

## General Fund Budget Solutions in the 2025-26 May Revision: Health

(In Millions)

| Department or Program | Description   | 2023-24      | 2024-25    | 2025-26        |
|-----------------------|---|--------------|------------|----------------|
| CDPH                  | Workforce development program                                       | —            | —          | \$3            |
| DHCS                  | Behavioral health bridge housing                                    | —            | —          | 28             |
| DSH                   | Incompetent to Stand Trial program                                  | —            | —          | 161            |
| DSH                   | Isolation unit staffing   | —            | —          | 22             |
| DSH                   | Community-based diversion programs                                  | —            | —          | 12             |
| DSH                   | Court reporting requirements  | —            | —          | 2              |
| DSH                   | Incompetent to Stand Trial grant program                            | \$233        | —          | —              |
| DSH                   | Incompetent to Stand Trial evaluations                              | 5            | \$5        | —              |
| HCAI                  | CalRx   | —            | —          | 45             |
| Medi-Cal              | Proposition 35 support for base growth                              | —            | —          | 1,289          |
| Medi-Cal              | Payments to clinics for UIS population                              | —            | —          | 453            |
| Medi-Cal              | Long-term care benefits for UIS population                          | —            | —          | 333            |
| Medi-Cal              | Proposition 56 dental supplemental payments                         | —            | —          | 332            |
| Medi-Cal              | Drug rebate aggregator  | —            | —          | 300            |
| Medi-Cal              | Proposition 56 family planning supplemental payments                | —            | —          | 151            |
| Medi-Cal              | Skilled Nursing Facility back-up power                              | —            | —          | 98             |
| Medi-Cal              | Pharmacy step therapy protocols                                     | —            | —          | 88             |
| Medi-Cal              | Enrollment freeze for adult UIS expansion population                | —            | —          | 86             |
| Medi-Cal              | End of anti-obesity drug coverage                                   | —            | —          | 85             |
| Medi-Cal              | Higher HIV/cancer Medi-Cal drug rebates                             | —            | —          | 75             |
| Medi-Cal              | Skilled Nursing Facility Workforce and Quality Incentive Program    | —            | —          | 70             |
| Medi-Cal              | Medi-Cal asset limit test   | —            | —          | 69             |
| Medi-Cal              | Prior authorization for continuation of drug therapy                | —            | —          | 63             |
| Medi-Cal              | Proposition 56 loan repayment program for 2025-26                   | —            | —          | 26             |
| Medi-Cal              | Prescription drug utilization management                            | —            | —          | 25             |
| Medi-Cal              | Prior authorization for Medi-Cal hospice services                   | —            | —          | 25             |
| Medi-Cal              | Proposition 56 women's health supplemental payments                 | —            | —          | 21             |
| Medi-Cal              | Program of All-Inclusive Care for the Elderly organization payments | —            | —          | 13             |
| Medi-Cal              | End of acupuncture coverage   | —            | —          | 5              |
| Medi-Cal              | End of over-the-counter drug coverage                               | —            | —          | 3              |
| Medi-Cal              | Medi-Cal premiums for adult UIS population <sup>a</sup>             | —            | —          | -30            |
| <b>Totals</b>         |   | <b>\$237</b> | <b>\$5</b> | <b>\$3,852</b> |

<sup>a</sup> Administration estimates a budget year cost to establish payment systems. There is estimated to be \$1.1 billion in General Fund savings beginning in 2026-27, increasing to \$2.1 billion in 2028-29.

CDPH = California Department of Public Health; DHCS = Department of Health Care Services; DSH = Department of State Hospitals; HCAI = Department of Healthcare Access and Information; and UIS = unsatisfactory immigration status.

## General Fund Budget Solutions in the 2025-26 May Revision: Human Services and Housing

(In Millions)

| Department or Program | Description   | 2024-25     | 2025-26        |
|-----------------------|---|-------------|----------------|
| Child Care            | Child care COLA suspension  | —           | \$61           |
| Child Care            | Emergency Child Care Bridge reduction to align with recent expenditures   | —           | 43             |
| Child Welfare         | Family Urgent Response System reduction to align with recent expenditures | —           | 13             |
| DDS                   | Rate reform hold harmless   | —           | 75             |
| DDS                   | Direct support professional workforce training and development            | —           | 18             |
| DDS                   | Implicit bias training at regional centers                                | —           | 6              |
| DDS                   | Health and Safety Waiver assistance at regional centers                   | —           | 3              |
| HCD                   | Reversion of unspent prior-year funds from three programs                 | \$32        | —              |
| DHCS and DSS          | Various operational savings   | —           | 75             |
| IHSS                  | Provider overtime and travel time hours cap                               | —           | 708            |
| IHSS                  | End of IHSS for individuals age 19+ with UIS                              | —           | 159            |
| IHSS                  | Community First Choice Option late penalties                              | —           | 81             |
| IHSS                  | Medi-Cal asset test   | —           | 26             |
| <b>Totals</b>         |   | <b>\$32</b> | <b>\$1,265</b> |

COLA = cost-of-living adjustment; DDS = Department of Developmental Services; HCD = Department of Housing and Community Development; DHCS = Department of Health Care Services; IHSS = In-Home Supportive Services; and UIS = Unsatisfactory Immigration Status.

