CALIFORNIA STATE BUDGET PROCESS

Overview

Every year, California's Governor and Legislature adopt a state budget providing the framework and funding for critical public services: from health care and K-12 education to housing, transportation and child care. California's fiscal year runs July 1 through June 30. The state budget is a package of legislation, not a single bill, and typically includes 20–50 budget-related bills signed together. California's 2025-26 enacted budget totals approximately $495.6 billion (all funds), with a General Fund of around $231 billion. About 80 percent of spending flows as local assistance: directly to communities, counties, schools and local programs.

The State Budget: Three Types of Funds

General Fund	The largest fund — revenues not designated for a specific purpose. Funds most education, health & human services and corrections spending.
Special Funds	500+ funds derived from taxes, fees and licenses designated for specific purposes (e.g., gas tax for transportation).
Federal Funds	Comprising about 35% of the total budget. Primarily support health & human services programs (Medi-Cal and more).

Key Players & Their Roles

Governor	Proposes the budget in January; releases the May Revision update; holds line-item veto power over the final Budget Act.
Dept. of Finance (DOF)	Prepares the Governor's Budget; coordinates with departments; issues the May Revision. The Governor's primary budget agency.
Legislature (Assembly & Senate)	Reviews, holds hearings, and revises the Governor's budget proposals. Must pass the Budget Bill by June 15 (constitutional deadline).
Legislative Analyst's Office (LAO)	Independent, nonpartisan office that analyzes the budget for the Legislature and provides fiscal guidance and analysis year-round.
Budget Committees	Senate Budget & Fiscal Review Committee and Assembly Budget Committee — plus subject-matter subcommittees — hold public hearings on the budget.
Community Members & Advocates	Submit public comments, testify at legislative hearings, meet with legislators and DOF staff and engage year-round at key milestones.

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Annual Budget Timeline (Statutory & Typical Dates)

Dates marked with ★ are set in statute or the California Constitution.

DEADLINE	MILESTONE
★ Jan 10	The Governor submits the Governor's Budget and Budget Bill to the Legislature. (Statutory deadline — California Government Code §13337)
★ Feb 1	The Department of Finance submits proposed Budget Trailer Bills to the Legislature.
Feb – May	Budget subcommittees hold hearings on the Governor's budget, organized by subject area.
★ May 14	Governor releases the May Revision — updated revenue and expenditure projections reflecting the latest economic data.
Late May	Budget subcommittees report to full Budget Committees; Budget bills sent to floors.
★ June 15	Constitutional deadline for the Legislature to pass the Budget Bill (both chambers).
Late June	Governor signs the Budget Act and Budget Trailer Bills (with any line-item vetoes). Budget Act and trailer bills published.
★ July 1	New state fiscal year begins.
Aug – Sept	Legislature may pass subsequent Budget Bill amendments (Budget Bill Jr.). Additional cleanup legislation considered.
Nov (LAO)	LAO releases its annual Fiscal Outlook — an early look at projected revenues and spending for the coming year, setting the stage for next year's process.

How to Engage in the State Budget Process

JANUARY	Review the Governor's Budget (published at ebudget.ca.gov). Identify programs relevant to your issue areas. Begin outreach to your Assemblymember and State Senator.
FEB – MAY	Testify at legislative budget subcommittee hearings (public testimony accepted). Submit written comments. Meet with legislative staff and DOF analysts. Hearings are webcast live on the Legislature's website.
MAY REVISION	The May Revision (Revise) is a critical second window. Engage quickly as legislators have weeks to respond before the June 15 deadline.
YEAR ROUND	Track the LAO's November Fiscal Outlook; it shapes the following year's Governor's Budget. Participate in trailer bill hearings. Build ongoing relationships with your legislators and their budget staff.

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PRACTICAL TIPS

- Connect state budget decisions to local impact. Legislators respond to stories from their districts that illustrate why funding matters.
- Monitor the LAO's website (lao.ca.gov) for budget analyses throughout the year — these are free, plain-language, and highly credible.
- Subscribe to DOF and LAO budget updates. The May Revision window is short — be prepared to act quickly with letters, calls and testimony.

Key Resources & Links

- Governor's Budget (ebudget.ca.gov) — Governor's proposed budget, May Revision and enacted budgets
- CA Dept. of Finance — General Budget Timetable — Official budget calendar
- Legislative Analyst's Office (LAO) — Independent budget analyses and spending plan summaries
- CA Budget & Policy Center — Guide to the Budget Process — User-friendly budget guide
- CA Legislature — Budget Committee Hearings — Budget Committee hearing schedule and webcasts
- Find Your Legislators — Identify your Assemblymember and State Senator

Document prepared for training purposes. Budget documents and hearing dates are updated annually.