

2026-27 Cap-and-Invest Expenditure Plan

(Dollars in Millions)

Comparison		2026 GB	2026 MR	Difference
Beginning Fund Balance		\$250	\$149	(\$101)
Revenues	Estimated Auction Proceeds ^{1/}	\$3,770	\$3,394	(\$376)
	Estimated Total Resources Available	\$4,020	\$3,543	(\$477)
Tier 1 Appropriations	Manufacturing Tax Credit	\$159	\$148	(\$11)
	State Operations	\$120	\$115	(\$5)
	State Responsibility Area Fee Backfill	\$88	\$92	\$4
	Legislative Counsel Climate Bureau	\$3	\$3	\$0
Net Revenues Available for Tier 2 and Tier 3		\$3,400	\$3,036	(\$364)
Tier 2 Appropriations	High Speed Rail Authority	\$1,000	\$1,000	\$0
	\$1 billion reserved for discretionary appropriations:			\$0
	- CAL FIRE General Fund Backfill ^{2/}	\$750	\$750	\$0
	- SB 840 Commitments	\$250	\$250	\$0
	- Remaining Available Tier 2 Discretionary Funding	\$0	\$0	\$0
Net Revenues Available for Tier 3		\$1,400	\$1,036	(\$364)
Tier 3 Continuous Appropriations	Affordable Housing (Up to \$560M) ^{3/}	\$396	\$293	(\$103)
	Transit and Intercity Rail Capital Program (Up to \$400M)	\$283	\$209	(\$74)
	Community Air Protection (Up to \$250M)	\$177	\$131	(\$46)
	Sustainable Communities and Agricultural Land Conservation (Up to \$240M) ^{3/}	\$170	\$126	(\$44)
	Low Carbon Transit Operations Program (Up to \$200M)	\$141	\$105	(\$37)
	Healthy and Resilient Forests (Up to \$200M)	\$141	\$105	(\$37)
	Safe & Affordable Drinking Water Program (Up to \$130M)	\$92	\$68	(\$24)
	Total (Up to \$1.98 billion)	\$1,400	\$1,036	(\$364)
Additional Revenues	Estimated Interest Earnings	\$500	\$500	\$0
Remaining Revenues for Discretionary Appropriations		\$500	\$500	\$0
Additional Discretionary Funding	Additional Discretionary - Remaining CAL FIRE General Fund Backfill	\$500	\$500	\$0
	Zero-emission Vehicle Incentive Funding ^{4/}	\$115	\$115	\$0
	Total	\$615	\$615	\$0
Ending Fund Balance		\$135	\$34	(\$101)

^{1/} Auction proceeds estimates are based on recent auction results. This price scenario is presented as an example only and should not be considered as a market price forecast.

^{2/} Remaining \$500 million for the CAL FIRE General Fund backfill in 2026-27 is funded with additional discretionary funding. The Budget maintains the 2025 Budget Act agreement to support the CAL FIRE General Fund backfill with \$500 million in 2027-28, and \$500 million in 2028-29.

^{3/} Reflects proposed changes to the Affordable Housing and Sustainable Communities program.

^{4/} An additional \$85 million for Zero-Emission Vehicle Incentive funding will come from the Air Pollution Control Fund for a total of \$200 million in 2026-27.

^{5/} Auction revenue estimates do not reflect recent proposed regulatory changes by CARB. Any regulatory changes will be incorporated into estimates after regulations are adopted.