

Exhibit 1. Estimated state General Fund budget impacts of increases in the minimum wage for health care workers, Fiscal Year 2025 (2024 dollars)

State costs	
+ Up to \$218 million	Hypothetical maximum increase in Medi-Cal payments to affected health sectors other than SNFs; no requirements in law to adjust payments, cost depends on how state chooses to adjust provider or managed care rates
+ \$128 million	Increased SNF reimbursement if minimum patient care spending law enacted by 7/1/24
+ \$15 million	Increased state costs for higher CalPERS premiums
+ \$7 million	Increased wages for state employees at 12 covered health facilities
State savings	
– Low hundreds of millions	Medi-Cal caseload savings due to the health care minimum wage reducing health care workers and their families' need to rely on Medi-Cal
– Unknown amount	Potential increases in sales and income tax revenue to the extent there is a net increase in federal health care payments to the state
Net state budget impact	
= Up to low hundreds of millions of dollars, depending on state decisions	

Source: UC Berkeley Labor Center analysis. See the Appendix, "Data and methods for estimating the effects of SB 525 on workers and the California budget," <https://laborcenter.berkeley.edu/data-and-methods-health-care-minimum-wage-february-2024/>, for sources and methods.