

CSAC EXECUTIVE COMMITTEE

BRIEFING MATERIALS

Thursday, January 22, 2026

9:30am - 1:00pm



Sutter Club | 1220 9th Street, Sacramento, CA 95814

Zoom: <https://zoom.us/j/98970844491?pwd=KKu6OSeDuaSfIOCD3eNaywtwBFU2Ac.1>

Meeting ID: 989 7084 4491

Passcode: 433862

California State
Association of Counties



CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE MEETING
Thursday, January 22, 2026 | 9:30am – 1:00pm

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

[Sutter Club](#) | 1220 9th Street, Sacramento

Zoom: <https://zoom.us/j/98970844491?pwd=KKu6OSeDuaSfIOCD3eNaywtwBFU2Ac.1>

Conference Line: (669) 900-6833 | Meeting ID: 989 7084 4491 | Password: 433862

AGENDA

Presiding: Susan Ellenberg, President

THURSDAY, JANUARY 22

9:00 AM **BREAKFAST AVAILABLE**

9:30 AM **EXECUTIVE COMMITTEE ORIENTATION** *Page 1*
 ➤ *Graham Knaus | Chief Executive Officer*

10:00 AM **PROCEDURAL ITEMS** *Page 2*
 1. Pledge of Allegiance

 2. Roll Call *Page 3*

SPECIAL PRESENTATIONS

 3. CEO's Report *Page 4*
 ➤ *Graham Knaus | Chief Executive Officer*

 4. 2026 Budget Update
 ➤ *Joe Stephenshaw | Director, California Department of Finance*

ACTION ITEMS

 5. Approval of Minutes from October 8-10, 2025, and December 2, 2025 *Page 5-8*

 6. Approval of Updated 2025 – 2026 Board of Directors Nominations *Page 9-10*
 ➤ *Graham Knaus | Chief Executive Officer*

 7. Approval of 2026 CSAC Appointments *Page 11-12*
 ➤ *Supervisor Susan Ellenberg | President*

 8. Approval of 2026 CSAC Finance Corp. Appointments *Page 13*
 ➤ *Rob Pierce | Chief Executive Officer, CSAC FC*

 9. Approval of CSCDA Appointments *Page 14-15*
 ➤ *Graham Knaus | Chief Executive Officer*
 ➤ *Rob Pierce | Chief Executive Officer, CSAC FC*

DISCUSSION ITEMS

10. Discussion of Governor's January Budget Impact *Page 16-46*
- *Graham Knaus | Chief Executive Officer*
 - *Kimberly Rodriguez | Chief Legislative Advocate*

11. Legislative Priorities for 2026 *Page 47-53*
- *Kimberly Rodriguez | Chief Legislative Advocate*
 - 2026 Board Adopted Priorities

11:45 AM **LUNCH**

CSAC REPORTS

12. Public Affairs & Member Engagement Report *Page 54-56*
- *Chastity Benson | Chief Operating Officer*
 - *Ben Adler | Director of Public Affairs*

13. CSAC Finance Corporation Report *Page 57-69*
- *Rob Pierce | Chief Executive Officer, CSAC FC*

14. California Counties Foundation Report *Page 70-73*
- *Supervisor Luis Alejo | President, California Counties Foundation*
 - *Paul Danczyk | Chief Operating Officer, California Counties Foundation*

15. California Association of County Executives (CACE) Report *Page 74*
- *Scott DeMoss | CACE President, Glenn County CAO*

16. County Counsels' Association of California (CCAC) Report *Page 75-83*
- *Jennifer Mendoza Flores, CCAC Past President, Tulare County Counsel*

DISCUSSION ITEMS

17. Minute Mics: Executive Committee Roundtable
- What's going on in your county (in one minute)?

INFORMATION ITEMS WITHOUT PRESENTATION

- Operations Report *Page 84-85*
- Federal Update *Page 86-89*
- 2026 Calendar of Events *Page 90*

1:00 PM **ADJOURN**

If requested, this agenda will be made available in appropriate alternative formats to persons with a disability. Please contact Korina Jones kjones@counties.org or (916) 327-7500 if you require modification or accommodation in order to participate in the meeting.

YOUR ROLE AS AN EXECUTIVE COMMITTEE MEMBER

As an elected leader of CSAC, your role is to guide the organization to meet the needs of the members and serve as an ambassador for CSAC.

Executive Committee Member Roles and Responsibilities:

- Support and defend the CSAC Constitution.
- Guide the implementation of CSAC Policies and Procedures.
- Advocate for Board adopted policy priorities.
- Appoint a Chief Executive Officer to advocate for adopted priorities, implement policies, and administer the activities and affairs of the Association.
- Be available to participate in Board and Executive Committee meetings and conferences.
- Be available to discuss and provide direction on CSAC priorities and strategies.
- Be available to periodically participate in key meetings or strategic communications.
- Understand and promote CSAC policy positions including recommending advocacy priorities to the Board.
- Review, refine and recommend the CSAC Budget to the Board.
- Understand and promote CSAC Finance Corporation programs to CSAC members.
- Understand and promote the California Counties Foundation to CSAC members.
- Approve appointments, which include Policy Committee Chairs/Vice Chairs and CSAC Finance Corporation and California Counties Foundation Board Members, and others.

Travel, Lodging, Meals, and other costs:

Costs for travel, lodging, and meals are generally funded by each member county, or, when applicable, may be funded by CSAC. Costs funded by CSAC may be considered income or a gift for purposes of FPPC reporting.

The effectiveness of CSAC is critically dependent upon Executive Committee members as leaders on behalf of California's counties. CSAC staff will do everything possible to support success in your roles and responsibilities and to ensure the strongest and most unified voice of the organization.

CSAC Officers

President
Susan Ellenberg
Santa Clara County

**1st Vice
President**
Luis Alejo
Monterey County

**2nd Vice
President**
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus



United States of America
Pledge of Allegiance



California State Association of Counties®



CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE
2026

OFFICERS

President

Jeff Griffiths
Inyo County

1st Vice President

Susan Ellenberg
Santa Clara County

2nd Vice President

Luis Alejo
Monterey County

Past President

Bruce Gibson
San Luis Obispo County



CEO

Graham Knaus

PRESIDENT:

Susan Ellenberg, Santa Clara County

1ST VICE PRESIDENT:

Luis Alejo, Monterey County

2ND VICE PRESIDENT:

Kent Boes, Colusa County

IMMEDIATE PAST PRESIDENT:

Jeff Griffiths, Inyo County

URBAN CAUCUS

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)

SUBURBAN CAUCUS

Bonnie Gore, Placer County

Mary Sackett, Marin County

Scott Silveira, Merced County

Lucas Frerichs, Yolo County (Alternate)

RURAL CAUCUS

Ryan Campbell, Tuolumne County

Grant Carmon, Glenn County

John Peters, Mono County (Alternate)

EX OFFICIO MEMBER

Belia Ramos, Napa County, Treasurer

ADVISORS

Scott De Moss, Glenn County CAO & CACE President

Jennifer Mendoza Flores, Tulare County Counsel, County Counsels' Association Past President

**Alternates are highlighted for your reference*

January 22, 2026

TO: CSAC Executive Committee

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 Executive Committee input.

CSAC Officers

President
Susan Ellenberg
Santa Clara County

**1st Vice
President**
Luis Alejo
Monterey County

**2nd Vice
President**
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus

CALIFORNIA STATE ASSOCIATION OF COUNTIES
EXECUTIVE COMMITTEE RETREAT
October 8-10, 2025

Eastern Sierra Business Resource Center | 269 N. Main Street, Bishop

MINUTES

1. Roll Call

OFFICERS

Jeff Griffiths | *President*
Susan Ellenberg | *1st Vice President (absent)*
Luis Alejo | *2nd Vice President*
Bruce Gibson | *Immediate Past President*

CSAC STAFF

Graham Knaus | *Chief Executive Officer*
Chastity Benson | *Chief Operating Officer*
Justin Garrett | *Interim Chief Policy Officer and Senior Legislative Advocate*

ADVISORS

Jason Britt | *Tulare County CAO & CACE President*
Brian E. Washington | *Marin County Counsel & County Counsels' Association Past President (absent)*

SUPERVISORS

Kathryn Barger | *Los Angeles County (absent)*
Rich Desmond | *Sacramento County*
John Gioia | *Contra Costa County*
Kelly Long | *Ventura County*
V. Manuel Perez | *Riverside County*
Buddy Mendes | *Fresno County (absent)*
Noelia Corzo | *San Mateo County (absent)*
Bonnie Gore | *Placer County*
Manu Koenig | *Santa Cruz County*
Scott Silveira | *Merced County*
Lucas Frerichs | *Yolo County*
Kent Boes | *Colusa County (absent)*
Ned Coe | *Modoc County*
Ryan Campbell | *Tuolumne County*

Treasurer

Belia Ramos, *Napa County*

2. Approval of Minutes from August 21, 2025

The motion was approved unanimously.

3. California Counties Foundation Report

Paul Danczyk, Chief Operating Officer of the California Counties Foundation, provided an update on the Foundation, highlighting the recent grants to both Inyo and Imperial counties through the work of the CSAC Grants Initiative (CGI). The institute is currently in seven counties and has recently signed an Executive Services contract with El Dorado County.

4. CSAC Finance Corporation Report

Graham Knaus, CEO, and Rob Pierce, CSAC FC COO, provided an update on the California Statewide Communities Development Authority (CSCDA) and noted that Felicia Williams, the new Executive Director will attend CSAC's Annual Meeting in December. They also presented a recommendation to re-appoint Brian Stiger as CSCDA Treasurer for a three-year term.

