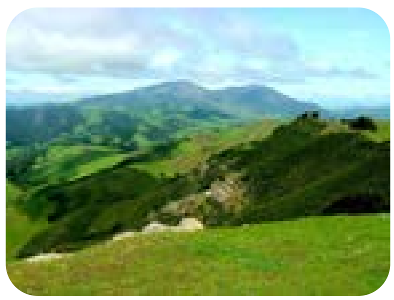
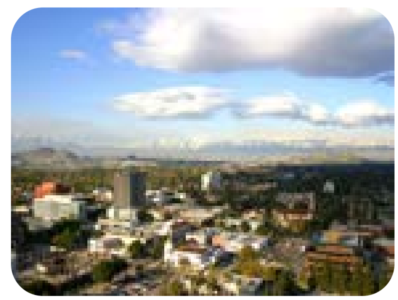
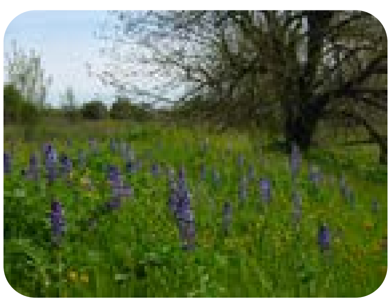
CSAC BOARD OF DIRECTORS

BRIEFING MATERIALS

Thursday, February 12, 2026

9:00 am-1:30 pm

Tsakopoulos Library Galleria | 828 I Street, Sacramento

Zoom: https://zoom.us/j/98471407053?pwd=pkxLmzkI1Am3aSQDLjilVGSLb6Y1Mg.1

Meeting ID: 984 7140 7053
Passcode: 503706

California State
Association of Counties

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS
Thursday, February 12, 2026 | 9:00 am – 1:30 pm

Breakfast Available: 8:30 am – 9:00 am
Orientation: 9:00 am – 10:00 am
Business Meeting: 10:00 am – 1:30 pm

Tsakopoulos Library Galleria | 828 I Street, Sacramento
Zoom: https://zoom.us/j/98471407053?pwd=pkxLmzkI1Am3aSQDLjiIVGSLb6Y1Mg.1
Conference Line: (669) 900-6833 | Meeting ID: 984 7140 7053 | Password: 503706

AGENDA

Presiding: Luis Alejo, First Vice President

THURSDAY, FEBRUARY 12

8:30 AM **BREAKFAST AVAILABLE**

9:00 AM **BOARD OF DIRECTORS ORIENTATION (*CSAC Board Members Only*)**

- *Graham Knaus | Chief Executive Officer*

10:00 AM **BOARD OF DIRECTORS MEETING**

Presiding: Luis Alejo | Monterey County Supervisor, CSAC 1st Vice President

PROCEDURAL ITEMS

1. Pledge of Allegiance — Page 3

2. Roll Call — Page 4-5

SPECIAL PRESENTATIONS

3. CEO's Report — Page 6
   - *Graham Knaus | Chief Executive Officer*

ACTION ITEMS

4. Approval of Minutes from December 4, 2025 — Page 7-10

DISCUSSION ITEMS

5. Legislative Update — Page 11-41
   - *Kimberly Rodriguez | Chief Legislative Advocate*

Administration of Justice (AOJ)
- *Ryan Morimune | Senior Legislative Advocate*
- *Michaela Stone | Legislative Analyst*

Agriculture, Environment and Natural Resources (AENR)
- *Jordan Wells | Legislative Advocate*
- *Charles Delgado | Legislative Advocate*
- *Caitlin Loventhal | Legislative Analyst*

Government Finance and Administration (GFA)
- *Eric Lawyer | Senior Legislative Advocate*
- *Emma Jungwirth | Senior Legislative Advocate*
- *Julissa Ceja-Cardenas | Legislative Analyst*

Health and Human Services (HHS)
- *Justin Garrett | Senior Legislative Advocate*
- *Brendan McCarthy | Senior Legislative Advocate*
- *Danielle Bradley | Senior Legislative Analyst*

Housing, Land Use and Transportation (HLT)
- *Mark Neuburger | Legislative Advocate*

SPECIAL PRESENTATIONS CONTINUED

6. 2025 Distinguished Service Award Presentation
   - *Senator Anna Caballero | California State Senate*

CSAC REPORTS

7. Public Affairs and Member Engagement Report — Page 42-44
   - *Chastity Benson | Chief Operating Officer*

8. CSAC Finance Corporation Report — Page 45-59
   - *Oscar Villegas | Yolo County Supervisor, President, CSAC Finance Corporation*
   - *Rob Pierce | Chief Executive Officer, CSAC Finance Corporation*
   - *Corporate Partner: Tim Hancock, ModCorr*

9. California Counties Foundation Report — Page 60-63
   - *Luis Alejo | Monterey County Supervisor, President, California Counties Foundation*
   - *Paul Danczyk | Chief Operating Officer, California Counties Foundation*

10. California Association of County Executives (CACE) Report — Page 64
    - *Scott De Moss | Glenn County CAO, CACE President*

11. County Counsels' Association of California (CCAC) Report — Page 65-72
    - *Jennifer Henning | General Counsel, CCAC*

11:45 AM **LUNCH**

12:30 PM **DISCUSSION ITEMS**

12. Minute Mics: Board of Directors Roundtable
    - What's going on in your county? (in one minute)

INFORMATION ITEMS WITHOUT PRESENTATION

- 2026 CSAC Appointments — Page 73-74
- Operations Report — Page 75-76
- 2026 Calendar of Events — Page 77

1:30 PM **ADJOURN**

If requested, this agenda will be made available in appropriate alternative formats to persons with a disability. Please contact Stanicia Boatner at sboatner@counties.org or (916) 650-8116 if you require modification or accommodation in order to participate in the meeting.

United States of America

Pledge of Allegiance

California State Association of Counties®

CALIFORNIA STATE ASSOCIATION OF COUNTIES
Board of Directors
2025-2026

SECTION		President:	Susan Ellenberg, Santa Clara
U=Urban		First Vice President:	Luis Alejo, Monterey
S=Suburban		Second Vice President:	Kent Boes, Colusa
R=Rural		Immediate Past President:	Jeff Griffiths, Inyo

Members of the CSAC Executive Committee are highlighted for your reference

SECTION	COUNTY	DIRECTOR
U	Alameda County	David Haubert
R	Alpine County	Terry Woodrow
R	Amador County	Jeff Brown
S	Butte County	Tod Kimmelshue
R	Calaveras County	Benjamin Stopper
R	Colusa County	Kent Boes
U	Contra Costa County	John Gioia
R	Del Norte County	Chris Howard
R	El Dorado County	Greg Ferrero
U	Fresno County	Buddy Mendes
R	Glenn County	Grant Carmon
R	Humboldt County	Natalie Arroyo
S	Imperial County	Jesus Eduardo Escobar
R	Inyo County	Trina Orrill
S	Kern County	Leticia Perez
R	Kings County	Rusty Robinson
R	Lake County	Bruno Sabatier
R	Lassen County	Gary Bridges
U	Los Angeles County	Kathryn Barger
R	Madera County	Jordan Wamhoff
S	Marin County	Mary Sackett
R	Mariposa County	Rosemarie Smallcombe
R	Mendocino County	John Haschak
S	Merced County	Scott Silveira
R	Modoc County	Ned Coe
R	Mono County	John Peters
S	Monterey County	Luis Alejo
S	Napa County	Anne Cottrell
R	Nevada County	Hardy Bullock
U	Orange County	Doug Chaffee
S	Placer County	Bonnie Gore
R	Plumas County	Tom McGowan

U	Riverside County	V. Manuel Perez
U	Sacramento County	Rich Desmond
R	San Benito County	Angela Curro
U	San Bernardino County	Jesse Armendarez
U	San Diego County	Monica Montgomery Steppe
U	San Francisco City & County	Rafael Mandelman
U	San Joaquin County	Robert Rickman
S	San Luis Obispo County	Bruce Gibson
U	San Mateo County	Lisa Gauthier
S	Santa Barbara County	Bob Nelson
U	Santa Clara County	Susan Ellenberg
S	Santa Cruz County	Justin Cummings
R	Shasta County	Kevin Crye
R	Sierra County	Lee Adams
R	Siskiyou County	Ed Valenzuela
S	Solano County	Wanda Williams
S	Sonoma County	James Gore
S	Stanislaus County	Mani Grewal
R	Sutter County	Mike Ziegenmeyer
R	Tehama County	Tom Walker
R	Trinity County	Ric Leutwyler
S	Tulare County	Amy Shuklian
R	Tuolumne County	Ryan Campbell
U	Ventura County	Kelly Long
S	Yolo County	Lucas Frerichs
R	Yuba County	Renick House

EX-OFFICIO MEMBERS

Belia Ramos, CSAC Treasurer, Napa County
Bruno Sabatier, Administration of Justice Chair, Lake County
Jessica Pyska, Agriculture, Environment and Natural Resources Chair, Lake County
Angelo Curro, Government Finance and Administration Chair, San Benito County
Holly Mitchell, Health and Human Services Chair, Los Angeles County
Gary Bradford, Housing, Land Use and Transportation Chair, Yuba County

ADVISORS

Scott De Moss, Glenn County CAO & CACE President
Jennifer Mendoza Flores, Tulare County Counsel, County Counsels' Association Past President

California State Association of Counties

February 12, 2026

TO: CSAC Board of Directors

FROM: Graham Knaus, Chief Executive Officer

SUBJECT: CEO's Report

This item provides an opportunity to discuss the state of the Association and core priorities as well as refine the strategic approach to advocacy and communications through Board of Directors input.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
BOARD OF DIRECTORS MEETING
Thursday, December 4, 2025
2:00pm – 4:30pm

San Jose McEnery Convention Center | Grand Ballroom B/C
Zoom: https://zoom.us/j/97939501273?pwd=H8ubKSS5CrKAkXQn5oKzfzujrq9alt.1
Conference Line: (669) 900-6833 | Meeting ID: 979 3950 1273 | Passcode: 574445

MINUTES

1. Roll Call

OFFICERS
Jeff Griffiths | President
Susan Ellenberg | 1st Vice President
Luis Alejo | 2nd Vice President
Bruce Gibson | Immediate Past President

ADVISORS
Jennifer Mendoza Flores | Tulare County Counsel, CCAC Past President
Jason Britt | Tulare County CAO, CACE President

CSAC STAFF
Graham Knaus | Chief Executive Officer
Chastity Benson | Chief Operating Officer
Kimberly Rodriguez | Chief Legislative Advocate

EX OFFICIO MEMBER
Belia Ramos | Treasurer, Napa County

Alameda	–	David Haubert
Alpine	–	Terry Woodrow
Amador	–	Jeff Brown
Butte	–	Tod Kimmelshue
Calaveras	–	Autumn Andahl *(alternate)*
Colusa	–	Kent Boes
Contra Costa	–	John Gioia
Del Norte	–	Chris Howard
El Dorado	–	Greg Ferrero
Fresno	–	Buddy Mendes
Glenn	–	Grant Carmon
Humboldt	–	Michelle Bushnell
Imperial	–	Jesus Eduardo Escobar *(absent)*
Inyo	–	Trina Orrill
Kern	–	Leticia Perez
Kings	–	Rusty Robinson
Lake	–	Bruno Sabatier
Lassen	–	Gary Bridges
Los Angeles	–	Holly Mitchell *(alternate)*
Madera	–	Jordan Wamhoff
Marin	–	Mary Sackett
Mariposa	–	Rosemarie Smallcombe
Mendocino	–	John Haschack
Merced	–	Scott Silveira
Modoc	–	Ned Coe
Mono	–	John Peters
Monterey	–	Luis Alejo
Napa	–	Anne Cottrell
Nevada	–	Heidi Hall
Orange	–	Doug Chaffee
Placer	–	Bonnie Gore
Plumas	–	Tom McGowan
Riverside	–	V. Manuel Perez
Sacramento	–	Rich Desmond
San Benito	–	Angela Curro
San Bernardino	–	Jesse Armendarez *(absent)*
San Diego	–	Monica Montgomery Steppe *(absent)*
San Francisco	–	Rafael Mandelman *(absent)*
San Joaquin	–	Robert Rickman
San Luis Obispo	–	Bruce Gibson
San Mateo	–	Lisa Gauthier
Santa Barbara	–	Bob Nelson *(absent)*
Santa Clara	–	Susan Ellenberg
Santa Cruz	–	Justin Cummings
Shasta	–	Kevin Crye
Sierra	–	Lee Adams
Siskiyou	–	Ed Valenzuela
Solano	–	Wanda Williams
Sonoma	–	James Gore *(absent)*
Stanislaus	–	Vito Chiesa *(alternate)*
Sutter	–	Dan Flores
Tehama	–	Tom Walker
Trinity	–	Ric Leutwyler
Tulare	–	Amy Shuklian
Tuolumne	–	Ryan Campbell
Ventura	–	Kelly Long
Yolo	–	Lucas Frerichs
Yuba	–	Gary Bradford

2. **CEO's Report**
Graham Knaus, CEO, provided an update on the Association.

3. **Presentation from California State Treasurer**
Fiona Ma, California State Treasurer, presented to the Board.

4. **Approval of Minutes from September 11, 2025**
A motion to approve the Minutes from September 11, 2025, was made by Supervisor Mary Sackett and seconded by Supervisor Susan Ellenberg. The motion carried unanimously.

5. **Consideration of Building Financing Policy**
Chastity Benson, COO, and Rob Pierce, COO of the CSAC Finance Corporation, provided an update on the CSAC Building Renovation Project. They requested that the Board consider authorization of the financing plan, which included the issuance of tax-exempt bonds in a not-to-exceed amount of $41,855,000, proceed with the bond financing structure, approve the shared debt service payment plan between CSAC and the CSAC Finance Corporation, and prepare and execute all related financing documents. This authorization would allow staff to proceed with bond issuance activities, including securing a credit rating and scheduling the bond sale.
A motion to Authorize the Financing Plan for the CSAC Building Renovation Project and the Issuance of Bonds in a Not to Exceed Amount $41,855,000 and Authorize Staff to Prepare and Execute Related Documents was made by Supervisor Scott Silveira and seconded by Supervisor Bruce Gibson. The motion carried unanimously.

6. **Consideration of Updated CSAC Policies and Procedures Manual including Addition of Investment Policy**
Graham Knaus, CEO, and Chastity Benson, COO, presented the updated CSAC Policies and Procedures Manual for the Board's consideration. Key updates included updating caucus representation due to caucus membership changes for the Rural and Suburban Caucuses in 2024, clarifying the dues structure to incorporate the previous Board-approved 3% annual dues increase, and establishing a new investment policy to ensure consistent and responsible investment practices.
A motion to approve the Updated CSAC Policies and Procedures Manual including Addition of Investment Policy, was made by Supervisor Scott Silviera and seconded by Supervisor Doug Chaffee. The motion carried unanimously.

7. **Caucus Report Outs & Election of 2026 Executive Committee**
Rural: Supervisor Jeff Griffiths, Rural Caucus Chair, provided an update from the Rural Caucus Meeting, which included the election of CSAC's new 2nd Vice President, Colusa County Supervisor Kent Boes, and the election of CSAC's 2026 Rural Caucus Executive Committee members:
    - Ryan Campbell, Tuolumne County
    - Grant Carmon, Glenn County
    - John Peters, Mono County (alternate)

    Urban: Supervisor Susan Ellenberg, Urban Caucus Chair, provided an update from the Urban Caucus Meeting, which included the election of CSAC's 2026 Urban Caucus Executive Committee members:
    - Kathryn Barger, Los Angeles County
    - Rich Desmond, Sacramento County
    - David Haubert, Alameda County
    - Kelly Long, Ventura County
    - Buddy Mendes, Fresno County
    - V. Manuel Perez, Riverside County
    - John Gioia, Contra Costa County (alternate)

<u>Suburban</u>: Supervisor Luis Alejo, Suburban Caucus Chair, provided an update from the Suburban Caucus Meeting, which included the election of CSAC's 2026 Suburban Caucus Executive Committee members:

- Bonnie Gore, Placer County
- Mary Sackett, Marin County
- Scott Silveira, Merced County
- Lucas Frerichs, Yolo County (alternate)

<u>A motion to approve the election of CSAC's 2026 Executive Committee was made by Supervisor Tom McGowan and seconded by Supervisor Doug Chaffee. The motion carried unanimously.</u>

8. Resolution Authorizing Conduct of CSAC Business

<u>A motion to approve the Resolution Authorizing Conduct of CSAC Business was made by Supervisor John Peters and seconded by Supervisor Doug Chaffee. The motion carried unanimously.</u>

9. Adoption of Policy Priorities

Kimberly Rodriguez, Chief Legislative Advocate, provided a brief legislative update.

