



**CWDA**

Advancing Human Services  
for the Welfare of All Californians

# State Budget Update #4

## Final 2026-27 Budget Agreement

Amended June 29, 2026 | 15 Pages

On June 26, 2026, the Budget Bill Junior (AB/SB 111) and various trailer bill (TBL) omnibuses reflecting the Administration and Legislature's agreement for the three-party budget deal went into print and a budget deal was announced by Legislative leadership and the Governor's Office. In terms of timing, the Assembly Budget Committee and Senate Budget and Fiscal Review Committee heard the bills today, June 29, and floor votes are expected by June 30.

## Overall Budget Agreement

The Budget Act of 2026 and final budget agreement contain a balanced budget in both FY 2026-27 and FY 2027-28. More specifically, the Budget contains approximately \$351.7 billion in total state spending, including \$251.5 billion General Fund. Relative to the Legislature's June 15 budget agreement, the final agreement reflects approximately \$1.5 billion less General Fund spending. The Budget continues to address the State's structural deficit through a combination of ongoing revenue measures, targeted spending reductions, and the use of reserves.

The final Budget includes \$35.2 billion in total reserves, consisting of \$15.1 billion in the Budget Stabilization Account (Rainy Day Fund), \$9.2 billion in the Proposition 98 Rainy Day Fund, \$4.5 billion in the Special Fund for Economic Uncertainties, and \$6.4 billion in the Surplus set aside for FY 2027-28. The budget deal also advances ACA 20 (Save California's Future Act), a proposed constitutional amendment that would appear on the November 2026 ballot. If approved by voters, ACA 20 would increase the maximum cap on deposits for the state's Budget Stabilization Account, from 10 percent to 20 percent of General Fund tax revenues, increasing allowable deposits during strong revenue years. Additionally, ACA 20 exempts deposits into the Rainy Day Fund from the state appropriations limit (Gann Limit). The proposal is intended to improve the State's ability to manage revenue volatility and reduce the need for significant program reductions during future economic downturns.

Similar to the Legislature's two-party budget agreement, the final Budget places a strong emphasis on mitigating the impacts of H.R. 1 while preserving core health and human services programs. Relative to the May Revision, the final budget:

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- Provides \$197 million General Fund for Medi-Cal county administration and \$223 million General Fund for CalFresh county administration to address increased county workload associated with H.R. 1 implementation.
- Includes CWDA-sponsored trailer bill language establishing a temporary CalFresh county match waiver for FY 2026-27 through FY 2028-29, providing fiscal relief to counties as the federal share of CalFresh administrative costs is being reduced from 50 percent to 25 percent under H.R. 1 beginning October 1, 2026.
- Rejects the Governor's proposed reductions to the In-Home Supportive Services (IHSS) program, including the proposed county cost shift for growth in assessed hours, elimination of the Back-Up Provider System, and alignment of IHSS termination with Medi-Cal discontinuance.
- Rejects the Governor's proposal to revert the Adult Protective Services expansion adopted in 2021.
- Delays or softens several Medi-Cal reductions proposed at the May Revision, including changes related to the Medi-Cal asset test, dental benefits for the unsatisfactory immigration status (UIS) population, and eligibility for certain qualified immigrant populations.
- Provides additional funding for CalFood, immigration legal services, child welfare, and housing and homelessness programs beyond the levels proposed at the May Revision.
- Adopts several ongoing revenue measures, including the extension of the Managed Care Organization (MCO) Tax, taxation of digital prewritten software, and limitations on business tax credits to support long-term budget stability.

While the final budget largely reflects the framework established in the Legislature's two-party agreement, it continues to acknowledge significant uncertainty regarding future federal actions, including implementation of H.R. 1, and the potential fiscal impacts on both the State and counties.

The following are the health and human services highlights of the final budget, based on details available June 29.