A motion to approve the re-appointment of Brian Stiger to the California Statewide Communities Development Authority Board was made by Supervisor Coe and seconded by Supervisor Campbell.
The motion carried unanimously.

5. CSAC Building Renovation Project

CEO Knaus and COO Benson presented the proposed approval and contract process between CSAC and SB James Construction California, Inc. (SB James) for the upcoming CSAC Renovation and Expansion project. Step 1 authorizes preconstruction services to support site investigations, estimating, value engineering, and planning. Step 2 includes a Guaranteed Maximum Price (GMP) for demolition and abatement and early purchase of long-lead items such as electrical switchgear and elevators. Step 3 considers the final GMP for the renovation and expansion phase which will be presented following permit approval to provide a high level of cost certainty for the remainder of the project.

CEO Knaus and COO Benson reviewed the project budget and timeline with the Executive Committee and requested approval of the proposed contractor agreement and long-lead item purchases.

A motion to approve the contractor agreement and long lead item purchases was made by Supervisor Silveira and seconded by Supervisor Desmond. The motion carried unanimously.

6. 2025 Year In Review

CEO Knaus, COO Benson, and Justin Garret, Interim Chief Policy Officer, presented CSAC's Legislative and Operational achievements.

7. Public Affairs and Member Engagement Report

Ben Adler, Director of Public Affairs, and Michelle Sherwood-Baker, Director of Member Engagement, presented CSAC's vision and strategy for public affairs and member engagement.

8. Consideration of 2025 Distinguished Service Awards

The Distinguished Service Award is presented to the individuals who have made the greatest contribution to the improvement of government in California, particularly as it relates to county government. The Executive Committee selected the following individuals to receive this award for 2025:

- Anna Caballero, California State Senate
- Tomiquia Moss, Secretary, California Business, Consumer Services and Housing Agency (BCSH)

A motion to approve the 2025 CSAC Distinguished Service Award nominees was made by Supervisor Gibson and seconded by Supervisor Alejo. The motion passed unanimously.

9. Consideration of 2025 Circle of Service Awards

The Circle of Service Award is presented to recognize county officials, employees, and other members whose service to the county family, CSAC membership and the advancement of our goals is substantially above and beyond the norm. The Executive Committee selected the following individuals to receive this award for 2025:

- Bobby Macaulay, Supervisor, Madera County
- Anne Cottrell, Supervisor, Napa County
- Robert Manchia, Chief Financial Officer, San Mateo County
- Ardee Apostol, Chief Financial Officer, Human Services Agency, San Mateo County
- Tanja Heitman, Assistant CEO, Santa Barbara County
- Dr. Ngoc-Phuong Luu, Bi-County Health Officer, Yuba and Sutter Counties
- Wendy Tyler, Chief Administrative Officer, Colusa County (retired)
- Rita Neal, County Counsel, San Luis Obispo County (retired)
- Scott Sanders, Public Defender, Orange County

10. 2026 Initial Advocacy and Member Priorities

The Executive Committee discussed Association priorities for 2026.

11. CSAC Updates

Executive Leadership provided various updates regarding the Association.

12. Open Items & Other Issues

This item provided the Executive Committee with an opportunity to raise other items of interest and issues affecting their respective counties.

13. Closed Session

The Executive Committee met in closed session.

CALIFORNIA STATE ASSOCIATION OF COUNTIES
SPECIAL EXECUTIVE COMMITTEE MEETING
December 2, 2025 | 4:30pm – 5:30pm
San Jose McEnergy Convention Center – MR 112 | 150 W. San Carlos St., San Jose

MINUTES

1. Roll Call

OFFICERS

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

CSAC STAFF

Graham Knaus | *Chief Executive Officer*
Justin Garrett | *Interim Chief Policy Officer and
Senior Legislative Advocate*
Chastity Benson | *Chief Operating Officer*

ADVISORS

Jason Britt | *Tulare County CAO & CACE President*
Jennifer Mendoza Flores | *Tulare County Counsel,
County Counsels' Association Past President*

Treasurer

Belia Ramos, *Napa County*

SUPERVISORS

Kathryn Barger | *Los Angeles County (absent)*
Rich Desmond | *Sacramento County*
John Gioia | *Contra Costa County*
Kelly Long | *Ventura County*
V. Manuel Perez | *Riverside County*
Buddy Mendes | *Fresno County*
Noelia Corzo | *San Mateo County (absent)*
Bonnie Gore | *Placer County (absent)*
Manu Koenig | *Santa Cruz County (absent)*
Scott Silveira | *Merced County*
Lucas Frerichs | *Yolo County*
Kent Boes | *Colusa County*
Ned Coe | *Modoc County*
Ryan Campbell | *Tuolumne County*

2. Approval of 2025-2026 Board of Directors Nominations

The CSAC Constitution indicates that each county board shall nominate one or more directors to serve on the CSAC Board of Directors for a one-year term commencing with the Annual Meeting. The CSAC Executive Committee appoints one director for each member county from the nominations received and was presented with the 2025-2026 nominations received to date.

A motion to approve the updated 2025-2026 Board of Directors Nominations was made by Supervisor Silveira and seconded by Supervisor Mendes. The motion passed unanimously.

3. Consideration of 2024-2025 Audited Financial Statements

Supervisor Ramos, CSAC Treasurer, presented the 2024-25 Audited Financial Statements to the Executive Committee and recommended approval.

A motion to approve the 2024-25 Audited Financial Statements was made by Supervisor Long and seconded by Supervisor Coe. The motion passed unanimously.

4. Approve and Adopt SBCERA Resolution Reconfirming and Restating Inclusion of CSAC Employees within the Coverage of Article 15.6 of County Employees' Retirement Law.

Graham Knaus, CEO, and Chastity Benson, COO, presented the SBCERA Resolution Reconfirming and Restating Inclusion of CSAC Employees within the Coverage of Article 15.6 of County Employees' Retirement Law to the Executive Committee.

A motion to approve the SBCERA Resolution Reconfirming and Restating Inclusion of CSAC Employees within the Coverage of Article 15.6 of County Employees' Retirement Law was made by Supervisor Long and seconded by Supervisor Coe. The motion passed unanimously.

5. Public Comment

There was no public comment.

January 22, 2026

TO: CSAC Executive Committee

FROM: Graham Knaus, Chief Executive Officer

SUBJECT: Approval of Updated Nominations for the CSAC 2025 – 2026 Board of Directors

Background: The CSAC Constitution indicates that each county board shall nominate one or more directors to serve on the CSAC Board of Directors for a one-year term commencing with the Annual Meeting. The CSAC Executive Committee appoints one director for each member county from the nominations received.

For counties that do not submit nominations, the appointed supervisor from the preceding year will continue to serve until such county board nominates, and the Executive Committee appointments, a supervisor to serve on the CSAC Board.

The highlighted names denote *additional* responses received for 2025-2026.

2025 - 2026 CSAC BOARD OF DIRECTORS + ALTERNATES				
COUNTY	CAUCUS	DIRECTOR	ALTERNATE(S)	CHANGE FROM 2024 - 2025
Alameda	U	David Haubert		None
Alpine	R	Terry Woodrow	Evan Mecak	None
Amador	R	Jeff Brown	Dan Epperson	None
Butte	S	Tod Kimmelshue	Doug Teeter	NEW ALTERNATE
Calaveras	R	Benjamin Stopper	Martin Huberty & Autumn Andahl	ADDED 2 nd ALTERNATE
Colusa	R	Kent Boes	Janice A. Bell	None
Contra Costa	U	John Gioia	Diane Burgis	None
Del Norte	R	Chris Howard	Darrin Short	None
El Dorado	R	Greg Ferrero	Brooke Laine	
Fresno	U	Buddy Mendes	Nathan Magsig	None
Glenn	R	Grant Carmon	Monica Rossman	None
Humboldt	R	Natalie Arroyo	Mike Wilson	NEW BOD MEMBER & ALT
Imperial	S	Jesus Eduardo Escobar	Martha Cardenas-Singh	
Inyo	R	Trina Orrill	Jeff Griffiths	None
Kern	S	Leticia Perez	Phillip Peters	
Kings	R	Rusty Robinson	Doug Verboon	
Lake	R	Bruno Sabatier	Jessica Pyska	None
Lassen	R	Gary Bridges	Tom Neely	None
Los Angeles	U	Kathryn Barger	Holly J. Mitchell	

