



August 12, 2024

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The Honorable Buffy Wicks
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

**RE: Consideration of Fiscal Impacts for County Governments
Assembly Appropriations Committee Hearing: Thursday, August 15, 2024**

Dear Assemblymember Wicks,

The California State Association of Counties (CSAC), proudly representing all 58 of California's counties, writes to share the county perspective on pending legislation before your committee. We acknowledge the considerable work ahead as you consider hundreds of measures before the 2023-2024 Legislative Session comes to a close, and the particular weight of those decisions in a budget deficit year.

This year's bills are next year's budget. As we emphasized earlier this year, the state and county budgets are woven together. Legislation that affects the state will, in turn, affect the bottom line for county governments. In addition to the individual letters that you have received regarding specific legislation, we respectfully offer the following comments and county positions for your consideration:

Counties Balance Past, Present, and Future Obligations

California's counties implore you to consider every bill before the committee through the lens of its unique impacts on California's local governments, the historical context, and to consider both the longstanding and recently enacted policies that each new bill will affect, or potentially disrupt. We remain committed to close collaboration and partnership to achieve our shared goals and serve Californians.

Below are notable programs that counties are diligently carrying out on behalf of the state. At this critical moment in time, California's counties share a common concern that more requirements or new programs may dilute the power and focus of already limited county resources to successfully implement the following programs and new initiatives:

- SB 43 (Eggman, 2023) Lanterman-Petris Short Act Expansion
- SB 272 (Laird, 2023) Local Coast Plans: Sea Level Rise Predictions
- SB 525 (Durazo, 2023) Increased Minimum Wage for Health Care Workers
- SB 1383 (Lara, 2016) Organic Waste Diversion and Short-Lived Climate Pollutants
- Community Assistance, Recovery and Empowerment (CARE) Act
- Proposition 1: Revisions to the Mental Health Services Act
- CalAIM: Medi-Cal Transformation
- California Air Resources Board Advanced Clean Fleets Regulations
- Realignment of the Division of Juvenile Justice and Juvenile Justice Reform

As you consider what legislation may be chaptered this fall, please consider the growing layers of county responsibility and the need to focus on the success of recent initiatives at a time of dwindling resources.

Counties urge you to reject any new state-mandated local programs.

According to the State Controller's Office's state-mandated program cost report of unpaid claims and deficiencies, the state owes local governments nearly \$1 billion as of April 2024 for work conducted and costs incurred to comply with state-mandated programs.¹ Notable state-mandated local programs that comprise part of the backlog of payments for work counties continue to complete and fund locally includes providing vote-by-mail ballots, testing of sexual assault evidence kits, and behavioral health crisis training for law enforcement. Every bill that is passed that imposes a state-mandated local program could increase the backlog of unpaid reimbursement claims owed to local governments, as mandated programs are not eligible for reimbursement until years after the mandate has been signed into law.

Zooming Out: California Exists Within the National Context

County elections officials will be managing the contentious and labor-intensive presidential election in November 2024. We have also seen the toll that polarization and distrust in government has taken on our county workforce. Concurrently, counties will be in the second quarter of the 2024-25 fiscal year, implementing the state's priorities included in the 2024 Budget Act, and preparing to implement recently chaptered legislation after the close of the 2023-2024 Legislative Session. Often, California counties are in a dual position of implementing newly chaptered programs and dedicating enough time and resources to ensure a safe and secure election. Every bill that is passed that adds new or increased levels of responsibility for counties without commensurate fiscal support impacts the ability to carry out critical, foundational county functions.

Authorize Loan Forgiveness Authority for the State: SB 1032 (Padilla) ([Sponsor letter](#))

CSAC is proud to sponsor SB 1032, which would give the Housing and Community Development Department (HCD) the authority to forgive specific legacy loans, per HCD's discretion, if a non-profit borrower demonstrates that the loan is impeding the ability to maintain and operate the project for affordable housing or senior housing.

In a high number of cases, local housing agencies that would benefit from loan forgiveness serve as the primary affordable housing providers in their regions. Without loan forgiveness, many impacted housing agencies will default on these loans, effectively increasing the possibility that a housing agency will need to close affordable housing sites which serve the most vulnerable residents of their communities. We know this will ultimately lead to more homelessness across the state. SB 1032 will preserve existing units of affordable housing with no real cost to the state, at a time when building new affordable housing units comes with astronomical costs.

¹ [SCO: State-Mandated Program Cost Report of Unpaid Claims and Deficiencies - April 2024](#)

Additionally, counties are opposed to, oppose unless amended, or have concerns regarding the following legislation:

SB 399 (Wahab) Employer communications: intimidation.

SB 610 (Wiener) Fire prevention: wildfire mitigation area: defensible space: State Fire Marshal. *Concerns.*

SB 1057 (Menjivar) Juvenile justice coordinating council.

SB 1205 (Laird) Workers' compensation: medical treatment.

Lastly, counties support the following legislation:

SB 37 (Caballero) Older Adults and Adults with Disabilities Housing Stability Act.

SB 366 (Caballero) The California Water Plan: long-term supply targets.

SB 440 (Skinner) Regional Housing Finance Authorities.

SB 620 (McGuire) Low-impact camping areas.

SB 768 (Caballero) California Environmental Quality Act: Transportation Agency: vehicle miles traveled: study.

SB 895 (Roth) Community colleges: Baccalaureate Degree in Nursing Pilot Program.

SB 972 (Min) Methane emissions: organic waste: landfills.

SB 983 (Wahab) Energy: gasoline stations and alternative fuel infrastructure.

SB 1046 (Laird) Organic waste reduction: program environmental impact report: small and medium compostable material handling facilities or operations.

SB 1064 (Laird) Cannabis: operator and separate premises license types: excessive concentration of licenses.

SB 1066 (Blakespear) Hazardous waste: marine flares: producer responsibility.

SB 1077 (Blakespear) Coastal resources: local coastal program: amendments: accessory and junior accessory dwelling units.

SB 1101 (Limón) Fire prevention: prescribed fire: state contracts: maps.

SB 1143 (Allen) Household hazardous waste: producer responsibility.

SB 1159 (Dodd) California Environmental Quality Act: roadside wildfire risk reduction projects.

SB 1175 (Ochoa Bogh) Organic waste: reduction goals: local jurisdictions: waivers.

SB 1187 (McGuire) Housing programs: Tribal Housing Reconstitution and Resiliency Act.

SB 1261 (Alvarado-Gil) Horse racing: state-designated fairs: allocation of revenues: gross receipts for sales and use tax.

SB 1280 (Laird) Waste management: propane cylinders: reusable or refillable.

SB 1319 (Wahab) Skilled nursing facilities: approval to provide therapeutic behavioral health programs.

SB 1322 (Wahab) Foster youth: Chafee Educational and Training Vouchers Program.

SB 1390 (Caballero) Groundwater recharge: floodflows: diversion.

SB 1396 (Alvarado-Gil) CalWORKs: Home Visiting Program.

SB 1397 (Eggman) Behavioral health services coverage.

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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.

With deep respect,

A handwritten signature in black ink, appearing to read "Jacqueline Wong-Hernandez". The signature is fluid and cursive, with a large loop at the end.

Jacqueline Wong-Hernandez
Chief Policy Officer
California State Association of Counties

CC: Honorable Members of the Assembly Appropriations Committee
Jay M. Dickenson, Chief Consultant, Assembly Appropriations Committee