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## **MEDI-CAL AND HEALTH CARE SERVICES**

### **County Administration Funding & Performance Measures**

The final budget agreement includes a General Fund investment of \$196.9 million for eligibility workload related to the H.R. 1 implementation (see note below regarding expenditure timeline). This funding reflects CWDA advocacy for direct county eligibility funding. The surge staffing concept proposed in the May Revision was rejected. Of the \$196.9 million, \$32.2 million is specific to restoring the cost-of-doing business adjustment for two years and is available to expend through June 2028. This means that counties will be subject to performance measure penalties under the current framework, the process of which was negotiated previously between CWDA and DHCS, outlined in ACWDL 25-08. At this time the Agreement does not include the changes to performance penalties proposed with the May Revision.

#### **Notes:**

- At the time of drafting this budget update, CWDA was under the impression from legislative staff that a greater share than \$32.2 million was to be available over multiple years, but the budget bill remains unclear and we continue to seek additional clarification from the Administration. We will issue an amended update once we confirm the exact period in which the full \$196.9 million is available.
- Moreover, as a reminder, funds associated with H.R. 1 implementation are eligible for a 75% enhanced federal match. Since \$32.2 million of the \$196.9 million are attributed to a cost of doing business adjustment, this means \$164.7 million will be eligible for a 75% federally enhanced match.

### **Premiums for Adults with Unsatisfactory Immigration Status (UIS)**

The final budget agreement continues the delay of monthly Medi-Cal premiums for UIS individuals until July 1, 2027, consistent with the Legislature's two-party budget agreement. The budget further requires the Governor to establish and announce a premium amount between \$30 and \$50 per month as part of the 2027 May Revision.

### **Reinstatement of Asset Limit**

The final budget agreement will reinstate yet delay implementation of a lower Medi-Cal Asset Limit, setting it at \$21,000 for individuals and \$31,000 for couples, and \$1,500 for each additional household member. The new asset limit test will become effective as of July 1, 2027. It will apply beginning with the beneficiary's first annual redetermination after the July 1, 2027, effective date.

### **Restrictions on Immigrant Eligibility**

The final budget agreement delays the policy changes to transition individuals impacted by

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the amended definition of non-qualifying immigration status to restricted scope until July 1, 2027, a nine-month delay from Governor's Budget.

**Transition of Individuals with Unsatisfactory Immigration Status to Fee-for-Service**

The final budget agreement adopts moving individuals with UIS to a fee-for-service delivery system effective January 1, 2027, as proposed by the Administration to comply with federal directives and avoid losing federal funding. Additionally, the Agreement provides \$39 million for care coordination and navigators to assist UIS Medi-Cal enrollees with the transition from managed care to fee-for-service. Of this amount, \$31 million is allocated for care coordination services for transitioning individuals and various enhancements to care planning tools, data dashboards, and integration with the nurse advice line. The remaining \$8 million is provided for contracts with clinics and community-based organizations to provide culturally and linguistically appropriate care navigation services.

**H.R. 1 Codification**

The final budget agreement adopts trailer bill language implementing several policy changes in response to H.R. 1, effective January 1, 2027.

The trailer bill applies the new six-month eligibility redetermination requirement for the Modified Adjusted Gross Income (MAGI) expansion population to individuals receiving state-funded coverage. It also modifies the 90-day cure period for both federally funded and state-funded MAGI expansion populations. While beneficiaries will continue to have the opportunity to restore Medi-Cal eligibility without submitting a new application, eligibility may only be restored for the month immediately preceding the month in which the required information is provided.

The trailer bill also establishes new Medi-Cal dashboard reporting requirements intended to monitor implementation of H.R. 1. The dashboard will include measures related to eligibility outcomes, ex parte renewals, procedural denials and terminations, appeals, individuals subject to work and community engagement requirements, compliance rates, the primary reasons for denials and terminations related to work requirements, and the number of individuals excluded from work and community engagement requirements.

**Benefit Levels**

The final budget agreement delays the elimination of dental benefits for individuals with UIS until July 1, 2027. It also rejects the May Revise proposal to eliminate acupuncture as a service.

**Indigent Care and Public Hospital Systems**

The final budget agreement includes \$250 million General Fund in FY 2026-27 to support California's public hospital system. The final budget agreement does not include funding in

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FY 2026-27 to establish an emergency services-only county indigent care program, as was originally adopted in the Legislature's two-party agreement.