CSAC Officers

President
Susan Ellenberg
Santa Clara County

1st Vice President
Luis Alejo
Monterey County

2nd Vice President
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus

Madera	R	Jordan Wamhoff	Robert Macaulay	
Marin	S	Mary Sackett	Brian Colbert	None
Mariposa	R	Rosemarie Smallcombe	Miles Menetrey	
Mendocino	R	John Haschak	Bernie Norvell	NEW BOARD MEMBER
Merced	S	Scott Silveira	Josh Pedrozo	None
Modoc	R	Ned Coe	Shane Starr	None
Mono	R	John Peters	Jennifer Kreitz	None
Monterey	S	Luis Alejo	Wendy Root Askew	None
Napa	S	Anne Cottrell	Liz Alessio	None
Nevada	R	Hardy Bullock	Heidi Hall	NEW BOD MEMBER & ALT
Orange	U	Doug Chaffee	Vicente Sarmiento	
Placer	S	Bonnie Gore		None
Plumas	R	Tom McGowan	Jeff Engel	
Riverside	U	V. Manuel Perez	Karen Spiegel	None
Sacramento	U	Rich Desmond	Patrick Hume	None
San Benito	R	Angele Curro	Kollin Kosmicki	None
San Bernardino	U	Jesse Armendarez	Curt Hagman	None
San Diego	U	Monica Montgomery Steppe	Terra Lawson-Remer	NEW ALTERNATE
San Francisco	U	Rafael Mandelman		
San Joaquin	U	Robert Rickman	Steven Ding	
San Luis Obispo	S	Bruce Gibson	Jimmy Paulding	None
San Mateo	U	Noelia Corzo	Lisa Gauthier	ADDED ALTERNATE
Santa Barbara	S	Bob Nelson	Laura Capps	None
Santa Clara	U	Susan Ellenberg	Otto Lee	None
Santa Cruz	S	Justin Cummings	Felipe Hernandez	NEW BOARD MEMBER
Shasta	R	Kevin Crye	Corkey Harmon	NEW ALTERNATE
Sierra	R	Lee Adams	Sharon Dyrden	
Siskiyou	R	Ed Valenzuela		
Solano	S	Wanda Williams	Cassandra James	None
Sonoma	S	James Gore	Rebecca Hermosillo	None
Stanislaus	S	Mani Grewal	Vito Chiesa	None
Sutter	R	Mike Ziegenmeyer	Karm Bains	NEW BOARD MEMBER & ALT
Tehama	R	Tom Walker	Matt Hansen	NEW BOARD MEMBER & ALT
Trinity	R	Ric Leutwyler	Heidi Carpenter-Harris	
Tulare	S	Amy Shuklian	Pete Vander Poel	None
Tuolumne	R	Ryan Campbell	Jaron Brandon	None
Ventura	U	Kelly Long	Jeff Gorell	None
Yolo	S	Lucas Frerichs	Oscar Villegas	None
Yuba	R	Renick House	Gary Bradford	NEW BOARD MEMBER



January 22, 2026

TO: CSAC Executive Committee

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

SUBJECT: 2026 CSAC Appointments

Recommendation: Approve Officer Recommendations for 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

Attached are the Officer recommendations for 2026.

CSAC Officers

President
Susan Ellenberg
Santa Clara County

1st Vice President
Luis Alejo
Monterey County

2nd Vice President
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus

2026 Officer Appointment Recommendations

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			
<i>*These appointments are for 3-year terms</i>			
Oscar Villegas	Yolo	S	President - term ends Dec. 2026
Kathryn Barger	Los Angeles	U	Board Member - term ends Dec. 2025
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



January 22, 2026

To: CSAC Executive Committee

From: Rob Pierce, Chief Executive Officer, CSAC Finance Corporation

RE: Approval of 2026 CSAC Finance Corporation Board Appointments

Recommendation: Accept the CSAC FC Board consensus recommendation to reappoint Ryan Alsop, Napa County Administrative Officer and William (Billy) Rutland, Public Member for new terms running from January 1, 2026, through December 31, 2028. The Executive Committee independently considers the appointment of the Urban County Supervisor seat currently held by Kathryn Barger, Urban County Supervisor, Los Angeles County.

The CSAC Finance Corporation (CSAC FC) Board of Directors is comprised of 11 Directors, each Director meeting prescribed criteria designed to ensure that the CSAC FC leadership represents a multi-disciplinary cross section of California government and business. Members of the CSAC FC Board are appointed by the CSAC Executive Committee to ensure a close correlation between the business relationships and services provided to CSAC, California counties, and their constituents. This calendar year, the CSAC FC Board has three (3) Board seats that term. The pertinent seats are an Urban County Supervisor, a county administrator, and one public member. Each of the three Board Members serving in these seats have expressed their interest to serve another term.

The current CSAC FC Board, listed below including terms, has been exemplary in supporting the CSAC FC mission and fulfilling its promise and priorities (the applicable vacant seats are highlighted):

- Oscar Villegas (President), Suburban County Supervisor, Yolo County (December 2026)
- Graham Knaus (Vice President), Chief Executive Officer CSAC (N/A)
- Ryan Alsop (Treasurer), Napa County Administrative Officer (December 2025)
- Kathryn Barger, Urban County Supervisor, Los Angeles County (December 2025)
- Ed Valenzuela, Rural County Supervisor, Siskiyou County (December 2027)
- Miguel Marquez, Public Member – City Manager, City of Pasadena (December 2027)
- Matthew Jennings, Treasurer/Tax-Collector, Riverside County (December 2026)
- Vernon Billy, Public Member – CEO California School Boards Association (December 2027)
- Susan Muranishi, Alameda County Administrative Officer (December 2026)
- William (Billy) Rutland, Public Member – Sacramento County (December 2025)
- Edward Hill, Chief Operating Officer Fresno County (December 2027)

After seeking applicants through postings and announcements, staff is pleased to have received interest from some individuals each of whom subsequently expressed their endorsements for the existing Board members seeking reappointment. Therefore, the CSAC FC Board recommends the applicable reappointments of the existing Board members.

January 22, 2026

To: CSAC Executive Committee

From: Graham Knaus, Chief Executive Officer
Rob Pierce, Chief Executive Officer, CSAC Finance Corporation

SUBJECT: CSCDA Commissioner Appointment

Recommendation

Consider the appointment of Lisa Bartlett (Retired Supervisor, Orange County) for a three-year term on the California Statewide Communities Development Authority (CSCDA) Board, replacing Brian Stiger. This consideration is consistent with the CSAC FC Board's consensus recommendation for the Executive Committee. Ms. Bartlett has extensive experience representing counties and has been active with CSAC and CSAC FC. As such, her potential service as a CSCDA Commissioner aligns with the goals and objectives of the Commission while ensuring aligned services to counties and the public at large.

Background

California Statewide Communities Development Authority (CSCDA) was created in 1988, under California's Joint Exercise of Powers Act (JPA), to provide California's local governments with an effective tool for the timely financing of community-based public benefit projects. CSCDA is sponsored by CSAC and Cal Cities and assists numerous counties, cities and special districts to build infrastructure, provide affordable housing, create local jobs, and make access available to quality healthcare, education, and various other forms of community benefits.

CSCDA is governed by a seven (7) member Commission, with four (4) Commissioners appointed by CSAC and three (3) Commissioners appointed by Cal Cities. Each entity also appoints one (1) Alternate Commissioner. The Executive Committee is the appointing body for CSAC's representative Commissioners, with recommendations often coming from the CSAC FC Board. Currently there are four former and current county officials representing CSAC on the CSCDA Board, Vito Chiesa (Supervisor, Stanislaus County), Leonard Moty (Retired Supervisor, Shasta County), Helen Robbins-Meyer (Retired CAO, San Diego County), and Brian Stiger (Retired Chief Legislative Advocate, Los Angeles County). Lisa Bartlett (Retired Supervisor, Orange County) currently serves as the CSAC Alternate.

Recently Mr. Stiger announced his desire to resign from the Commission citing personal reasons and the inability to continue in his role effective January 1, 2026. As a result, Staff is recommending that Ms. Bartlett be appointed from her Alternate seat to the vacant seat. Ms. Bartlett has extensive experience representing counties and has been very active with both CSAC and CSAC FC. As such, her service as a CSCDA Commissioner aligns with the goals and objectives of the Commission while ensuring aligned services to counties and the public at large. This recommended appointment has also been considered and affirmed by the CSAC FC Board.

CSAC Officers

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Colusa County

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Inyo County

CEO
Graham Knaus

CSAC and CSAC FC Staff are actively pursuing the recruitment of a new Alternate member to replace Ms. Bartlett should she be appointed by the Executive Committee.

This report and discussion are in alignment with the Executive Committee's direction and expectations resulting from the October 10, 2024, Executive Committee Meeting, which was to ensure the CSAC Commissioner appointments receive annual consideration and discussion by the Executive Committee moving forward.



2026-27 Governor's Budget Proposal January 9, 2026

TO: CSAC Board of Directors
County Administrative Officers and County Executive Officers

FROM: Graham Knaus, CSAC Chief Executive Officer
Kimberly Rodriguez, CSAC Chief Legislative Advocate

RE: **2026-27 Governor's Budget Proposal**

Amidst much uncertainty over the last several years, one constant is that the state's fiscal condition is consistently volatile. In this budget proposal, the State's revenue roller coaster continues on, as has been the case over the past five years. Namely, two years ago when the Governor announced his [proposed budget for 2024-25 in January 2024](#), the state's deficit was \$30 billion less than the \$68 billion deficit estimated by the Legislative Analyst's Office (LAO) and widely reported in the media. Prior to that, who could forget the record-breaking surprise \$75.7 billion General Fund surplus in [spring 2021](#)?

Continuing this trend, state General Fund revenues are now projected 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 enacted 2025 Budget Act last summer. This is a marked shift from the updated revenue estimate published by the LAO, which projected an \$11 billion increase in revenues across the same three fiscal years in their [Fiscal Outlook \(November 2025\)](#).

While the magnitude of this change is significant, an increasingly upward revision of revenue projections is not entirely unexpected given the most recent [monthly cash report](#) from the State Controller's Office and other economic indicators, described in more detail in subsequent sections of this publication. This upward trend notwithstanding, the LAO still anticipates that the Administration and the Legislature will have to contend with a [double-digit deficit](#) during the budget development process. Further explanation about the state's fiscal condition, revenue projections, and risks to the forecast are detailed below.

At this time, the Governor's January budget proposal for 2026-27 addresses an estimated budget deficit of \$2.9 billion, and includes \$348.9 billion in total expenditures (\$248.3 billion General Fund). Rather than include spending reductions, cost shifts, and other budget-balancing maneuvers as was anticipated, the Governor's budget proposal can largely be

characterized as a “workload budget” without major new spending initiatives. 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.

