

Highlights of the 2025-26 Enacted California State Budget

For further details, please refer to [SB 101 Budget Act of 2025](#) | [AB 102 "Budget Bill Jr."](#) | [AB 118 Human Services Trailer Bill](#)

* Indicates a CCLTSS advocacy priority.

Program / Service	What the enacted budget does	Impact
Medi-Cal Asset Test	<ul style="list-style-type: none"> • Asset test permanently reinstated at higher levels. Restores the 2024 repeal, setting resource limits at \$130k (single) / \$195k (couple) and indexing annually for inflation (begins 1-1-26). * 	Rolls back the full elimination of the Asset Test, implemented 1-1-24, but mitigates loss of coverage for older adults and people with disabilities with modest savings; avoids harsh \$2,000 limit per individual and \$3,000 limit per couple proposed in the May Revise.
Medi-Cal Coverage for Undocumented Individuals	<ul style="list-style-type: none"> • Undocumented adult coverage freeze. Beginning January 1, 2026, new enrollment into Medi-Cal is paused for adults ages 19 and older with undocumented immigration status. Individuals who lose coverage for procedural reasons are provided a 90-day (3-month) grace period to re-enroll. This freeze does not apply to other unsatisfactory immigration statuses beyond undocumented immigrants. * • Eliminates dental coverage for undocumented adults and other individuals with unsatisfactory immigration status. Beginning July 1, 2026, dental services are no longer covered under Medi-Cal for individuals without satisfactory immigration status. * • Delays rate cuts to other providers serving undocumented adults to 7-1-27. * • Imposes a \$30/month premium. Beginning July 1, 2027, undocumented immigrants and other Medi-Cal enrollees with unsatisfactory immigration status ages 19–59 are subject to a \$30 monthly premium. * 	Softens May Revise cuts by reducing premiums, delaying provider rate reductions, and preserving a re-enrollment window for undocumented adults; still results in loss of full dental coverage, new \$30/month premium, and access barriers that may increase reliance on emergency care.

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Medi-Cal Enhanced Provider Payments	<ul style="list-style-type: none"> • \$957.1M appropriated to continue Prop 56 supplemental payments to Medi-Cal providers, including dental, primary care, and women’s health (at current levels). 	<p>Avoids the proposed \$504 million (FY 2025-26) AND \$550 million (ongoing) reduction proposed in the May Revise, ensuring continued provider participation in Medi-Cal serving older adults, people with disabilities, and caregivers.</p>
SNF Quality Workforce & Incentive Payment (QWIP) Program	<ul style="list-style-type: none"> • Funds existing value-based SNF payment methodology aimed at rewarding facilities based on quality indicators. • Continues staffing and operational support to develop and administer the value strategy, including performance metrics and reporting systems. 	<p>Financially incentivizes SNFs to reduce hospital admissions, prevent pressure injuries and infections, maintain adequate staffing, and improve resident satisfaction and health outcomes. Facilities with limited resources may struggle to meet new standards, potentially impacting access in low-income or rural communities. QWIP was slated for elimination in the May Revise.</p>
CalPACE Rates	<ul style="list-style-type: none"> • Rejects May Revise proposed cap on PACE rates at the midpoint of the actuarially sound range, avoiding a projected \$26 million loss in FY 2025–26 and \$60 million in FY 2026–27. * 	<p>Preserves access to comprehensive, person-centered care for medically complex older adults and supports continued PACE expansion and workforce stability.</p>
GLP-1 Access in Medi-Cal	<ul style="list-style-type: none"> • Terminates coverage of GLP-1 medications for weight loss but maintains coverage for diabetes treatment. Beneficiaries may still access GLP-1s for weight loss on a case-by-case basis, but only 	<p>Adopts May Revise proposal to terminate coverage of GLP-1 medications, with the exception of diabetes treatment.</p>

