscal expansion. Collectively, the changes underscore California's continued efforts to advance its climate goals while preparing for major international events.

### **ANALYSIS**

Notable transportation adjustments in the 2026-27 May Revise include:

- A projected Motor Vehicle Account (MVA) fund balance of \$196 million, including a one-time \$40.4 million increase for California Highway Patrol (CHP) operational costs and an additional one-time \$3.1 million for CHP body-worn camera upgrades. The Department of Motor Vehicles (DMV) would also receive a one-time \$24.5 million increase in operational costs, along with a one-time \$5 million increase for the mobile driver license (mDL) pilot program. The May Revise also proposes statutory changes to the MVA intended to support ongoing operations amid continued structural imbalance.
- A one-time \$40 million increase from the General Fund to continue investments in the Clean California program.
- A one-time \$16.4 million increase to support the implementation of generative AI solutions aimed at enhancing roadway safety.
- A two-year, \$6.2 million General Fund investment for Caltrans to address homeless encampments along the state highway system.
- Proposed statutory changes establishing an automated enforcement program for the Games Route Network (GRN) for the 2028 Olympic Games. The May Revise notes that additional funding will be necessary to continue development of the GRN and signals an intent to work collaboratively with the Legislature to identify funding sources, whether through the state budget or recently available federal funds.

## *General Government and Statewide Issues*

The May Revision proposes statutory changes to authorize the Governor's Office of Land Use and Climate Innovation to assess a fee on documents submitted to the State Clearinghouse to support the costs of the State Clearinghouse system. The State Clearinghouse is responsible for facilitating the submittal and public hosting of all California Environmental Quality Act (CEQA) documents submitted to the state. This fee authority will support the modernization of the Clearinghouse's CEQAnet and CEQA Submit functions, and allow for faster, more efficient submittal of documentation as well as improved access to information that will streamline the environmental review process for all public agencies.

**Cannabis:** The May Revision estimates \$414.1 million will be available for Allocation 3 programs in 2026-27 as follows:

- Education, prevention and treatment of youth substance use disorders and school retention—60% (\$248.5 million).
- Clean-up, remediation and enforcement of environmental impacts created by illegal cannabis cultivation—20% (\$82.8 million).
- Public safety-related activities—20% (\$82.8 million).

Consistent with the governor's budget, the May Revision maintains a one-time shift within the youth, education, prevention, early intervention and treatment account from the California Natural Resources Agency to the Department of Social Services, of \$11.8 million in 2026-27 (an increase of \$308,000 from the governor's budget). This one-time shift will be invested in childcare infrastructure, specifically targeted toward communities impacted by recent fires.