

May 20 - 22, 2026

**2026 CSAC
LEGISLATIVE
CONFERENCE**

CSAC GOVERNMENT FINANCE & ADMINISTRATION

POLICY COMMITTEE





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Agenda at a Glance

- 1:30 pm Welcome and Introductions
- 1:35 pm May Revision Overview: State Fiscal Outlook
- 1:55 pm The Role of AI in Today's Workforce: A Cross-Sector Conversation
- 2:40 pm Legislative Update
- 3:00 pm Senator Cabaldon: Artificial Intelligence and the Legislative Landscape
- 3:30 pm Adjourn

Please use this QR code to access meeting materials:



GFA Policy Committee Leadership



Angela Curro
Supervisor, San Benito
County, Chair



Heather Moreno
Supervisor, San Luis Obispo
County, Vice Chair



Yxstian Gutierrez
Supervisor, Riverside
County, Vice Chair

Advocacy Team

CSAC staff work diligently with legislators and their staff, as well as with local government partners to help shape the bills that impact counties.

Please reach out to the CSAC Advocacy Team to stay updated on the latest developments concerning the status and impact of pending legislation.

www.counties.org/csac-advocacy



Eric Lawyer
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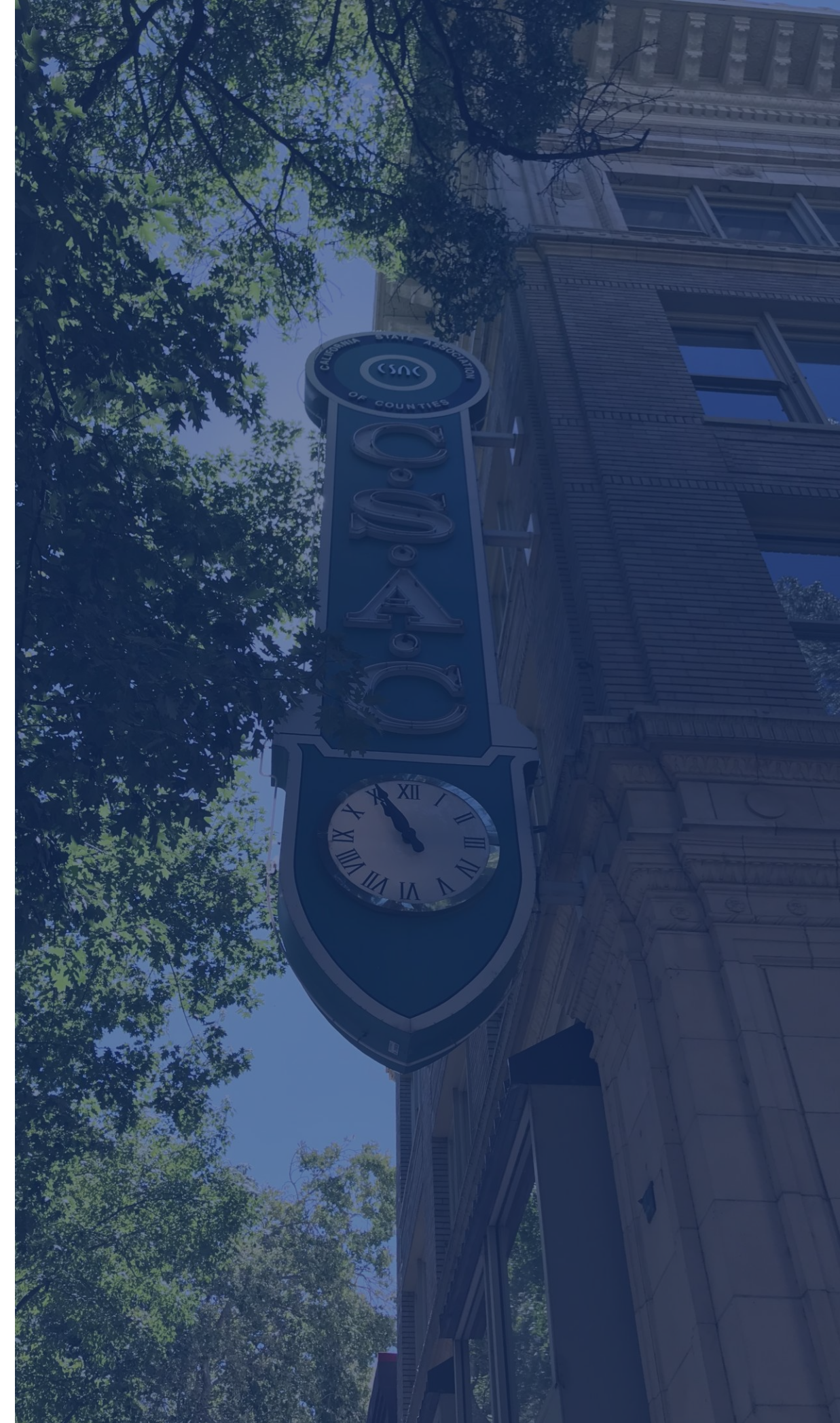
Emma Jungwirth
Senior Legislative Advocate
ejungwirth@counties.org



