

SPRING 2026



ASSEMBLY DEMOCRATS

Road Map to a _____

RESPONSIBLE & COMPASSIONATE

Budget _____

2026-27 PRIORITIES

ASSEMBLY DEMOCRATS

Budget Leadership



SPEAKER ROBERT RIVAS
Speaker of the Assembly



ASSEMBLYMEMBER JESSE GABRIEL
Budget Committee – Chair



ASSEMBLYMEMBER DAWN ADDIS
Subcommittee 1: Health – Chair



ASSEMBLYMEMBER COREY JACKSON
Subcommittee 2: Human Services – Chair



ASSEMBLYMEMBER DAVID ALVAREZ
Subcommittee 3: Education Finance – Chair



ASSEMBLYMEMBER STEVE BENNETT
Subcommittee 4: Climate Crisis, Resources, Energy,
and Transportation – Chair



ASSEMBLYMEMBER SHARON QUIRK-SILVA
Subcommittee 5: State Administration – Chair



ASSEMBLYMEMBER JAMES RAMOS
Subcommittee 6: Public Safety – Chair



ASSEMBLYMEMBER GREGG HART
Subcommittee 7: Accountability and Oversight – Chair



Table of Contents



Introduction 4



How We Got Here 7



Four Major Themes 9



Key Areas of Focus11



Outlook & Next Steps 16



In this moment, California is caught between **two realities**



State revenues are surging.

This is driven by one of the nation's most progressive tax codes, and also California's worldwide dominance in the technology sector.



Yet the fiscal picture ahead is anything but easy.

Because of the Trump administration's failed policies, health care costs are climbing. Republicans in Washington are ripping away federal funding. And a White House that's lurching — from unprecedented foreign policy miscalculations to reckless tariffs — makes an already difficult job balancing the budget significantly more challenging.

Assembly Democrats are clear-eyed about the stakes. And our resolve is to deliver a budget that is both responsible and compassionate: making tough, surgical choices to control spending, and a steadfast commitment to protecting Californians from harm they didn't cause and don't deserve.

Assembly Democrats are united around these **north stars**



| Responsibility

California's finances are under incredible pressure. The Legislative Analyst's Office has been clear: State costs are climbing — due to Trump inflation impacts on our public programs such as health care, the costs of which have hit families and businesses alike.

Harder choices are coming, and spending at every level of government needs to be looked at honestly today to avoid even more dire choices down the road.

Yes, this year brought in a lot of tax revenue — a reflection of California's progressive tax code and the strength of our state's technological innovation. But this helpful windfall cannot justify big new spending commitments we can't sustain. Assembly Democrats know this, and we're proposing to ask Californians directly:

Let's strengthen our rainy day fund and fiscal reserves by amending the state Constitution to allow for more robust investments in future years.

Why do this? Because real responsibility means preparing for the hard years, not spending through the good ones.



| Compassion

The Trump administration and Republicans in Washington are cutting food assistance, ripping-away health care, launching a war without objectives or a game plan for victory, blowing-up global trade with turbulent tariffs, and traumatizing immigrant families with brutal enforcement raids — all while working Californians are trying to make ends meet.

THREE GUIDING VALUES

Assembly Democrats believe California’s budget should say something very different from the chaotic Trump administration. It should reflect who we are: A state that helps people, rather than using government as a weapon against them.

As we have in recent budget years, in 2026 we will draw a line in the sand, defending the safety net programs such as in-home care, health care and dental care, and food aid that California’s families, seniors, veterans and children rely on most.

Compassion is the backbone of affordability, and this budget will stand tall.



Fairness

Inequality isn’t an abstraction — it’s the defining challenge of our time. California voters have repeatedly put their values into law, passing both Propositions 30 and 55, measures that tax millionaires to fund roughly \$10 billion a year in vital programs and our TK-12 schools. That’s real money that goes to real people who truly need it.

Meanwhile, the Republican-controlled Congress is moving in the wrong direction. Trump’s party is advancing a disastrous spending plan, the oft-maligned “Big Ugly Bill,” paid for by gutting benefits for working families.

As Trump implements these harmful cuts and specifically targets California, Assembly Democrats won’t sit on our hands. Big corporations should expect the state to take a close look at closing tax loopholes to make sure they are actually paying their fair share. Fairness is not a threat — it’s a core value.

Let’s strengthen our rainy day fund and fiscal reserves by amending the state Constitution to allow for more robust investments in future years.





Last Year, the Assembly Made Hard Choices

The Legislature didn't kick the can. In last year's budget, despite facing a significant deficit, we again fought to protect critical safety net programs like In-Home Supportive Services.

