



SEIU LOCAL 2015

# **2025-2026 STATE BUDGET VICTORIES & SUMMARY**

JULY 2025

# OVERVIEW

Each January, the Governor proposes a State Budget for the upcoming fiscal year (in this case July 2025 – June 30, 2026). The proposal is then revised and re-released in May with an explanation of any changes. Changes are still able to be made until June 15, when the state budget is Constitutionally required to be finalized by a majority vote of the Legislature. The Governor then has twelve days to sign the final budget, and it is implemented on July 1, 2025.

The enacted 2025-26 budget includes many victories for SEIU Local 2015 and for the state's long term care workers. These victories include a rejection of cuts proposed by Governor Newsom in the May Revise towards the IHSS program and Medi-Cal and also includes funding to begin the process towards establishing statewide collective bargaining for IHSS workers.

SEIU Local 2015 recognizes that the state has continued to face fiscal pressures in the state budget over the last few years, including a \$12 billion dollar deficit going into this next fiscal year. While SEIU Local 2015 did not achieve all of its priorities in this budget, the worst of the cuts that were presented in the May Revise were eliminated in the final budget.

**It is important to highlight that direct membership engagement and advocacy was critical in getting the worst of the proposed cuts stripped from the final budget.**

While deficits always present challenges to the work of SEIU Local 2015, our membership's commitment proved to be invaluable in maintaining a majority of the state's core programs. Local 2015's advocacy included:

- **20,000 calls** to the Assembly Speaker, Senate President Pro Tem, the Assembly and Senate Budget Committee Chairs, and the Governor to speak out against cuts to IHSS and Medi-Cal.
- **1,800 members marching on the Capitol** on June 4 to rally against cuts to IHSS, the Nursing Home WQIP, and Medi-Cal and to compel state leaders to fund the implementation of statewide collective bargaining for IHSS workers.
- **Over 100 members attending four Lobby Days** where they were able to directly speak to legislators and their staff about the harm caused by cuts to IHSS, the WQIP and Medi-Cal.

# IN-HOME SUPPORTIVE SERVICES



## **IHSS FOR UNDOCUMENTED INDIVIDUALS**

There were no cuts to the IHSS Program for undocumented individuals in the enacted budget.



## **IHSS OVERTIME HOURS**

The enacted budget does not include the proposed 50-hour work week cap for IHSS providers that was presented in the May Revision. The existing 66-hour work week limit (90 hours for those with an exemption) will remain in place.

# NURSING HOMES



## **SB 525**

Nursing home workers are still exempted from the \$25 per hour minimum wage for specified health care workers (SB 525) due to a requirement in the bill for the state to have a minimum patient care spending requirement established for nursing home operators. SEIU Local 2015 is continuing to advocate for the inclusion of nursing home workers in SB 525 by exploring different



## **SKILLED NURSING FACILITIES WQIP:**

The enacted budget includes the elimination of the Workforce and Quality Incentive Program (WQIP) for the final calendar year of the program (2026) and suspension of the requirement to maintain a backup power system for no fewer than 96 hours.



# MEDI-CAL



## **MEDI-CAL ASSET LIMIT**

The enacted budget rejected the Governor's proposal to implement a \$2,000 asset limit for Medi-Cal eligibility and instead restores the Asset Limit at \$130,000.



## **MEDI-CAL ENROLLMENT**

The enacted budget modifies the Governor's Medi-Cal enrollment freeze proposal, applying it to undocumented individuals 19 years of age and older beginning January 1, 2026, specifying that there is no "age out", and establishing a 3-month re-enrollment grace period for those that fall off the rolls.



## **MEDI-CAL PREMIUMS**

The enacted budget modifies the Governor's proposal to establish Medi-Cal premiums for undocumented individuals by lowering the Governor's proposal from \$100 per month to \$30 per month, limiting the age range from 19-59, and starting July 1, 2027.



## **DENTAL BENEFITS & PAYMENTS**

The enacted budget delays the Governor's proposal to eliminate \$362 million in supplemental payments for dental from Prop 56 funds, until July 1, 2026. It also delays the Governor's proposal to eliminate dental benefits from undocumented populations until July 1, 2026.



## **MANAGED CARE ORGANIZATION (MCO) TAX**

The enacted budget approves the Governor's proposal to increase General Fund offsets from the MCO Tax implemented by Prop 35 resulting in \$1.3 billion of savings in 2025-26 and \$236.7 million in 26-27.



## **OTHER PROPOSITION 56 CHANGES**

The enacted budget rejects the Governor's proposal to eliminate \$172 million Prop 56 supplemental payments for family planning, and women's health services, including funding that receives as high as a 90 percent federal match.

# SUPPORT FOR AGING & COMMUNITY LIVING



The enacted budget restores funding for the Home Safe (\$81 million) and Bringing Families Home program (\$83 million) to continue housing services for families involved in Foster Care or Adult Protective Services.



The enacted budget restores \$45 million for the Housing and Disability Advocacy Program for housing services for seniors and people with disabilities.



The enacted budget approves expenditure authority of \$6.3 million (\$2.9 million PACE Oversight Fund, and \$3.4 million federal funds) for 2025-26 only to support oversight of Programs of All-Inclusive Care for the Elderly (PACE), supported by a fee of no more than 0.25 percent for one year.

