

May 21, 2025

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

**RE: 2025-26 May Revision Proposal and County Partnership**

Dear Governor Newsom,

The California State Association of Counties (CSAC), proudly representing all 58 of the state's counties, continues to stand ready to work with your Administration and 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. To that end, CSAC and California's counties recognize and appreciate that the 2025-26 May Revision does not include some of the most severe cuts that have been proposed in previous tough fiscal years. CSAC also commends practical policies proposed in the May Revision such as the efforts to streamline the California Environmental Quality Act.

CSAC remains deeply concerned about the 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. To achieve this, CSAC proposes the following appropriations be included in the 2025 Budget Act:

**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

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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. 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 you 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.

### **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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