**CALWORKS****CalWORKs Mental Health and Substance Abuse Allocation (MHSA)**

The final budget agreement rejects the Administration's originally proposed restoration of MHSA to \$126.6 million, instead bringing the appropriation from \$126.6 million to \$100.6 million. This is equivalent to the level of funding for MHSA in FY 2025-26. The final budget also contains reappropriation authority of up to \$20 million unspent funds available from FY 2024-25 go back into the program to assist with making up for the rejected restoration in FY 2026-27.

**Increase to CalWORKs Maximum Aid Payment**

Consistent with the May Revision, the final budget agreement includes a 1.80 percent increase to the CalWORKs Maximum Aid Payment (MAP), equivalent to \$59.5 million in FY 2026-27, effective October 1, 2026. As with prior MAP increases, this adjustment is funded through revenues in the Child Poverty and Family Supplemental Support Subaccount. For a non-exempt assistance unit of three, the increase amounts to an additional \$21.00.

**Federal Children's Savings Accounts**

The final budget agreement updates California statute to ensure newly established federal children's savings accounts, known as Trump Accounts, are not counted as income or assets when determining eligibility or benefit amounts for California means-tested public assistance programs and state financial aid. Upon withdrawal, the funds would be treated as a lump sum under applicable program rules. This treatment is consistent with the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) Children's Trust Account Program. This provision takes effect July 1, 2026, or when automation has concluded.

**CalWORKs Rate of Homelessness**

The final budget agreement did not include the Two-Party Agreement's trailer bill language proposal, at this time. The trailer bill would have required CDSS to conduct ongoing analysis of homelessness and housing instability among CalWORKs families, including the use of existing CalWORKs housing and homelessness services.

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The final Budget includes \$1.63 billion TF in FY 2026-27 for the Single Allocation, which reflects an increase of \$3.6 million TF compared to the augmented allocation for FY 2025-26 and an increase of \$12.3 million TF relative to May Revision. The increase relative to FY 2025-26 reflects a decrease in the Shared Eligibility shift, offset by slower Employment Services caseload growth than previously projected. The final Budget restores duplicate savings the State assumed in FY 2026-27 for the Transforming CalWORKs Initiative, which were already accounted for in counties' FY 2025-27 allocations. The final Budget maintains \$12.3 million TF in the Single Allocation in FY 2026-27, which is included in the \$1.63 billion estimate. Once CDSS releases its final budget detail documents—a further breakdown will be shared by CWDA in its Allocation Summary.

**CHILD CARE AND EARLY EDUCATION****Child Care Slots**

The final budget agreement includes the Two-Party Agreement proposal to add an additional 22,770 new slots for the General Child Care program.

**Child Care Prospective Payments**

Consistent with the May Revision, the final budget agreement eliminates proposed funding and related provisions for implementing prospective payments in child care and preschool programs. California had been preparing to shift from reimbursement-based payments to prospective payments under federal policy issued by the Biden Administration. However, states are requesting additional federal guidance due to uncertainty about how the rule will be implemented under the Trump Administration.

**CHILD WELFARE / FOSTER CARE / ADOPTION ASSISTANCE****Emergency Response Services**

The final budget agreement provides a one-time \$20 million General Fund appropriation for counties to maintain and increase Emergency Response (ER) staffing capacity. The funding is available through June 30, 2028 and is intended to enhance existing ER services to ensure timely responses to reports of child abuse, neglect, or exploitation, reduce entries into foster care where possible and appropriate, reduce the disproportionate representation of children of color entering foster care, promote kin-based care, and strengthen families through connections to community-based resources. The bill language also requires annual reporting to the Legislature on key Emergency Response metrics to support continued legislative

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oversight.

**Flexible Family Support Extension**

The final budget agreement adopts an extension of the availability of Flexible Family Supports for Home-Based Care to June 30, 2028. The extension applies to both the FY 2022-23 and FY 2023-24 allocations of \$50 million Flexible Family Supports funds that were provided to counties in each of those fiscal years.