At the same time, we tightened our belts and eliminated more than \$2 billion in spending — cuts projected to grow to more than \$10 billion in savings by 2028-29. That was the responsible path forward, and we took it.



Then, Trump Made Everything Harder

Just after we passed last year's budget, Congress passed H.R. 1, the "Big Ugly Bill." It's one of the most consequential pieces of federal legislation in decades — and not in a good way.

Trump's spending plan enriches massive corporations and the wealthiest billionaires, and pays for it by gutting food, health and disability benefits that millions of working families, children and seniors depend on.

The overall scale of the Trump cuts gets even worse, and the impact on California is staggering: Up to 3 million Californians could lose Medi-Cal coverage and food benefits, and distressed hospitals may be forced to close. Local governments are facing billions in annual funding losses. And the state is now on the hook to fill gaps created by Washington's choices — while still managing its own budget challenges.



Revenues Are Up — But Don't Pop the Bubbly Just Yet

Here's some good news: Tax revenues have come in more than \$10 billion above projections during the last five months, driven by a strong stock market and the AI sector's growth.

Assembly staff expect revenues for both this year and next will likely land tens of billions above January estimates. But this doesn't solve the big-picture problem.

Most of that money is constitutionally required to go to schools and reserves. And California still faces a future structural deficit of tens of billions per year — driven by rising costs, ongoing federal hostility toward the state, and the inevitability of stock market swings.



The Assembly Has Been Doing the Work

Robust public input and community involvement inform these budget priorities. Assembly Democrats started the year head-down, with a two-day meeting. So far in 2026, the Assembly has convened more than 50 public hearings, with hundreds of hours of public comment and input — listening to experts, administration officials, legislators and everyday Californians.

Leon Panetta, former Chief of Staff to the President and Office of Management and Budget director, met with Assembly Democrats and talked about how he went about balancing the federal budget in the 1990s: with all options on the table, and a willingness to make tough calls on spending. That's the model we're following.

And we've continued to lean-in on oversight, making sure your tax dollars are spent effectively and responsibly. In 2024, Speaker Robert Rivas created a first-of-its-kind subcommittee — Budget Subcommittee No. 7 — dedicated entirely to oversight and accountability, and it's been scrutinizing existing programs, from prison operations to homelessness funding to the effects of new federal work requirements on behavioral health.

We're not just looking forward. We're making sure existing taxpayer dollars are being spent wisely and effectively.

Assembly Democrats' 2026 budget priorities revolve around **four major themes**



Fighting Back Against Trump's Attacks on California

Trump and congressional Republicans are making choices that are wrong for California. The state budget can't mitigate all the harm from Washington — but we can push back.

And if Congress doesn't roll back the worst cuts in H.R. 1, California will take a hard look at corporate tax loopholes to make sure large corporations pay their share.



Protecting Health Access & Programs That Drive Affordability

Rising costs under Trump are impacting programs and services Californians rely on most. We need to be judicious about where spending is headed and mindful of growth. But when tough choices have to be made, Assembly Democrats will prioritize our fight to protect the safety net programs that help working families, seniors and people with disabilities.

Sustaining health care access and keeping food on the table isn't just the right thing to do — it's how we help Californians survive Trump's escalating cost-of-living crisis.

The Assembly will face hard choices. But we refuse to enact painful cuts that may not be necessary. We must be surgical. Flexibility is also key, and we'll keep every option on the table to protect programs and services for the people who need it most.

FOUR MAJOR THEMES



Building More Affordable Homes, Advancing Landmark Housing Achievements

The single biggest thing California can do to bring costs down is build more housing.

Assembly Democrats led the charge on once-in-a-generation housing reforms in 2025. Californians expect homes to be built faster, leading to more affordable housing options across the state. This is why we passed landmark new laws that speed-up construction, expedite permitting and approval processes, reduce red tape and stabilize costs by freezing new residential building standards through 2031.

Now, in 2026, we want to go further — putting a new housing bond before voters, injecting billions of dollars into building new homes, expanding affordable housing funding, and continuing to cut through the red tape that slows construction down.



Advancing Fiscal Responsibility

Assembly Democrats created California's rainy day fund — and it's worked.

Now, it's time to make the fund and all our reserves stronger. This year, we intend to pass an amendment that asks voters to increase the cap on our reserves, so that California is better protected when tax revenues — which can swing dramatically from year to year — take a dip.

And this year, we're committing to no major new ongoing spending. A revenue surge is not a blank check. The use of accounting maneuvers to balance the budget should be minimized.

Delivering Schools the Dollars They're Owed

The Governor's January proposal shortchanged schools by billions. The state Constitution requires those dollars to flow — and they will. This will also be the highest per-pupil funding in California history. Child care is a critical part of education, too, and a consistent Assembly funding priority.

