

2026-2027 Proposed State Budget Summary and FAQ

Each January, the Governor proposes a State Budget for the upcoming fiscal year (in this case July 2026 – June 30, 2027). The Governor then releases an updated budget proposal in May that reflects updated economic projections. Changes are able to be made to the proposed budget until June 15 when it will be finalized by a majority vote of the Legislature, signed by the Governor, and then implemented on July 1, 2026.

While the Governor's Proposed 2026–27 Budget reflects a more stable outlook than prior projections and maintains significant investments across key policy areas, it presents a mixed picture for the values and priorities of SEIU Local 2015. As the budget process moves forward, the members of Local 2015 will be engaged in advocacy efforts to protect and defend the funding for our programs including IHSS, private agency Homecare and Skilled Nursing.

Below is a summary of the proposals impacting the industries represented by Local 2015 including answers to frequently asked questions.

Proposal 1: Beginning July 1, 2026, the Governor is proposing to conform the IHSS Residual Program with the timing of Medi-Cal coverage.

Estimated State General Fund Cost Savings: \$86 million

What is the IHSS Residual (IHSS-R) Program?

The IHSS-R program is available for the relatively rare cases (about 7,000 consumers per year) of individuals who are not eligible for IHSS under the standard program requirements. Consumers in IHSS-R are primarily persons with a satisfactory immigration status who are eligible under California law for state-only Medi-Cal, but not Medi-Cal with federal reimbursement. Sometimes people who temporarily lose their Medi-Cal can get IHSS-R.

What does this mean for consumers in the IHSS-R program?

The estimated 7,000 consumers (less than 1% of the IHSS consumer population) who receive their IHSS services through the IHSS-R program would lose access to their IHSS, beginning July 1, 2026, until they meet the federal Medi-Cal eligibility requirements.

Proposal 2: Beginning July 1, 2026, the Governor is proposing to eliminate the IHSS/WPCS Emergency Backup Provider System.

Estimated State General Fund Cost Savings: \$3.5 million

What is the IHSS/WPCS Emergency Backup Provider System (BUPS)?

The BUPS provides urgent, short-term, in-home care for IHSS consumers when their regular provider is unexpectedly unavailable, has not yet been hired, or during hospital discharges.

What is the criteria for a consumer to access the BUPS?

A recipient is eligible for BUPS services if they have an urgent need: (1) For back-up supportive services related to personal care services that cannot be met by an existing provider, OR (2) Because the recipient is transitioning from an institution into the community and has not yet found a provider.

An Urgent Need is defined as:

- Immediate and cannot be postponed until the provider is available to provide the need,
- Has a direct impact on the IHSS recipient,
- Delaying the need would potentially threaten the health/safety of the IHSS recipient, and
- May result in the need for emergency services and/or out-of-home placement. [5](#)

How Many BUPS Hours can a Recipient Get?

- Non-Severely Impaired recipients are limited to 80 BUPS hours each state fiscal year.
- Severely Impaired recipients may receive up to 160 BUPS hours each state fiscal year if funding is available.

What is the current usage of the BUPS?

Originally, in FY 2022-23, the state allocated \$13M annually for the BUPS. Between October 2022 – September 2023, the state only spent about \$350,000 (about 2.7%) of the allocated funding because usage of the BUPS was so low. In FY 24-25, the state reduced the money allocated to the BUPS to \$8.6M. And while we are awaiting the actual amount spent during FY 25-26, the projection was only about \$420,000 of the allocated \$8.6M (about 4.9%). Money that was allocated for the PBUS in previous years, but not used, remained in the state general fund. Due to the low usage rate, and the current \$2.9B budget deficit, the state is proposing to eliminate the BUPS, resulting in an estimated \$3.5M savings to the general fund.

How is the BUPS different from a county registry?

The regular county IHSS registries are for consumers who are looking to find a permanent provider(s) to work their assessed IHSS hours on an on-going basis. The BUPS is only for a very narrow set of consumers (defined above) who find themselves in an emergency situation and are looking for temporary, short-term care while their primary provider is unavailable.

Does this proposal impact any respite-related registries?

No. This proposal is only to eliminate the BUPS for IHSS/WPCS providers.

Proposal 3: Beginning July 1, 2027, the Governor is proposing to shift the cost of IHSS caseload growth from the state general fund onto the counties.

Estimated State General Fund Cost Savings: \$233.6 million

What does this mean for our county bargaining while we fight for statewide collective bargaining?

Since FY 2021-22, the county share of cost for IHSS has been under a Maintenance of Effort (MOE), which means there is essentially a fixed annual cost for each county for their share of the IHSS program that increases by 4% each year. This funding formula allows for the counties to account for the total cost to their county budget for the IHSS program based on what they are bargaining in the contract with the union.

If counties are now responsible to pay the full cost of IHSS caseload growth, it will have a major impact on their county general fund. In order to offset the county general fund deficits this proposal will cause, we will likely see either or both of the following consequences if this proposal was to pass:

1. A county may offer zero at the bargaining table for IHSS providers
2. A county may assess consumers with less hours to avoid larger caseload/hours growth

Both of these consequences above have great impact on how IHSS consumers are assessed the hours of care they need and how IHSS providers are able to collectively bargain for standards increases at the county bargaining table.

**** The January budget does not include any proposed changes to funding for Skilled Nursing Facilities or private agency homecare.*

WHAT IS LOCAL 2015 TAKING ACTION AGAINST THESE PROPOSALS?

Between now, the May Revision of the budget, and the final June 15th budget deadline, members of Local 2015 will be doing call-in actions, lobby days and attending budget hearings to oppose these proposals that make cuts to the IHSS program and to advocate that IHSS, private agency homecare and Skilled Nursing all remain fully funded.

We will also be having our May Executive Board meeting in Sacramento where we will have a day-of-action on the budget. We will let the Legislature and the Governor hear our voices! We will fight to defend and protect our programs!