Although the Governor’s budget proposal is a “workload budget,” this does not mean that it lacks significance to local governments. Within these numbers there are several major components of note for county governments as follows:

- **H.R. 1 Implementation Impacts to Counties**
 - The Governor’s January budget proposal includes \$1.4 billion to address the state’s fiscal impacts as a result of the requirements of H.R. 1. However, the budget proposal does not acknowledge the impact of H.R. 1 on county budgets, primarily for health and human services programs, which are interwoven with the state’s budget.
 - See CSAC’s [Statement on the Governor’s January budget proposal](#) and the H.R. 1 coalition resource document released this week for more information: [County HHS HR 1 Advocacy Principles and Impacts](#).
 - Read more about H.R. 1 in the Health and Human Services section beginning on page 19.
- **In Home Supportive Services (IHSS) Cost Growth**
 - The Governor’s January budget includes a proposal to achieve \$233.6 million in General Fund savings by removing the state’s share of cost for IHSS hours per case growth beginning in 2027-28. Without more detail, CSAC must assume that counties would be responsible for additional costs for growth in IHSS hours per case resulting in a significant cost shift to counties.
 - Read more about IHSS in the Health and Human Services section beginning on page 20.
- **Homeless Housing, Assistance, and Prevention Program (HHAP)**
 - The Governor’s January budget proposal includes \$500 million General Fund for the HHAP program in 2026-27, with the caveat that the Administration, Legislature, and local governments must agree on accompanying accountability language. This reflects last year’s agreement, including the language CSAC brokered at the end of the 2025 Legislative Session which will distribute the funding more quickly.
 - See CSAC’s [Statement on 2026 State of the State Address](#) and read more about HHAP in the Homelessness section beginning on page 23.

- **Proposition 36 (2024)**

- The 2025 Budget Act appropriated \$100 million General Fund one-time for Proposition 36 implementation. The Governor's budget proposal does not include any new funding to address county costs to implement Proposition 36 in 2026-27 or thereafter.
- Read more about Proposition 36 in the Administration of Justice section beginning on page 12.

The subsequent sections of this publication provide statewide revenue and expenditure summary charts as well as descriptions of specific budget proposals by policy area. For questions on these and other items of importance, please [contact the CSAC legislative affairs staff](#). We look forward to providing county officials and county staff with updates, advocacy tools, and analysis as the budget process evolves over the coming days, weeks, and months.

The Governor's proposed budget for 2026-27 is reflected in Budget Bill vehicles [AB 1563 \(Gabriel\)](#) and [SB 879 \(Laird\)](#). See the Department of Finance's [Governor's Budget Summary for 2026-27](#) or the [recording of the press conference](#) for additional information and charts detailing the state budget proposal.

The State's Fiscal Condition and Future Uncertainty

What happened with the revenue projections?

How did the Department of Finance arrive at increased revenues across three fiscal years? The trail of breadcrumbs that explains these changes is fairly straightforward compared to previous years. During the state budget proposal [press conference this morning](#), when asked by the media about the state's revenue projections from last summer and why they changed significantly, the Director of the Department of Finance simply responded by stating that "Those were broad estimates given what was known at the time, which wasn't a lot."

The Administration indicates the stock market and overall economy have been performing better than projected at the 2025 Budget Act. Because of that, the state has brought in more cash than projected, and the revenue outlook has increased. The Administration now expects the "Big Three" revenue sources to come in more than \$40 billion higher over the three-year budget window (2024-25, 2025-26, and 2026-27). That includes a \$16.4 billion increase in personal income tax revenue, a \$24.6 billion jump in corporate tax revenue, and a small \$1.1 billion drop in sales tax projections. These changes mainly stem from stronger-than-expected cash receipts, a better-performing stock market, and a more optimistic economic outlook than what was assumed in the 2025 Budget Act.

Don't Count Your Chickens (Appropriations) Before They Are Hatched (Enacted)

As stated earlier in this publication, the Governor's budget proposal for 2026-27 is subject to transformation, more so than typical years. Specifically, identified factors to monitor that may change the state's revenue forecast between January and May could include:

- **Stock market and asset price declines.** A vast majority of the increased state revenues (\$36.7 billion of the \$42.3 billion increase across three fiscal years) is directly attributable to "a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence" according to the State Department of Finance. Therefore, the dominant risk during the budget development process this spring is stock market and asset price declines. Waning confidence in artificial intelligence in the coming months could erode the state's robust revenue forecast.
- **Federal policies.** Federal policies affect California's fiscal condition twofold, 1) the Governor's budget proposal estimates billions in federal fund expenditures in 2026-27, which may change and put additional pressure on the state's General Fund depending on federal policies and continued implementation of H.R. 1, and 2) Federal policies regarding global trade and geopolitical instability affect the labor market, and inflation, which in turn can affect California's economy and state revenues.

Balancing the Budget

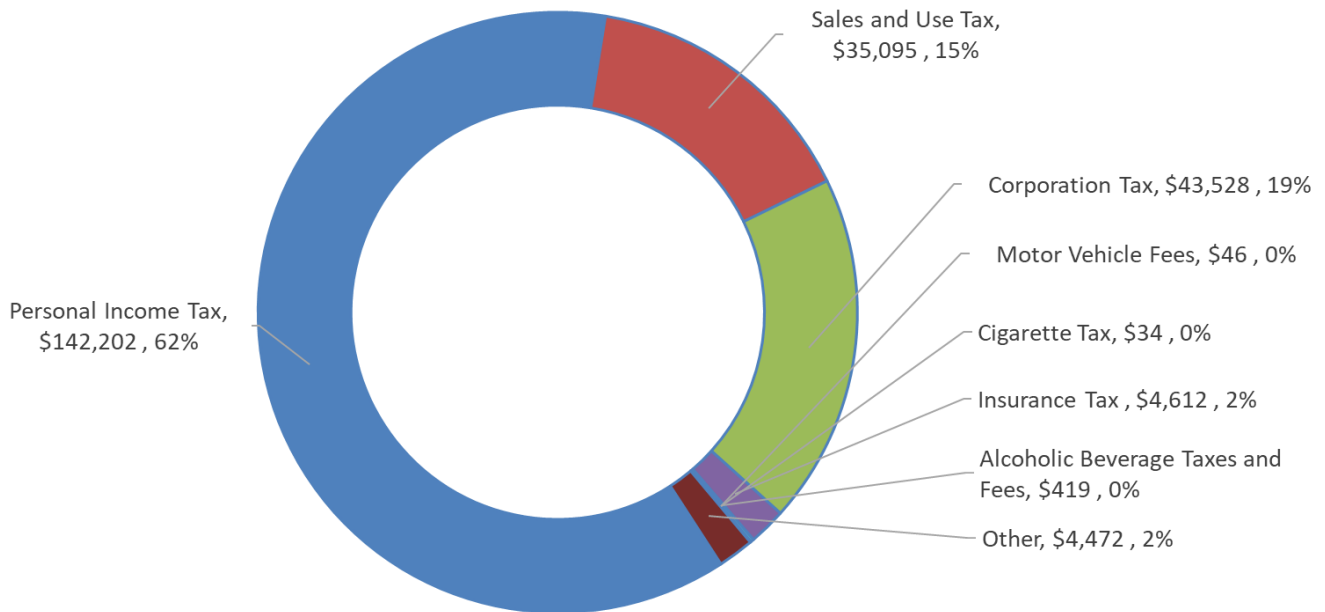
While the Administration proposed a balanced budget in 2026-27, with a discretionary reserve of \$4.5 billion, it projects a General Fund deficit of roughly \$22 billion in 2027-28, growing to approximately \$67 billion by 2029-30. As revenue estimates can shift considerably between January and May, the Governor's January budget proposal focuses spending on constitutional requirements—mainly Proposition 98 for education and Proposition 2 for reserves. The Administration plans to build on this framework in the May Revision, when updated revenue numbers are available. At that point, the state, with the Legislature, expects to put forward a plan that balances 2026-27 and 2027-28, and, if the budget can support it, may include more significant investments in key programs.