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	with prior authorization and supporting documentation justifying medical necessity.	
In-Home Supportive Services	<ul style="list-style-type: none"> • Rejects proposed 50 hour per week cap on IHSS overtime and travel, preserving current thresholds and ensuring continuity of care. * • Establishes a cost-sharing structure for penalties tied to late IHSS reassessments under CFCO: the state and counties split costs 50/50 in 2025–26, with counties assuming 100% of costs for lost federal funds beginning in 2026–27. 	Preserves flexibility and continuity of care for consumers with complex care needs. Implements a phased shift of financial responsibility to counties for IHSS compliance penalties, protecting federal funds while avoiding immediate cost burdens.
Long-Term-Care Ombudsman Program	<ul style="list-style-type: none"> • Funds the Long-Term Care Ombudsman Program at \$4.1m over 3 years (\$21.3m total) from the State Health Facilities Citations Penalty Account Reserves. * 	Approves multi-year funding to strengthen independent advocacy and ensure older adults in long-term care facilities have access to ombudsman services and complaint resolution mechanisms, though at a reduced level from the \$15.9 million originally requested.
Developmental Services	<ul style="list-style-type: none"> • DSP workforce training preserved with \$10 million in 2025–26 to support recruitment, training, and retention of direct support professionals across regional center provider networks. * • Self-Determination Program continues statewide with additional administrative funding to support regional center implementation and participant facilitation, particularly in underserved communities. * • Rate reform “hold harmless” provision extended through 2025-26, with \$60 million to prevent provider rate reductions during the transition to new rate models. 	Preserves stability for individuals with developmental disabilities and their families by maintaining provider rates, workforce training, and health and safety supports. Expands access to self-determination and culturally competent care, reinforcing person-centered service delivery. Avoids deeper rate reductions and program eliminations proposed in the May Revise.

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	<ul style="list-style-type: none"> • Incentive payments for providers maintained to promote equity, employment, and inclusion outcomes; eligibility tied to data reporting and performance benchmarks. • Health and safety waiver funding preserved to support individuals with intensive needs not met by standard services, including funding for specialized staffing and housing supports. • Implicit bias and cultural competency training expanded for regional center staff and vendors, supporting ongoing efforts to reduce disparities in service access and outcomes. * 	
Homelessness Prevention	<ul style="list-style-type: none"> • Maintains funding for HomeSafe, including a new appropriation of \$25m GF in 2025-26, and reappropriation of \$58m in prior-year funds made available for expenditure through 6-30-28. * • Maintains funding for the Housing & Disability Advocacy Program (HDAP), including a new appropriation of \$175m GF in 2025–26 and reappropriation of \$97.5m in prior-year funds, for a total of \$272.5m available for expenditure through 6-30-28. * 	Restores funding excluded from the May Revise, preserving critical housing stability and homelessness prevention services for older adults and people with disabilities. Ensures continuity of support for highly vulnerable populations at risk of institutionalization or prolonged homelessness.
Affordable Housing Production	<ul style="list-style-type: none"> • Maintains funding for the Low-Income Housing Tax Credit (LIHTC) by authorizing \$500m in 2025 to support affordable housing production. • Maintains existing appropriations for the Multi-Family Housing Program (MHP) but includes no new General Fund augmentations in 2025–26. 	Restores and expands key affordable housing investments excluded from the May Revise. Legislative action preserves momentum on low-income housing production by authorizing \$500 million for LIHTC and sustaining support for MHP, helping stabilize the development pipeline and address the state’s affordable housing shortfall.
Food & Nutrition	<ul style="list-style-type: none"> • Maintains support for CalFood by restoring \$60m GF in 2025–26 to support food bank operations and emergency food assistance. * 	Restores funding for food access programs eliminated in the May Revise,

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	<ul style="list-style-type: none"> • CalFresh Fruit & Vegetable EBT Incentives: Provides \$9.9 million General Fund in 2025–26 for the CalFresh Fruit and Vegetable EBT Incentive Program to increase access to healthy foods. • California Food Assistance Program (CFAP): Maintains \$40 million General Fund to expand CFAP to undocumented individuals aged 55 and older. Final budget removes the trigger proposed in the May Revise, ensuring implementation proceeds without conditional cuts. * 	<p>protecting low-income Californians from food insecurity and preserving access to fresh, culturally appropriate nutrition. Removal of the CFAP trigger ensures uninterrupted progress toward food equity for undocumented older adults.</p>