

CALIFORNIA BUDGET HIGHLIGHTS FOR FY 2026-2027



Governor Gavin Newsom signed the California State Budget on June 29, authorizing [\\$351.7 billion in state spending for FY 2026-27](#). In his public announcement, Governor Newsom noted that this year's budget "is balanced, structurally sound, and leaves no projected deficit this fiscal year or next, all while preserving historic reserves and continuing investments that make California more affordable, more competitive, and more prepared for the future."

“ A BALANCED BUDGET ISN'T AN END IN ITSELF—IT'S HOW WE DELIVER FOR CALIFORNIANS. THIS BUDGET DEMONSTRATES RESPONSIBLE CHOICES THAT PROTECT OUR FISCAL STRENGTH WHILE CONTINUING TO INVEST IN WHAT MATTERS MOST. IN CALIFORNIA, WE SUPPORT WORKING FAMILIES, CREATE MORE OPPORTUNITY, AND BUILD SAFER, HEALTHIER COMMUNITIES. THAT'S HOW WE KEEP CALIFORNIA THE ENGINE OF AMERICA'S ECONOMY AND A PLACE WHERE EVERYONE HAS THE OPPORTUNITY TO SUCCEED. ”

—Governor Gavin Newsom

Governor Newsom funded several key priorities for Natural Resources and Climate programs and has continued to support several of NCWA's priority programs. The Governor's January proposal included approximately **\$9.8 billion** in state funding for Natural Resources agencies. However, while the budget left open funding possibilities across programs and departments, the budget also deferred specific allocations of Proposition 4 and GGRF funding to the end of session in August and September.

Department of Water Resources: **\$2.65 billion** from all fund sources in FY 2026–27, including state general fund, special funds and bond funds. This funding supports flood risk reduction, floodplain management, dam safety and reservoir operations, groundwater management and the implementation of the Sustainable Groundwater Management Act (SGMA). NCWA was pleased to see **\$25 million allocated to DWR to implement the Healthy Rivers and Landscapes Program**, contingent upon the adoption of the Bay Delta Plan by SWRCB. Outside of Proposition 4 funding, DWR received several additional allocations including:

- Approx. \$27.5 M for dam safety
- \$13.9 M for Urban Flood Risk Projects
- \$276.8 M for flood control and levee improvements
- \$30 M for groundwater recharge and storage grants

State Water Resources Control Board (SWRCB): **\$1.8 billion** from all fund sources in FY 2026-27, including support for the implementation and administration of SAFER and safe drinking water goals, support for the Regional Water Boards, the administration of water rights, and the implementation of water quality objectives.

Department of Fish and Wildlife: **\$434 million** from all fund sources, including Prop 4 allocations for habitat restoration, climate-ready fisheries, hatchery improvements, kelp ecosystem restoration, and public access projects:

- \$9.313 million for biodiversity/climate-ready fisheries/kelp ecosystem work
- \$18.504 million for hatchery upgrades and expansion

Many programs and departments are authorized to utilize bond funds from Proposition 4, including the Wildlife Conservation Board, which are deferred to the end of session. NCWA is thankful to the Legislature and the Administration for their continued support of priority programs and looks forward to working with the Administration and Legislature on these final pieces of the State Budget when the session resumes on August 3.

To view NCWA's budget priority letter for FY 2026-27, please click [here](#).