Revenue and Expenditure Charts

General Fund Revenue Sources in 2026-27

General Fund, dollars in millions – *Total GF Revenues: \$230.4 billion*

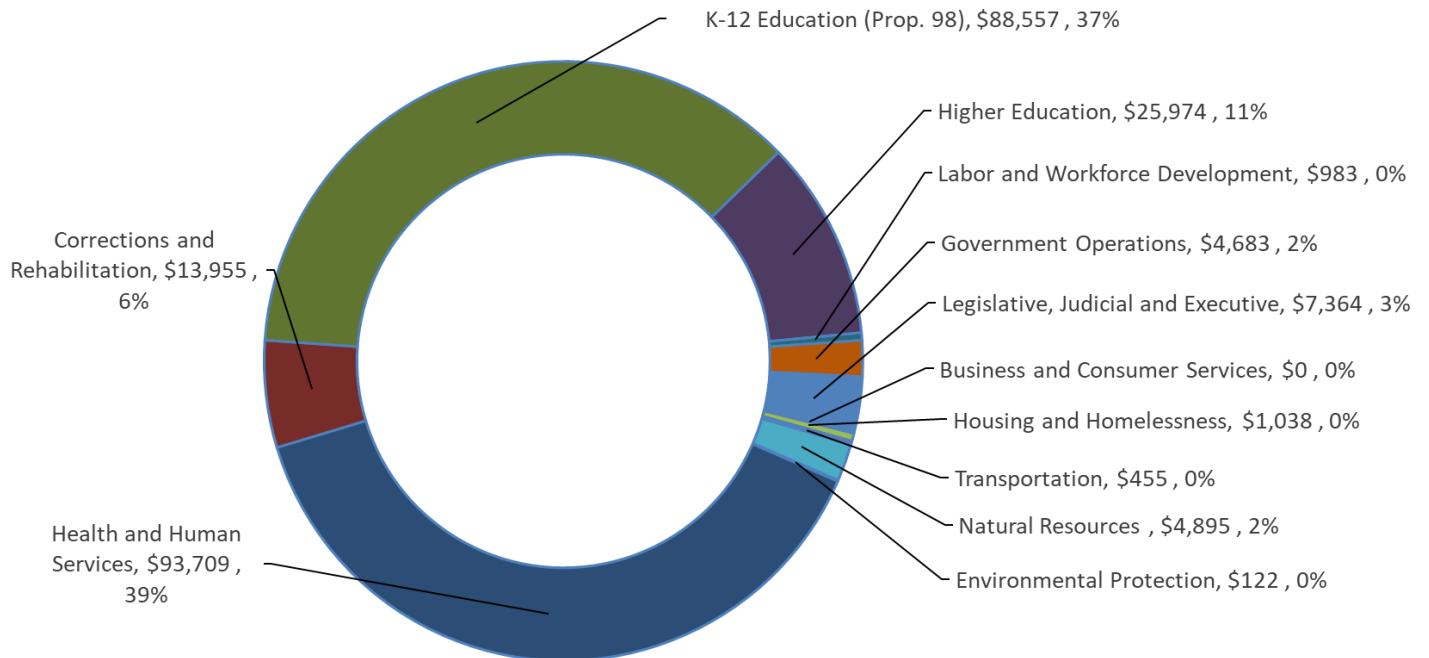
Percentages less than one percent round to zero percent



Expenditures by Agency in 2026-27

General Fund, dollars in millions – *Total expenditures: \$248.3 billion*

Percentages less than one percent round to zero percent



Agriculture, Environment, and Natural Resources

California continues to experience extreme weather and unstable conditions, heightening the need for ongoing investments in climate resilience, natural disaster prevention, mitigation, response, and water supply. Major initiatives such as the Sustainable Groundwater Management Act (SGMA) are shaping state intervention and local economies on an increasing basis, necessitating resources to support communities and industries as new requirements are implemented.

The Governor's January budget proposal reflects these realities through continued General Fund support of environmental and natural resources agencies that address these challenges. The Administration also incorporates resources such as the Proposition 4 (2024) Climate Resilience Bond, the Greenhouse Gas Reduction Fund (GGRF), and a wide array of special funds supported by program fees.

The current budget language provides a high-level overview, but CSAC staff will continue to monitor and share information as more details become available.

WILDFIRE, FOREST RESILIENCE AND EMERGENCY RESPONSE

The Governor's January budget proposal dedicates \$5.3 billion to the Department of Forestry and Fire Protection (CAL FIRE) for natural resource management and wildland fire protection for State Responsibility Area (SRA) and to support federal and local efforts in non-SRA areas, including \$66.5 million ongoing General Fund for pilots and mechanics for the world's largest civil aerial wildfire suppression fleet, and \$6.2 million one-time General Fund to support annual parcel inspections within the SRA. The Governor's January budget maintains the 2025 Budget Act agreement to support CAL FIRE operations with \$1.25 billion from the GGRF in 2026-27.

The Governor's January budget proposes \$314 million for wildfire and forest resilience projects and programs including:

- **Local Fire Prevention Grants**—\$58 million for the wildfire prevention and fuels reduction.
- **Fire Resilience**—\$19.6 million for technical and financial assistance to help homeowners implement defensible space mitigation.
- **Wildfire Risk Reduction Related to Electricity Transmission**—\$15.2 million in grant funding to support additional fuels reduction in communities vulnerable to wildfire.

The Governor's January budget proposal also includes \$11.7 million General Fund ongoing for the California Conservation Corps to implement a seven-day operational schedule year-round, enhancing wildfire readiness and rapid response.

WATER, DROUGHT, FLOOD, HABITAT and COASTAL RESILIENCE

The Governor's January budget proposal includes investments from the General Fund and numerous special funds, in addition to Proposition 4 (2024) bond funding, intended to address a spectrum of environmental and natural resources needs. In most cases, core programs are proposed to remain at similar funding levels to 2025-26.

Flood Protection

Currently, \$232 million is proposed in the Governor's January budget for flood control projects to evaluate, repair, rehabilitate, reconstruct, expand, or replace levees, weirs, bypasses, and facilities of the State Plan of Flood Control, Projects in the Sacramento-San Joaquin Delta, and projects funded through the Flood Control Subventions Program. This figure includes \$14 million specifically for Delta levees.

Drinking Water

Last year saw the reauthorization of the State Water Resources Control Board's (SWRCB) Safe and Affordable Funding for Equity and Resilience (SAFER) program, to be funded by the rebranded Cap and Invest Program through 2045. This program will continue to be the backbone of efforts to provide access to the estimated 700,000-1,000,000 Californians who lack reliable and affordable drinking water, supplemented by bond investments and General Fund assistance.

The Governor's January budget proposal includes \$173 million for drinking water projects serving small or disadvantaged communities that address failing and at-risk water systems and private wells. This funding will also support wastewater projects serving small or disadvantaged communities.

Water Supply

The Governor's January budget proposes \$68.8 million for water conveyance projects, prioritized for repairs to existing infrastructure. Any remaining funds will be awarded competitively to new projects that address water supply reliability, groundwater recharge, drinking water, and water security.

Water Quality

The Governor's January budget proposal includes \$2.6 million to fund 12 water quality permitting positions at the SWRCB and the Regional Water Boards as an expansion into state oversight as a result of the United States Supreme Court's *Sackett* decision, which reduced jurisdictions covered under the federal Clean Water Act's "waters of the United States" definition.

Habitat

Investments continue to achieve state goals outlined in initiatives like the 30 x 30 Program and the Natural and Working Lands Strategy. The Governor's January budget proposes \$199 million to this effort. Included in this total is \$123.3 million for projects that conserve, restore, and connect ecosystems through land conservation acquisitions and easements, habitat enhancement and restoration, floodplain reactivation and wetland restoration, and wildlife connectivity. Additionally, \$30 million is proposed for expanding the planning and implementation of priority habitat restoration projects at the Salton Sea and creating new public access opportunities.

Coastal Resilience and Sea Level Rise

The Governor's January budget proposes \$107 million to improve public access and protect coastal communities from the impacts of climate change, including, but not limited to sea level rise, flooding, coastal erosion, and habitat loss.

COMMUNITY RESILIENCE & EXTREME HEAT

The Governor's January budget proposes \$241 million for implementation of the Extreme Heat Action Plan, with many programs focused on the most vulnerable communities.

Key Extreme Heat Proposals

- **Transformative Climate Communities Program**—\$137.4 million for community-led development and infrastructure projects.
- **Community Resilience Centers**—\$55.3 million for new and upgraded neighborhood-level resilience centers, as well as year-round community resiliency programming and services.
- **Urban Forestry Program**—\$22.8 million for CAL FIRE's Urban and Community Forestry Grant Program.

AGRICULTURE

Despite the rainy start to the 2026 water year, California's agricultural sector continues to face existential challenges related to water supply and management, as well as an increasingly complex regulatory environment. In recent years, the state has invested in programs promoting sustainable agricultural practices relating to irrigation, healthy soils, dairy management, and other areas. Proposition 4 (2024) also included funding for climate smart agriculture. This year, the Governor's January budget proposes \$89 million in bond funding for these practices. Included in this allocation are two new initiatives; \$14 million for a grant program for projects related to irrigation and water infrastructure, energy infrastructure, and food processing facilities, and \$14 million designated to facilitate equipment sharing among small farmers and ranchers.

ENERGY

The Governor's January budget proposes \$326 million for clean energy investments including \$322.5 million to the California Infrastructure Economic Development Bank (IBank) for the California Transmission Accelerator Revolving Fund, which will provide financial assistance for eligible transmission projects. The Governor's January budget proposal includes additional funding to implement:

- **Energy Modernization and Affordability**—\$5.7 million to support utility wildfire mitigation plan review, oversight of transmission development and financing, and regulatory and reporting activities.
- **Supporting Affordability through Expanded Power**—\$1.9 million for oversight of voluntary participation in expanded regional power markets.

CANNABIS

Cannabis regulatory activities are primarily supported by the Cannabis Tax Fund, established by Proposition 64 (2016), and the Cannabis Control Fund. Allocations from this fund are sorted into three priority tiers, beginning with agency administrative costs and followed by research funding. Remaining funds for all other activities are then dedicated to Allocation 3, covering environmental protection and public safety activities, among others.

The Governor's January budget proposal identifies \$403.9 million available to Allocation 3 from the Cannabis Tax Fund, which includes proposals for \$80.8 million to cover clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation, and \$80.8 million for public safety-related activities.

Additionally, several new adjustments for 2026-27 are included:

- \$7.3 million to integrate hemp into the cannabis regulatory framework, as required by Chapter 248, Statutes of 2025 (AB 8).
- \$7.6 million to support a dedicated sworn officer presence in Northern California to strengthen enforcement efforts against the illegal cannabis market.
- \$7.2 million to begin the consolidation of two cannabis systems into one single system to improve data collection and streamline services for cannabis consumers and licensees.