Each of CSAC's 5 Policy Committees convened as part of the Annual Meeting. The following chairs/vice chairs provided a report to the Board, which included an update on each committee's adopted priorities:

- Administration of Justice: Chair Bruno Sabatier, Lake County
- Agriculture, Environment, & Natural Resources: Chair Jessica Pyska, Lake County
- Government Finance & Administration: Vice Chairs Anne Cottrell, Napa County, and Angela Curro, San Benito County
- Health & Human Services: Chair Holly Mitchell, Los Angeles County
- Housing, Land Use, & Transportation: Chair Gary Bradford, Yuba County

<u>A motion to approve the Adoption of Policy Priorities was made by Supervisor Doug Chaffee and seconded by Supervisor Holly Mitchell. The motion carried unanimously.</u>

10. Federal Priority Issues Update

Joe Krahn, Tom Joseph, and Hasan Sarsour of Paragon Government Relations provided a Federal Priorities and Issues update to the Board.

11. Conflict of Interest Policy

Jennifer Henning, CSAC General Counsel, provided a brief overview of CSAC's Conflict of Interest Policy and asked each Board Member to sign and return the Conflict of Interest Policy form.

12. Operations & Member Engagement Report

Chastity Benson, COO, provided an update on CSAC's operations, reporting that CSAC's annual audit was completed with an unmodified opinion, and that staff has relocated to interim office space at 980 9th Street during the renovation of CSAC's historic 1100 K Street building.

13. CSAC Finance Corporation Report

Supervisor Oscar Villegas, CSAC Finance Corp. President, Alan Fernandes, CSAC FC CEO, and Rob Pierce, CSAC FC COO, provided an update on recent Finance Corp. activities. Jim Manker, Director of Business Development, introduced a new corporate partner, Amazon.

14. California Counties Foundation Report

Paul Danczyk, California Counties Foundation COO, reported on several programs, highlighting the Los Angeles County Executive Leadership Development Program.

15. California Association of County Executives (CACE) Report

Jason Britt, CACE President and Tulare County CEO, reported on the challenges facing counties as state and local governments begin implementing federal budget decisions, and that CACE recently concluded a successful annual conference in Sonoma County.

The meeting was adjourned. The next Board of Directors meeting will be held on Thursday, February 12, in Sacramento County.

California State Association of Counties®
1100 K Street, Suite 101 | Sacramento, CA 95814

February 12, 2026

TO: CSAC Board of Directors

FROM: Kimberly Rodriguez, Chief Legislative Advocate

SUBJECT: Legislative Affairs Update

The 2026 Legislative Session has begun with a flurry. The Governor had his first State of the State Address in four years; the new Senate President pro Tem Monique Limón began her tenure by naming her leadership team, new committee chairs and establishing new committees; the Governor released his proposed budget; the deadline for each house to pass bills introduced in their respective houses came and went. All of this happened in January and there are still seven more months until the end of the two-year legislative session. Your Legislative Affairs Group is monitoring all budget and policy issues and will provide a brief verbal overview via policy committees as part of this update.

2026-27 Governor's Proposed Budget

On January 9, 2026, Governor Newsom released his proposed budget for the 2026-27 fiscal year. As tradition, CSAC released its Budget Action Bulletin (BAB) the same day. The BAB, along with template letters for counties to send to the Governor, Senate, and Assembly, are available on the CSAC State Budget Information webpage.

Overall, the Governor's Budget is largely a "workload budget," meaning it includes no new major spending initiatives, including a glaring omission or acknowledgement of the impacts of H.R. 1 to California counties.

The Governor projects State General Fund revenues to be more than $40 billion higher across three fiscal years (2024-25, 2025-26, and 2026-27) than previously forecasted by the Administration at the 2025 Budget Act enacted last summer. This is a marked shift from the updated revenue estimate published by the Legislative Analyst Office (LAO), which projected an $11 billion increase in revenues across the same three fiscal years in their Fiscal Outlook (November 2025). Specifically, the Governor's budget proposal addresses an estimated budget deficit of $2.9 billion, and includes $348.9 billion in total expenditures ($248.3 billion General Fund).

Consistent with the Governor's strategy in January 2025 in the wake of the devastating wildfires in Los Angeles County, the Administration will wait until the May Revision to determine whether the state can accommodate expenditures for anything beyond continued implementation of previous investments. By May, the state will have the benefit of a more complete revenue picture that includes updated personal income tax revenues after the tax filing deadline in April 2026.

The Governor's proposed budget is notable for what it omits rather than any new proposals. The lack of acknowledgement of county needs for H.R. 1 is alarming. The Administration indicates more details will be available in the May Revision proposal and they have publicly committed to working with counties as they develop the revise plan. CSAC is actively engaging with both the Administration and Legislature on the proposed budget, particularly on H.R. 1.

2026 Legislative Priorities Update

As a reminder, the CSAC Board of Directors approved the 2026 Legislative Priorities in December at our Annual Meeting. Since that time, the Legislative Affairs staff has worked diligently to begin planning its advocacy work for the upcoming year. Below are key takeaways from the initial budget and policy priorities that are of focus. I would note that the information below is not a finite or exhaustive list of priorities and even the list of approved policy committee priorities adopted by the Board and included in your packet may not be the complete list of issues we advocate on throughout the course of the year as unexpected issues always arise that require our attention.

<u>Health and Human Services H.R. 1 Impacts</u>

The enactment of H.R. 1 fundamentally shifted significant fiscal responsibility for safety net programs from the federal government to states and counties. While the Governor's Budget proposal includes funding to address the state's increased costs from H.R. 1 impacts, there is no funding to help counties respond to the massive new fiscal burden that has been placed upon them. Counties are facing billions of dollars in projected new costs to Medi-Cal, CalFresh, and indigent care as a result of H.R. 1. Some of the primary increased burdens include expanded demand for indigent care from individuals losing health coverage, direct cost shifts for CalFresh administration, and increased county workload to help individuals enroll and remain eligible for Medi-Cal and CalFresh, which are life-saving programs. Absent state support to address these county budget impacts, the state's safety net will crumble as counties cannot backfill federal funding on our own. If the safety net crumbles, local and state economies will as well.

- *Education and Advocacy*: The impacts of HR 1 will be vast and complicated. As such, we are approaching this issue in two phases: (1) Education and (2) Advocacy:

    1. Education: We are collaborating with our county affiliates, such as health directors, welfare directors, public hospitals, etc., on an education campaign. Educating legislators, staff and the administration on the various impacts of HR 1 is a necessary element of advocacy. An example of this education is the history of indigent care programs. The overwhelming majority of legislators and staff have limited to zero knowledge of what indigent care programs entailed prior to Medi-Cal Expansion and passage of the Affordable Care Act (ACA); nor are they all aware that the state took county funding for these programs and redirected it to the state to pay for the healthcare expansion and ACA implementation. Likewise, there is a severe lack of infrastructure to restart these programs at a level of service that existed pre Medi-Cal expansion and ACA implementation. The issue of indigent care is complex and we must "level set" with the Legislature and Administration before we can begin to strategize and make specific county requests.

        CSAC is working with county affiliates referenced above to sponsor a H.R. 1 Education Day on March 4. This effort will be lead by CSAC HHS Policy Chair Supervisor Holly Mitchell and President Susan Ellenberg.

2. Advocacy: We are working with county affiliates and partners to identify costs and develop accurate estimates of the impacts of HR 1. Once that is complete, we will begin to have internal conversations to develop our ask and build out a strategy with our partners.

<u>Homeless Housing, Assistance and Prevention (HHAP) Program</u>

The Governor's Budget proposal includes last year's $500 million commitment for the HHAP program in 2026-27. However, CSAC continues to call for full funding of $1 billion for Round 7. In his State of the State Adress in January, the Governor cited California's strides in reducing homelessness. We will be consistently reminding the Administration and the Legislature that the only way to sustain this progress is to fully fund the HHAP program and distribute Round 7 funding by the enacted September 1, 2026 goal date, especially after a year in which no HHAP funding was provided. Our CSAC advocacy efforts at the end of the 2025 Legislative Session were instrumental in securing language to require this funding be distributed to counties and other applicants within 60 days of enactment of the state budget.

CSAC will continue to raise the issue of a timely adoption with the Legislature and the Administration to enact Round 7 of the program, including provisions that allow applicants to prove their progress towards meeting the new requirements, ensuring the continued delivery of programs and services that meet the homelessness needs in our communities.

- *AT HOME Pilot Program*: CSAC will continue to advocate for the enactment of a pilot program that implements a new statewide model to address and prevent homelessness. This effort is in addition to the $1 billion per year sustained funding request for HHAP. Specifically, our proposal is a five-year pilot that requests $100 million per year for counties and cities on opt-in basis. The foundation of this pilot is to ensure clearly defined roles and responsibilities for counties and cities, strong accountability metrics, streamlined housing production and reduced bureaucracy.

<u>In-Home Supportive Services (IHSS)</u>

CSAC is strongly opposed to the Governor's Budget proposal to remove the state's share of costs for IHSS hours per case growth. This proposal appears to be a significant cost shift to counties that would result in state General Fund savings of $233.6 million starting in 2027-28. IHSS costs are already outpacing Realignment revenues, the fund source intended to cover them. Any cost shift would undermine the existing fiscal structure of the county IHSS maintenance of effort (MOE) established in 2019 (Chapter 27, Statutes of 2019). Further, increased IHSS costs for counties would take away funding from other mandated critical health and human services programs such as public health and mental health at a time when counties are strained by the increased safety net program costs as a result of the implementation of H.R. 1.

<u>Proposition 36</u>

The 2025 Budget Act appropriated $50 million General Fund one-time to county behavioral health departments for the implementation of Proposition 36; however this funding is only for one of multiple county departments impacted by the measure, and it has still not been allocated to counties to meet the immediate demand for substance use disorder and mental health treatment. Last month, the Department of Healthcare Services posted the request for information (RFA) from counties and the funding is slated to be distributed on a rolling basis for the contract term of March 1, 2026 to March 31, 2026. The Governor's Budget proposal does not include any new funding to address county costs to implement Proposition 36 in 2026-27 or thereafter. CSAC continues to advocate for adequate, sustainable funding to meet the expectations of voters who overwhelmingly approved the initiative in 2024. This includes associated costs for increased caseloads impacting probation, behavioral health, indigent defense providers, district attorneys, and sheriff's offices. We are working with our partners on this advocacy effort and will focus on key members who are in support, as well as budget committee members and staff in both houses.

<u>Disaster Relief and Recovery</u>

The Governor's Budget proposal does not include any major new proposals in this issue area. Overall, the proposed budget maintains its commitment to CalFire and adds funding for new equipment. Of note, the Governor does propose $2.1 billion in Climate Bond (Proposition 4, 2024) allocations and of this amount, $314 million is dedicated to Wildfire and Forest Resilience. We will be closely monitoring all proposed bond allocations as we expect there to be significant changes based on legislative and stakeholder feedback to this proposal.

- *Inverse Condemnation*: As you may recall, California courts ruled that utility companies can be held liable for wildfire damage caused by their equipment under the doctrine of inverse condemnation. (SB 254 (Becker, 2025) has the potential to impact changes to disaster liability, as the law requires the administrator of the Wildfire Mitigation fund, the California Earthquake Authority, to provide a report on natural catastrophe resiliency to the legislature by April 1, 2026. The report requires a "comprehensive assessment to analyze and develop long-term reforms that protect access to insurance, reduce litigation costs, provide fair and expeditious compensation to claimants, support wildfire mitigation, safety, and community resilience, and ensure large electrical corporations are accountable for safety and also have the financial health to attract low-cost capital on behalf of ratepayers." Therefore, the issue of inverse condemnation and/or changes to disaster liability may very well be put on the table by the end of the 2026 Legislative Session; the Administration has been particularly focused on this issue in recent months. Likewise, there is already a spot bill with intent language to implement the report recommendations.

  CSAC is closely monitoring this situation and actively working with partners to advocate that catastrophe liability not fall on local governments.

- *Federal Emergency Management Agency (FEMA) Reform*: Over the last year, there has been much anticipation about FEMA reform. The FEMA Review Council (the Council) was established in January 2025 and charged with evaluating FEMA's disaster response, recovery programs, and long-term resilience efforts, and to recommend potential reforms. This work was scheduled to be completed by the end of 2025. However, in January 2026, President Trump issued an **executive order** extending the Council through March 25, 2026. The extension is notable because its charter specified that it would terminate on January 24, 2026, absent presidential action.

  The extension comes as the Council's work remains unfinished. Its most recent scheduled meeting in December was cancelled, making the additional time an important signal that the Administration intends for the review process to continue into 2026. Our Legislative Affairs Group, along with Paragon, our federal lobbyist, is closely monitoring the Council's work given its potential implications for disaster assistance programs, cost shares, mitigation funding, and FEMA's future role in emergency management.

AB 218 Legal Liability

CSAC has been continuing efforts on legislative solutions to address the massive legal liability created by lawsuits regarding childhood sexual assault claims brought after passage of AB 218 (Chapter 861, Statutes of 2019). Efforts have relied on active lobbying by the CSAC advocacy team, media strategies by public affairs, and member engagement. Early in 2026, CSAC launched a survey that will be used to both highlight the pervasive fiscal threats faced by counties statewide and to engage counties in the media and advocacy efforts. CSAC is confident that meaningful liability reform can be achieved with the support and engagement of the county family. We are working closely with a number of counties and school districts to aggressively pursue a resolution in this legislative session.

FOR IMMEDIATE RELEASE
February 4, 2026

Contact: Ben Adler, CSAC Director of Public Affairs
Phone: (916) 879-3979 | Email: badler@counties.org

H.R. 1 will cost California counties up to $9.5 billion a year

Sacramento, CA — California county leaders are releasing the full estimated annual cost of H.R. 1's impacts to the safety net programs millions of Californians rely on for food and healthcare.

That price tag: up to **$9.5 billion** every year.

In a new fact sheet, counties lay out the three ways H.R. 1 strains our budgets:

1. **Indigent health care**

   *Counties will incur **up to $5.5 billion/year** in new costs to provide free or low-cost medical services to individuals with limited income and no insurance options.*

   The previous indigent care funding was redirected to the state in 2013 as California's Affordable Care Act expansion shifted nearly all indigent care recipients to Medi-Cal. Californians losing Medi-Cal coverage due to H.R. 1 may turn to indigent care, which now lacks a funding source.

2. **Public hospital systems**

   *Public hospital systems will face **$3.4 billion/year** in federal funding cuts for patient care to Medi-Cal enrollees.*

   That will make it harder for all Californians to receive care at those hospitals — not just Medi-Cal patients.

3. **County eligibility workforce**

*Counties will also incur **nearly $600 million** in new workforce costs to implement H.R. 1's eligibility requirements for both Medi-Cal and CalFresh, and to absorb the federal government cutting CalFresh administration funding in half.*

The governor's January budget proposal does not acknowledge these impacts of H.R. 1 on counties and local communities.

This fact sheet marks the beginning of a comprehensive effort to emphasize the severity of H.R. 1's impacts on counties, and how it threatens the level of all services that counties provide.

County leaders are ready and willing to work collaboratively with the governor and legislature as partners on this year's budget.