We aim to direct new school funding in ways that encourage districts to be fiscally responsible, provide more stable base funding, and work in partnership with the Legislature to prepare for tough times ahead. With more Proposition 98 state reserves, we can help our education system prepare for more uncertain budget terrain, ongoing enrollment fluctuations and additional rising costs under Trump.

The Assembly remains committed to programs that have demonstrated success, as well as increasing special education investments and continuing robust, paid teacher preparation funding in areas of high need.

Protecting the Programs Californians Rely On Most

H.R. 1 strips billions from programs Californians depend on — food assistance, health care, and more. No state can fully replace that. But California must fight back to protect all our residents.

And California can be smart with what it has: using a likely short-term surplus to shore up the CalFood food bank program, help counties keep people enrolled in vital benefits, invest in our health care workforce, and soften some of the most harmful proposed cuts to medical and dental care.

If Congress doesn't reverse course, California must take a hard look at closing loopholes and making sure large corporations pay their fair share.

KEY AREAS OF FOCUS

Standing-up for Services that Assist Seniors and People with Disabilities

The In-Home Supportive Services program helps seniors and people with disabilities stay in their homes. The Assembly stands firmly behind it. The Legislature should reject the proposed cuts. This stands in sharp contrast to the Trump administration, which talks about improving public health, but takes actions that bely these outcomes, such as gutting in-home care services that keep seniors and people with disabilities safe, independent and out of institutions. Trump's agenda pushes costs and care burdens onto families, especially women, while placing vulnerable Californians at risk.

Supporting Higher Education

UC and CSU help power California's economy and are engines of social mobility. The California community college system provides critical workforce preparation and has consistently been growing since the pandemic. At a time when Trump is targeting our colleges and universities, Assembly Democrats want to hold the line on funding for all systems and our previous commitments to a higher education bond. This should be done with a mindset of serving as many California students as possible.

Protecting Our Environment, Building Climate Resilience

We are committed to climate investments that reduce pollution, protect public health and make communities safer. This includes supporting cleaner trucks and buses, continuing to invest in wildfire mitigation and resilience, and ensuring Proposition 4 funds are used responsibly to deliver real climate benefits that promote jobs and truly benefit residents across California.

KEY AREAS OF FOCUS

Addressing Homelessness and Housing Stability

The Assembly will continue to prioritize Homeless Housing, Assistance, and Prevention programs, and support responsible investments that assist local governments in addressing street homelessness. We know these dollars make a key difference in moving people into stable housing. And our Assembly will continue to strengthen accountability for how these dollars are spent. It's about investing in proven solutions that meet the urgency of the crisis, while helping communities deliver measurable progress.

Defending Vulnerable Communities

Assembly Democrats will fight to renew state funding for immigrant legal services, LGBTQ+ protections, Stop the Hate programs, family planning, and reproductive and gender-affirming care.

We'll keep the Attorney General funded to continue winning in court against the federal government.

Investing in Public Safety

Federal cuts are hitting crime victim programs, including Victims of Crime Act (VOCA) funding that survivors and service providers rely on. California will step up and continue to protect victims.

We'll also fund investigations and grants to address the missing and murdered Indigenous people crisis, push back on rising hate crimes, protect vulnerable nonprofits with security grants, extend remote court hearings to promote access to justice, and support court-appointed special advocates (CASA) so our vulnerable children have a trusted voice in the system.

KEY AREAS OF FOCUS

We must also invest in smart restorative justice practices and RIGHT Grants.

And despite the proponents of Proposition 36 failing to identify funding for it, Californians still expect the state to deliver on its implementation — including behavioral health, court, and prison programs.

This is why, in last year's budget, the Assembly prioritized hundreds of millions in investments connected to Prop. 36 despite the difficult budget conditions.

Tackling Health Care Costs in the Long-Term

Health care is eating up more of the budget every year — a problem hitting employers and families across the country. California's Office of Health Care Affordability is already working to slow that growth. We need to keep pushing, because protecting public health programs long-term depends on getting those costs under control.

Empowering Voters to Build More Affordable Homes

The 2026 budget will push for a new housing bond, more low-income housing tax credits, and continue to advance efforts that empower Californians to build faster and more affordably. We'll also keep a close eye on how past reforms are actually working — and fix what isn't.

Voting for a Bigger, Stronger Rainy Day Fund

We'll put a stronger rainy day fund measure on the ballot — in 2026 or 2028 — that raises the cap and makes it easier to save more when revenues are up. California needs more flexibility and a bigger cushion.