WASTE

The Governor's January budget proposal includes \$70 million in 2026-27 and 2027-28 to clean-up residential properties contaminated by the former Exide battery recycling facility and \$40.2 million one-time special funds for clean-up of contaminated brownfields and Superfund sites. The Governor's proposed budget also includes funding to support a coordinated effort to address Subsurface Elevated Temperature (SET) events and other

emerging issues at landfills to protect public health and safety, including \$5.1 million ongoing special funds to support CalEPA, Department of Toxic Substances Control, Department of Resources and Recycling, and SWRCB to address SET events, conduct oversight and enforcement, and support inter-agency coordination.

CLIMATE BOND

CSAC supported the passage of Proposition 4, which was approved by the voters in November 2024. The Governor’s proposed budget breaks down the bond amount with \$2.1 billion allocated for budget year 2026-27. The Administration plans to engage the Legislature on how to allocate funding that has yet to be scheduled, and negotiations will take place throughout the year. As a result, the current allocation of \$2.1 billion is likely to change significantly. Certain sections of the bond received substantial allocations in last year’s budget, such as habitat restoration and wildfire resilience. Other areas, such as groundwater sustainability and land repurposing, remain relatively untapped, and will likely be the source of increased engagement this year.

Discussions continue between the Administration, Assembly, and Senate on how best to structure oversight of agency activities to roll out bond funding. Unlike most climate bonds, Proposition 4 (2024) did not include an Administrative Procedure Act (APA) exemption for development of agency guidelines and rules for funding programs, which is causing substantial delays in spending bond dollars. A temporary solution was negotiated last year to give agencies access to emergency regulatory authority to set up their funding programs, but this has not fully addressed the issue. CSAC is supporting AB 35 (Alvarez), which would grant a full APA exemption for these activities and accelerate bond funding for needed infrastructure projects.

Climate Bond Expenditure Plan		
(\$ in Millions)		
Investment Category	Bond Allocation	Proposed 2026-27
Safe Drinking Water, Drought, Flood & Water Resilience	\$3,800	\$792
Wildfire & Forest Resilience	\$1,500	\$314
Coastal Resilience	\$1,200	\$107
Extreme Heat Mitigation	\$450	\$241
Biodiversity & Nature-Based Solutions	\$1,200	\$199
Climate Smart Agriculture	\$300	\$89
Outdoor Access	\$700	\$35
Clean Air & Energy	\$850	\$326
Total	\$10,000	\$2,104

Administration of Justice

LOCAL PUBLIC SAFETY

Proposition 47 Savings Estimate

The Governor's January budget proposal includes an estimated total state savings of \$81.3 million in 2026-27. In comparison, the estimated net savings in June 2025 for 2025-26 was \$88.3 million. Each year, state savings from the implementation of Proposition 47 are allocated through grants to public agencies for various recidivism reduction programs such as mental health and substance use treatment services (65% of savings), truancy and dropout prevention (25% of savings), and the remaining ten percent of savings for victims' services.

Importantly, the Governor's January budget proposal notes a change in how Proposition 47 savings will be calculated beginning in 2026-27. Whereas the Department of Finance has historically used a blend of the in-state marginal cost (the cost of food, medical care, programming, and vocation training per incarcerated individual) and the contract bed cost, multiplied by the average daily population of individuals who are no longer sent to state prison, the department will now use only the marginal cost, as the state no longer uses contract beds. The marginal cost is currently \$20,105. The estimated reduction in Proposition 47 state savings may continue in outyears based on forecasted impacts of Proposition 36 (2024), which repealed portions of Proposition 47, rendering specified drug and theft crimes from misdemeanors to felonies.

Community Corrections Performance Incentives Grant (SB 678)

The Community Corrections Performance Incentive Grant, established by SB 678 (Chapter 608, Statutes of 2009) was created to provide incentives for counties to reduce the number of individuals on felony probation who are admitted to state prison. The Governor's January budget proposal includes \$127.9 million General Fund in 2026-27 for probation departments.

In recent years, annual funding was held constant due to the COVID-19 pandemic's effect on probation populations, law enforcement practices, and court processes. However, the formula was modified beginning in 2025-26 with the enactment of SB 157 (Chapter 111, Statutes of 2025), which established a fixed statewide annual allocation of \$103.7 million General Fund. This allocation will be *reduced* if counties exceed their baseline return-to-prison rates and the amount will be *increased* in a separate, variable component, if counties exceed performance expectations, calculated as an average of 2022 and 2023 performance. Since inception, counties have received over \$1.5 billion for reducing state prison admissions.

Additional Budget Adjustments:

- *Post-Release Community Reentry Programs*—\$5.3 million General Fund in 2026-27, growing to \$14.3 million General Fund in 2030-31, to raise contract rates for post-release reentry programs.
- *Drug Interdiction Continuation*—The Governor's January budget proposal includes \$30 million General Fund (\$15 million in 2026-27 and \$15 million in 2027-28) to further expand the Military Department's existing drug interdiction efforts to prevent drug trafficking by transnational criminal organizations throughout the state, with a particular focus on assisting federal, state, local, and tribal law enforcement agencies in combating fentanyl.
- *California Violence Intervention and Prevention Grant Program (CalVIP)*—The Governor's January budget proposal includes \$56.4 million Gun Violence and Prevention and School Safety Fund in 2025-26 and \$51.9 million in 2026-27 for CalVIP, which provides grants to cities, counties, tribal governments and community-based organizations disproportionately impacted by gun violence.

Incompetent to Stand Trial (IST) Population

The Department of State Hospitals (DSH) notes that the IST waitlist has been reduced from roughly 2,000 individuals in 2022 to fewer than 300, and the number of state and community-based treatment beds has increased from approximately 1,400 to over 2,300. However, the Governor's January budget proposal does not include any changes to the DSH's IST Growth Cap program imposed upon counties.

California Department of Corrections and Rehabilitation (CDCR)

The Governor's January budget proposal includes total funding of approximately \$14.2 billion (\$13.8 billion General Fund and \$400 million other funds) for CDCR. Approximately \$4.1 billion General Fund is specifically dedicated to health care programs, which provide incarcerated individuals with access to mental health, medical, nursing, and dental care services.

Prison Population

CDCR's adult incarcerated population is projected to continue its downward trend over the next few years. Fall 2025 projections estimate the average daily adult incarcerated population for 2025-26 to be 89,162, a decrease of 2.2% from the spring 2025 projections, and 87,613 in 2026-27, a decrease of 5.5% from the spring projections.

The impact of Proposition 36 (2024) was projected to create an initial spike in the adult prison population by 1,878 in 2025-26 and 3,597 upon broader implementation as of spring projections. However, the Administration now estimates a smaller impact based on fall projections, which will be 562 in 2025-26 and approximately 1,200 upon full implementation. Overall, by June 30, 2030 the total adult incarcerated population is projected to be 84,664.

The average daily population for individuals on parole is projected to be 33,816 in 2025-26, declining to 32,432 in 2026-27. The total population on parole is projected to decline further to 30,785 by June 30, 2030.

Prison Closures

CDCR has closed several state adult institutions in recent years, including most recently Chuckawalla Valley State Prison in Riverside County in March 2025 and the Correctional Rehabilitation Center - also in Riverside County - by October 2026. The facility closures will save approximately \$594 million General Fund annually by 2027-28.

Separate from the full prison closures, various facilities and housing units across the state have been closed or deactivated in recent years. The cumulative savings from full prison closures, facility closures, facility deactivations, and contract terminations will be approximately \$4.9 billion by 2027-28.

Department of Justice (DOJ)

The Governor's January budget proposal includes total funding of approximately \$1.3 billion for the California DOJ, including \$508 million General Fund. Since January 2025, DOJ has filed 53 cases against the federal government. The 2024 Budget Act included \$25 million one-time General Fund to defend the state against enforcement and legal actions taken by the federal government, which is available through June 30, 2026. Of that amount, \$6 million has been distributed to the DOJ and other state entities for litigation to defend California against federal actions.

Comparatively, the 2025 Budget Act included \$14.2 million (\$12.3 million General Fund and \$1.9 million Unfair Competition Law Fund) in 2025-26 and \$13.9 million (\$12 million General Fund and \$1.9 million Unfair Competition Law Fund) in 2026-27 and ongoing, and 44 positions for the DOJ to defend California against federal actions. This is in addition to baseline funding of \$2.5 million General Fund within DOJ's budget to defend California against federal actions, which was first authorized in the 2018 Budget Act.

Increased workload has resulted in the need for additional funding beginning in the current year: an additional \$10 million will be distributed to the DOJ in 2025-26 from the one-time funds appropriated in the 2024 Budget Act. The Governor's January budget proposal also includes \$10 million new General Fund annually in 2026-27 through 2028-29. The funds that were previously authorized on an ongoing basis in the 2025 Budget Act will now be limited term through 2028-29.

Judicial Branch

The Governor's January budget proposal includes total funding of \$5.3 billion (\$3.3 billion General Fund and \$2 billion other funds) in 2026-27 for the Judicial Branch, of which \$3 billion

is provided to support trial court operations. Adjustments in the Governor's January budget proposal include, but are not limited to the following:

- Trial Court Operations—an additional \$70 million ongoing General Fund to support trial court operations.
- State Court Facilities and Construction Fund (SCFCF) Backfill—\$41 million General Fund in 2026-27 and \$56 million General Fund in 2027-28 and ongoing to continue to backfill a projected shortfall in the SCFCF and to maintain existing service levels.
- Court-Appointed Counsel—\$11 million General Fund in 2026-27 and ongoing to further increase the hourly rate of appointed counsel by \$25 at the Supreme Court (\$180 per hour) and Courts of Appeal (up to \$165 per hour), which provides representation for indigent appellants.
- Continuation of Courts of Appeal Workload—\$5.2 million Appellate Court Trust Fund in 2026-27 and \$4.9 million General Fund in 2027-28 and ongoing to continue to address the courts' existing workload, reduce backlogs, and prevent case delays in appellate districts.
- Orange County Central Justice Center Facility Modification—\$36 million General Fund in 2026-27 and \$35 million General Fund in 2027-28 to complete the ongoing facility modification to provide Fire Life Safety upgrades at the Central Justice Center in Orange County.
- Los Angeles Spring Street Courtrooms Relocation—\$4.6 million one-time General Fund in 2026-27 to support the relocation of 17 courtrooms and operations from the Spring Street Courthouse in Los Angeles, which is subject to divestment by the federal government.