What county leaders are saying:

- **Graham Knaus, Chief Executive Officer, California State Association of Counties (CSAC)** – "Millions of Californians are counting on us for food and health care. The only way to protect our safety net is for the state and counties to work together."
- **Scott De Moss, Glenn County Administrative Officer and President of the California Association of County Executives (CACE)** – "Counties are already stretching every dollar and finding creative ways to meet state and federal mandates. H.R. 1 would impose new costs we simply cannot absorb, forcing reductions in services that safeguard community health. For individuals and families who depend on Medi-Cal, these cuts would translate directly into delayed care, interrupted treatment, and fewer opportunities for stability and recovery. There is no recovery from a proposal that forces impossible choices and undermines our ability to protect the health and well-being of the residents who rely on us every day."
- **Michelle Gibbons, Executive Director, County Health Executives Association of California (CHEAC)** - "When Californians lose their health care coverage, their need for care doesn't go away. The costs shift to counties as more people become eligible for county indigent care programs. Over the last decade, funding was redirected away from counties as people became eligible for Medi-Cal coverage and without renewed investments in indigent care, counties will face increased strain on public health and other core safety-net programs."
- **Erica Murray, President & CEO, California Association of Public Hospitals and Health Systems (CAPH)** - "California's 17 public hospital systems represent just 6 percent of hospitals across the state but provide more than a third of all hospital

care for people on Medi-Cal. H.R. 1's unprecedented assault on Medicaid payments will result in the loss of $3.4 billion to public hospital systems, hurting not just the most marginalized, but anyone needing life-saving trauma care or burn services. To prevent this from happening, the state must reinvest in public hospital systems."

- **Carlos Marquez III, Executive Director, County Welfare Directors Association of California (CWDA)** - "The county eligibility workforce offers a clear, cost-effective, and proven pathway for our state leaders to mitigate the harms of H.R. 1 by keeping as many people as possible connected to the safety net and reducing the explosive future costs associated with hunger and uncompensated care. When properly resourced, our county eligibility workforce has proven time and again it can be the difference between retaining life-saving food and healthcare for as many Californians as possible, and the devastation wrought by poverty. We must fund this work now."
- **Kari Brownstein, Executive Director, County Medical Services Program (CMSP)** - "The changes brought to Medi-Cal by H.R. 1 will have detrimental impacts on the health of more than a million Californians. In the 35 rural counties served by CMSP, over 124,000 Medi-Cal beneficiaries could lose their health coverage. The CMSP program and its participating counties are in no position to assume ongoing responsibility for the health care needs of these newly uninsured in the absence of significant new State resources to support the cost."
- **Patrick Blacklock, President & CEO, Rural County Representatives of California (RCRC)** - "When people lose Medi-Cal, they don't stop needing care—they turn to their counties. Counties have carefully analyzed how many residents may return to indigent care programs if they lose Medi-Cal coverage due to H.R. 1 requirements and what it will cost to serve them. Our estimates show the significant financial impact this would have on rural to urban counties; costs that counties are not equipped to absorb on their own. The data underscore the urgent need for the state and counties to partner on a path forward to ensure we can responsibly serve this vulnerable population without compromising other critical local services."
- **Jean Hurst, Legislative Advocate, Urban Counties of California (UCC) – "**Urban counties require state partnership and assistance in three key areas: resources to restart county indigent programs, supports for county hospitals and clinics, and a commitment to a robust county workforce that will help Californians retain access to food and health care. We are prepared to do our part, but cannot sustain services to vulnerable populations without the state's help."

H.R. 1 Impacts to Counties

H.R. 1 will have significant fiscal impacts on counties and the California communities we serve.

- Counties will incur new costs to provide indigent health care to individuals who lose Medi-Cal coverage.
- Public Hospital Systems will face significant reductions in federal funding that is used to provide patient care to Medi-Cal enrollees, which will impact access to all patient care services.
- Counties will also incur additional workforce costs to implement the eligibility requirements of H.R. 1, including Medi-Cal and CalFresh.

County Costs to provide health care through indigent care programs to individuals who lose Medi-Cal coverage due to H.R. 1:

Anticipated Enrollment: 417,000 – 1.3 million
Anticipated Costs: $2.0 billion – $5.5 billion per year

+

Public Hospital System revenue losses due to changes to Medi-Cal financing in H.R. 1:

$3.4 billion annually

+

County Workforce Costs to implement the eligibility requirements of H.R. 1 and for costs shifted to counties from the federal government:

Anticipated Costs: $574 million

=

TOTAL ANTICIPATED ANNUAL COSTS

$6.0 billion to $9.5 billion

Healthcare ***Food***

H.R. 1 Impacts to Counties

Demand for Indigent Care

Large number of Californians who lose Medi-Cal eligibility will likely seek county indigent medical care, since they will have no other way to receive health care coverage. Counties do not have available resources due to state redirection of funding.

Reductions to Health Care Payments for Public Health Care Systems

H.R. 1 limits the use of a financing mechanism known as State Directed Payments, which are currently used to supplement low Medi-Cal reimbursement rates. This reduction in funding will impact access to all patient care services.

Direct Cost Shift to Counties

H.R. 1 shifts responsibility for CalFresh administrative costs to the counties and reduces the federal funding available for Medi-Cal emergency services for certain enrollees.

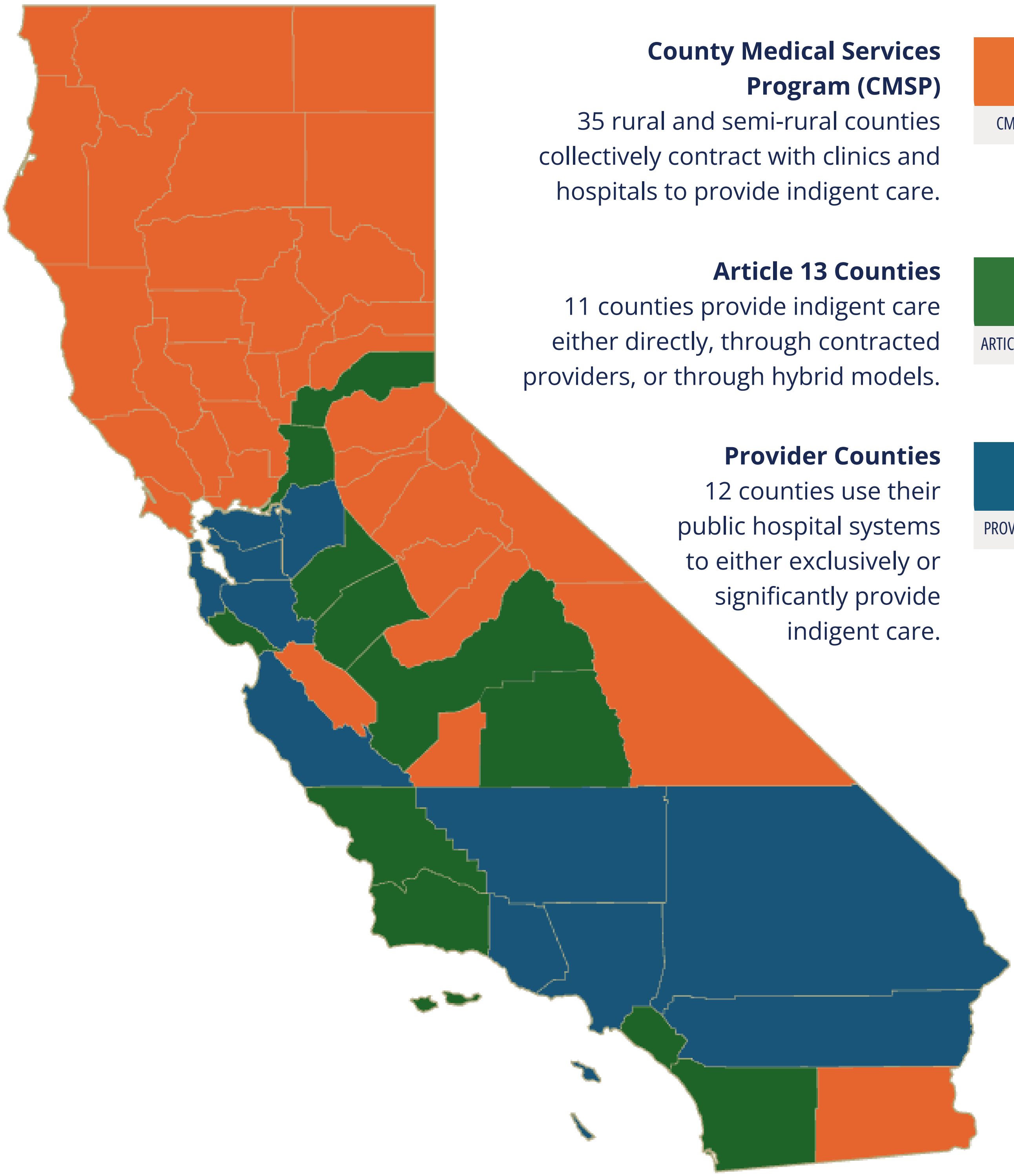
Increased County Eligibility Workload

Expanded work requirements for CalFresh, new work requirements for Medi-Cal, and increased frequency and complexity for Medi-Cal eligibility determinations, verifications, and ongoing case management will increase county eligibility workforce costs. Performing eligibility determinations accurately and in a timely way will be critical to prevent people from losing their health care coverage.

Healthcare *Food*

How is Indigent Care Provided?

California law requires counties to provide basic health care to those who are indigent.



County Medical Services Program (CMSP)
35 rural and semi-rural counties collectively contract with clinics and hospitals to provide indigent care.

CMSP COUNTY

Article 13 Counties
11 counties provide indigent care either directly, through contracted providers, or through hybrid models.

ARTICLE 13 COUNTY

Provider Counties
12 counties use their public hospital systems to either exclusively or significantly provide indigent care.

PROVIDER COUNTY

What Are the Requirements for Indigent Care Programs?

- Welfare & Institutions Code 17000 establishes the legal obligation for counties to provide basic, medically necessary care to medically indigent, lawful residents.
- Each county sets their own standards of eligibility, aid, and care.
- County indigent programs are not comprehensive insurance or health coverage programs, like Medi-Cal or commercial health insurance.
- Counties are not mandated to provide care for undocumented individuals.
- County costs to provide indigent care were formerly paid for with 1991 Realignment funding. Under AB 85 (a budget trailer bill from 2013) that funding was redirected by the state for other purposes and the growth of those funds was significantly slowed, leaving counties without resources to serve the individuals who come to counties for services.

Estimating the Fiscal Impacts of H.R. 1 on Indigent Care Programs

- In order to model the fiscal impacts to counties from H.R. 1, this analysis includes a few key assumptions.
- The focus is on people losing eligibility for Medi-Cal, due to not meeting work requirements, as this is the population most likely eligible for indigent care. The number of people losing coverage is based on Administration estimates. These estimates do not include undocumented individuals losing coverage.
- Enrollment was modeled assuming an uptake rate of 33%, 50%, and 100% of the eligible population.
- Per capita costs were calculated using historic spending data for CMSP and Article 13 counties. For Provider Counties, costs were estimated based on Medi-Cal rates for services likely to be covered by indigent care programs.

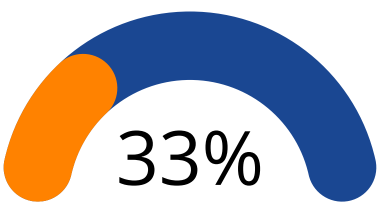
Projected H.R. 1 Impacts on the CMSP Indigent Care Program

What is CMSP?

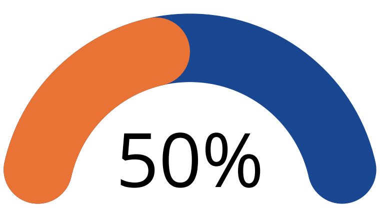
Originally established in 1983, the County Medical Services Program (CMSP) provides health coverage for uninsured low-income adults, ages 21-64, in 35 rural and semi-rural California counties and assists these counties in meeting their indigent care responsibilities under California law (WIC Section 17000).

The CMSP Governing Board, established in 1995 and composed of ten county officials and one ex-officio State representative, sets program eligibility requirements, determines the scope of covered healthcare benefits, and sets provider reimbursement rates for both CMSP benefit programs – CMSP and Connect to Care. State funding for CMSP ended in FY 2018-19.

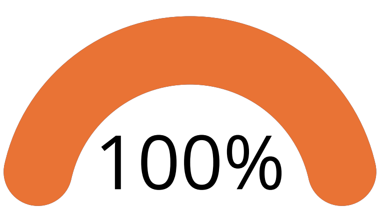
Fiscal Impacts to CMSP Indigent Care Program



Impacts to CMSP at 33% Uptake Rate
Potential Impact: **41,000 Persons**
Annual Estimated Medical Cost: **$271 million**



Impacts to CMSP at 50% Uptake Rate
Potential Impact: **62,000 Persons**
Annual Estimated Medical Cost: **$410 million**



Impacts to CMSP at 100% Uptake Rate
Potential Impact: **124,000 Persons**
Annual Estimated Medical Cost: **$820 million**

Source: *County Medical Services Program (CMSP)*

Projected H.R. 1 Impacts on Article 13 County Indigent Care Programs

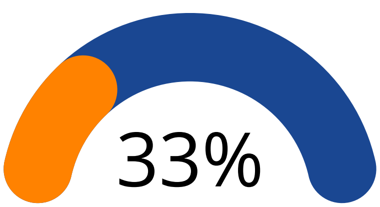
What Are Article 13 Counties?

There are 11 counties, known as Article 13 counties, that neither own nor operate public hospitals and do not contract with the County Medical Services Program to provide indigent care services.

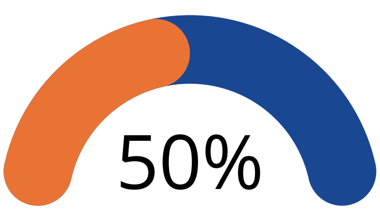
Prior to the Affordable Care Act (ACA), some of these counties delivered care directly through county-operated clinics staffed with county medical personnel, while others relied on contracts with local providers and hospitals. Several counties used hybrid models, combining limited county-based services with contracted care.

Following ACA implementation, most Article 13 counties now have few, if any, individuals remaining in their indigent care programs and have consequently dismantled or significantly reduced their service delivery infrastructure, including provider contracts.

Fiscal Impacts to Article 13 County Indigent Care Programs



Impacts to Article 13 Counties at 33% Uptake Rate
Potential Impact: **120,000 Persons**
Annual Estimated Medical Cost: **$477 million**



Impacts to Article 13 Counties at 50% Uptake Rate
Potential Impact: **181,000 Persons**
Annual Estimated Medical Cost: **$723 million**

Impacts to Article 13 Counties at 100% Uptake Rate
Potential Impact: **363,000 Persons**
Annual Estimated Medical Cost: **$1.4 billion**

Source: *County Health Executives Association of California (CHEAC)*

Projected H.R. 1 Impacts on Provider County Indigent Care Programs

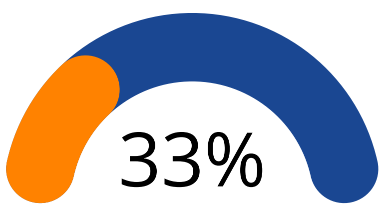
What Are Provider Counties?

In the early 1900s, almost every county in California ran a hospital to “relieve and support” those with no source of care. In the decades following, many of these hospitals have either closed or have been converted into private hospitals - and some have remained public by becoming a University of California Health System.

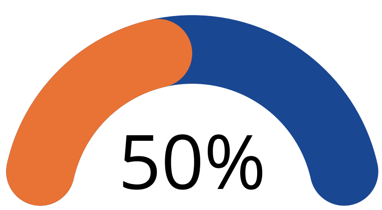
Today, there are 12 counties known as “provider counties” that have an affiliated public hospital system. These systems provide critical hospital and outpatient services in their communities and will continue to do so as counties work to rebuild indigent care programs and services.

Fiscal Impacts to Provider County Indigent Care Programs

With rising uninsured rates because of federal policy changes, Provider Counties expect to see a significant increase in the demand for indigent care services.



Impacts to Provider Counties at 33% Uptake Rate
Potential Impact: **256,000 Persons**
Annual Estimated Medical Cost: **$1.3 billion**



Impacts to Provider Counties at 50% Uptake Rate
Potential Impact: **388,000 Persons**
Annual Estimated Medical Cost: **$2 billion**

Impacts to Provider Counties at 100% Uptake Rate
Potential Impact: **776,000 Persons**
Annual Estimated Medical Cost: **$3.3 billion**

Source: *California Association of Public Hospitals and Health Systems (CAPH)*

Projected H.R. 1 Impacts on Public Hospital Medi-Cal Financing

What Role Do Public Hospital Systems Play in Medi-Cal Financing?

Under Medi-Cal, the federal government provides matching funds for the non-federal share of costs. Public hospital systems provide the non-federal share for fee for service inpatient hospital services. In addition, due to historically low Medi-Cal base rates, public hospital systems put up the non-federal share to draw down federal funding through supplemental payments, including state directed payments. In total, public hospital systems put up more than $4 billion annually in non-federal share on behalf of the state.