**Title IV-E Stipend Program**

The final budget agreement provides an additional \$4.5 million on a one-time basis from the Behavioral Health Services Act (BHSA) to the Department of Health Care Access and Information (HCAI) to supplement the Administration's proposed \$18.4 million for the Title IV-E Stipend Program, which provides educational stipends to Master's and Bachelors of Social Work students in exchange for a commitment to work in a county child welfare agency upon graduation. The additional funding fills a gap that would have otherwise limited the program to existing student enrollments, enabling new students to receive stipends and preventing a disruption to future enrollment in the program.

**Foster Family Agency Insurance**

The final budget agreement did not include a broad coalition proposal, led by the California Alliance of Child and Family Services and supported by CWDA, for an additional \$30 million in one-time funding to address the ongoing FFA insurance crisis and preserve placement capacity for children and youth to continue offsetting higher liability insurance costs for foster family agencies (FFAs). Last year's final FY 2025-26 State Budget included a one-time investment of \$31.5 million (\$23 million General Fund) over two years to help stabilize FFAs. According to the California Department of Social Services, approximately \$24 million was awarded to 119 FFAs in round one funding in the fall of 2025, and another \$1.8 million was awarded in round two this spring, leaving approximately \$5.7 million remaining through June 30, 2027.

**Adoption Assistance Program (AAP) and Wraparound**

The Administration proposed TBL to enact changes to the use of AAP funding for adoptive children residing within California. The final budget agreement adopts modified TBL that includes the following:

- Delays implementation to January 1, 2028 rather than July 1, 2027 as originally proposed by the Administration.

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- Retains the Administration’s original proposal to limit the time that AAP payments for adoptive children in facilities licensed as Short-Term Residential Treatment Programs (STRTPs) can be made to 12 cumulative months.
- Allows for a one-time, six-month cumulative extension upon documentation by a psychiatrist or physician that the STRTP services are benefiting the child and the child requires additional services in the STRTP.
- Specifies the payment level for AAP placements in STRTPs and for wraparound to be equal to the Tiered Rate Structure (TRS), upon implementation of the TRS. Specifically, STRTP and wraparound rates would equal the Tier 3+ care and supervision rate, Tier 3+ administration rate, and Tier 3+ Immediate Needs rate. The legislation specifies those rates would be implemented subject to CalSAWS and CWS-CARES automation readiness.
- Requires CDSS to develop a curriculum, for optional use by counties, to inform and educate adoptive families prior to adoption finalization, no later than January 1, 2028.

***Transition Support for AAP Youth Returning from Out-of-State:*** Additionally, the final budget agreement adopted a joint proposal by CWDA and the Youth Law Center to ensure former foster children supported through the AAP program, who are returning from out-of-state residential care facilities as a result of the passage of TBL in 2025 ([AB 118](#)), receive transition support from the State. The final budget adopts CWDA/YLC proposed TBL and one-time funding from unspent Child-Specific Complex Care funding from FYs 2023-24 and 2024-25, and Complex Care Capacity Building funding that expires on June 30, 2026, for expenditure until June 30, 2028. CDSS has confirmed a minimum of \$5 million is available for expenditure for these purposes.

The following elements as proposed by CWDA and YLC are included in the TBL:

- **Direct Services and Transition Supports to Adoptive Families:** Requires CDSS to ensure adoptive families have access to coordinated, intensive transition support, by requiring CDSS to directly, or through contract with one or more service providers, to support families by assisting families in identifying needed services, assisting families to access wraparound services, connecting families to mental health services, preferably with a provider who has been trained in adoption competencies, and connect families with Medi-Cal, including CalAIM services.
- **Access to Disability-Based Advocacy:** Requires placing agencies to refer adoptive families to appropriate legal services and advocacy resources to support them with independent advocacy to ensure children receive the services to which they are entitled including Medicaid-funded services and requires CDSS to provide guidance

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to counties to facilitate such referrals.