Office of Emergency Services (CAL OES)

The Governor's January budget proposal includes \$3 billion (\$483.9 million General Fund) and 1,914 positions for Cal OES. Among its other roles, Cal OES serves as the State Administering Agent for federal homeland security, emergency management, and victim services grants, including the Victims of Crime Act (VOCA) grant funding. Federal VOCA allocations have significantly declined in recent years; the 2024 Budget Act and 2025 Budget Act both included one-time state funding to mitigate the local impacts statewide. Notably, the Governor's January budget proposal does not include backfill for VOCA.

Government Finance and Administration

Pensions

The Governor's January budget proposal includes \$731 million in one-time contributions to CalPERS for the California State University and a \$2.5 billion supplemental pension payment through Proposition 2 (2014) funding, comprising most of the Proposition 2 debt payment in 2026-27. This is typical of most years, as payment of pension debt both avoids future costs and allows for significant investment returns on those supplemental payments. As of the time of this budget action bulletin, the CalPERS discount rate was 6.8% and the prior ten-year investment window yielded an investment return of 7.1%.

Labor and Workforce Development

The 2025 Budget Act proposed elimination of 6,002 vacant positions in state service. The Governor's January budget proposal includes no new eliminations of vacant positions, but estimates that the prior reduction will save \$487.1 million (\$191.3 million General Fund) in 2026-27 and beyond.

Workers' Compensation

The Governor's January budget proposal includes \$12.7 million and 57 positions for the Department of Industrial Relations (DIR) to address case growth from the Subsequent Injuries Benefits Trust Fund (SIBTF) workers' compensation program.

In addition to the commitment to fund positions to respond to the backlog, the January budget proposal includes a statement calling for comprehensive reform of the SIBTF program, highlighting the rapid growth of claim payments, which are expected to grow to \$1.3 billion in 2029-30, from \$87 million just ten years prior. The Governor's January budget proposal also estimates that claims growth is expected to impact employer assessments, rising from \$112 million in 2019-20 to an expected \$1.5 billion in 2029-30. A [recent analysis by the Legislative Analyst's Office \(LAO\)](#) estimated total SIBTF liabilities to be between \$11-\$12 billion.

CSAC welcomes the call for SIBTF reforms and joined efforts in 2025 urging the Governor and Legislative leadership to take all steps necessary to address meaningful SIBTF reform.

Public Employment Relations Board

The Governor's January budget proposal includes \$8.5 million General Fund and 30 positions for the Public Employment Relations Board (PERB) in 2026-27 and \$11.5 million and 78 positions for the next two fiscal years.

The need for new funding and positions are attributed to costs necessary due to passage of two laws in 2025 that expand PERB's authority to apply to private sector employers. Those laws include AB 1340 (Chapter 335, Statutes of 2025), which relates to bargaining among

transportation network company (e.g. *Lyft* or *Uber*) drivers and tasks PERB with authority to adjudicate and administer the act. The new allocations are also needed to account for new PERB workload created by AB 288 (Chapter 139, Statutes of 2025), which provides PERB with new authority to adjudicate unfair labor practice charges that are not timely resolved by the National Labor Relations Board.

The Governor's January budget proposal does not appear to include any new funding for traditional PERB caseload for public employers.

Property Tax Backfill for Counties Impacted by Disasters

The Governor's January budget proposal includes \$121.5 million in 2025-26 for Los Angeles County to backfill lost property tax revenues due to the 2025 wildfires. The Governor's January budget proposal does not include any new funding in 2026-27 to backfill lost property tax revenues for counties impacted by disasters, which is not necessarily an indication that the enacted budget will lack backfill for impacted counties, but could simply be an indication that the Administration or impacted counties have not yet completed their estimates of backfill needed. At this time last year, the Governor's January budget proposal included no estimate for this backfill, as the extent of the need had not yet been determined.

Educational Revenue Augmentation Fund (ERAF)

The Governor's January budget proposal lacks an estimate of an appropriation to backfill the insufficient ERAF amounts in affected counties. For the 2026-27 fiscal year, at least \$119 million will be needed to fund the backfill for insufficient ERAF.

Last year, Mono, Alpine, and San Mateo counties collectively required an appropriation of \$118.4 million to be held harmless under the Vehicle License Fee reduction made in 2004. The 2025 Budget Act arbitrarily cut the backfill by one third, appropriating only \$79 million to backfill Alpine, Mono, and San Mateo counties, which was \$39.4 million less than the total amount needed. While the Legislature's proposed budget included the total amount needed, the final enacted budget agreement did not fully fund the backfill for the first time since the 2004 agreement.

CSAC will continue to advocate for fully funding the backfill.

State-Mandated Local Programs

The Governor's January budget proposal includes an estimated \$88.7 million to reimburse local governments for costs incurred to operate state-mandated programs in 2026-27. A complete list of state-mandated programs that are proposed to be funded in 2026-27 (for payment of mandate claims for costs incurred in prior years) or mandates that are suspended are listed under Budget Item 8885- 295-0001 in the 2026-27 Budget Bill(s).

To address revenue constraints or increasing costs, the state will suspend some mandated programs via the state budget. While a mandate is suspended, the requirement remains in statute, however local governments are not required to comply with the state-mandated requirements in that fiscal year, and the state has no reimbursement obligation.

While the California Constitution requires the state to reimburse local agencies for all valid mandate claims, specific payment deadlines for any mandate that is suspended or repealed in the following fiscal year is unclear. Consequently, local governments can spend significant resources to meet state-imposed mandates without any certainty of reimbursement. Interest on unpaid claims accrues until the claims are fully paid. According to the State Controller's Office, as of April 2025 local agencies are collectively owed \$870 million for the cost to deliver state-mandated programs since 2004.

For 2026-27, the budget proposes to suspend one new state-mandated program: Disclosure Requirements and Deferral of Property Taxation ([22-TC-06](#)).

Economic Development

California Competes Tax Credit

The Governor's proposed January budget includes an extension of the CalCompetes Tax Credit, which is set to sunset in 2027, maintaining its current level of \$180 million in annual allocations through 2032-33. The CalCompetes Tax Credit is designed to incentivize businesses to locate or stay in California by allowing businesses to request the amount of tax credit needed to implement their proposed projects.

Film and Television Tax Credit

The Governor's proposed January budget does not make changes to the 2025 Budget Act's expansion to the Film and Television Tax Credit Program which allocated \$750 million General Fund annually from 2025-26 through 2029-30.

Health and Human Services

H.R. 1 Implementation

Counties are facing massive cost increases to health and human services programs due to the implementation of federal H.R. 1. This includes direct cost shifts, increased county workload, and expanded demand for indigent care. CSAC is working with county partners to highlight county needs in response to H.R. 1 and recently produced a [coalition resource](#) that describes county advocacy principles and HHS program impacts.

Unfortunately, the Governor's January budget proposal does not provide any funding to help counties mitigate H.R. 1 costs. The state's various H.R. 1 related cost impacts are outlined in the January budget proposal and are summarized below. CSAC will continue to work with counties and county affiliates to advocate to provide funding and relief in response to H.R. 1. Counties must have the resources to maintain the safety net as much as possible and to sustain the health and well-being of vulnerable individuals, families, and communities.

Realignment

The Governor's January budget proposal includes revenue assumptions for 1991 Realignment and 2011 Realignment. The projections for 2025-26 and 2026-27 indicate revenue growth for both Realignments in each year. For 1991 Realignment, the estimates for both years indicate that all of the sales tax growth would go to caseload growth and there would only be general growth for vehicle license fee revenues. Sales tax revenues for 1991 have fallen short of base funding the last two years and there is a significant amount of caseload that is owed. It does not appear there will be sufficient revenues in these two years to fully cover the amount of caseload that will be owed at that time. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

HEALTH

Medi-Cal

The Medi-Cal budget included \$196.7 billion (\$46.4 billion General Fund) in 2025-26 and \$222.4 billion (\$48.8 billion General Fund) in 2026-27. Medi-Cal is projected to cover approximately 14.5 million members in 2025-26 and 14 million members in 2026-27—more than one-third of the state's population. Overall, enrollment in Medi-Cal is declining from a high point of over 15.5 million members in July 2023 to a projected enrollment of around 13.6 million members by April 2027. This is due to the ending of COVID-19 enrollment flexibilities, an enrollment freeze for adults with unsatisfactory immigration status that began in January 2026, the reinstatement of an Asset Test for some enrollees, and the impacts of H.R. 1 eligibility changes.

The Budget projects Medi-Cal expenditures of \$48.8 billion General Fund in 2026-27, an increase of \$2.4 billion General Fund compared to the revised 2025-26 expenditures. This increase is due to the ending of internal state borrowing to cover Medi-Cal costs in the Current Year and a decrease in Managed Care Organization (MCO) Tax revenue available for Medi-Cal support.