Fiscal Impacts to Public Hospital Systems from H.R. 1 Medi-Cal Financing Changes

In addition to the impacts from providing Indigent Care Services, public hospital systems are projected to face annual losses of approximately $3.4 billion from H.R. 1 changes to Medi-Cal financing. These reductions primarily stem from reductions to state directed payments. These reductions in funding will impact access to patient care services.

PROVISION	IMPLEMENTATION DATE	IMPACT TO PUBLIC HOSPITAL SYSTEMS
Cuts Federal Support to Medicaid		
Reductions to Federal Match for Emergency Care for Certain Adults	OCT 2026	Estimated $120-$221 million annually
State Directed Payment (SDP) Limitations	JAN 2028	Estimated $2.3 billion net loss annually when fully implemented
Limits Medicaid Eligibility		
Work Requirements for Specified Medicaid Adults (19-64)	JAN 2027	Estimated 1.8 million Medi-Cal members risk losing coverage - driving up uninsured rates while straining patients and providers with added administration hurdles resulting in an estimated impact of $800 million annually.
Biannual Medicaid Eligibility Redeterminations	JAN 2027	
Limits on Retroactive Medicaid Coverage	JAN 2027	

Source: *California Association of Public Hospitals and Health Systems (CAPH)*

H.R. 1 Impacts to County Eligibility Workforce

What Role Does the County Eligibility Workforce Play in Medi-Cal and CalFresh?

In California, counties are responsible for verifying initial and continued eligibility, processing applications, and working with individuals and families to ensure they can access the full range of safety net programs that they are eligible for, including Medi-Cal and CalFresh. The county eligibility workforce helps people obtain and maintain life-saving coverage and benefits, while also drawing down additional federal funding to the state. County human services agencies help vulnerable individuals and families navigate complicated requirements and improve their health and well-being.

Fiscal Impacts to County Eligibility Workforce from H.R. 1

Medi-Cal County Eligibility Workforce	***$231 million in 2026-27*** ***$305 Million in 2027-28***
+	
CalFresh County Eligibility Workforce	***$103 million in 2026-27*** ***$58 million in 2027-28***
+	
CalFresh County Share of Costs	***$150 million in 2026-27*** ***$211 million in 2027-28***
=	
TOTAL ANTICIPATED INCREASED COUNTY ELIGIBILITY WORKFORCE COSTS	***$484 million in 2026-27*** ***$574 million in 2027-28***

Source: *County Welfare Directors Association of California (CWDA)*

Medi-Cal County Eligibility Workforce

- On January 1, 2027, H.R. 1 requires ACA Medi-Cal expansion enrollees and applicants to (1) document an exemption or 80 hours per month of work, education, or volunteering to qualify for or continue receiving Medi-Cal; and (2) reverify eligibility every six months instead of annually.
- The county eligibility workforce will be responsible for supporting clients in navigating these complicated new requirements.
- An estimated 2.8 million enrollees will be subject to the requirements.
- Counties are facing increased costs of $231 million in 2026-27 (growing to $305 million in 2027-28) for the increased Medi-Cal county workload that will help individuals retain their access to health care.

CalFresh County Eligibility Workforce

- H.R. 1 requires CalFresh recipients who are subject to Able-Bodied Adults Without Dependents (ABAWD) rules to be subject to expanded work and documentation requirements.
- Effective June 2026, the county eligibility workforce will be responsible for the screening, verification, and engagement that is needed.
- Over 950,000 CalFresh recipients will be impacted.
- Counties are facing increased costs of $103 million in 2026-27 ($58 million in 2027-28) for the increased CalFresh county workload that will help individuals retain access to their food assistance benefits.

CalFresh County Share of Costs

- In October 2026, H.R. 1 reduces the federal government's share of CalFresh administrative costs from 50 percent to 25 percent.
- This causes a direct cost shift to counties as counties are responsible for 30 percent of the non-federal share in California in order to draw down the full state General Fund allocation and federal funds.
- Counties are facing an increased annual cost of approximately $211 million to help preserve access for individuals to nutrition assistance.

Source: *County Welfare Directors Association of California (CWDA)*

California State
Association of Counties

February 12, 2026

To: CSAC Board of Directors

From: Kimberly Rodriguez, Chief Legislative Advocate

RE: 2026 CSAC Advocacy Priorities

The following 2026 CSAC Advocacy Priorities were adopted by the Board of Directors on Thursday, December 4, 2025.

2026 Administration of Justice Advocacy Priorities

Juvenile Justice

On June 30, 2023, the state's Division of Juvenile Justice (DJJ) ceased operations and realigned the care of incarcerated youth to counties. Those previously adjudicated to DJJ had the most serious criminal backgrounds and intensive treatment needs. Since DJJ's closure, counties are required to provide wrap-around services, programming, specialized treatment, maintain and increase staffing where necessary, in addition to improving correctional design and creating additional space within existing facilities, all while facing continual changes via legislation and proposed Title 15 and Title 24 regulations through the Board of State and Community Corrections (BSCC). CSAC will continue its advocacy to ensure counties have the necessary funding, resources, and flexibility to meet the public safety needs of all communities, as well as all justice-involved youth and young adults under county care.

Felony Incompetent to Stand Trial (IST) Growth Cap & Penalty Program

Over the past few years, CSAC, alongside county affiliates and partners, have advocated for substantial changes to the California Department of State Hospitals' (DSH) IST growth cap and penalty program. While our advocacy efforts spurred changes with regards to how county penalties are calculated, the number of counties exceeding their growth cap has increased. Additionally, the existing tiered penalty rate structure, which sunsets in 2026-27, will inevitably result in higher penalty amounts for many counties. Given these ongoing concerns with the program and its impact on counties statewide, CSAC will continue to advocate for changes that will better equip counties to serve this population prior to criminal justice involvement. We will also continue to be engaged with any legislation and budget items that affect local systems and the IST population that are served by counties.

Victims of Crime Act (VOCA)

The California 2025 Budget Act included $100 million General Fund one-time to supplement the federal Victims of Crime Act (VOCA), with $97 million allocated for grants and $3 million allocated for grant administration administered by the California Office of Emergency Services (CalOES). This built upon the previous year's efforts to secure $103 million General Fund one-time funding for crime victims across California. In both years, CSAC, in collaboration with a broad coalition of over 250 victims' rights groups and direct service providers, advocated for this critical funding to be ongoing, rather than one-time, due to the consistent decline in federal revenues for VOCA through the Crime Victims Fund. In addition to state advocacy, CSAC also focused on federal efforts, joining Congressional coalition letters calling for the distribution of VOCA grants and the sustained maintenance of VOCA funding through the annual appropriations bills. CSAC will continue to drive similar state and federal advocacy efforts in 2026.

Proposition 36 (2024) Implementation

Counties are implementing Proposition 36 (2024), which looks different across counties based on local capacity needs, regional crime trends, and prosecutorial action. While some counties have seen higher levels of theft offenses charged under the proposition, other counties have seen higher levels of drug offenses charged. The 2025 Budget Act included $100 million one-time General Fund that may be used for the implementation of Proposition 36. However, CSAC has made it clear that only $70 million is directly tied to Proposition 36-related services, $50 million of which is for county behavioral health departments and not other county impacted departments. Ultimately, successful implementation to meet the will of the voters is dependent on consistent coordination amongst stakeholders, funding stability, and tracking consistent data, all of which will be a focus in 2026.

Indigent Defense

All defendants are guaranteed the right to legal counsel per the 6th Amendment to the U.S. Constitution, and in California, counties have a unique responsibility to provide indigent defense. In 33 counties, this is provided by an institutional county public defender's office, whereas other counties utilize alternative models, such as contract systems. Counties establish a method of defense service provision that best suits their local resources and capacity. The state Legislature, advocacy organizations, research bureaus, and other arms of government have increasingly focused on this subject in recent years. We anticipate this will continue, presenting challenges for counties with little to no state financial support. CSAC will continue to advocate for county authority and flexibility and urge the state to allocate necessary funding for counties to uphold their constitutional mandate and improve the quality of defense, regardless of the county and indigent defense system in place.

California Advancing and Innovating Medi-Cal Justice-Involved Initiative (CalAIM JI)

In January 2023, California became the first state in the nation to receive approval of the Section 1115 waiver to begin providing specified Medicaid services in adult and youth correctional facilities. This multi-pronged initiative endeavors to facilitate the continuous provision of healthcare services to individuals transitioning out of correctional settings; extensive readiness assessments and cross-departmental coordination are required to be approved prior to implementation. As counties continue to implement this program alongside various system stakeholders, CSAC will continue to provide ongoing updates and guidance from the state, convene counties for vital information sharing and learning opportunities, and advocate for adequate, long-term funding necessary for successful implementation of the CalAIM JI initiative. Notably, this waiver is in effect through December 2026. Due to unprecedented federal uncertainty, CSAC will keep counties updated with funding opportunities and as waiver renewal discussions continue. Other waivers will remain in place through their effective dates.

<u>2026 Agriculture, Environment, and Natural Resources Advocacy Priorities</u>

Utility Accountability and Liability

California's investor-owned utilities increasingly rely on de-energization measures, including Public Safety Power Shutoffs (PSPS), as a wildfire prevention and public safety strategy, as permitted by state law. While these actions may reduce ignition risk, they also create significant disruptions by affecting critical health and safety services, daily living, and economic stability. Oversight agencies must also hold utilities accountable for the planning, execution, and communication of de-energization events to prevent misuse and mismanagement. To meaningfully reduce the frequency and duration of shutoffs, utilities must accelerate investments in infrastructure hardening and other resilience improvements, particularly in and adjacent to high fire hazard severity zones, and in consultation with county governments. Additionally, the issue of utility liability remains a central concern as utilities experience substantial financial exposure from wildfire-related damages. CSAC will continue to work alongside coalition partners to uphold the rights of wildfire victims and local governments, and to ensure that utilities are held accountable for their operational and infrastructure decisions.

Disaster Prevention and Response

California's counties continue to be on the front lines of preparing for and responding to extreme weather events and natural disasters, including catastrophic wildfires, earthquakes, and floods. State and federal resources and partnerships play a key role in supporting local efforts to strengthen infrastructure, protect communities, and enhance long-term resilience. As disasters grow in frequency and complexity, counties rely on a framework that is responsive, consistent, and tailored to local needs. In 2026, CSAC will continue to work with our congressional partners and other stakeholders to modernize and improve the Federal Emergency Management Agency (FEMA), ensuring a more effective, reliable, and transparent federal disaster response system.

Wildfire Resilience and Insurance

Counties require sustained investment from state and federal partners to effectively prepare communities for and respond to catastrophic wildfires. Targeted regulatory streamlining and strategic exemptions may also be necessary to improve forest health and reduce wildfire risk, such as for community fuel breaks and biomass treatments. Furthermore, as disasters continue to increase in number and severity, homeowners in disaster-prone regions of the country face higher insurance premiums and deductibles, lower coverage options, policy non-renewals, and, in many cases, some higher-risk communities do not have access to property insurance at all. Moreover, in California, the lack of availability and affordability of wildfire insurance is compounding the state's housing crisis, as many lenders are unlikely to issue mortgages in the absence of adequate coverage. Additionally, affordable housing developers in the state have experienced significant insurance cost increases that have, in some cases, completely halted development projects.

CSAC will continue to advocate for accelerated project approvals, strengthened interagency coordination, and dedicated resources to support both planning and on-the-ground implementation of wildfire mitigation, response, and recovery efforts. CSAC will remain engaged in federal forest management reform discussions and will support efforts to enhance wildfire protection, preparedness, and forest resiliency. CSAC will also continue to engage with state and federal policymakers on how to effectively address the state's burgeoning wildfire insurance crisis.

Rural Development and Public Lands

Despite ongoing efforts aimed at reauthorizing the 2018 Farm Bill, lawmakers have repeatedly fallen short of renewing key agricultural, commodity, and nutrition programs. While the prospects for action in the remainder of the 119th Congress remain uncertain, CSAC will continue to engage with key members of Congress. Specifically, CSAC will continue to advocate for key investments in rural economic development, capacity building, and infrastructure.

Greenhouse Gas Reduction Fund and Proposition 4 Allocations

In 2025, the legislature reauthorized and rebranded California's climate market program as Cap-and-Invest, which sets a declining limit on greenhouse gas (GHG) emissions while allowing regulated entities to buy and trade emissions allowances. The State's portion of the Cap-and-Invest auction proceeds are deposited in the Greenhouse Gas Reduction Fund (GGRF) and those funds are reinvested into projects that reduce GHG emissions and advance climate resilience. Similarly, Proposition 4, the 2024 voter-approved climate resilience bond, provides a significant new funding source for wildfire resilience, water security, and community adaptation projects. CSAC will advocate to ensure that GGRF and Prop 4 funds are directed toward locally identified priorities including wildfire prevention and response, climate-resilient infrastructure, and adaptation strategies.

2026 Government Finance and Administration Advocacy Priorities

Protecting Counties from Runaway Legal Liability

Counties and other local agencies have been the subject of giant "nuclear" settlements for decades. These trends have been heightened by recent laws that have reopened statutes of limitations, placing counties in a position of defending themselves for claims for which records, witnesses, and memories may no longer exist. CSAC will continue to prioritize legislation that will strike a more appropriate balance for legal liability ensuring that survivors have an avenue for justice without causing counties and other local agencies to face fiscal crisis.

Pursue Meaningful Workers' Compensation Reform

Counties and all employers have seen mounting workers' compensation costs over the past decade. These are due to statutory changes and trends that tipped the scales towards more generous benefits and favorable assumptions. While employees who suffer from work-related injuries and illnesses clearly deserve compensation, the current state of the workers' compensation system has led to runaway costs and fiscal uncertainty for counties. CSAC believes it is critical that the state pursue broader reform efforts in 2026 that will strike a more appropriate balance for workers and employers.

Public Records Act

While the California Public Records Act (CPRA) serves as a fundamental right for the public to access the decision making of their government, changes to law and the way we conduct government business has imposed massive administrative burden and costs on every form of government in California. CSAC will continue strategic efforts to advocate for PRA reform that reduces impacts while maintaining public access and focus on educating the legislature and public about the strains placed on public agencies due to existing CPRA law.

State-Imposed Mandate Reimbursement Reform

Counties are required to comply with a wide range of state mandates, but only a limited number are reimbursed—and only after a lengthy, complex process. Determining whether a law qualifies for reimbursement can take years, with additional delays in establishing a process and rate for reimbursement. In the meantime, counties must fund these programs using local revenues, often for years, without certainty of repayment. Furthermore, even after a mandate is approved for reimbursement, the state can suspend it to avoid paying counties. While suspended, the law remains in statute but counties are not required to comply with the law in that fiscal year and the state has no reimbursement obligation, creating confusion for the public and operational challenges for counties. To maintain service continuity, counties often continue providing these programs at their own expense. This cost-shifting—where the state acknowledges responsibility, builds public reliance, and then withdraws funding—has strained county budgets and complicated service delivery for years. To this end, CSAC will work with counties and local partners to review and reform the current process from test claim to audit, focusing on finding ways to streamline and improve the process, reducing the administrative burdens on counties.

Regulating the Use of Artificial Intelligence and Related Technologies
Artificial intelligence technologies are evolving at an unprecedented pace, and the legislative landscape surrounding their regulation is expanding and shifting year by year. CSAC will continue to advocate on behalf of counties to ensure that any legislation or state guidance regulating the use of artificial intelligence and related technologies provides practical best practices without imposing implementation and cost burdens on counties, overriding local control in how counties decide to use these tools, or interfering with county operational policies and procedures, inclusive of employment practices.

2026 Housing, Land Use & Transportation Advocacy Priorities

Advocate for Stable Transportation Funding
Counties rely on state and federal sources for a significant amount of funding to maintain and operate their transportation systems. Many of the laws that provide these resources are set to expire in 2026. A variety of efforts are underway to craft new funding priorities and programs that will directly impact counties. Additionally, the traditional funding sources for most transportation programs, taxes on vehicle fuels, are projected to decline due to the increasing adoption of electric vehicles. In response to this shift, the state is examining how it can broaden the current transportation funding sources to become less reliant on vehicle fuels-based revenue sources. CSAC will continue to engage in legislation that seeks to broaden and stabilize the state's transportation funding system to ensure that counties continue to receive reliable funding from state and federal transportation programs.

