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The Honorable Robert Rivas
Speaker, California State Assembly

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee

The Honorable Vince Fong
Vice Chair, Assembly Budget Committee

Dear Speaker Rivas, Assembly Member Gabriel, and Assembly Member Fong,

The California State Association of Counties (CSAC), proudly representing all 58 of California's counties, remains committed to partnering with the Legislature and the Governor's Administration to collectively address the budget problem in the best interests of California's vulnerable populations and to preserve core services.

Given the magnitude of the budget problem, we acknowledge that none of the choices before the Legislature are easy. County leaders are prepared to engage in tough conversations on spending cuts to ensure that the most critical priorities are maintained. As the state and county budgets are woven together, county leaders know that the state will need county expertise and ground truth from their primary intergovernmental partner to balance the budget in a manner that meets our collective responsibility for the safety and wellbeing of all Californians. Together, we can forge a path to a prudent and realistic budget that lives within our means but does not eliminate crucial services.

Counties believe that budget priorities should begin with the protection of services that fundamentally protect the most vulnerable members of our communities and preserve the quality of life for all Californians.

We are concerned about the breadth of cuts to critical social safety net programs, public health infrastructure, and workforce development. The need for fiscal prudence to address the budget problem in this and the next few fiscal years is clear, however, it is certain that counties' ability to deliver services and programs relied upon by Californians would be severely impaired if the Administration's proposed cuts are enacted. Even if these cuts are made in the interest of balancing the budget, the critical demands for these programs and services will remain.

In addition to the individual letters that the budget subcommittees will receive regarding specific budget proposals, we respectfully offer the following comments to inform budget conversations in the coming days and weeks:

Counties Deliver Core Services

Fundamentally, county core services are the guaranteed minimum level of service required to create a functional place to live where residents are able pursue a fulfilling life. To this end, counties are directly responsible for, at a minimum, ensuring vulnerable populations have access to health and medical resources, providing for public welfare,

and public safety. As the front-line service-delivery entities, counties are best positioned to engage in productive conversations with the Legislature and the Administration regarding which budget reductions will have the greatest impact on the safety and overall quality of life of Californians.

Public Programs Need Public Servants

State lawmakers' and county supervisors' shared constituency is every single Californian and every square inch of our state. Today, and for decades past, counties have delivered the Legislature's priorities for our shared constituency. Simply put, counties provide the on-the-ground staff and brick-and-mortar facilities necessary to carry out the state's programs. We note that when the terms "county overhead" and "county administration" are used during budget reduction conversations, this directly refers to our county public servants who are directly responsible for delivering public services. The county workforce, particularly the administrators of social services and county public health workforce, are the means by which services are provided. We value our front-line public servants that have dedicated their careers to:

- Connecting vulnerable families with housing support, child care, assistance finding employment, job-related training, and other essential assistance;
- Counseling and support for victims of domestic violence;
- Intervention of child abuse and neglect;
- Treatment and rehabilitation for alcohol and substance use disorders;
- Mobile crisis response for emergency calls for individuals experiencing mental health crises;
- Increasing food budgets and nutrition for low-income households;
- Providing resources and financial assistance for refugees, immigrants, survivors of human trafficking, disaster victims, and others;
- Responding to emergencies like wildfires and flooding;
- Preventive oral health services for children; and
- A myriad of other services necessary to keep communities safe and thriving.

Counties are committed to maintaining a service-oriented culture that fosters trust and partnership between the county workforce and the community. We urge the Legislature to reject the Administration's proposals that reduce the county workforce or otherwise reduce the capacity or local public servants to effectively perform the jobs outlined above and meet the public's expectations for safety, health, and overall quality of life. In short, reductions to CalWORKs, county welfare services, disabled veterans' programs, and public health unravels services to our most vulnerable residents. Effectively gutting "administration" of safety net programs virtually guarantees higher rates of homelessness and delays in receiving assistance, shutting out services to thousands.

Preserve Safety Net Programs

CSAC is strongly opposed to the May Revision cuts that impact core safety net services. Individuals and families are at risk of falling further into poverty if these funding reductions and program eliminations are enacted. The proposed cuts to CalWORKs, Foster Care, Adult Protective Services, and other human services programs will have detrimental impacts to the services that vulnerable Californians rely on every day. Families, older adults, foster youth, and other individuals will lose access to immediate crisis services, housing support, job training, and other core services that are essential for positive outcomes. Cascading effects will likely include higher rates of poverty (especially for former foster youth), homelessness will become a reality for individuals and families on the verge of homelessness without access to preventative

programs, and those already experiencing homelessness having less access to means to transition to supportive housing. California leads the nation in providing a robust range of life-saving social services and counties are proud to administer these programs on behalf of the state. Unfortunately, these cuts will exacerbate challenges counties are facing to operate programs, hire and retain staff, and meet required mandates for enrolling individuals and providing access to services. CSAC urges you to not balance the budget on the backs of the most vulnerable Californians, but instead preserve the state's safety net.

