

**General Fund Multiyear Forecast
2026-27 May Revision**

(Dollars in Millions)

	2025-26	2026-27	2027-28	2028-29	2029-30
RESOURCES:					
Prior Year Balance	\$56,576	\$56,190	\$32,498	\$30,056	\$19,709
Revenues/Transfers	\$238,342	\$236,197	\$242,591	\$247,296	\$257,771
Transfer to Budget Stabilization Account	\$0	-\$3,579	-\$3,429	-\$3,177	-\$2,908
Withdrawal from the Budget Stabilization Account	\$7,100	\$0	\$0	\$0	\$0
Transfer to the Surplus Account	\$0	-\$9,743	\$9,743	\$0	\$0
Total Resources	\$302,018	\$279,064	\$281,403	\$274,175	\$274,572
EXPENDITURES:					
Proposition 98	\$87,601	\$91,997	\$93,937	\$96,954	\$100,364
Non-Proposition 98	\$158,227	\$154,570	\$157,410	\$157,512	\$164,098
Total Expenditures	\$245,828	\$246,566	\$251,347	\$254,466	\$264,462
FUND BALANCES:					
	\$56,190	\$32,498	\$30,056	\$19,709	\$10,109
Reserve for Encumbrances	\$27,998	\$27,998	\$27,998	\$27,998	\$27,998
SFEU	\$28,192	\$4,500	\$2,058	-\$8,289	-\$17,888
Safety Net Reserve	\$0	\$0	\$0	\$0	\$0
Budget Stabilization Account (Mandatory Deposits)	\$9,697	\$13,276	\$16,705	\$19,882	\$22,790
Budget Stabilization Account (Total Deposits)	\$11,496	\$15,075	\$18,504	\$21,681	\$24,589
Public School System Stabilization Account	\$10,325	\$10,325	\$10,325	\$10,325	\$10,325
Total Reserves	\$50,013	\$29,900	\$30,887	\$23,717	\$17,025
BSA mandatory balance as a percentage of General Fund Tax Proceeds	4.2%	5.7%	7.0%	8.1%	8.9%
SFEU/Safety Net/PSSSA/Total BSA as a percentage of Total Resources	16.6%	10.7%	11.0%	8.7%	6.2%
Operating Surplus/Deficit with BSA Transfer	-\$386	-\$13,949	-\$12,185	-\$10,347	-\$9,599

Note: Totals may not add due to rounding

Debts and Liabilities Eligible for Payments Under Proposition 2

2026-27 May Revision

(Dollars in Millions)

	Outstanding Amount at Start of 2026-27 ^{2/}	Proposed Use of 2026-27 Pay Down	Proposed Use of 2027-28 Pay Down	Proposed Use of 2028-29 Pay Down	Proposed Use of 2029-30 Pay Down
State Retirement Liabilities					
1 State Retiree Health	91,476	0	399	427	440
2a State Employee Pensions—SB 84 Loan from SMIF		556	556	556	556
2b State Employee Pensions	64,061	3,023	2,474	2,194	1,912
3 Teachers' Pensions ^{1/}	85,559	0	0	0	0
4 Judges' Pensions	2,163	0	0	0	0
Total	\$243,259	\$3,579	\$3,429	\$3,177	\$2,908

^{1/} The state portion of the unfunded liability for teachers' pensions is \$10.169 billion.

^{2/} For retiree health and pensions, the amounts reflect latest actuarial report available.

Projections of 2026-27 General Fund

(Dollars in Millions)

	2026-27 May Revision^{1/}	2025^{2/} Budget Act	2024 Budget Act	2023 Budget Act	2022 Budget Act
Total Revenues and Transfers	\$222,875	\$212,964	\$214,950	\$211,659	Not Available
Total Expenditures	\$246,556	\$230,124	\$228,863	\$226,955	Not Available

This information is provided in compliance with SB 15 (Chapter 737, Statutes of 2011), which requires that the projection of the 2026-27 General Fund total resources and total expenditures be accompanied by the projections for the same year from the previous four budget acts. Each forecast is based on the assumptions in place at that time.

The 2026-27 May Revision multi-year projection is based on existing state/federal law and state policies, adjusted for changes included in the 2026-27 May Revision. It reflects various assumptions depending on the particular program regarding changes in enrollment, caseload, and population. The projections also use various cost escalation and COLA factors.

^{1/}Pursuant to Proposition 2 of 2014, the 2026-27 May Revision projected revenues and transfers are reduced by \$3.579 billion reflecting the estimated required transfer to the Budget Stabilization Account (BSA). The budget includes \$3.579 billion to pay down debt, as reflected on the previous page.

^{2/}The 2025 Budget Act included a withdrawal of \$7.1 billion from the BSA and suspended the required transfer of \$1.559 billion.