Balance Support for More Housing with County Land Use Oversight
The lack of available housing in quantities affordable for county residents has been clearly illustrated by data and reporting for years. The legislature continues to pass laws that seek to address the challenges the state faces in the housing space. However, some of these bills start from the perspective that the county role in land use decisions is a hindrance to creating more housing. CSAC will continue to support bills that seek to aid the construction of all types of housing, especially housing that supports the most vulnerable, while appropriately balancing county participation in the land use decision process.

Permit Processing Efficiency and Staff Cost Recovery
The legislature has continued to explore the laws that guide how county land use and building permits are evaluated and issues. Legislation that has been developed from these efforts has focused on simply shortening timelines while other bills have reached into areas that could negatively impact how counties recover the resources to fund the staff that are essential to ensure that development and construction occur in manner that protects public health and safety. CSAC will support legislation that aids the dissemination of best practices to improve efficiency and reduce the time required to process land use and building permit applications. Additionally, we will support bills that amend statutes that result in reductions in the staff time required to process these permits, support the use of pre-approved plans while maintaining a county's ability to assess fees that support the reasonable amount of staff services required to support permit review and processing activities.

<u>2026 Health and Human Services Advocacy Priorities</u>

Protecting Safety Net Programs

The passage of H.R. 1 will result in significant and direct impacts on the low-income and vulnerable children, youth, families, and older adults that counties serve. There will also be dramatic cost impacts to counties related to (1) increased county workload; (2) direct cost shifts; (3) indirect impacts and strain on the safety net; and (4) health care financing restrictions. CSAC will lead county coalition efforts that include HHS affiliate partners. This advocacy will encompass policy and budget priorities related to indigent care, CalFresh and other social services programs, Medi-Cal, public hospitals, and other directly or indirectly impacted county programs. At the federal level, CSAC will look for opportunities to mitigate and ultimately reverse the harmful cuts to Medicaid and the Supplemental Nutrition Assistance Program (SNAP) that were enacted as part of H.R. 1, as well as continue to work to protect other county administered safety net programs that support vulnerable populations.

Homelessness Funding and Responsibilities

A primary focus in 2026 will be implementation of Round 7 of the Homeless Housing, Assistance and Prevention (HHAP) program. Additional legislation is required in order to effectuate the new requirements for the $500 million in Round 7 funding in 2026-27. CSAC will advocate for the application to be kept simple, no additional requirements added, and pathways to show progress on meeting requirements to be established. More broadly, the AT HOME plan will continue to guide CSAC's advocacy efforts related to any budget proposals or legislation to address the state's homelessness crisis. CSAC will pursue opportunities to establish a comprehensive homelessness response system, which includes clearly defined roles for all levels of government (state, counties, and cities), accountability, and ongoing funding. CSAC also will work to protect and enhance funding for key housing and homelessness programs administered by the U.S. Department of Housing and Urban Development and call for the reestablishment of the United States Interagency Council on Homelessness, which played an important role in coordinating the federal response to homelessness.

Implementation of Behavioral Health Initiatives

Over the past several years, California's behavioral health system has undergone substantial change through initiatives such as Proposition 1 and the Behavioral Health Services Act (BHSA), the Community Assistance, Recovery, and Empowerment (CARE) Act, and the expansion of the Lanterman-Petris-Short (LPS) Act, among others. Additionally, several key implementation milestones begin in 2026, including the statewide expansion of criteria for involuntary detention and conservatorship pursuant to SB 43 (Chapter 637, Statutes of 2023) effective January 1; the expansion of the population eligible for CARE pursuant to SB 27 (Chapter 528, Statutes of 2025) effective January 1; and the submission of new three-year County Integrated Plans pursuant to BHSA next summer. While the state has made significant one-time investments to support these reforms, counties will need sustained and adequate funding to help realize the transformative goals envisioned for California's behavioral health system. CSAC will continue to advocate for the necessary county resources, funding, and technical assistance to effectively implement these multi-year initiatives. Additionally, CSAC will advocate for maximum local flexibility and oppose county sanctions or unreasonable withholding of funds, particularly for issues that fall outside of a county's control.

In-Home Supportive Services (IHSS) Collective Bargaining

In 2025, there were many notable developments related to transitioning IHSS statewide bargaining from the counties to the state and this advocacy will remain a key priority in 2026. CSAC was able to successfully negotiate amendments to AB 283 (Haney) related to county cost protections, scope of representation, and county input that allowed CSAC to take a support position. Ultimately, the legislation stalled and became a two-year bill. As the Administration engages on possible amendments to this bill, CSAC will continue to advocate in a manner that protects county fiscal, programmatic, and administrative responsibilities for any possible transition of collective bargaining to the state level.

Strengthening Early Childhood Efforts

CSAC will continue to look for ways to engage on advocacy related to early childhood and child care issues. In 2025, the CSAC Child Care Workgroup conducted a comprehensive analysis of the state's child care system that identified key findings around access, funding, economic impacts, and partnership opportunities. CSAC's advocacy on this issue will support increased access to child care, particularly as it relates to programs that serve county clients accessing safety net services.

Federal Funding and Policy Changes

County Health and Human Services Advocacy Principles and Impacts

As the safety net provider for health and human services (HHS), all 58 counties are committed to ensuring the health and well-being of our communities through longstanding obligations to support Californians' health care, public health, social services, and behavioral health needs. The breadth and depth of change at the federal level to these basic safety net programs will disrupt access to these critical services and place inordinate pressures on already strained county budgets. The implementation of H.R. 1, expiration of enhanced health care subsidies, and proposed changes to homelessness funding and the public charge rule are creating significant risks for individuals and families to access basic health care, nutrition assistance, housing assistance, and other essential safety net services. These changes will worsen health outcomes, increase hunger, and cause more homelessness.

County Advocacy Principles

As the state looks to navigate California's response to H.R. 1 and other federal policy changes, counties are eager to work together to mitigate the detrimental consequences of these changes and preserve critical safety net services to the maximum extent possible. Investing to help individuals and families maintain their health care and benefits and supporting the work at the county level that makes this possible will help sustain the health and well-being of all Californians. To that end, counties are sharing the following principles that will guide our advocacy and budget requests in response to federal changes. Counties look forward to continued engagement with the Administration and the Legislature on the state budget, legislation, and implementation workgroups.

- **Maintain Coverage and Benefits**
  Counties support efforts to maximize the ability to keep people enrolled in state and federal safety net programs using systems with existing and proven competencies like the county eligibility workforce

- **Fund New Requirements**
  Counties support ongoing and stable revenues for any new or expanded administration requirements and service responsibilities and to address federal funding cuts

- **Keep Existing Commitments**
  Counties oppose reduced funding for existing county programs and responsibilities, unfunded expansions of existing mandates, or new unfunded mandates

- **Increase Efficiency**
  Counties support streamlining efforts that can create program coordination, improve accuracy, and support county staff in managing increased workload

- **Provide Relief and Reduce Burdens**
  Counties support appropriate relief from existing mandates where possible and reducing state-level requirements that add costly administrative burdens

H.R. 1 Implementation Impacts to Counties

While all of the recent federal policy changes and uncertainty are significant, the implementation of H.R. 1 has a number of clear and direct impacts that are essential to specifically highlight as the state moves forward on next steps in developing the 2026-27 Budget and implementing the law. H.R. 1 will create dramatic challenges to the ability of counties to provide essential services to low-income and vulnerable children, youth, families, adults without children, and older adults. These severe strains on county health and human services programs and overall county budgets include:

- **Expanded Demand for Indigent Care**

  The H.R. 1 Medi-Cal changes are estimated to cause millions of Californians to lose their health coverage. These individuals may turn to county indigent care programs, which are the medical providers of last resort. However, county indigent care programs have dramatically decreased their infrastructure due to low enrollment since the implementation of the Affordable Care Act in 2014. In addition, 1991 Realignment funding that supported these programs has been redirected to the state, which essentially leaves counties with little room to maneuver.

- **Increased County Workload**

  H.R. 1 expands work requirements for CalFresh, creates new work requirements for Medi-Cal, and substantially increases the frequency and complexity of eligibility determinations, verifications, and ongoing case management. Counties are responsible for eligibility and enrollment, are mandated to perform this work, and are facing hundreds of millions of dollars in increased costs to meet these new demands. The county eligibility workforce has demonstrated historically that with adequate funding, federal public benefits changes can be implemented consistent with maximum program retention and accuracy.

- **Direct Cost Shifts to Counties**

  H.R. 1 reduces the federal share of CalFresh administration and Medi-Cal emergency services for certain patients, directly shifting at least hundreds of millions of dollars in costs to counties. The existing funding structure for the county share is unable to sustain this dramatic reduced federal share. H.R. 1 also increases county costs in administering state health programs for individuals who lose Medicaid but continue receiving services through programs such as the California Children's Services (CCS) program.

- **Reductions to Health Care Payments for Public Health Care Systems**

  State Directed Payments (SDPs) play a critical role ensuring access to quality health care for persons covered by Medi-Cal by supplementing low reimbursement rates. H.R. 1 imposes a cap on future SDPs and incrementally reduces existing SDPs to meet 100% of Medicare rates, resulting in a cumulative loss of more than $1.5 billion when combined with the impacts to federal support for emergency services described above.

- **Loss of Medi-Cal Revenue for Counties**

  With reduced Medi-Cal eligibility, counties will have fewer opportunities to leverage existing Realignment and other revenues to draw down federal Medicaid match which helps to sustain counties' health and behavioral health programs and services, including, but not limited to county behavioral health safety net services.

- **Strain on Other Safety Net Services**

  H.R. 1 reduces eligibility for Medi-Cal and CalFresh while also increasing and complicating the paperwork and other requirements to stay enrolled in the programs even when individuals are eligible. As individuals and families lose Medi-Cal coverage, they are likely to turn to other programs, such as county public health, county hospitals, and behavioral health safety net programs.

We look forward to collaborating with the Administration and Legislature to find solutions to mitigate the devastating impacts of H.R. 1.

COUNTY INDIGENT CARE

Welfare and Institutions Code Section 17000

BACKGROUND INFORMATION

- California counties serve as the healthcare safety-net providers of last resort for uninsured residents, with county indigent care programs financed largely by state-county realignment funds (1991).
- When the Affordable Care Act expanded Medi-Cal eligibility in 2014, California passed Assembly Bill 85 to redirect a significant portion of 1991 health realignment dollars away from county indigent care programs toward other state priorities.
- This expansion allowed California to scale up Medi-Cal and reduce reliance on county indigent care programs, and it also meant that counties' caseloads were drastically reduced, leading many counties to decrease infrastructure or restructure delivery of care.
- Provisions included in H.R. 1 will narrow coverage, implement new Medicaid work requirements, increase the frequency of redeterminations, and lead to the loss of coverage for many Californians.
- California's counties will need significant new resources to rebuild the necessary infrastructure to serve an expected increased uninsured population.

SECTION 17000 REQUIREMENTS

- Counties are legally obligated to provide subsistence medical care to lawful residents.
  - Basic, medically necessary services provided at a level which does not lead to unnecessary suffering or endanger life and health, including care sufficient to protect life, to prevent significant illness or significant disability, and to avoid substantial pain and infection. Care must be provided promptly and humanely.
- Counties are the healthcare provider of last resort for lawful uninsured residents who are low-income and lawful uninsured residents with higher incomes whose medical needs are beyond their ability to pay.
- Each county sets their own standards of eligibility, aid, and care.

CSAC URBAN COUNTIES OF CALIFORNIA RCRC CHEAC Improving the Health of all Californians CMSP GOVERNING BOARD CAPH

COUNTY INDIGENT CARE

Welfare and Institutions Code Section 17000

WHAT IS NOT REQUIRED BY SECTION 17000?

- County indigent programs are not health care coverage/insurance.
- County indigent programs are not required to be uniform across the state.
- Counties are not mandated to provide care to undocumented individuals.
- This mandate does not include the provision of mental health services.

POPULATIONS THAT MAY RETURN TO SECTION 17000 COUNTY INDIGENT PROGRAMS DUE TO RECENT POLICY CHANGES:

- Individuals who are unable to comply with new work requirements.
- Individuals who cannot afford coverage through Covered California due to the loss of federal subsidies.
- Lawfully present immigrants who are no longer eligible for Medi-Cal or Covered California.
- Individuals with pending Medi-Cal applications.

STATE · COUNTY · CITY

AT HOME Pilot Program

February 2026

We have a homelessness crisis in California. Everyone is frustrated, and rightfully so: The public is demanding progress and results.

Frustration and finger-pointing will never solve the problem. Instead, we must confront the fundamental barriers to reducing homelessness:

- *The lack of clearly defined responsibilities for each level of government (state, county, city)*
- *The insufficient alignment between authority, funding, and accountability*
- *The state's unreliable, one-year-at-a-time funding approach*

This proposal tackles the first two barriers and calls on the state to address the third.

GOAL: Pioneer a new statewide model to address and prevent homelessness.

STATE FUNDING

- **Keep what's working:** Permanently extend $1 billion per year in HHAP funding
- **New commitment:** $100 million/year for five years to implement the pilot program

METRICS

Measure results by tracking the numerical and percentage changes in:

- Homeless populations
  - Overall homeless count
  - Key sub-populations (i.e. sheltered/unsheltered)
- Shelter/transitional/permanent supportive housing
  - Estimated need approved
  - Estimated need operational
- Residents receiving services or financial support
  - Estimated need served for those who are homeless
  - Estimated need served for those at risk of becoming homeless

➡ *Measures may be adjusted in coordination with the state to fit local focus.*

5-YEAR PILOT PROPOSAL

WHERE: COUNTIES AND CITIES THAT JOINTLY OPT-IN

- Must have strong existing working relationships on housing/homelessness.
- Will include geographically diverse communities in California.

➡ *We expect there will be up to eight applications from interested county-city partnerships.*

COUNTY RESPONSIBILITIES:

- Provide necessary health and human services consistent with existing mandated responsibilities.
- Ensure access for homeless individuals, as tied into broader county safety net services.

CITY RESPONSIBILITIES:

- Site and fund operations at homeless shelters and transitional housing.
- Site permanent supportive housing facilities.

➡ *Siting should be coordinated with the county to tie into safety net services as much as possible*

STATE · COUNTY · CITY

AT HOME Pilot Program

ADDITIONAL PROVISIONS FOR PILOT PARTICIPANTS:

Streamline Housing Process and Requirements:

- Participating cities and counties shall identify the appropriate conditions in their respective jurisdictions where homeless and supportive housing projects would be eligible for:
    - By-Right
    - CEQA exemption

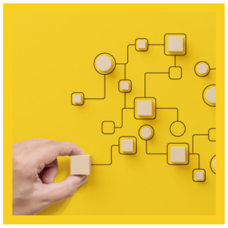
- Expedited plan approval developed by counties and cities in pilot areas:
    - Facilitates approval of initial plans for homelessness/supportive housing projects that meet specific criteria developed by participating counties and cities.
    - Ministerial approval based on projects meeting critical design and other requirements.

- Full property tax exemption to fast-track projects not otherwise financially feasible:
    - Units for homeless or at-risk populations must account for 50% or more of a project.
        - Ex: transitional housing project that is 50% for homeless and those at-risk of homelessness and 50% for workforce or market rate units.
    - Full exemption sunsets after five years, reverting back to partial exemption.

- RHNA credit:
    - Each supportive housing unit that a jurisdiction approves will receive a 2-unit credit.
    - Each jurisdiction will receive a 2-unit credit for every 10 beds of shelter approved.

➡ *Those two credits are split equally between the city and county for joint projects.*

Eliminate Bureaucracy:



- Unified homelessness application and reporting for braided funds (HHAP, Encampment Resolution Funding, etc.).

➡ *Expedites funding and services in communities by eliminating numerous lengthy, stand alone applications and reporting requirements.*

California State Association of Counties

February 12, 2026

TO: CSAC Board of Directors

FROM: Chastity Benson, Chief Operating Officer

SUBJECT: Public Affairs and Member Engagement Report

Public Affairs

Governor's Budget Proposal/State of the State

January's first week of legislative session brought two high-profile news events, and CSAC launched full-fledged rapid response efforts to each. This is all part of our larger strategy to shape the narrative at the state Capitol and in the public.