Julissa Ceja Cardenas
Legislative Analyst
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The Government Finance and Administration (GFA) Policy Committee is responsible for:

- Revenue and taxation
- State and local finance/budgets
- State mandates
- Economic development
- Labor and employment
- Retirement and pensions
- Workers' compensation
- Workforce development
- Elections
- Public records
- The Brown Act
- Artificial Intelligence
- And more.



May Revision Overview: State Fiscal Outlook

Moderated by: Supervisor Yxstian Gutierrez, Riverside County

Presenter:

- Carolyn Chu, Deputy Legislative Analyst, Legislative Analyst's Office (LAO)





The 2026-27 Budget: Initial Comments on the Governor's May Revision



May Revision Balanced on Higher Revenues and Reserves

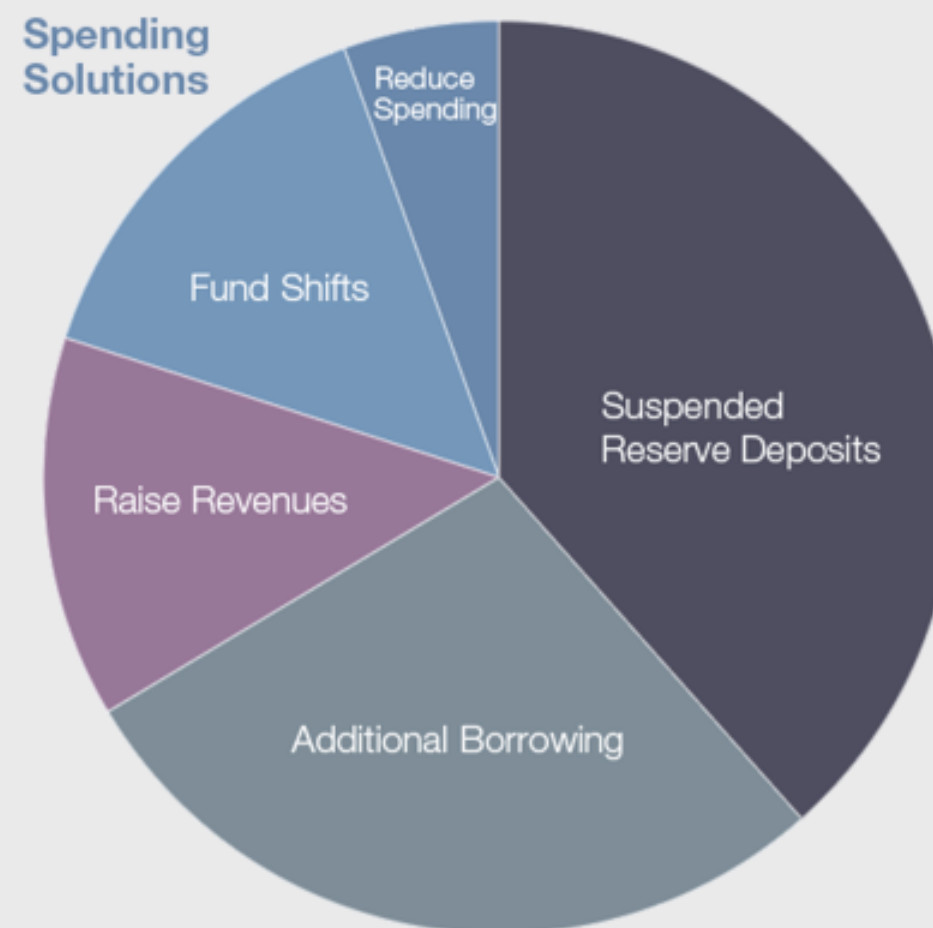
Revenues Up. Relative to Governor's budget, revenues across 2024-25, 2025-26, and 2026-27 (the "budget window") are up by about \$16 billion.