- **Root Cause Analysis, Outcome Tracking, and Addressing Service Gaps:** Requires CDSS to interview adoptive families on why families utilized out-of-state facilities, including the current status of their adoptive children who returned to California, and to provide this report on January 14, 2028. Further requires CDSS to engage in a stakeholder process to identify the training, services and supports and any gaps that exist and provide the Legislature with recommendations to build capacity no later than August 1, 2028.

**Tribal Foster Care Prevention Program**

The final budget agreement adopts \$2.4 million General Fund on an on-going basis to establish a Tribal Foster Care Prevention Program, for allocation to tribes and tribal organizations to design and implement culturally relevant prevention programs to serve Native American children to prevent foster care entry.

**Court Appointed Special Advocate Program**

The final budget agreement adopts an additional \$20 million for the Court Appointed Special Advocate Program (CASA), available for expenditure through June 30, 2028, and includes budget bill language requiring the Judicial Council to annually report to the Legislature on implementation and outcomes beginning July 1, 2027.

**IN-HOME SUPPORTIVE SERVICES**

**Cost Shift for Growth in Assessed Hours**

The final budget agreement maintains the Legislature’s rejection of a reduction of \$360.3 million General Fund in FY 2026-27 and \$414.7 million General Fund on an annualized basis to shift costs for growth in assessed hours to counties.

**IHSS Backup Provider System (BUPS)**

The final budget agreement maintains the Legislature’s rejection of the elimination of \$3.2 million General Fund in FY 2026-27 and ongoing for BUPS.

**IHSS Residual Program Conformity with Medi-Cal Coverage**

The final budget agreement makes no changes to the IHSS Residual program processes

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and maintains status quo. The Legislature's two-way budget agreement rejected the Governor's proposed automatic termination and adopted placeholder trailer bill language to make improvements to noticing for Medi Cal beneficiaries that also receive IHSS. The previously adopted noticing requirements were not included in budget trailer bill and will be deferred to later in the summer. Previously, the May Revision proposed to conform IHSS Residual program coverage with the timing of Medi-Cal coverage, resulting in automatic termination of IHSS recipients when their Medi-Cal is discontinued due to failure to complete the annual Medi-Cal redetermination.

**Community First Choice Option (CFCO) Late Penalties**

The final budget agreement maintains the agreement made in the 2025 Budget Act to pass-on 100 percent of CFCO late penalties to counties beginning July 1, 2026. Counties are required to perform CFCO reassessments every 12 months; when the State does not meet 100% compliance with timely reassessments, the federal government does not provide the enhanced federal funding match that normally accompanies these cases.

**Medi-Cal Asset Test Limits**

See Medi-Cal section; the action in IHSS confirms with the broader action in Medi-Cal.

**Collective Bargaining Trailer Bill Language**

The final budget agreement includes trailer bill language previously adopted in the Legislature's two-party agreement. The language clarifies that counties have 90 days to reach agreements with employee organizations after the release of recommended settlement terms by a fact-finding panel. If an agreement is not reached, penalties will be imposed after 90 days. The language appears to address a gap in existing law intended to support collective bargaining.

**For-Profit Advocacy Organization Rules Trailer Bill Language**

The final budget agreement maintains the Legislature's deferment of language defining rules for for-profit advocacy organizations to the policy process. If adopted, the language would have established a maximum fee these organizations could charge IHSS recipients and applications and permitted the state to suspend and penalize organizations for malpractice.

**STATE BUDGET UPDATE #4 | FINAL 2026-27 BUDGET AGREEMENT****ADULT PROTECTIVE SERVICES (APS)****Elimination of the AB 135 APS Expansion**

The final budget agreement maintains the Legislature's rejection of the May Revision proposal to eliminate \$70 million General Fund in FY 2026-27 and ongoing to reverse the expansion of APS adopted in the 2021 Budget Act.

**HOUSING AND HOMELESSNESS****CDSS-Administered Housing Programs**

Consistent with the Legislative Two-Party Agreement, the final budget agreement provides \$100 million one-time General Fund for CDSS-administered housing programs in FY 2026-27. The final agreement distributes funding across all four programs, including the CalWORKs Housing Support Program, as indicated below. All additional funds, including reappropriated funds, are available through June 2028.

