

## California spends less than 1% of its state budget on homelessness despite it being recently ranked one of Californians' top concerns

By Benjamin F. Henwood, University of Southern California · June 2026

Homelessness has ranked among Californians' top public concerns for years. A 2023 Quinnipiac poll found more Californians named it the state's most urgent issue than any other concern: more than inflation, housing costs, or crime.<sup>1</sup> Even as that urgency has softened somewhat in more recent surveys,<sup>2</sup> homelessness continues to command enormous political attention, press conferences, task forces, and declarations of emergency. This brief attempts to answer a simpler question: **how much money does California actually spend to address homelessness, and is it enough?**

After all, budgets are not opinion polls. They are operational commitments. They reveal which problems governments are willing to address at a sustained scale over long periods of time.

### What the Data Show

Working from California Department of Finance enacted budgets,<sup>3</sup> the Legislative Analyst's Office,<sup>4</sup> and independent analyses by the California Budget Center and CalMatters,<sup>5,6</sup> we compiled homelessness-specific state spending (programs targeted directly at preventing and ending homelessness). For ease of comparison across years, spending is presented as a share of California's General Fund, the state's primary discretionary spending account. Here is what that record shows:

Fiscal Year	Homelessness Spending	General Fund	% of General Fund
2019–20	~\$1.1 billion	~\$147B	0.46%
2020–21	~\$1.2 billion	~\$164B	0.50%
<b>2021–22 *</b>	<b>~\$5.8 billion</b>	<b>~\$212B</b>	<b>2.10%</b>
<b>2022–23 *</b>	<b>~\$4.7 billion</b>	<b>~\$234B</b>	<b>1.60%</b>
2023–24	~\$2.4 billion	~\$226B	0.82%
2024–25	~\$1.7 billion	~\$297B	0.55%
<b>2025–26</b>	<b>~\$1.5 billion</b>	<b>~\$321B</b>	<b>0.47%</b>

\* One-time COVID-era surplus allocations, not a structural commitment. All figures reflect California General Fund expenditures (ebudget.ca.gov).<sup>3</sup> "Homelessness spending" includes HHAP, Encampment Resolution Fund, and the Multifamily Housing Program. Federal HUD grants flow directly to local governments/CoCs and are not reflected above.

This estimate is intentionally limited to major state programs explicitly targeted to homelessness and does not include broader housing, behavioral health, Medicaid, or local spending that may also serve people experiencing homelessness.

Using total state expenditures instead of the General Fund would not materially change the finding that homelessness spending represents well under 1% of overall state spending.

The pattern is unmistakable. In 2025–26, California will spend approximately \$1.5 billion on homelessness out of California's \$321 billion General Fund, less than half of one percent. That is the same fraction as 2019–20, before the pandemic, before the record-high counts, before the political furor.

The years in between (2021–22 and 2022–23) look dramatically different. But they reflect something specific: California was sitting on an extraordinary COVID-era budget surplus. The large homelessness investments of those years were one-time allocations, not a structural commitment. As the surplus evaporated, homelessness spending fell sharply, and as a share of the General Fund, homelessness spending has largely returned to pre-pandemic levels.

For context, California's K–12 education budget in 2025–26 is approximately \$68.5 billion, about 30% of the General Fund. Health and Human Services receives roughly \$60 billion. Corrections: \$14 billion. Homelessness: \$1.5 billion.

There are legitimate questions about how efficiently this money has been spent. A 2024 state audit found that California could not consistently demonstrate whether its \$24 billion investment over five years had improved outcomes,<sup>7</sup> a transparency and accountability failure that deserves attention. At the same time, programs like HHAP and Homekey have produced real results: housing real people, preventing greater increases in homelessness than would otherwise have occurred.

Both things are true. California can and should spend its homelessness dollars more accountably. But efficiency alone is unlikely to compensate for spending less than half of one percent of the budget on a problem voters rank as one of their top priorities. **Scale matters** — and it is the part of this conversation we most consistently avoid.

**<1%**  
of the California General Fund spent on homelessness  
*despite ranking as one of voters' top concerns*

Budget Area	FY 2025–26	% of Gen. Fund
K–12 Education	~\$68.5B	~30%
Health & Human Services	~\$60.0B	~19%
Corrections	~\$14.0B	~4%
All Other	~\$177.5B	~46%
<b>Homelessness</b>	<b>~\$1.5B</b>	<b>&lt;1%</b>

Figure 1. California General Fund by Category, FY 2025–26. Homelessness receives less than 1% despite ranking as one of voters' top concerns.

**What about federal homelessness funding to California?**

In FY 2024, HUD awarded California's CoC programs ~\$683M statewide; ~\$12M additional via Emergency Solutions Grants.<sup>8,9</sup> State + federal combined: ~\$2.2 billion annually — still less than 1% of California's total budget.

<b>~\$1.5B</b> State homelessness spending (FY 2025–26)	<b>~\$695M</b> Federal CoC + ESG to California	<b>~\$2.2B</b> Combined total — still <1% of state budget
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HUD's Homeless Assistance Grants program (all 50 states) totals ~\$3.5–4B/year, less than 0.06% of the U.S. federal budget.

**Spending Better Matters. So Does Spending at Scale.**

California has implemented substantial reforms and made historically large investments in housing and homelessness in recent years, including expanded homelessness-response funding, affordable housing financing reforms, encampment resolution programs, and major efforts to streamline housing development and strengthen accountability.

Questions about how homelessness funding is spent remain important. Programs should be effective, measurable, and accountable to the public. But the persistence of widespread homelessness despite these efforts raises a broader question about whether the overall scale of investment remains too small relative to the size of the problem California is attempting to solve.

Efficiency matters. Coordination matters. Better implementation matters. But even highly effective systems are unlikely to substantially reduce homelessness if the overall level of housing and housing-stability investment remains too limited relative to the scale of need.

[1] Quinnipiac University. "California Poll: Most Urgent Issue." March 2023. poll.qu.edu

[2] PPIC. "Statewide Survey: Californians and Their Government." October 2025. ppic.org

[3] CA Department of Finance. "Enacted Budget Summary, 2025–26." ebudget.ca.gov

[4] Legislative Analyst's Office. "The 2025–26 California Spending Plan." lao.ca.gov

[5] CalMatters. "CA homelessness funding keeps declining." 2025. calmatters.org

[6] CA Budget Center. "More with Less: Homelessness Spending Declines." calbudgetcenter.org

[7] CalMatters. "CA couldn't show if \$24B in homelessness spending worked." April 2024.

[8] U.S. HUD. "FY 2024 CoC Competition Award Reports." hud.gov

[9] CA HCD. "Emergency Solutions Grants Program." hcd.ca.gov/funding/esg