January 29, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

The California State Association of Counties (CSAC), proudly representing all 58 of the state’s counties, stands ready to work with your administration to collectively address the budget problem in the best interests of California’s vulnerable populations and to preserve core services.

Today, and for decades past, counties have delivered the state’s priorities. As you know from your experience in local governance, counties in California serve a unique role in providing both state and local government services including behavioral health services, public health care, conducting elections, and managing local resources. Counties provide the staff and brick-and-mortar facilities necessary to carry out the state’s programs. Increasingly, as the impacts of a changing climate are intensified, counties are compelled to manage emergency responses for floods and wildfires. As the state and county budgets are woven together, close collaboration and partnership are the only way to achieve our shared goals.

CSAC appreciates the provisions of the 2024-25 Governor’s Budget that maintain important recent investments, particularly for behavioral health and public health. It is clear that your administration has taken care to consider the impacts of state budget reductions on California’s residents and aimed to prioritize the least painful cuts. Nonetheless, some of the proposed budget-balancing solutions would have negative impacts on core state services delivered by counties.

We acknowledge the considerable work ahead and the difficult decisions that will be weighed throughout the budget development process. To prepare a budget that best supports vulnerable populations and preserves essential core services, it is critical to prioritize the needs of the services that protect our vulnerable populations, nearly all of which counties deliver on behalf of the state. Counties are the primary intergovernmental partner with the state in meeting the needs of California’s communities, and the state will need county expertise and ground truth in making difficult decisions.

To this end, CSAC submits the following comments regarding the 2024-25 Governor’s Budget to inform budget conversations throughout the spring and summer:
Homelessness
CSAC remains committed to partnering with your administration to address the state’s homelessness crisis and continues to advocate for a comprehensive homelessness response system as envisioned in our AT HOME plan (Accountability, Transparency, Housing, Outreach, Mitigation & Economic Opportunity). CSAC values your administration’s partnership in 2023 to adopt accountability measures for the Homelessness, Housing, Assistance, and Prevention (HHAP) program that are consistent with the AT HOME plan, including collaborative regional homelessness plans, memorandums of understanding (MOUs) that outline roles and responsibilities for jurisdictions, and joint funding applications that will help further efforts toward the establishment of a comprehensive homelessness response system. While we appreciate that these provisions and many existing homelessness investments are preserved, we are concerned that the 2024-25 Governor’s Budget proposal does not contain ongoing funding for the HHAP program beyond Round 5, as included in the 2023 Budget Act.

It is a fundamental truth that preventing and addressing homelessness is a core California value in perpetuity and is a responsibility shared at all levels of government. We know the homelessness crisis is not temporary and remain steadfast in our belief that a permanent homelessness program with ongoing funding is essential to allow counties, cities, and other entities receiving funding linked to responsibilities, to make multiyear investments to serve unhoused individuals, prevent more individuals from experiencing homelessness, and achieve the goals of regional plans that all counties are currently developing. We look forward to continuing discussions about the need for sustainable homelessness funding and accountability for all levels of government.

Safety Net Services
During times of economic hardship, our state must prioritize safety net services relied upon by our vulnerable residents. If these services are cut, needy families and individuals will risk falling further into poverty. While CSAC is grateful that 2024-25 Governor’s Budget proposal preserves some recent safety net investments, we have significant concerns with the proposed cuts and program eliminations within CalWORKs and foster care. These proposals will have detrimental impacts on services that help foster youth maintain housing, support individuals in obtaining employment, and provide immediate response and support for families in times of crisis.

Housing
We cannot address the cycles of persistent homelessness or prevent vulnerable residents from falling into homelessness without building sufficient housing, particularly low-income housing. The $1.2 billion in funding reductions for various housing programs proposed in the 2024-25 Governor’s Budget would hinder our ability to address the cycles of homelessness by reducing resources local government has leveraged to provide housing services to the homeless or to encourage the construction of new housing.

Our advocacy efforts for housing will be guided by CSAC’s AT HOME plan and county housing priorities. To make meaningful progress in addressing homelessness and housing affordability, it is vital to maintain funding for housing programs that support county efforts
to house homeless and at-risk individuals. To make long term progress on housing availability, the Infill Infrastructure Grant, which supports the infrastructure needed for the construction of new housing, must be continued.

**SB 1383 Organic Waste Diversion Implementation**
The reduction in funding for climate programs in the 2024-25 Governor’s Budget includes cuts and shifts which undermine the faithful and diligent work that local government has done to carry out the state’s organic waste diversion priorities. Since the passage of **SB 1383 (Lara, Statutes of 2016)**, which aims to reduce emissions of short-lived pollutants, counties and cities have faced expensive logistical barriers to meet the state’s organic waste goals, while balancing increased costs to California’s ratepayers.

The scope and complexity of the SB1383 regulations have had extensive impacts on county budgeting, infrastructure, operations, and services, requiring multi-departmental and regional involvement. The success of local implementation of these regulations will have far-reaching impacts on waste reduction, reducing methane emissions, and overarching benefits to the climate and our communities. However, reaching these goals is difficult, if not impossible, without continued support of, and proper investments in, local government. Absent continued investment from the state, the progress made toward achieving waste diversion will stall, confidence in meeting state climate goals will erode, and ratepayers will be left with the bill.

We look forward to working together to achieve a prudent budget plan that safeguards core services and enables counties to continue in their responsibility to support all Californians.

Respectfully,

Graham Knaus
Chief Executive Officer

CC: Dana Williamson, Chief of Staff, Office of the Governor
    Jason Elliott, Deputy Chief of Staff, Office of the Governor
    Christy Bouma, Legislative Affairs Secretary, Office of the Governor
    Ann Patterson, Cabinet Secretary, Office of the Governor
    Joe Stephenshaw, Director, California Department of Finance
    Erika Li, Chief Deputy Director of Budgets, California Department of Finance