Spending Also Up. Higher revenues are offset by constitutional spending requirements under Proposition 98 (1988) and Proposition 2 (2014).

Maintains Reserve Withdrawals and Suspended Deposits. May Revision maintains planned reserve withdrawals for 2024-25 and 2025-26 and suspends "true ups" on prior deposits.

May Revision Solutions

\$14 Billion in Budget Solutions in the May Revision



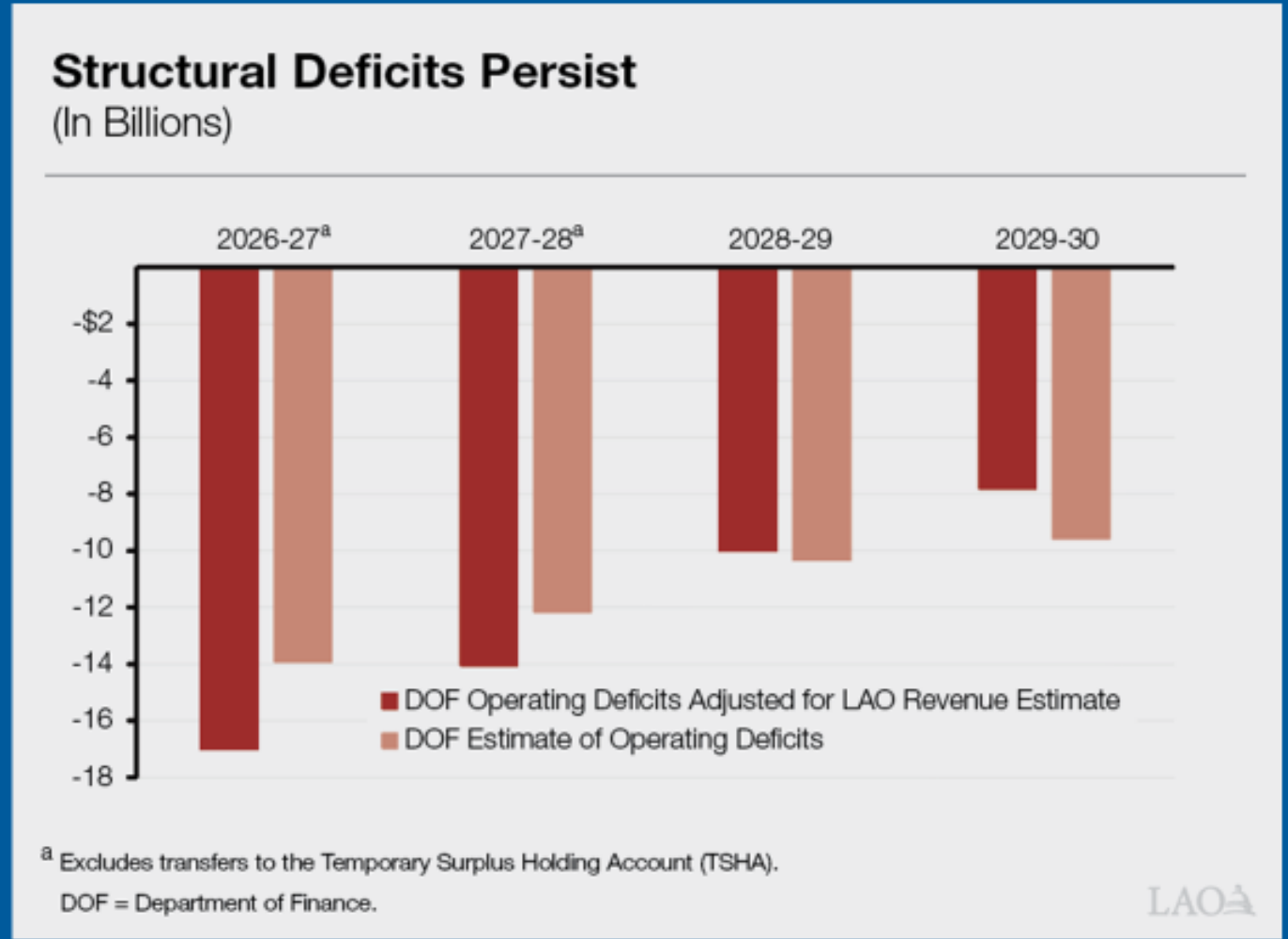
Note: Figure excludes about \$100 million in reversions also included in the May Revision.