- Home Safe Program: \$50 million one-time General Fund.
- Housing and Disability Advocacy Program: \$25 million one-time General Fund.
- Bringing Families Home Program: \$15 million one-time General Fund.
- CalWORKs Housing Support Program: \$10 million one-time General Fund, plus authority to use previously unspent funds set to expire June 30, 2026, in FY 2026-27. At this time, CDSS estimates approximately 35 million might be available for reappropriation.

**CALFRESH****CalFresh Match Waiver**

The final budget agreement includes CWDA-sponsored trailer bill language providing temporary fiscal relief to counties in response to the significant increase in county CalFresh administrative costs resulting from H.R. 1. Under H.R. 1, the federal share of CalFresh administrative costs is reduced from 50 percent to 25 percent beginning October 1, 2026, increasing the county share of nonfederal administrative costs from 15 percent to 22.5 percent. Specifically, the trailer bill:

- Caps the county share of CalFresh administrative costs for FY 2026-27 through FY 2028-29 at the lower of a county's FY 2024-25 contribution or the amount required

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to receive its full General Fund allocation under the Budget Act of 2024 (Chapter 35 of the Statutes of 2024).

- Provides that once a county reaches its capped contribution amount, it will receive its full General Fund allocation for CalFresh administration for that fiscal year.
- Nothing precludes a county from expending beyond this minimum contribution level, if it so chooses.
- Waives the county match requirement for the \$20 million General Fund ABAWD Readiness allocation in CFL 25-26-78, available until June 2027.
- Restores the statutory cost-sharing framework beginning July 1, 2029, following the three-year waiver period.

CWDA advocated extensively for this proposal as a key component of the association's response to the significant county fiscal impacts of H.R. 1. The adopted trailer bill provides three years of fiscal relief while preserving counties' ability to receive their full General Fund administrative allocation.

### **CalFresh County Administration Funding**

The final budget agreement provides a one-time \$223 million General Fund augmentation (eligible for federal funds drawdown) in FY 2026-27, with multi-year spending authority, through June 30, 2029. This funding is intended for implementation of the time limit for Able Bodied Adults without Dependents (ABAWDs) under H.R. 1. This funding is contingent on a new transparency framework (see next section) for counties to provide CDSS data and regular reporting to monitor effective H.R. 1 implementation, in consultation with CWDA.

The \$223 million investment partially restores the year-over-year reduction in CalFresh administration funding due to projected caseload declines, which equated to a \$42.9 million General Fund decline between FY 2025-26 augmented allocation to FY 2026-27 projected allocation. As such, it can be thought of as a net increase of \$180 million General Fund above base funding levels.

There is no estimated impact to counties as a result of the SNAP State Administrative Expense (SAE) for FFY 2025 as the federal government recently approved the Administration's request for \$52.9 million federal funds. The Administration will submit a subsequent request for FFY 2026.

**STATE BUDGET UPDATE #4 | FINAL 2026-27 BUDGET AGREEMENT****CalFresh Data Transparency and Reporting**

The final budget agreement includes a CalFresh data transparency provision requested by the Administration. It allows CDSS in consultation with counties, CWDA, labor representatives, CalSAWS, and other stakeholders, to use available data to assess CalFresh service delivery, monitor the impact of administrative funding, support technical assistance, and help mitigate the effects of federal policy changes on clients, counties, and the state. The provision directs CDSS to rely on existing data whenever possible, work with counties and stakeholders to define needed information and reporting processes, and requires county welfare departments and CalSAWS to provide requested data within 60 days, unless an extension is granted, when the information is available and legally shareable.

Because this provision was not included in the May Revision, there was limited time for stakeholder engagement. CWDA advocated for county consultation to help define the information needed, including any data CDSS does not already have, since those details are not specified in statute.