## General Fund Budget Solutions in the 2025-26 May Revision: Resources and Environment

(In Millions)

| Department or Program | Description   | 2024-25      | 2025-26        |
|-----------------------|---|--------------|----------------|
| CalFire               | Operational costs shift to GGRF                         | —            | \$1,541        |
| CalFire               | Training center funding reversion                       | \$31         | —              |
| CEC                   | Demand side grid support shift to Proposition 4         | —            | 18             |
| CEC                   | Offshore wind shift to Proposition 4                    | 43           | —              |
| CPUC                  | Community renewable energy generation                   | 33           | —              |
| DTSC                  | Exide facility and residential cleanup                  | 35           | —              |
| DWR                   | Dam safety shift to Proposition 4                       | —            | 47             |
| DWR                   | Systemwide flood risk reduction shift to Proposition 4  | —            | 15             |
| DWR                   | Less frequent groundwater basin reporting               | —            | 1              |
| Parks                 | Stewardship of state-owned lands shift to Proposition 4 | —            | 68             |
| Parks                 | Deferred maintenance shift to Proposition 4             | —            | 14             |
| SWRCB                 | Water recycling shift to Proposition 4                  | —            | 51             |
| WCB                   | Watershed climate resilience shift to Proposition 4     | —            | 32             |
| <b>Totals</b>         |   | <b>\$142</b> | <b>\$1,787</b> |

CalFire = California Department of Forestry and Fire Protection; GGRF = Greenhouse Gas Reduction Fund; CEC = California Energy Commission; CPUC = California Public Utilities Commission; DTSC = Department of Toxic Substances Control; DWR = Department of Water Resources; Parks = Department of Parks and Recreation; SWRCB = State Water Resources Control Board; and WCB = Wildlife Conservation Board.

**General Fund Budget Solutions in the 2025-26 May Revision: All Other**

(In Millions)

| <b>Department or Program</b> | <b>Description</b>   | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> |
|------------------------------|--|----------------|----------------|----------------|
| CDCR                         | Unallocated operational improvements                       | —              | —              | \$125          |
| CDCR                         | CalAIM Justice-Involved Initiative program support         | —              | —              | 6              |
| CDE                          | 2024-25 Proposition 98 payment delay                       | —              | \$1,315        | —              |
| EE Comp                      | Reduction to state employee compensation                   | —              | —              | 283            |
| Judicial                     | Trial Court Trust Fund unrestricted fund balance           | —              | —              | 38             |
| Judicial                     | Court Facilities Architectural Revolving Fund reversions   | —              | —              | 34             |
| Judicial                     | Pretrial release program                                   | —              | 20             | 20             |
| Judicial                     | Jury duty pilot program                                    | \$14           | 13             | —              |
| LCI                          | Extreme heat/community resilience shift to Proposition 4   | —              | —              | 15             |
| LCI                          | California Education Learning Lab elimination              | —              | —              | 5              |
| Local Government Mandates    | Regional water quality control boards mandate suspension   | —              | —              | 3              |
| School Facility Program      | School Facilities Program General Fund reversion           | —              | 178            | —              |
| State Preschool              | State Preschool COLA suspension                            | —              | —              | 10             |
| State Treasurer              | California Hope, Opportunity, Perseverance and Empowerment | —              | —              | 50             |
| UC                           | Affordable student housing (debt service savings)          | —              | —              | 4              |
| <b>Totals</b>                |  | <b>\$14</b>    | <b>\$1,526</b> | <b>\$594</b>   |

CDCR = California Department of Corrections and Rehabilitation; CalAIM = California Advancing and Innovating Medi-Cal; CDE = California Department of Education; EE Comp = employee compensation; LCI = Governor's Office of Land Use and Climate Innovation; and COLA = cost-of-living adjustment.

**General Fund Revenue-Related and Cost Shift Solutions in the 2025-26 May Revision**  
(In Millions)

| <b>Solution Type</b> | <b>Description</b>                             | <b>2024-25</b> | <b>2025-26</b> |
|----------------------|--|----------------|----------------|
| Revenue Related      | Single sales factor for financial institutions | —              | \$330          |
| Cost Shift           | Special fund loans                             | —              | 550            |
| Cost Shift           | Medical Providers Interim Payment Fund Loan    | \$2,150        | 1,291          |
| Cost Shift           | Behavioral Health Services Fund                | 40             | 100            |
| <b>Totals</b>        |  | <b>\$2,190</b> | <b>\$2,271</b> |