

August 22, 2025

The Honorable Anna Caballero
Senate Appropriations Committee, Chair
State Capitol, Room 412
Sacramento, CA 95814

**RE: Consideration of Fiscal Impacts for County Governments
Senate Appropriations Committee Suspense File Hearing: Friday, August 29,
2025**

Dear Senator Caballero,

On behalf of the California State Association of Counties (CSAC), representing all 58 counties in California, we write to share the county perspective on pending legislation before your committee. We acknowledge the considerable work ahead as you consider the fiscal impact of hundreds of measures and the tough decisions that will need to be made given the state's current fiscal condition and impacts from federal budget cuts. In addition to the letters that you will receive regarding individual bills, we respectfully offer the following comments:

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

Notwithstanding the merits of the measures introduced this year, many create new, unfunded requirements for county governments. Just like the state, every program and service that a county provides has a cost. Over the past two decades, the state has enacted new, unfunded requirements that are complex and costly, leaving counties with a significant administrative burden and fewer resources to deliver essential services to California residents. Few newly enacted laws that impose new requirements on counties qualify for reimbursement from the state through the Commission on State Mandates. Those few programs that do qualify for state reimbursement must first survive a review process that can last for more than five years before counties receive any funding; all while counties are diligently carrying out the state's priorities with no additional resources.

Counties cannot support new unfunded mandates and the expansion of existing programs without hindering their ability to provide essential public services to Californians, especially the state's most vulnerable. CSAC's publication, [*Meeting the Mandate: Counties Respond to Shifting Costs, Responsibilities, and Outcomes*](#), takes stock of compounding responsibilities facing counties and further illustrates the labor-intensive process to seek reimbursement from the state, which lacks certainty for whether, when, and how much counties will be reimbursed for state-mandated activities. Therefore, unless measures are subject to

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sufficient appropriation in the state budget or are otherwise amended to alleviate additional fiscal burdens for county governments, we unfortunately cannot provide our support.

Fiscal unpredictability compounds existing challenges.

When federal and state funding is uncertain, counties struggle to ensure continuity in the vital services residents rely on every day, forcing them to make tough choices that affect real people.

Recent actions at the federal level have significantly impacted the fiscal landscape in California. One major change is the enactment of H.R. 1, which contains several provisions that are devastating to the services that rely on federal funds to support millions of Californians. H.R. 1 significantly increases county administrative duties and costs, directly shifts certain costs to counties, and places untenable financial pressures on other county programs. We urge you to consider how the targeted reductions from the federal government will impact local governments independently, and in conjunction with expensive, unfunded measures presented to your committee.

Furthermore, the state budget is facing ongoing deficits that will only be exacerbated by federal budget cuts. The 2025 Budget Act contained various budget solutions to solve an approximately \$12 billion General Fund deficit for 2025-26, including a significant number of reductions to ongoing programs. Even with these solutions, the state's General Fund forecast is projected to have annual budget deficits ranging from \$10 billion to \$20 billion through 2028-29. These projected deficits will need to be solved for in future years, potentially through additional budget reductions to funding available to support core services delivered by counties.

CSAC continues to emphasize that the state and county budgets are woven together, and legislation that affects the state will, in turn, affect the bottom line for county governments and impact core state services delivered by counties. Considering the significant challenges California faces due to ongoing budget deficits and federal funding cuts, it is more important than ever to carefully consider how these measures impact local government budgets and essential services.

Reevaluate costly measures before advancing them.

As we are in the first year of a two-year legislative cycle, this moment presents the opportunity to pause and reassess expensive or unfunded proposals and revisit them in the context of next year's budget. Given the ongoing challenges and the uncertainty at the federal and state level, we urge you to consider whether measures that have a significant impact on local governments should move forward at this time—particularly those that could further strain county budgets or disrupt the delivery of essential services.

August 22, 2025

Counties urge consideration of priority legislation.

In addition to the concerns raised above, counties are **opposed to** the following legislation:

AB 339 (Ortega) Local public employee organizations: notice requirements.

AB 690 (Schultz) Criminal procedure: indigent defense compensation.

AB 1018 (Bauer-Kahan) Employment: automated decision systems.

AB 1331 (Elhawary) Workplace surveillance.

We remain committed to close collaboration and partnership to achieve our shared goals and serve Californians. While our current economic climate burdens us with increased opposition to bills that could otherwise benefit county operations, we would like to highlight a few bills that would play a critical role in supporting county functions. Counties **support** the following legislation:

AB 543 (Gonzalez) Medi-Cal: street medicine.

AB 462 (Lowenthal) Land use: accessory dwelling units.

AB 620 (Jackson) Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program: rental vehicles.

AB 1288 (Addis) Registered environmental health specialists.

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,



Jacqueline Wong-Hernandez
Chief Policy Officer, CSAC

CC: Honorable Members of the Senate Appropriations Committee
Liah Burnley, Principal Consultant, Senate Appropriations Committee