**CalFresh Fruit and Vegetable Pilot Extended**

The final budget agreement provides an additional one-time \$20 million General Fund in FY 2026-27 to continue the CalFresh Fruit and Vegetable pilot, which now sunsets June 30, 2028. This allocation will allow the program to continue beyond January 1, 2027, the previous sunset date.

**CalFresh and CFAP Overissuance Recovery**

The final budget agreement includes trailer bill language changing how CalFresh and CFAP overissuance claims are recovered when both arise from the same error or intentional program violation. Beginning October 1, 2027, or when the provision becomes operative if later, households receiving both benefits will have the CalFresh overissuance recovered first. CFAP recovery will begin only after the CalFresh claim has been fully repaid, rather than collecting both claims at the same time.

**CalFood Funding**

Consistent with the Two-Party Agreement, the final budget agreement provides a one-time \$100 million General Fund investment for the CalFood program. This brings total FY 2026-27 CalFood funding to \$108 million General Fund, including the program's \$8 million ongoing base allocation.

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**CalFresh Performance Measurement County (PMC) Payment Error Rate Hold-Harmless**

The Legislative Two-Party Agreement included placeholder trailer bill language for CWDA’s sponsored proposal to hold counties harmless for performance errors outside their control related to pre-H.R. 1 financial sanctions for PMC counties. The proposal, which was intended to reduce county administrative burden by minimizing the appeals process, was not included in the final budget.

Before the budget was finalized, states were notified of their FFY 2025 payment error rates and California’s rate was 10.93 percent, compared to the national rate of 10.62 percent. Because California’s rate did not exceed 105 percent of the national rate, California’s FFY 2025 performance will not count as a sanction year. This likely reduced the urgency to secure this proposal in the final budget agreement.

**Disaster CalFresh Waiver Request**

The Governor’s Budget included trailer bill language that would have allowed the state to decide not to request Disaster CalFresh and relevant federal waivers. Currently, CDSS is required to seek Disaster CalFresh and all waivers following a presidential major disaster declaration. CDSS withdrew this waiver request following push back from advocacy organizations.

**AUTOMATION**

The final budget agreement approves funding proposals from the May Revision (covered in CWDA Budget Update #2), and supported in the Legislature’s Two-Party Agreement, where the key automation projects appear to be funded at the levels needed to proceed as expected, with significant changes as noted below, based on the information currently available.

**California Food Assistance Program (CFAP) Changes, called CFAP Plus (CFAP+)**

The final budget agreement does not include the \$5 million General Fund proposed by the legislature for one-time automation of California Food Assistance Program (CFAP) changes to mitigate the harms of H.R. 1, called CFAP Plus (CFAP+) that we described in our last update.

**California Health and Human Services Data Exchange Framework (DxF)**

The final budget agreement includes language to clean up existing law to conform with the transfer of the Data Exchange Framework from the Center for Data Insights and Innovation

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(CDII) to the Department of Health Care Access and Information (HCAI) that was initiated by SB 660. This includes transferring requirements in existing law to collect data and publish reports on the quality of care and patient experience. Of note to counties while social services are not mandatory participants in DxF the scope of data collection and reporting in existing law does include ‘access to social services programs’ and enumerates ‘county health care programs’ in the definition of health coverage programs. CWDA will continue to monitor and engage with HCAI as this effort is implemented.

**Medi-Cal Renewal Data Sharing with Managed Care Plans**

The final budget agreement includes trailer bill language to codify that the Department of Health Care Services (DHCS) will provide managed care plans (MCPs) with Medi-Cal redetermination data to support the plans’ outreach efforts.

**ADDITIONAL RESOURCES**

The following are selected budget and trailer bills of interest:

- [AB 109](#) - Main Budget Bill (passed by Legislature in mid-June)
- [AB/SB 111](#) - Budget Bill Jr. (amends main budget bill to reflect final budget agreement)
- [SB/AB 112](#) - Budget Bill Jr. for Budget Acts of 2022, 2023, 2024, and 2025
- [AB/SB 152](#) - Human Services Trailer Bill
- [AB/SB 164](#) – Health Trailer Bill