LAOA

May Revision New Commitments

- New discretionary proposals of \$1.3 Billion
- Sets discretionary reserve balance to \$4.5 billion
- Deposits nearly \$10 billion into the Temporary Surplus Holding Account (TSHA)

Future Deficits Have Come Down, But Structural Deficits Persist



State III-Prepared for a Slip-Up in Revenues

- The existence of *any* operating deficits during a revenue boom is itself a warning sign.
- Even just a repeat of the 2022 market declines, which were mild by historical standards, could quickly push the budget into deep deficits.
 - Specifically, income tax revenues across 2022-23 and 2023-24 fell \$65 billion below *2022-23 Budget Act* estimates.
- Alarming, given current market conditions, the dot-com bust probably is a better parallel. If such scenario were to repeat, the revenue hole could be \$100 billion.
- Using this year's budget to build resilience would allow the state to weather this kind of shock without immediately needing to turn to tax hikes or cuts to ongoing services.

Recommendations

- Maintain amount of ongoing solutions proposed by the Governor
- Make \$20 billion discretionary reserve deposit
- Set aside \$4 billion for potential settle-up obligation



CSAC's Budget Advocacy

Scan this QR code to access our State Budget resources!



Questions? Contact ejungwirth@counties.org and icejacardenas@counties.org

- Earlier this week, CSAC submitted comment letters regarding the 2026-27 May Revision to the Administration and Legislative leadership
- Copies and Template letters are available on [CSAC's State Budget advocacy webpage](#).

The Role of AI in Today's Workforce: A Cross-Sector Conversation

Moderated by: Supervisor Heather Moreno, San Luis Obispo County

Panelists:

- Marc Shorr, Chief Information Officer, Contra Costa County
- Beth Malinowski, Government Relations Advocate, Service Employees International Union (SEIU) California
- Andrea Lynch, Policy Advocate, California Chamber of Commerce



Government Finance and Administration – 2026 Legislative Update

Speakers:

- Emma Jungwirth, CSAC Senior Legislative Advocate
- Eric Lawyer, CSAC Senior Legislative Advocate



Artificial Intelligence and the Legislative Landscape

Moderated by: Supervisor Angela Curro, San Benito County

Presenter:

- Senator Christopher Cabaldon, Chair, Senate Privacy, Digital Technologies and Consumer Protection



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