

May 29, 2025

The Honorable Mike McGuire
Senate President pro Tempore

The Honorable Scott D. Wiener
Chair, Senate Committee on Budget and Fiscal Review

The Honorable Roger W. Niello
Vice Chair, Senate Committee on Budget and Fiscal Review

RE: 2025-26 May Revision Proposal and County Partnership

Dear President pro Tempore McGuire, Senator Wiener, and Senator Niello,

The California State Association of Counties (CSAC), proudly representing all 58 of the state's counties, continues to stand ready to work with the Legislature to refine a budget for 2025-26 that addresses the needs of communities across California. There is no bigger priority for CSAC than to unwaveringly address the challenges of our time and meet our collective responsibility for the safety and wellbeing of all Californians.

CSAC understands that budget solutions, including strategic and thoughtful reductions and fund shifts, are necessary to address the state budget deficit. Counties understand the art of balancing tight resources to provide the best possible outcomes for Californians. As strong and insightful leaders of their local communities, county officials are the best resource to inform budget development conversations in the best interests of our constituents.

CSAC remains deeply concerned about the Administration's choice to under resource counties' efforts to address homelessness and reduce crime. These are not optional programs; they are core to the state's long-term health, safety and stability. Regardless of what we may not see eye-to-eye on, the state and local governments cannot afford to forgo collaboration to reach a consensus on shared responsibility and reliable funding. This is why, yet again, counties are looking to the Legislature to lead on this issue and prioritize resources for the safety and wellbeing of our shared constituency.

To achieve this, CSAC proposes the following appropriations be included in the 2025 Budget Act:

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Homeless Housing, Assistance, and Prevention (HHAP) Grant Program: \$1 billion ongoing

Recent state investments in homelessness that are funding successful local programs are making a difference as the growth in the number of homeless individuals in California has slowed to a pace that is lower than the rest of the nation. This progress is occurring even though an escalation in the cost of living and a severe lack of affordable housing continues to increase the inflow into homelessness. However, without additional funding for the HHAP program, counties will be forced to scale back programs and services that individuals rely on to stay housed and the state's progress will reverse. The only way to build on our current progress and start reducing homelessness is to invest in this priority in an ongoing manner similar to the state's approach for every other major policy area. ***CSAC has developed a comprehensive proposal to address homelessness, with willing counties, cities, and clear responsibilities for all levels of government.***

It is regrettable that one of the most sharp and effective tools in the toolbox to address homelessness, the HHAP program, has been funded in a piecemeal fashion, leaving local governments with no ongoing support to sustain these vital programs. Long-term problems demand long-term solutions. Thus, ***CSAC continues to advocate for an annual commitment of at least \$1 billion appropriation in the state budget for the HHAP program.***

Proposition 36: \$250 million Across County Departments

Implementing Proposition 36 is nondiscretionary, unfunded, and requires robust investments to meet the increased demand on county departments. Without flexible, reliable funding, counties cannot deliver the treatment, staffing, and infrastructure to meet the level of services voters expect. Counties, in addition to nonpartisan organizations across the state, have demonstrated that Proposition 36 is certain to result in an increase in the population under local community supervision, as well as an increase in local court-related workloads. Without dedicated funding, responding to the changes under Proposition 36 will require counties to cut programming and resources already committed to other vital programs.

To that end, ***we urge your consideration of budget requests from our county partner organizations, who are primarily responsible for meeting the will of California voters.*** This includes a range of \$95 million to \$213 million ongoing for behavioral health evaluations, treatment, and staffing; \$47 million ongoing for probation departments to support the courts, conduct individualized assessments, and supervise an expanded caseload; and \$120 million over three years for indigent defense service providers to improve the quality of representation by addressing legal, social, and economic challenges faced by their clients.

Preserve the Social Safety Net

With a downturn in the economy as forecasted in the May Revision, more Californians will need access to Medi-Cal, SNAP, CalWORKs, and other vital social welfare programs. These are the exact entitlement programs that the federal government is targeting for reduction.