We issued a response immediately after the governor called out counties on homelessness in his State of the State address. The next morning, our statement went out within minutes of the Department of Finance posting the governor's budget proposal. Our budget statement drew widespread major media coverage, including the Associated Press, Los Angeles Times and CalMatters.

In the days that followed, media requests continued to pour in — and we kept the pressure on. We also ran a social media campaign emphasizing quotes from state lawmakers that echoed CSAC's concerns and narrative. During the month of January, 24 budget and policy related news stories either mentioned or quoted CSAC.

Building a County PIO Network

One of our top Public Affairs and Member Engagement priorities in the coming year is to strengthen relationships with county Public Information Officers (PIOs). We believe this collaboration will benefit both counties and CSAC in several ways.

For example, this collaboration allows CSAC to amplify county success stories statewide, helps counties elevate CSAC communications through local and regional media, and creates opportunities for county PIOs to connect with one another to share ideas, resources, and support across the state.

Our first PIO meetup of the year took place in January via Zoom, and we'll be holding additional in-person regional meetups throughout the year. We welcome connections with your county's PIOs—whether communications is their primary role or part of broader responsibilities, including County Executives. We're also hoping to connect with communications staff in larger counties who work directly with our members. Please don't hesitate to reach out to Ben Adler (badler@counties.org) or Rachael Serrao (rserrao@counties.org).

1100 K Street Media Tour
As CSAC's building renovation project gets under way, Public Affairs conducted a media tour and interview availability. The goal was to build local goodwill by highlighting CSAC's investment in downtown Sacramento. Chief Operating Officer Chastity Benson and representatives from our local architectural firm and local construction company met with reporters.

CSAC Gubernatorial Forum
With the June primary election less than half a year away, CSAC hosted a forum at our Annual Meeting in December with six of the most prominent 2026 candidates for California governor. A packed ballroom of CSAC members and conference attendees heard from:

- Former U.S. Health and Human Services Secretary Xavier Becerra
- Businessman Steve Hilton
- Former Representative Katie Porter
- Businessman Tom Steyer
- State Superintendent of Public Instruction Tony Thurmond
- Former State Controller Betty Yee

The forum was moderated by KQED political reporter and podcast host Marisa Lagos. It received significant print and TV media coverage in the Bay Area and was broadcast on public radio stations in the Bay Area, San Diego, Sacramento and several other media markets. You can watch the forum on our website.

Member Engagement
Spring Regional Meeting
Mark your calendars for the first CSAC Regional Meeting of 2026 March 11-12 in San Bernardino County! The regional meeting will focus on how the Inland Empire is advancing sustainable technologies through artificial intelligence and building a green economy while driving innovation, creating jobs, and supporting equitable regional growth. For more information, please visit 2026regionalmeeting.events.counties.org.

2026 Legislative Conference
This year's 2026 Legislative Conference will be held in Sacramento County from May 20-22. The timing of the Conference is particularly significant, as it follows the release of the Governor's May Revision to the state budget. The conference will feature interactive workshops, panel discussions and policy committee meetings.

At the same time, members are also encouraged to take advantage of the opportunity to meet with Legislators while in Sacramento. These discussions help to strengthen county-state partnerships and support informed decision- making on issues that directly affect California's communities. If you haven't registered, please visit 2026legcon.events.counties.org.

Challenge Awards
CSAC will host our second Challenge Awards Dinner on February 11, 2026, bringing together members of the Capitol Community to celebrate the innovative and creative work of California Counties. The event will highlight new, effective, and cost-saving ways counties are serving their communities.

We received nearly 400 submissions and will honor 13 programs from 12 counties. Three counties will receive the highest honor, the Innovation Award. These efforts showcase the teamwork, passion, and commitment across our county family to ensure residents receive the care, services, and information they need.

The Awards dinner will be attended by numerous State Legislators and Constitutional Officers, and members of the Capitol Community. We expect a record attendance of over 200 people.

Applications for the 2026 Challenge Awards will open this summer. Look for an email announcement with details on how to submit your county program.

Annual Meeting Recap
During the first week of December, nearly 900 CSAC members and partners gathered in Santa Clara County for the 131st Annual Meeting. The week included workshops, policy committees, general sessions, and mobile tours to Google, Adobe, and Newby Island.

The conference also featured the first ever gubernatorial candidate forum, with six prominent participants. In addition, CSAC hosted a variety of state elected officials: Treasurer Fiona Ma, Attorney General Rob Bonta, Assemblymembers Lori Wilson and Pilar Schiavo, and Senators Dave Cortese, Aisha Wahab and Bob Archuleta.

In our post-conference survey, members rated this year's policy committees and workshops "excellent" saying the content was "relevant and engaging" as well as "extremely informative."

General Session keynote speakers included *New York Times* op-ed columnist and bestselling author David Brooks, and Alex Sheen, founder of the nonprofit "because I said I would" and five-time TEDx speaker. Workshop and policy committee topics ranged from Artificial Intelligence to the impacts of H.R. 1.

Following elections during the Rural, Urban and Suburban Caucuses, CSAC inaugurated your 2026 officers:

- **President:** Santa Clara County Supervisor Susan Ellenberg
- **First Vice President:** Monterey County Supervisor Luis Alejo
- **Second Vice President:** Colusa County Supervisor Kent Boes
- **Immediate Past President:** Inyo County Supervisor Jeff Griffiths

The Women's Leadership Forum (WLF) elected Lake County Supervisor Jessica Pyska as its new Rural County Co-Chair and is planning upcoming Virtual Coffee meet-ups.

Mark your calendars for the 132nd Annual Meeting in San Diego County: November 30–December 4, 2026.

February 12, 2026

To: CSAC Board of Directors

From: Oscar Villegas, President
Rob Pierce, Chief Executive Officer

RE: **CSAC Finance Corporation Report**

CSAC Finance Corporation Board of Directors

The CSAC Finance Corporation (CSAC FC) Board of Directors is excited to announce the reappointment of three Board members at the start of the 2026 calendar year. On January 22, 2026, the CSAC Executive Committee reappointed the following CSAC FC Board members:

- ***Kathryn Barger, Urban County Supervisor, Los Angeles County (December 2028)***
- ***Ryan Alsop, Treasurer, Chief Executive Officer, Napa County (December 2028)***
- ***William (Billy) Rutland, Public Member, Sacramento County (December 2028)***

CSAC FC is actively preparing for its annual Spring meeting this year being held on May 4, 2026 - May 5, 2026. The annual Spring meeting is perhaps the most significant board meeting of the year as it entails the election of the CSAC FC Officers, development of the 2026/2027 Fiscal Year CSAC FC Budget, annual updates by Business Partners, and various program development discussions.

County Employee Benefits with CSAC FC Partners

CSAC FC proudly shares benefits and perks for county employees offered by two of its important partners, PRISM and Enterprise Mobility.

PRISM: PRISM members, including 54 California counties, are provided the complementary service of InsureOne Premier for county employees and household members. In short, InsureOne Premier provides discounted personal lines of insurance including home and auto coverage as a valuable voluntary benefit for employees. Recently, inflationary cost pressures and weather risks have increased the importance of providing coverage solutions for our employees – to save them time, money, and personal distraction. Surveys of current customers indicate an average of 30% savings vs. their prior coverage.

This custom solution designed for PRISM and CSAC members offers:

- Statewide coverage in Home, Auto, Renters, Pet, Motorcycle, RV & Boat, Umbrella policies and more
- Over a dozen well-known insurance carriers such as Travelers, Progressive, Aegis and more
- Dedicated, bilingual white glove service team
- Online quotes on a private member portal
- Access to standard and non-standard coverage

InsureOne Premier enables your employees a private way to search across multiple insurance carriers for the best rates and products to fit their unique household. Please see the attached flyer for more information and/or contact Rob Pierce at rob@csacfc.org.

Enterprise Mobility: As an added benefit for employees, Enterprise Mobility (EM) offers employees, of counties who utilize EM's services through CSAC FC's partnership, incredibly discounted vehicle rental rates for personal use. EM offers counties the lowest vehicle rental rates possible with numerous added benefits and perks through the CSAC FC partnership including extending the remarkable low rental rates to county employees for their personal use. As an example, county employees can realize personal daily sedan rental rates for approximately $45 per day including unlimited milage (regional market fees and taxes may vary). The reduced rates apply across the entire EM rental fleet offerings across the United States. This perk will help employees save on daily unforeseen rental needs as well as extended rental needs, resulting in significant savings for multiple day rentals. For more information contact Rob Pierce at rob@csacfc.org.

Easy Smart Pay

Easy Smart Pay (ESP) continues solid growth, providing beneficial and convenient property tax payment services to property taxpayers in California. As of February 2026, ESP proudly serves 40 California counties and welcomes the newest members, Butte and Santa Cruz Counties. ESP now serves tens of thousands of taxpayers statewide and has processed hundreds of millions in property taxes.

Designed to save taxpayers money and simplify the property tax process, ESP also entails no cost to counties; they simply provide tax roll data and link to ESP on their websites. ESP also offers the lowest credit/debit card transaction rates available statewide and provides the added benefit of reducing the administrative burden for county staff.

Counties interested in learning more are encouraged to connect with their Treasurer-Tax Collector and the ESP team. For more information, please visit www.easysmartpay.net or contact Chase Broffman at chase@csacfc.org.

Please see the attached flyer for additional information.

Corporate Associates Program

The Corporate Associates Program is entering the eighth month of FY 2025-2026.
Recently added PARTNERS are as follows: Joining us at the Platinum Level is the following firm: **S+B James Construction** (Kelley Cowan). New to the Gold Level is: **BBK Law** (Michelle Evaskevich and Ashley Fernandez). Finally at the Silver Level, please welcome **American Fidelity** (Shawn Kelley and Kasie Cameron-Perez), **Kooth** (Bridget Cepalia and Dr. Laura Tully) and **T-Mobile** (Joanna Diaz Soffer). These additions and some other changes bring our current total of corporate and business partners to 70.

The Corporate Associates National consulting program is continuing to take shape under the leadership of Robbie Bendorf. Staff is currently assisting five states: New Mexico, Tennessee, Michigan, Nevada, and Montana, and are currently scheduling a follow up call with the Texas Association of Counties.

As always thank you for your willingness to engage our partners in meaningful discussions and potential business opportunities.

For more information regarding the CSAC FC Corporate Associates Program please visit our website at: (www.csacfc.org), call (916-548-3280) or email Jim Manker (jim@csacfc.org). The current partner list is attached for your reference.

FINANCE CORPORATION

Organizational Chart

Rob Pierce
Chief Executive Officer

Jim Manker
Director of Business Development

Christy Higgins
Director of Operations

Robbie Bendorf
Director of Strategic Partnerships

Stacie Frerichs
Director of Business Programs

Chase Broffman
Business Development Manager

Sendy Young
Executive Assistant

FINANCE CORPORATION

Mission Statement:

To provide a broad array of finance, investment, insurance and purchasing services to benefit California counties and related public agencies.

Commitment & Priorities

"Dedicated to the Business of Improving Public Services for Counties and Their Constituents"

- Create and Manage Innovative Public Services and Products
- Provide Financial Support to CSAC
- Collaborate With Complementary National & State Organizations
- Maintain Strong Relationships With our Service Providers

1100 K Street, Suite 101 * Sacramento, CA 95814 www.csacfc.org

FINANCE CORPORATION

Supervisor Oscar Vllegas, President
oscar@csacfc.org or 916.650.8137

Rob Pierce, Chief Executive Officer
rob@csacfc.org or 916.612.3020

CSAC FINANCE CORPORATION PARTNERSHIP PROGRAM — CALIFORNIA Counties

PLATINUM Partners (as of 2.1.2026)

1. Amazon Business
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2. Amity Foundation
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dacuna@amityfdn.org
www.amityfdn.org

3. Anthem Blue Cross
Rob Charles, Government Relations Director
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4. Aramark
Michelle Bang, Growth Chief of Staff
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bang-michelle@aramark.com
www.aramark.com

5. Baron & Budd
John Fiske, Shareholder
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San Diego, CA 92127
(858) 251-7424
jfiske@baronbudd.com
www.baronandbudd.com

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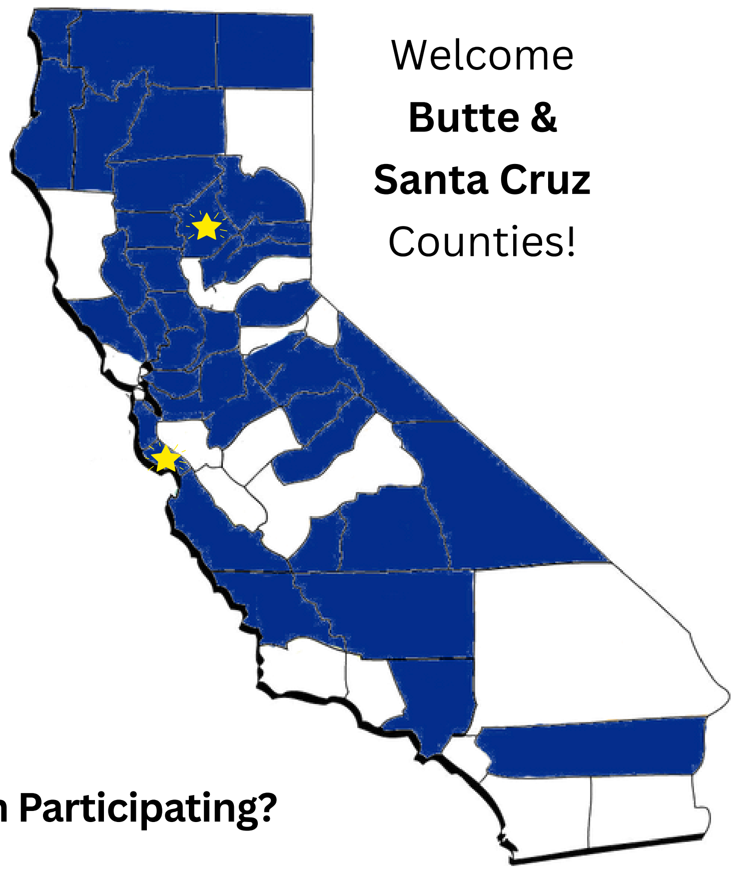

Welcome **Butte & Santa Cruz** Counties!

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Counties interested in learning more are encouraged to connect with their **Treasurer-Tax Collector** and the **ESP team.**

Contact:
Chase Broffman | chase@easysmartpay.net

CSAC CALIFORNIA COUNTIES FOUNDATION

Date: February 12, 2026

To: CSAC Board of Directors

From: Supervisor Luis Alejo, Foundation Board President
Paul Danczyk, COO, California Counties Foundation

Subject: Report – California Counties Foundation

The California Counties Foundation (Foundation) continues to expand work across the State, reaching all counties through courses at the William "Bill" Chiat Institute for Excellence in County Government (CSAC Institute) and services offered by CSAC Grants Initiative (CGI).

1. CSAC Institute

The CSAC Institute supports county professional development efforts through high-impact and high-quality executive-level courses. Credentials can either be self-driven or through county and association partnerships.

2025-2026 county partners include:

Shasta/Siskiyou/Tehama/Trinity, **Butte**/Colusa/Glenn, **Sutter**/**Yuba**, **Inyo**/**Mono**, **Stanislaus**, **Fresno**/Madera/Kings/Tulare, **Monterey**, **Los Angeles**, and **San Bernardino**. (Counties in bold were/are hosts.)

2025-2026 association partnerships include: California Association of County Executives (CACE), California Counties Human Resources (CCHR), and California Counties Information Services Directors Association (CCISDA).

2. Specialized programs include:

Los Angeles County: Executive Leadership Development Program

The Executive Leadership Development Program (ELDP) is a partnership with the Los Angeles County Department of Human Resources (DHR) to provide leaders in Los Angeles with essential skills to transition into higher roles.

On December 10, the CSAC Foundation proudly celebrated the graduation of 46 leaders who completed the fall offering. The following two cohorts, totaling 50 participants, launched on February 4, 2026.

Los Angeles County: Executive Leadership Development Program Graduates with CSAC CEO Graham Knaus, Foundation COO Paul Danczyk, and Foundation Program Manager Ruth McCormack

<u>CAO Executive Institute</u>

The CAO Executive Institute officially launched in Sacramento on December 10 with the first of two in-person residencies. The program continues with virtual modules January, February, and March, and an April residency.