Leveling-Up and Keeping Vigilant for Wildfire Season

California will continue investing in wildfire prevention and response before fire season hits — including CAL FIRE upgrades, aerial firefighting capacity, and Proposition 4 spending for resilience. And the state will keep pushing for assistance for communities still recovering from past disasters.

Thoughtfully Managing Costs & Revenue

State costs have climbed — mostly because of rising health care prices, a problem made worse by federal economic mismanagement. Fixing the long-term budget will take a combination of cost controls and new revenue. As Leon Panetta told our Assembly members during this year’s budget meetings: “All options must be on the table.” History shows that big structural deficits don’t get solved with cuts alone.

No New Major Spending Commitments

We’re aligned with Senate Democrats: the current revenue surge should go toward schools, building up reserves, and one-time needs — not locking in big new ongoing expenses we may not be able to sustain.

Looking Ahead to the May Revision —

The Governor’s amended “May Revision” budget estimates are due by May 14 — and while legislators always work hard to weigh new proposals after this revision, Assembly Democrats want to be direct about something:

We’d love to see this administration, and the next one, bring more of their big ideas through the traditional policy bill process and get substantive budget proposals to us well before the May Revision arrives. This allows for more public engagement, deliberation and transparency — and better outcomes for the people we serve.

Alongside Senate Democrats’ recently released *Foundation for the Future* plan, we hope this *Road Map to a Responsible & Compassionate Budget* will enable the administration to put together a May Revision proposal that reflects our shared goals and puts us on a stronger path toward an agreement.

NEXT STEPS: A TIMELINE



May 14

Governor presents May Revision



May 18-28 (approximate)

Assembly Budget Committee and Budget Subcommittee hearings on the May Revision and the 2026-27 state budget package



June 1-5 (approximate)

Deadline for Assembly and Senate to submit proposed 2026-27 legislative budget bill to Legislative Counsel. Discussions with legislators on anticipated Senate-Assembly budget plan, and with administration to advance possible budget agreement



June 8-15 (approximate)

Additional Budget Committee hearing or hearings on anticipated Senate-Assembly budget plan or budget agreement with the administration



June 15

Expected Floor vote on legislative budget bill (which must be in print on or before June 12)



June 22-29 (approximate)

Additional Budget Committee hearing or hearings, and expected Floor votes on budget bill amendments and trailer bills to facilitate a final budget agreement with the administration



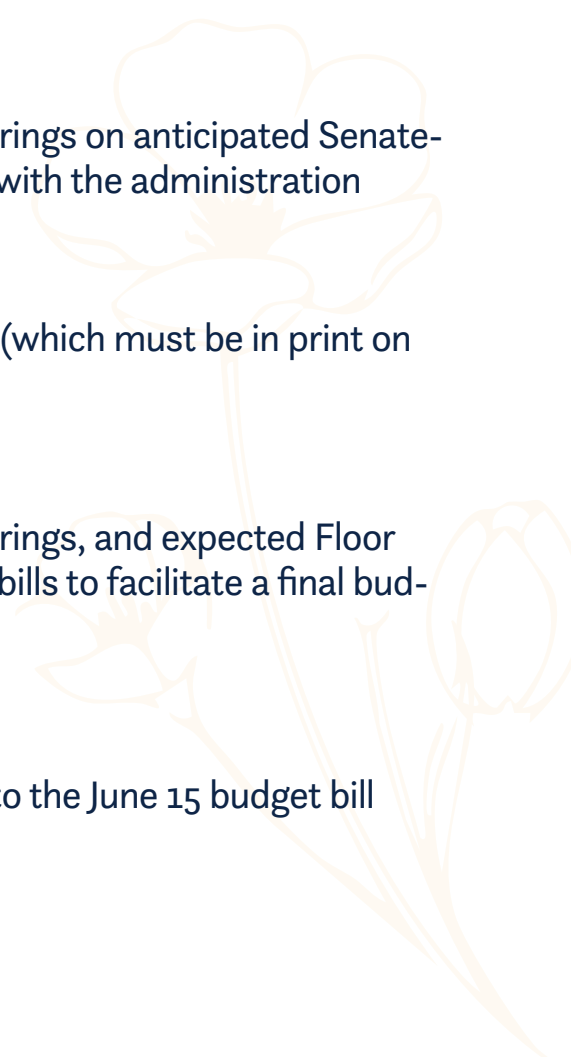
June 29

Expected deadline for Governor to sign or veto the June 15 budget bill



July 1

2026-27 state fiscal year begins





ASSEMBLY DEMOCRATS

Road Map to a

RESPONSIBLE & COMPASSIONATE

Budget

2026-27 PRIORITIES