Maintain Investments in Homelessness Programs

CSAC is strongly opposed to the May Revision cuts for homelessness programs. The \$260 million cut to the Homeless Housing, Assistance and Prevention (HHAP) program, along with the failure to provide ongoing funding or a Round 6 of funding, will have devastating impacts on local homelessness response efforts. The flexible nature of the program allows it to fund a broad range of homelessness prevention and response programs, many of which are not able to be replaced with new or existing funding streams that can only be used for certain populations. Counties will be forced to reduce services, housing, and support for thousands of clients who are utilizing services and rental support to stay housed. The numerous social services homelessness programs that are proposed to have funding cut are effective at preventing homelessness and securing permanent housing for the state's most vulnerable populations. The proposed cuts will make it more difficult for foster youth, older adults, and individuals with disabilities to stay housed. CSAC remains committed to the [AT HOME](#) Plan that outlines the development of a comprehensive homelessness response system and new accountability measures are just going into effect. While the state's homelessness funding programs are successfully transitioning individuals into permanent housing, the inflow into homelessness continues to outpace our collective efforts due to an escalation in the cost of living and a severe lack of affordable housing. Now is not the time to pull back on the commitment to these programs, but rather to maintain and strengthen our investments.

Investments in Our Future

While the Administration argues that their proposed cuts no longer "kick the can down the road," these cuts will create future budget problems for lawmakers to address, exacerbating existing budget deficits in the out years, while directly harming our communities and limiting their opportunities to thrive. These cuts will create a public debt that will require future public resources to address. In the interest of our shared future, we request that the Legislature consider maintaining prudent investments, including:

Protect Critical Investments in Public Health

Local health departments supported by a well-trained workforce are the first line of defense against public health threats. CSAC requests the rejection of the May Revision budget proposal to fully eliminate the "Future of Public Health" investment of \$300 million ongoing General Fund, of which \$200 million is dedicated to local health departments for workforce, infrastructure, prevention, infectious disease control, and emergency preparedness activities. Such a significant reduction, just as counties are effectively rebuilding capacity after the pandemic (more than 900 positions have been filled utilizing these funds) will make it extremely difficult to adequately respond to emerging public health needs. CSAC respectfully requests consideration of the potentially greater future costs and long-term impacts associated with the elimination of these critical investments.

Proposition 1: Behavioral Health Services Act: Initial Funding for County Implementation
CSAC appreciates the inclusion of initial funding of \$85 million (\$50 million General Fund) in the May Revision for counties to begin planning and implementation of the provisions of Proposition 1, which makes significant reforms to the state's behavioral health system.

Notably, it appears no ongoing funding is currently included for county costs to annually administer the new and expanded planning, data collection, and reporting requirements.

Pursuant to Welfare and Institutions Code section 5963(c), however, the following costs shall be included in the Governor's 2024-25 May Revision:

- New and ongoing county and behavioral health agency administrative costs to implement Article 2 (behavioral health planning and reporting) and WIC section 14197.71 (aligning county behavioral health plans and Medi-Cal managed care plan contract requirements);
- Any costs for plan development required under the Article that exceed the 5% administrative cap; and
- Any costs for reporting required by Article 2 that exceed the 2% cap (4% for small counties) for improving plan operations.

CSAC acknowledges the Proposition 1 budget proposal reflects very early and limited consultation by the Administration with our association to develop the initial and ongoing impacts of this complex initiative due to tight time constraints given the delayed results confirming voter approval of Proposition 1 and the fact that numerous policy criteria and processes have yet to be developed. Given these challenges, we look forward to future engagement with the Legislature and the Administration as the details of the budget are deliberated and finalized to ensure counties are provided with the support necessary to successfully implement the new and ongoing requirements.

At the end of the day –

Counties appreciate the continued engagement to strengthen state and local relationships, and to realize the opportunities to safeguard fiscal resources to best support the people we collectively serve. Should you have any questions regarding the information outlined in this letter, please do not hesitate to contact us.

Respectfully,



Graham Knaus
Chief Executive Officer

CC: Honorable Members, Assembly Budget Committee
Jason Sisney, Budget Director, Office of Assembly Speaker Robert Rivas
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joe Shinstock, Fiscal Director, Assembly Republican Caucus
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