CAO Executive Institute participants with CACE Leadership: Tulare CAO Jason Britt, Glenn CAO Scott De Moss, Ventura CEO Sevet Johnson, Riverside CEO Jeff Van Wagenen, CSAC CEO Graham Knaus, and Foundation COO Paul Danczyk

<u>Realignment Training</u>

The Institute offers realignment training twice a year. This spring, the Institute is partnering with Fresno County to bring Realignment Training to Central California. The two-day course will take place in Fresno County's Clovis Veterans' Memorial District on April 9-10, 2026.

SB 827 Training

The Institute will be offering a new virtual course to satisfy the requirements of SB 827, which requires certain local government elected and senior officials to complete financial training at least every other year. This course addresses the fiduciary responsibilities necessary to ensure compliance with those requirements.

Led by experienced local government finance professionals, the program provides a concise yet broad overview of financial policy; short- and long-term financial management; budget and budget processes; reporting and auditing; cash management responsibilities; capital financing and debt management; contracting for services; and ethical stewardship of local government assets.

3. Executive Credential Program

Graduations

The Foundation celebrated two cohorts with Board of Supervisor presentations in Fresno (January 27) and Riverside (February 3). Upcoming graduations include Tulare and Kings with future presentations in Orange and Inyo. Graduates join a network of over 2,000 elected and senior leaders from across the state.

CSAC Institute's Fresno campus graduates with Supervisors Garry Bredefeld, Luis Chavez, Brian Pacheco, Nathan Magsig, and Buddy Mendes, CAO Paul Nerland, and Foundation COO Paul Danczyk

Institute Onsite Campuses

The Institute continues its efforts to design both onsite campuses that range in intensive approaches through offering ten courses between five- and ten-month time periods.

Programs currently underway include:

1. Monterey County (Cohort 3)
2. Stanislaus County
3. Glenn, Butte, and Colusa counties (hosted by Butte County)
4. Sutter and Yuba counties
5. Shasta, Siskiyou, Tehama, and Trinity counties, launched on January 9, 2026 (hosted by Shasta)
6. Fresno, Kings, Madera, and Tulare counties, launched on January 16, 2026 (hosted by Fresno)
7. San Bernardino County

Programs in development include:

8. Mono County

Multi-Rater Assessment Tool

The Foundation Board approved the consideration to develop a multi-rater assessment tool during the December 10, 2025 Foundation Board Meeting. The Institute is discussing methods, desired outcomes, and gauging interest. The Foundation plans to discuss an update during the next Foundation Board Meeting during the Spring Legislative Conference.

4. Executive Services

The Foundation continues to monitor interest in executive services across counties for elected officials and senior executives. Tailored towards county needs and requests, services include executive coaching, retreats, seminars, and keynote presentations.

5. CSAC Grants Initiative

The California Grants Initiative (CGI) - a partnership between the CSAC Foundation and The Ferguson Group - continues to support counties as they navigate an uncertain and shifting federal funding environment. Following the federal funding freeze enacted earlier this year by executive order, CGI has remained focused on high-touch, premium services that help counties strategically prepare for competitive opportunities, advance priority projects, and maintain funding momentum during the transition period.

California Association of County Executives
Providing Executive Leadership in California's Counties
808 R Street, Suite 209 ■ Sacramento, CA ■ 95814 ■ 916-231-2131 ■ www.calcountyexecs.com

February 12, 2026

TO: CSAC Board of Directors

FROM: Scott De Moss, Glenn County CAO and CACE President

RE: Update from the California Association of County Executives (CACE)

It is my pleasure to join the meetings of CSAC's Executive Committee and Board of Directors in 2026 as the CACE liaison. As we confront another challenging year for public agencies – especially county governments, CACE remains focused on providing a forum for its members to discuss state and federal policy impacts, explore innovations, and access support and peer-to-peer learning from the professionals your Boards of Supervisors have appointed to provide executive leadership and guidance.

A primary focus for county administrators and executives in 2026 will be assessing and mitigating the impacts of H.R. 1 implementation. CACE is continuing efforts to better understand the scope, timing, and operational implications of new and expanded responsibilities, including the potential need to reconstruct county indigent health programs. Through our bimonthly membership meetings, the association convenes a range of policy experts to strengthen the knowledge base of CAOs/CEOs and their staffs. Members benefit both from these briefings and from the opportunity to share approaches for assessing and responding to the impacts of H.R. 1 and other federal policy changes over the near and long term.

Recurring topics of interest to the association include:

- Exploring options to ensure the continued provision of jail medical services and improving counties' engagement in the SB 90 mandate process;
- Engaging on issues related to claims against counties that create fiscal liabilities, with the goal of ensuring effective and practical tools are available to manage county budgets;
- Supporting CACE members through information sharing, networking, and mentoring; and
- Discussing opportunities to innovate and collaborate on service delivery across county constituencies.

I am honored to serve as the CACE President this year and look forward to participating firsthand in the important policy discussions with our association's membership and in the CSAC forums. CACE's officers and members value our partnership with the CSAC Executive Committee and Board of Directors and appreciate the opportunity to work collaboratively in the year ahead.

County Counsels' Association of California

MEMORANDUM

To: **Supervisor Susan Ellenberg, President, and Members of the CSAC Board of Directors**

From: **Jennifer Bacon Henning, General Counsel**

Date: **February 12, 2026**

Re: **Litigation Coordination Program Update**

This memorandum will provide you with information on the Litigation Coordination Program's new case activities since the Board's September, 2025 meeting. Briefs filed on CSAC's behalf are available at: http://www.counties.org/csac-litigation-coordination-program.

The following jurisdictions are receiving amicus support in the new cases described in this report:

COUNTIES	CITIES	OTHER AGENCIES
Santa Clara (2 Cases) Shasta Sonoma Tulare	Apple Valley Berkely La Habra Los Angeles Redondo Beach San Diego	Tehama County Flood Control & Water Conservation Dist. San Diego Unified Port Dist.

Berkeley People's Alliance v. Berkeley
114 Cal.App.5th 984 (1st Dist. Sept. 30, 2025)(A172245), *request for depublication denied* (Jan. 14, 2026)(S294106)
Status: Depublication Request Denied; Case Closed

In response to significant disruptions during Berkeley City Council meetings in late 2023 and early 2024, the Council relied on Government Code section 54957.9 on several occasions to clear a meeting room and continue the meeting. In each instance, the mayor determined that the level of disruption and number of protesters meant the Council could not restore order by removing the disruptive individuals. The Council recessed and reconvened in an adjacent room, allowing press access and public participation via videoconference. Plaintiffs challenged the City's actions, arguing that the City was require to try removing specific individuals first, and could only clear the room if order was still not restored. pursuant to Section 54957.9, before a legislative body may order a meeting room cleared, it must first try and fail to restore order by removing specific disruptive individuals. Plaintiffs also argued that after the meeting room is cleared, the Council was required to reconvene in the same room. The trial court upheld the City's actions, holding that the City complied with Section 54957.9 because the statute provides a necessary condition for a legislative body to clear the meeting room and continue the meeting without public attendance -- that order is unachievable through removal of individuals -- but does not require that the City actually try to remove people one by one before clearing the room.

The Court of Appeal reversed, concluding that simply moving the meeting to another room without clearing the original meeting room did not satisfy the statutory requirement, as section 54957.9 only authorizes the legislative body to clear the meeting room and continue in session, not to relocate the meeting. The judgment sustaining the City's demurrer was reversed, with the court emphasizing that the Brown Act must be construed to maximize public access and participation, and that exceptions to open meetings are to be interpreted narrowly. CSAC requested depublication but the request was denied. (Note: CSAC also filed an amicus brief in this case.)

California Land Stewardship Council v. County of Shasta
Pending in the Third Appellate District (filed Dec. 8, 2025)(C105313)
Status: Briefing Schedule TBD

Petitioners filed this action to challenge the Shasta County Board of Supervisor's approval of an agreement between the County and the Redding Rancheria for services, including law enforcement and fire, at a proposed new casino site in the County. As is often the case, the casino is a controversial project in the County and as such this services agreement was also controversial. The agreement was opposed by several department heads, including the elected Sheriff. But the Board ultimately approved the agreement in a properly noticed public meeting on a 4-1 vote. This legal challenge followed alleging two main allegations: (1) the agreement was void because it failed to comply with the County's contracting manual; and (2) the agreement is essentially a "backroom deal" that will provide tens of millions of dollars in services to the Tribe while only recouping a fraction of the costs.

In response, the County asserted that the contract manual does not apply to the Board of Supervisors, but only governs the Board's delegation of contract authority (i.e., when persons other than the Board of Supervisors enter into contracts on behalf of the County). The County also argued that the agreement was supported by substantial evidence, and that a taxpayer action for waste requires a showing that the Board acted without any evidentiary support, which could not be shown here.

In a short 4-page ruling, the trial court ruled against the County. It noted that a Board of Supervisors has the power to approve agreements even if they are not financially advantageous to the County and that it is not for a court to decide whether such actions are good or bad from a policy perspective. But the court went on to find that the Board's actions were not authorized by law because the Board "failed to follow the critical process which the public and all interested parties were entitled to rely upon." Specifically, the court pointed to three factors in reaching that determination:

(1) the agreement was negotiated without the knowledge of the impacted department heads;

(2) the agreement was not reviewed by County Counsel and Risk Management, which the court determined was required by the County's contract manual; and (3) the County entities most affected by the Agreement were not adequately consulted, and various county staff opposed the agreement.

CSAC will file an amicus brief in support of the County.

California Renters Legal Advocacy & Education Fund v. County of Santa Clara

Pending in the Sixth Appellate District (filed Jan. 30, 2025)(H052946)

Status: Case Fully Briefed and Pending

This case raises the issue of whether Government Code Section 66300 ("SB330") bars municipalities from adopting any more restrictive development standards, even when there is no change to the zoning density for the affected area. The case challenges amendments to Santa Clara County's zoning code, including minor amendments on unincorporated land on Stanford University's campus. Those minor amendments required an extra five feet of front setback and new frontage and maximum lot coverage requirements for new developments. Prior to adopting these amendments, the County demonstrated that the new development standards would support new and additional housing construction and would have no impact on the intensity of land use. Petitioners challenged those minor amendments on the ground that they were preempted by SB330. The trial court disagreed, holding that Petitioners lacked standing, rejecting Petitioners' argument that SB330 operated as a total ban on any local development standards, and concluding that there was no evidence that the new development standards would reduce the intensity of land use in the neighborhood. Petitioners have appealed. CSAC filed a brief in support of the County.

Californians for Homeownership v. City of La Habra

Unpublished Opinion of the Fourth Appellate District, Division Three, 2025 Cal.App.Unpub.LEXIS 8180 (4th Dist. Div. 3 Dec. 18, 2024)(G064286), *request for publication granted* (Jan. 16, 2026)

Status: Publication Request Granted; Case Closed

This case addresses the process of adopting and certifying a housing element. The City of La Habra's City Council adopted its housing element in September 2022, with directions to its City Manager to submit it to HCD for approval and make any "technical and clerical" changes that may be required by HCD as part of the approval process. The City Manager made subsequent changes to the housing element in consultation with HCD, which were posted online, with links provided to interested parties. HCD issued its determination that the as-revised housing element complied with state law in February 2023. Plaintiff California for Homeownership (CFH) then brought this action challenging the process used by the city in adopting the housing element because: (1) the City Council and planning commission did not hold public hearings on the February 2023 version, and (2) the version was adopted by the City Manager rather than the City Council.

The Court of Appeal ruled in favor of the City. The court held: (1) the City had satisfied the public hearing requirement by holding hearings on earlier drafts of the housing element, including the version adopted by the City Council in September 2022; (2) the February 2023 modifications were considered part of the ongoing process to obtain HCS certification, not a new and distinct amendment requiring additional public hearings; (3) state law does not require a public hearing for post-adoption amendments made to secure

Department certification, and the statutory process contemplates such modifications as part of the larger revision and certification process; (4) the City Council had validly delegated authority to the City Manager to make technical or clerical revisions necessary to obtain HCD certification, and this delegation was consistent with local law; (5) even if procedural errors had occurred, CFH failed to show prejudice or that a different outcome would have resulted, as required by the harmless error rule; and (5) HCD's certification of the housing element created a rebuttable presumption of validity, which CFH did not overcome. CSAC's publication request was granted.

Cohen v. Superior Court (Schwartz)
102 Cal.App.5th 706 (2d Dist. June 5, 2024)(B330202), *petition for review granted* (Sept. 18, 2024)(S285484)
Status: Case Fully Briefed and Pending

"Government Code section 36900, subdivision (a) provides: 'Violation of a city ordinance is a misdemeanor unless by ordinance it is made an infraction. The violation of a city ordinance may be prosecuted by city authorities in the name of the people of the State of California, *or redressed by civil action*.' (Italics added.) Is the right to redress violations of municipal ordinances by filing a civil suit under section 36900 limited to officials of the city that enacted those ordinances? Or does the italicized phrase confer upon anyone and everyone, including all private citizens, the right to redress violations of municipal ordinances by filing suit against alleged violators?" The Second Appellate District concluded that the correct answer to that question is that only city authorities, and not private parties, are empowered by Section 36900 to redress ordinance violations through either criminal prosecution or civil action. The Supreme Court has granted review. CSAC has filed an amicus brief in this case.

County of Sonoma v. Russian Riverkeeper
Pending in the First Appellate District (filed Mar. 21, 2025)(A172760)
Status: Case Fully Briefed and Pending

In *County of Siskiyou v. Superior Court (Environmental Law Foundation)* (2018) 26 Cal.App.5th 844, the Third Appellate District held that Siskiyou County violated the public trust doctrine in failing to adequately manage groundwater that is interconnected to navigable waterways. It was the first case to apply the public trust doctrine in this way, notwithstanding numerous amicus briefs urging the court not to expand the doctrine to groundwater, including a brief filed by CSAC. In response that that decision, Sonoma County adopted a well ordinance that requires all permit holders to engage in metering, monitoring and water conservation requirements. Under the ordinance, well applications that have "low potential for impacts to public trust resources" or that involve an "overriding public interest in favor of ensuring adequate water supply for existing and domestic uses" are processed through as ministerial permits, as are applications for existing wells that maintain existing pumping levels and those that can demonstrate through a hydrogeologist-prepared recharge plan that enhanced recharge fully offsets any increase in extraction. All other applications go through a discretionary process where applicants must provide sufficient information to determine whether issuance of the permit will "cause or exacerbate a substantial adverse impact on public trust resources after imposition of feasible mitigation measures."

This lawsuit followed seeking to enjoin the ordinance and prohibit the County from issuing groundwater well permits. The trial court granted the injunction, concluding that the County failed to meet its obligations under the public trust. The county argued that it need only “take the public trust into account” and protect the trust “whenever feasible,” a determination entirely within its direction. But the trial court disagreed, concluding that “judicial oversight of government compliance with the [public trust] Doctrine necessarily involves ‘oversight over the administrative process and ensuring that proper standards are applied,’ in the context of mandamus review. . . . [S]uch review must not involve the court interposing its own judgment. However, it does require a determination that the agency did not abuse its discretion by determining whether or not substantial evidence supports the agency’s decisions.”

Sonoma County has appealed, arguing, among other things, that to the extent the trial court relied on the *Siskiyou County* opinion in its public trust analysis, that opinion should be overruled. CSAC has filed a brief in support of Sonoma County.

Garst v. Tehama County Flood Control and Water Conservation District
Pending in the Third Appellate District (filed Mar. 20, 2025)(C103356)
Status: Briefing Complete; Case Pending

The defendant District in this case is a Sustainable Groundwater Management Act (SGMA) agency. It imposed an initial fee of 29-cents-per acre for three years as a SGMA regulatory fee to fund a well registration program to gather data to establish a more nuanced fee and to fund groundwater management. The trial court invalidated the fee as a special tax due to its flat-fee nature and because nearly all landowners pay it, notwithstanding that the plaintiff failed to: (i) file a Government Claims Act claim; (ii) exhaust the SGMA refund remedy; or (iii) comply with SGMA's 180-day statute of limitations. The District has appealed. CSAC has filed a brief in support of the District.

