



FOR IMMEDIATE RELEASE

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LeadingAge California Statement on the Governor's May Revision: FY 2026–27 State Budget

Sacramento, CA —LeadingAge California strongly opposes the harmful cuts and funding eliminations proposed in the Governor's May Revision, which would undermine critical supports for older Californians, people with disabilities, and the nonprofit safety net providers who serve them. While we recognize the state's fiscal challenges, balancing the budget by reducing investments in programs that prevent homelessness, institutionalization, and health deterioration will only increase long-term costs and harm vulnerable residents.

Affordable Housing

The May Revision fails to make necessary investments in affordable housing for older adults. It includes no new funding for the Low-Income Housing Tax Credit or Multifamily Housing Program, which are both essential for developing affordable senior housing. It also omits funding for the Home Safe Program and holds Homeless Housing, Assistance, and Prevention (HDAP) funding flat at \$25 million, despite rising demand.

In-Home Supportive Services (IHSS)

We are deeply concerned by proposed reductions to IHSS, a cornerstone program that enables older adults and people with disabilities to remain safely in their homes. Proposals to shift hours-growth costs to counties and align IHSS termination with Medi-Cal termination would disrupt continuity of care, create new administrative barriers, and strain local systems.

Medi-Cal Asset Limit

We strongly oppose the proposal to reinstate a \$2,000 Medi-Cal asset limit for older adults and people with disabilities. This policy would penalize modest savings and could result in significant loss of coverage, undermining one of the most important affordability improvements achieved under the Master Plan for Aging.

CalAIM

Future eligibility refinements to CalAIM Community Supports and Enhanced Care Management (ECM) raise serious concerns. These changes, along with continuing variability in plan implementation, are creating access challenges for older adults—particularly those with complex needs who do not fit neatly into narrower targeting categories. Without careful course correction, these refinements risk weakening continuity of care and limiting the effectiveness of community-based alternatives.

Program of All-Inclusive Care for the Elderly (PACE)

The May Revision also proposes a rate cap on the PACE, threatening a proven model that keeps frail older adults out of nursing facilities.

LeadingAge California urges the Legislature to reject these proposals and instead advance a budget that protects and strengthens the systems older adults rely on. Specifically, we call on the Legislature to reject the Medi-Cal asset limit, preserve IHSS services, protect PACE rates, restore funding for Home Safe, increase HDAP funding, invest in affordable senior housing, and address access challenges that will occur with the weakening of CalAIM.

California's aging population is not a temporary budget pressure, it is a defining demographic reality. Reducing access to housing, care, and services will only shift costs downstream and erode the state's commitment to aging with dignity, stability, and care.

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About LeadingAge California

Founded in 1961, LeadingAge California is the Western Region's leading advocate for mission-driven housing, care, and services for older adults, with over 800 members across the California, Hawai'i and Nevada, including providers of affordable senior housing, residential care facilities for the elderly (assisted living), life plan communities, skilled nursing care, home and community-based services, home health, and hospice care.