While the scale is indeterminate, it is certain that California's fiscal condition will be greatly affected by federal budgeting volatility that will adversely impact critical federally-funded social safety net programs. Underscoring the certainty that these impacts are coming, as The Governor noted earlier this week, federal lawmakers are advancing a proposal that is estimated to "rip health care from up to 3.4 million Californians, cost the state billions, close hospitals and clinics."

On top of this, the May Revision includes budget-balancing reductions that directly affect the health and wellbeing of California's most vulnerable populations, independent from the impending federal actions; reinstatement of the Medi-Cal asset limit for seniors and disabled adults, eliminating supplemental provider payments for dental services, family planning, and women's health services, eliminating the skilled nursing facility Workforce and Quality Incentive Program, elimination of certain benefits and coverage for certain drugs, and more. **It is paramount that California does not pre-cut programs that are already under federal scrutiny and may be further impacted.** An added layer of complexity includes the considerable workload for county staff to administer these state-driven changes and rapidly respond to federal actions. Every moment that county staff spend on administration of policy changes or reactionary adjustments to correspond with federal cuts is time that is foregone from direct service delivery.

Disaster Response and Recovery

In April, CSAC published a comprehensive [disaster preparedness and response advocacy package](#) that calls for enhanced disaster funding, streamlined rebuilding, and stronger preparation. To protect communities from future disasters, including wildfires, floods, extreme heat, and other climate-driven events, state and federal partners must invest in proactive mitigation measures. ***CSAC supports the following strategies to strengthen community resilience and expedite recovery efforts:***

- Expanding programs like the Office of Emergency Services (CalOES) and CAL FIRE Home Hardening Initiative and direct funding to counties beyond bond-dependent measures.
- California Air Resource Board's inclusion of wildfire emissions in its Climate Scoping Plan and support for prioritizing Greenhouse Gas Reduction Fund allocations for wildfire prevention efforts.
- State funding to upgrade local fairgrounds for emergency preparedness and disaster response.
- State funding for dam safety improvements.
- Advanced cost reimbursements through CalOES for projects approved under state or federal disaster declaration.

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

Every year, new mandated activities are added to county operations via legislation, ballot initiatives, and the Budget Act. Today, counties are delivering unprecedented levels of

complex services to support Californians, especially to the state's most vulnerable. New policies and programs that lack sufficient funding have profound impacts on counties' ability to provide services at the level communities need and expect. Unfortunately, the state and federal government continue to enact new restrictive requirements that are costly, complex, and leave counties with significant administrative burdens and fewer resources to deliver services.

In April, CSAC published [Meeting the Mandate: Counties Respond to Shifting Costs, Responsibilities, and Outcomes](#), a long-term project that takes stock of compounding responsibilities facing counties and supports systemic reforms to improve the success of county functions. The report examines the administratively burdensome and uncertain state mandate reimbursement process, outlines the limitations on local revenue-generating authority, and offers a clear-eyed view to spark a dialogue about the future of the state-county relationship.

CSAC continues to emphasize that the state and county budgets are woven together. Many budget changes that affect the state will, in turn, affect the bottom line for county governments. California's counties implore you to consider every budget proposal before you through the lens of its unique impacts on California's local governments. As counties are diligently carrying out the state's priorities from years past, please consider both the longstanding and recently enacted Budget Acts that each additional mandated program will affect and potentially disrupt. **To this end, CSAC urges you to reject any new requirements for local governments unless there is sufficient appropriation in the state budget.**

Progress Together

The development of the 2025-26 budget is an opportunity to rebuild the state and local relationship in the image of a future wherein the state and counties are in lockstep. To this end, we look forward to a mutual commitment to embrace partnership sufficient to ensure support and resources to achieve shared priorities. CSAC is available to meet and provide detailed recommendations for consideration across these critical policy areas. In the meantime, should you have any questions regarding these issues, please do not hesitate to contact us.

Respectfully,



Graham Knaus
Chief Executive Officer, CSAC

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