Holys v. County of Santa Clara
Pending in the Sixth District Court of Appeal (filed May 7, 2025)(H053255)
Status: Amicus Brief Due March 25, 2026

Plaintiff Michael Holys alleges he was sexually abused by his foster parent between 1998 and 2001. He contends that the County should have discovered the abuse because a social worker allegedly failed to investigate non-sexual indicators of potential maltreatment (e.g., bruising, dirty clothing). He further asserts that since he reported abuse to some of his teachers, who are mandated reporters, the social worker should have received notice of the abuse allegation. reported concerns to the County as mandatory reporters, which he argues should have triggered additional investigation. Mr. Holys brought a negligence claim under AB 218, alleging the County failed to investigate and protect him from the alleged abuse. The trial court ruled for the County, finding that Plaintiff did not plead a duty to protect him from third-party criminal acts because the County lacked actual knowledge of the foster parent’s criminal propensities. On appeal, the central issue is whether **actual knowledge** is required to establish a duty to protect a minor from criminal acts, or whether **constructive notice** (i.e., the County “should have known”) is sufficient. CSAC will file a brief in support of Santa Clara County.

Leeds v. City of Los Angeles

115 Cal.App.5th 537 (2d Dist. Oct. 7, 2025)(B341355), *request for publication granted* (Oct. 24, 2025), *petition for review pending* (filed Dec. 2, 2025)(S294188)
Status: Petition for Review Pending

This is a class action case challenging franchise fees charged to waste haulers as an illegal tax under Prop. 218. The plaintiff class, which are several commercial and multi-unit property owners and tenants, alleged the haulers were passing on the charges to them, and, as such, the franchise fees were effectively a "tax" imposed on them without voter approval in violation of Proposition 218. The trial court denied class certification, finding individual issues predominated regarding who actually bore the economic burden of the fees. In an unpublished opinion, the Court of Appeal affirmed, concluding that the trial court properly considered that some class members passed franchise fee costs to tenants, creating individual issues about who suffered economic loss. The court distinguished *Clayworth v. Pfizer, Inc*. (2010) 49 Cal.4th 758, which prohibited the 'pass-on defense' in antitrust liability contexts, finding it did not apply to class certification analysis. CSAC's publication request was granted, but a Petition for Review is pending in the California Supreme Court.

New Commune DTLA v. City of Redondo Beach
115 Cal.App.5th 111 (2d Dist. Oct. 10, 2025)(B336042), *petition for review denied* (Jan. 28, 2026)(S294028)
Status: Petition for Review Pending

The City of Redondo Beach's housing element, which was approved by HCD, uses several strategies to meet its Regional Housing Needs Allocation (RHNA) number, including an "overlay zone" where residential zoning is overlayed onto base commercial and industrial zones to create additional opportunities for residential development and comply with Housing Element Law. Plaintiff, a developer, brought this action alleging that the City's certified housing element did not comply with Housing Element Law. The trial court ruled in favor of the City, but the Court of Appeal reversed. The Court concluded that "[a]n overlay zone cannot be used to satisfy the minimum density and residential use requirements set out in [Government Code] section 65583.2, subdivision (h)(2) . . . . where the base zoning expressly permits development that does not include housing." CSAC filed a letter supporting the City's Petition for Review, but the Petition was denied.

Patz v. City of San Diego
113 Cal.App.5th 225 (4th Dist. Div. 2 July 30, 2025)(E083543), *petition for rehearing denied* (Aug. 14, 2025), *petition for review denied* (Oct. 29, 2025)(S292698)
Status: Case Closed

This case addresses the standard of proof that is needed for a public agency to show that their water rates do not exceed the proportional cost of service. The Court of Appeal, in a 116-page, 2-1 opinion, held that the standard of proof is not "reasonableness" but rather cost-proportionality, requiring agencies to show with substantial evidence that their water rates do not exceed the proportional cost of service. The Court held that Government Code section 53750.6, which allows water service fees to include incrementally higher costs due to higher water usage demand, maximum potential water use, and projected peak water usage, does not excuse agencies from complying with Prop. 218's section 6(b)(3)'s proportionality requirement. There was a strong dissent in the case, noting that the opinion has increased a divide in the Courts of Appeal on the legal question of what standard of proof a defendant must meet in a section 6(b)(3)? What does the defendant need to do to prove that its rates do not exceed proportional costs? CSAC supported a Petition for Review in this case, but the Petition was denied.

S.C. v. Doe 1
115 Cal.App.5th 365 (5th Dist. Oct. 17, 2025)(F088296), *petition for review denied* (filed Jan. 28, 2026)(S294103)
Status: Petition for Review Pending

Plaintiff brought this action alleging childhood sexual assault under Code of Civil Procedure § 340.1. Plaintiff initially alleged the abuse occurred in 1981 while in the defendant's foster care but later discovered through juvenile records that she was actually in foster care from 1984 to 1986. The trial court denied her motion to amend the complaint to reflect the correct dates, reasoning that the certificate of merit requirement under section 340.1 precluded such amendments. The Court of Appeal reversed, holding that section 340.1 does not prohibit amendments under Code of Civil Procedure section 473, and that certificates of merit are aspects of the complaint subject to liberal amendment principles. Tulare County has filed a Petition for Review, and CSAC has submitted a letter in support of the Petition.

San Diego Unified Port District v. Superior Court (Castanares)
Writ Denied by the Fourth Appellate District, Division One (Jan. 6, 2026)(D087218)
Status: Pending at California Supreme Courte Court

The Port received a records request for investigations and complaints concerning the former CEO. The Port withheld two records based on exemptions in the CPRA. Those two documents were a confidential attorney-client privileged, attorney-work product memorandum prepared by outside counsel regarding the investigation conducted into the former CEO, along with a confidential attorney-client privileged, attorney-work product memorandum summary that included just over 100 attachments/exhibits.

The Port asserts that both of those records, and all the attachments, should be exempt from disclosure based on the personnel exemption, and more importantly, the attorney-client privilege and attorney-work product privileges. Disclosure of any of the communications would threaten the relationship, and thus, the nature of the attorney-client privilege. Nevertheless, the trial court ordered the Port to prepare a detailed privilege log that identifies the records, along with the attachments. The Port prepared the privilege log under protest and is expecting the trial court to require the Port to disclose some of the attachments. The Fourth District denied a writ petition, which CSAC supported. The Port is now seeking an emergency writ at the California Supreme Court. CSAC will file a letter in support.

Town of Apple Valley v. Apple Valley Ranchos Water
108 Cal.App.5th 62 (4th Dist. Div. 2 Jan. 15, 2025)(E078348), *petition for rehearing denied* (Feb. 13, 2025), *petition for review granted* (Apr. 23, 2025)(S289391)
Status: Amicus Brief Due Jan. 21, 2026

The California Supreme Court has granted review in this case to resolve a split in the Courts of Appeal on the proper standard of review in eminent domain cases involving private utilities. When a public agency, like a county, adopts a resolution of necessity ("RON") to acquire a public utility (here, a private water system), it creates a rebuttable presumption that there is a more necessary public use of the utility. In this case, the Fourth District Court of Appeal held that trial courts must review a municipality's RON under the gross abuse of discretion standard because such resolutions are quasi-legislative acts entitled to judicial deference. This ruling directly conflicts *with Pacific Gas & Electric Co. v. Superior Court* (2023) 95 Cal.App.5th 819, in which the Third District applied independent judgment review to utility condemnations. The California Supreme Court has granted review to the following issue: When a public entity files an eminent domain action seeking to take privately held public utility property, and the owner objects to the right to take, what is the proper standard of judicial review for the trial court to apply to determine whether the property owner has rebutted the presumptions under Code of Civil Procedure sections 1245.250, subdivision (b) and 1240.650, subdivision (c)? CSAC will file a brief in support of the Town.

California State
Association of Counties

February 12, 2026

TO: CSAC Board of Directors

FROM: Susan Ellenberg, President
Graham Knaus, Chief Executive Officer

SUBJECT: 2026 CSAC Appointments

The CSAC Officers met from December 17-19, 2025, to consider appointments for the following positions:

- Policy Committee Chairs & Vice Chairs
- Treasurer
- National Association of Counties (NACo) Board of Directors
- Western Interstate Region (WIR) Board of Directors
- California Counties Foundation Board of Directors
- CSAC Finance Corporation Board of Directors
- CalOES Homeland Security Advisory Committee (HSAC)
- California Wildfire and Resiliency Task Force

These appointments were approved by the Executive Committee on January 22, 2026.

2026 CSAC Appointments

Name	County	Caucus	Position
Administration of Justice			
Bruno Sabatier	Lake	R	Chair
Cassandra James	Solano	S	Vice Chair
Ray Mueller	San Mateo	U	Vice Chair
Agriculture, Environment & Natural Resources			
Jessica Pyska	Lake	R	Chair
Tod Kimmelshue	Butte	S	Vice Chair
Doug Verboon	Kings	R	Vice Chair
Government Finance & Administration			
Angela Curro	San Benito	R	Chair
Heather Moreno	San Luis Obispo	S	Vice Chair
Yxstian Gutierrez	Riverside	U	Vice Chair
Health & Human Services			
Holly Mitchell	Los Angeles	U	Chair
Lynda Salcido	Mono	R	Vice Chair
Matthew Plummer	Shasta	R	Vice Chair
Housing, Land Use & Transportation			
Gary Bradford	Yuba	R	Chair
Wanda Williams	Solano	S	Vice Chair
Natalie Arroyo	Humbolt	R	Vice Chair
Treasurer			
Belia Ramos	Napa	S	Treasurer
NACo Board of Directors			
Nathan Magsig	Fresno	U	Board Member
Josh Pedrozo	Merced	S	Board Member
Heidi Hall	Nevada	R	Board Member
NACo Western Interstate Region (WIR) Board			
Ned Coe	Modoc	R	Board Member
California Counties Foundation Board			
John Gioia	Contra Costa	U	Board Member
Terry Woodrow	Alpine	R	Board Member
Wendy Root-Askew	Monterey	S	Board Member
Rhonda Duggan	Mono County	R	Board Member
CSAC Finance Corporation			
**These appointments are for 3-year terms*			
Oscar Villegas	Yolo	S	President - term ends Dec. 2026
Kathryn Barger	Los Angeles	U	Board Member - term ends Dec. 2028
Ed Valenzuela	Siskiyou	R	Board Member - term ends Dec. 2027
CalOES Homeland Security Advisory Committee			
Trina Orrill	Inyo	R	Board Member
California Resiliency & Wildfire Task Force			
Robert Macaulay	Madera	R	Board Member

February 12, 2026

TO: CSAC Board of Directors

FROM: Chastity Benson, Chief Operating Officer

SUBJECT: Operations Report

<u>Accounting</u>

Fiscal Year 2026-27 proposed budget timeline

Prior to the start of each fiscal year, CSAC establishes a clear and fiscally responsible financial path forward. The process begins with a careful review of revenue expectations and an assessment of operational needs, followed by the thoughtful allocation of resources across departments. Every decision is made with the intent of balancing immediate priorities with long-term organizational growth. Through this structured budgeting process, CSAC ensures financial discipline, transparency, and the ability to respond confidently to emerging challenges while staying aligned with its strategic objectives.

The journey of the proposed budget starts in early January, with initial planning and preparation. This phase is followed by collaborative discussions with all CSAC department heads ensuring that each unit can contribute and that diverse operational perspectives are reflected. Once the proposed budget is prepared, it is presented to the CSAC executive team for review, feedback, and recommendations, and subsequently forwarded to the Treasurer for additional recommendations.

From inception to final review, this planning-to-approval process spans approximately three months, concluding by March. This structured timeline allows CSAC staff to present a well-organized and thoroughly reviewed proposed FY 2026-27 budget to the Executive Committee for consideration in the Spring of 2026.

Fiscal Year 2024-2025 Annual Audit

CSAC successfully completed its FY 2024–25 audit in October 2025, reflecting the organization's continued commitment to financial transparency and accountability. CSAC retained Baker Tilly US LLP to conduct an independent and thorough review of its financial statements for the fiscal year ending June 30, 2025. The consolidated audit encompassed the financials of the CSAC Finance Corporation, due to CSAC's controlling interest, as well as the California Counties Foundation, CSAC's affiliated 501(c)(3) nonprofit organization.

Baker Tilly US LLP presented the audit results, including an unmodified opinion, to the Audit Committee on November 14, 2025. The Audit Committee subsequently approved the FY 2024–25 audited financial statements on November 19, 2025, which was subsequently accepted by the Executive Committee on December 2, 2025.

According to Baker Tilly US LLP, the consolidated financial statements present fairly, in all material respects, the financial position of the Association, with no findings or material weaknesses. The auditors further noted that CSAC maintains a sound financial position supported by strong internal controls.

The issuance of an unmodified opinion, the highest level of assurance an auditor can provide, underscores the accuracy of CSAC's financial records and the organization's strong culture of fiscal responsibility.

Throughout the audit process, CSAC staff worked closely with the Baker Tilly audit team, in consultation with the CSAC Treasurer, to ensure a timely and efficient review. CSAC extends its sincere appreciation to all staff who supported the audit process by providing timely documentation and responses. Special recognition is due to the accounting team for meeting all audit deadlines while managing their daily responsibilities. CSAC also offers special thanks to the Treasurer and the Audit Committee for their guidance, leadership, and continued support throughout the audit process.

Operations

Professional Development Training Program

The Professional Development Training program launched with a two-day in-person kickoff session January 20–21, 2026. The focus of the training was to strengthen the management skills of managers and supervisors in the areas of HR compliance and leading high-performing teams. We aimed to create a shared baseline of knowledge and practices that improve team performance, reduce turnover, and foster an inclusive workplace culture.

Program highlights include key focus areas addressing supervising vs. managing, HR compliance and legal considerations, coaching and feedback skills, emotional intelligence, time and priority management, communication, conflict management, and belonging.

For the organization, this program ensures consistent management standards across teams, compliance assurance, and reduced risk. It will lead to higher employee retention, stronger collaboration, and improved performance. These efforts support our goal of becoming a preferred employer that encompasses a workplace that attracts and retains top talent. Next steps will bring in facilitators on a bi-monthly basis to form stronger collaboration amongst groups and continue learning sessions through mid-to-late 2026.

Interim Relocation and Renovation Progress

The 1100 K Street building is now vacant, and contractors have continued structural reviews and investigations in preparation for the renovation.

In December, the City Planning Department approved the proposed project, allowing it to advance to plan review by the Building Department. A demolition package was reviewed and submitted for a demolition permit. On January 26, 2026, we received notification of approval from the Building Department for demolition and abatement. An amendment is underway to establish the Guaranteed Maximum Price for demolition to start by mid-February.

Construction is targeted to begin in mid-summer.

California State Association of Counties
2026 Calendar of Events

JANUARY	
1	New Year's Day
19	Martin Luther King, Jr. Day
22	CSAC Executive Committee Meeting | Sacramento County
FEBRUARY	
4-6	Executive Committee Leadership Forum | San Diego County
11	Challenge Awards Dinner | Sacramento County
12	Board of Directors Meeting | Sacramento County
16	Presidents Day
21-24	NACo Legislative Conferences | Washington D.C.
MARCH	
12	Executive Committee Meeting | San Bernardino County
12-13	Regional Meeting | San Bernardino County
30	Cesar Chavez Day (observed)
APRIL	
8	Special Executive Committee Meeting | San Diego County
8-9	Board of Directors Retreat | San Diego County
MAY	
3-5	CSAC Finance Corp. Spring Meeting | Maui County, Hawaii
5-8	Western Interstate Region (WIR) Conference | Maui County, Hawaii
20-22	CSAC Legislative Conference | Sacramento County
21	Board of Directors Meeting | Sacramento County
25	Memorial Day
JUNE	
19	Juneteenth
JULY	
3	Independence Day (observed)
17-20	NACo Annual Conference | Orleans Parish, New Orleans, LA
AUGUST	
20	Executive Committee Meeting | Sacramento County
SEPTEMBER	
7	Labor Day
17	Board of Directors Meeting | Sacramento County
OCTOBER	
7-9	Executive Committee Retreat | Santa Clara County
12	Indigenous Peoples Day
TBD	CSAC Finance Corp. Fall Meeting
NOVEMBER	
11	Veterans Day
26	Thanksgiving Day
DECEMBER	
11/30-12/4	CSAC 132nd Annual Meeting | San Diego County
1	Special Executive Committee Meeting | San Diego County
3	Board of Directors Meeting | San Diego County
16-18	Officers Retreat | TBD
25	Christmas Day

Updated 1.14.26