# HOUSING JUSTICE & HOMELESSNESS



## **HHAP PROGRAM**

The enacted budget appropriates \$500 million to the Homeless Housing, Assistance, and Prevention (HHAP) program to continue flexible support for local efforts to address homelessness backed by robust accountability mechanisms.



## **ENCAMPMENT RESOLUTION FUND**

The enacted budget provides \$100 million for the Encampment Resolution Fund.

# HOUSING JUSTICE & HOMELESSNESS, CONT.



## **LOW-INCOME HOUSING TAX CREDITS**

The enacted budget provides \$500 million in supplemental state Low-Income Housing Tax Credits to unlock financial backing for affordable housing projects statewide.



## **CALIFORNIA DREAM FOR ALL**

The enacted budget provides \$300 million for the California Dream for All first-time, first-generation homebuyer shared appreciation loan program.



## **MULTI-FAMILY HOUSING PROGRAM**

The enacted budget provides \$120 million for deeply affordable housing construction through the Multifamily Housing Program.



## **HOUSING AFFORDABILITY**

The enacted budget adopts innovative housing affordability solutions through the inclusion of a package of budget trailer bills including:

- Negotiated components of SB 607 (Wiener) which modify CEQA procedures to facilitate development projects while protecting environmentally sensitive areas.
- Negotiated components of AB 609 (Wicks), which facilitate increased housing production at environmentally appropriate sites through streamlined CEQA procedures.
- Negotiated components of SB 681 (Wahab) which address housing affordability through a multi-faceted approach including limitations on HOA penalties, limitations on appeals of Coastal Commission housing project approvals, homeowner protections against “zombie mortgages,” and lifting sunsets on several specified housing production efficiency laws, etc.

# ENVIRONMENTAL JUSTICE & CLIMATE CHANGE



The enacted budget approves the Governor's proposal to cut \$33 million from the Community Renewable Energy Program at the California Public Utilities Commission.



The enacted budget approves the Governor's proposal to fund shift \$35 million to the Lead-Acid Battery Cleanup Fund for the Exide Residential Cleanup Fund Shift.



The enacted budget approves the Governor's proposal to revert \$31.4 million in acquisition funding for the CalFire Training Center.



The enacted budget approves a reduction of \$1 billion to the Greenhouse Gas Reduction Fund Discretionary Spending Plan in 2025-26.



The enacted budget approves Governor's proposal to revert a total of \$315.8 million General Fund from previous Climate-Energy Package appropriations.



The enacted budget appropriates \$39 million General Fund in 2025-26 and \$78 million General Fund ongoing to transition seasonal firefighter positions to permanent positions.



The enacted budget appropriates \$9.5 million General Fund to CalFire for local assistance to the California Fire Safe Council for purposes of the Wildfire County Coordinator Program.



The enacted budget provides \$132.2 million in 2025-26 for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) at the California Air Resources Board.

# RESTORATIVE JUSTICE



The enacted budget approves the Governor's proposal to eliminate funding for the Flexible Cash Assistance for Survivors of Crime program.



The enacted budget includes \$100 million one-time for the implementation of Proposition 36, including \$50 million for behavioral health, \$20 million for the courts, and \$15 million each for pretrial services and for public defenders.



The enacted budget includes \$100 million one-time for Victims of Crime Act supplemental funding.



The enacted budget provides \$10 million General Fund for Family Justice Centers throughout the state to provide legal services to victims of domestic violence, intimate partner violence, sexual assault, child abuse, elder abuse, transnational abandonment, and human trafficking, and help victims file petitions for protective orders, including domestic violence and gun violence restraining orders.

# ECONOMIC & WORKER JUSTICE



The enacted budget rejects the Governor's proposal to eliminate the Direct Service Professional Workforce Training and Development program for developmental services workers.



The enacted budget includes \$13 million one-time Labor and Workforce Development Fund for implementation of an expansion of the California Workplace Outreach Program.



The enacted budget provides a \$10 million General Fund augmentation to the Department of Social Services to provide immigration-related services, including removal defense.



# SB 129 & STATEWIDE BARGAINING

SB 129 is a trailer bill with specific language on labor and statewide bargaining that contains the necessary changes to implement provisions that were adopted as part of the Budget Act of 2025. The bill includes the following (list not comprehensive):



## **IHSS COLLECTIVE BARGAINING**

The enacted budget provides \$500 million in supplemental state Low-Income Housing Tax Credits to unlock financial backing for affordable housing projects statewide.



## **NON-INDUSTRIAL DISABILITY INSURANCE FIX**

Clarifies the definition of “employee” covered under this benefit by adding Career Executive Assignment individuals, who were unintentionally omitted from the coverage, effective October 1, 2025, for a disability benefit period commencing on or after July 1, 2025.



## **PROP 2 SUPPLEMENTAL PENSION PAYMENT**

The bill would require the appropriation of \$584 million from the General Fund to supplement the state’s appropriation to the Public Employees’ Retirement to be applied to the unfunded state liabilities for the state employee member categories that are in excess of the base amounts for the 2025–26 fiscal year..





## SEIU LOCAL 2015

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SEIU Local 2015 is the largest union in California, representing more than half a million long-term care workers (home care, skilled nursing facility, and assisted living center workers) throughout the state. Its members are as diverse as the state's population but united in their commitment to caring for California's older adults and those with disabilities.

[www.seiu2015.org](http://www.seiu2015.org)