H.R. 1 Impacts

The Governor's January budget proposal reflects a number of impacts related to H.R. 1 implementation, some of which reduce state spending while others increase state spending. Significant H.R. 1 policies that impact spending and enrollment include work and community engagement requirements, limitations of federal cost sharing for certain immigrant populations, and implementing six-month eligibility redeterminations. In total, these changes result in state General Fund costs of about \$472 million in the budget year. This is offset by a proposed policy change to make certain immigrant populations eligible for only limited scope Medi-Cal benefits, which would reduce state costs by \$786 million in the Budget Year. Finally, H.R. 1 places limitations on the use of Medicaid Provider Taxes, including the MCO tax. The Governor's January budget proposal assumes that the state will continue to receive the General Fund benefit of the MCO tax through December 31, 2026, but would face significant reductions to MCO tax revenue thereafter.

Community Based Mobile Crisis

Existing federal law authorizes state Medicaid programs to offer community-based mobile crisis response services for a five-year period through March 31, 2027. Federal law allows states to be reimbursed at an enhanced 85% federal cost sharing for the first 12 quarters during the five-year period. The Department's enhanced federal funding expires on December 31, 2026. The Governor's Budget proposes to make mobile crisis services a county optional benefit beginning April 1, 2027. This will have the effect of shifting tens of millions per year in costs to counties to maintain this benefit, which is a key part of the state's behavioral health continuum.

The Department of Public Health operates and maintains several IT systems that are used by the state and local health jurisdictions for public health purposes such as contact tracing during disease outbreaks (CalCONNECT), reporting of laboratory results (SaPHIRE), and recording immunization data (myCAVax/CAIR3). The Governor's January budget proposal provides funding for the SaPHIRE system, but no funding for the operation of the other systems nor funding for the development of a new disease surveillance and monitoring system.

Rural Health Transformation Program

The Governor's January budget proposal includes \$234 million in federal funding for the Rural Health Transformation Program, to be administered by the Department of Health Care Access and Information. The Program will include elements such as Transformative Care

Models, Workforce Development, and Technology and Tools to support and modernize the rural health care system.

HUMAN SERVICES

In-Home Supportive Services

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2026-27, the Governor's January budget proposal includes \$33.4 billion for IHSS, of which \$12.5 billion is from the General Fund. The estimated average monthly caseload is 875,344 recipients in 2026-27. The Governor's January budget proposal includes three significant proposals to achieve savings with the IHSS program.

IHSS Cost Growth

The Governor's January budget includes a proposal to remove the state's share of cost for IHSS hours per case growth. This would go into effect in 2027-28 and result in state General Fund savings of \$233.6 million. Without more detail, CSAC must assume that counties would then be responsible for additional costs for growth in IHSS hours per case, resulting in a significant cost shift to counties. The California Department of Social Services (CDSS) 2026-27 Governor's Budget [Executive Summary](#) outlines that counties can mitigate additional costs through "county level policy and practice changes designed to support accurate assessments that reduce year-over-year average statewide growth in hours per case." CSAC is strongly opposed to any IHSS cost shift to counties and has already begun engaging with the Administration to learn further details, share county concerns, and work on a resolution.

For background, the county IHSS maintenance of effort (MOE) was restructured in 2019-20. Since that time, counties share in the costs of program growth through an annual four percent inflation factor and 35% of the non-federal share of costs for locally negotiated wage and benefit increases. The primary purpose of the 2019-20 MOE rebase was to ensure that county IHSS costs can fit within historic Realignment growth and not take away funding from other critical health and human services programs that counties fund with Realignment. Any cost shift to counties for IHSS will not be sustainable within Realignment and be even more challenging while counties are grappling with increased safety net program costs as a result of the implementation of H.R. 1.

IHSS Residual Program

The Governor's January budget proposal would conform the IHSS Residual Program with the timing of Medi-Cal coverage beginning in 2026-27 which would save \$86 million General Fund. The IHSS Residual Program is the original IHSS program that is maintained for individuals who are eligible for IHSS under a state-only Medi-Cal program. Approximately two percent of the IHSS caseload is in the Medi-Cal residual program. It should be noted that

this same proposal was included in last year's May Revision and rejected in the final budget agreement.

IHSS Backup Provider System

The Governor's January budget proposal would eliminate the IHSS permanent back-up provider system for savings of \$3.5 million General Fund ongoing starting in 2026-27. The IHSS permanent back-up provider system was enacted in 2022 and facilitates recipients being able to find a provider and receive care in times of immediate need. It should be noted that this same proposal was included in the 2024 May Revision and rejected in that year's final budget agreement.

CalFresh

The CalFresh program is California's version of the federal Supplemental Nutrition Assistance Program (SNAP), which provides federally funded food benefits for eligible families. The January budget proposal includes \$3.2 billion (\$1.6 billion General Fund) in total CalFresh and other nutrition assistance expenditures. This is in addition to \$12.8 billion in food benefits provided directly by the federal government to eligible recipients. The average monthly caseload for CalFresh is projected to be 3.4 million households in 2026-27.

Administrative Costs

The Governor's January budget proposal includes an increase of \$382.9 million General Fund in 2026-27 for CalFresh administrative costs. This increase is a direct result of the H.R. 1 provision to lower the federal share of CalFresh administrative costs from 50% to 25% effective October 1, 2026. This increased non-federal share is split between the state and counties, with the state responsible for 70%. The January budget proposal does not provide any funding to counties to address the increased costs of \$149.5 million in 2026-27 that will be increasing due to the reduced federal share.

Program Participation

The Governor's January budget proposal anticipates a reduction of \$66.2 million General Fund due to eligibility changes that are included in H.R. 1. These provisions include expanded work requirements, utility assistance calculations, and program ineligibility for certain lawfully present non-citizens that will result in fewer individuals receiving CalFresh benefits.

California Work Opportunity and Responsibility to Kids (CalWORKs)

The CalWORKs program is California's version of the federal Temporary Assistance for Needy Families (TANF), which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's budget includes \$6.5 billion in total funding (\$1.2 billion GF) in 2026-27 for CalWORKs program expenditures, reflecting a net increase of \$71.5 million from the 2025 Budget Act. This increase is a result of higher Employment Services expenditures due to a higher than projected caseload as well as full funding restoration for CalWORKs

Home Visting Program and CalWORKs Mental Health and Substance Abuse Services. For 2026-27, the average monthly CalWORKs caseload is estimated to be 360,137 families.

Single Allocation

The Governor's January budget proposal includes \$1.7 billion total funds for the CalWORKs Single Allocation in 2025-26 and 2026-27, which provides funding to counties for eligibility administration and Employment Services. This reflects an increase of \$44.8 million in 2025-26 and \$70.7 million in 2026-27 compared to the 2025 Budget Act due to rapid caseload growth in Employment Services than projected in 2025-26 and higher projected Employment Services caseload in 2026-27.

Child Welfare and Foster Care

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect. The Governor's January budget proposal includes \$1 billion General Fund for services to children and families. Total funding for children's programs is more than \$10.3 billion when federal funding and Realignment revenues are included (1991 and 2011).

Child Care

The Governor's January budget proposal includes \$7.5 billion (\$5.1 billion General Fund) for child care and development programs administered by CDSS. These programs include, among others, CalWORKs Stages One, Two, and Three, the Emergency Child Care Bridge Program, Alternative Payment Programs, and General Child Care. Since 2020, the state has funded approximately 125,000 new subsidized child care slots. The Governor's January budget proposal includes an ongoing \$89.1 million General Fund increase for a cost-of-living adjustment for CDSS administered child care programs.

In August of 2025, the state reached a three-year agreement with Child Care Providers United (CCPU), the union representing California's family childcare providers. The agreement includes \$38.2 million General Fund for monthly payment increases to CCPU providers and \$157.9 million General Fund for one-time stabilization payments for all child care providers, including California State Preschool providers. The agreement with CCPU also includes a state commitment to invest up to \$585 million General Fund over three years for provider training and health and retirement benefits.

The Governor's January budget proposal also includes an increase of \$11.5 million one-time Proposition 64 (2016) funding for child care infrastructure in communities impacted by recent fires.

Homelessness

The Governor's January budget proposal does not contain any new homelessness proposals. CSAC will continue to be fully engaged on homelessness budget issues as a top CSAC advocacy priority consistent with the AT HOME plan.

Homeless Housing, Assistance and Prevention (HHAP) Program

The Governor's January Budget proposal includes the planned \$500 million for Round 7 of the HHAP program that was committed to in last year's SB 131 (Chapter 24, Statutes of 2025). That budget trailer bill also outlined that, prior to allocation of the \$500 million, there must be legislation enacted that specifies the parameters for a Round 7 of the program. This legislation must address conditions that applicants need to meet including a compliant housing element, local encampment policy, pro-housing designation, leveraging local resources, and demonstrating progress and urgency. SB 158 (Chapter 650, Statutes of 2025), an end-of-session budget trailer bill, was subsequently enacted and included the CSAC request that Round 7 funding should be available for disbursement beginning 60 days into the 2026-27 fiscal year. The legislation that specifies the parameters for Round 7 of the program has yet to be enacted. CSAC will continue to advocate for such legislation to be adopted quickly and consistent with [principles](#) that were developed with coalition partners.

CDSS Housing and Homelessness Programs

The Governor's January budget proposal does not contain any changes to funding for housing and homelessness programs administered by the California Department of Social Services (CDSS). There is decreased funding in 2026-27 compared to 2025-26 due to the sunset of the latest rounds of funding for Bringing Families Home, Home Safe, and Housing and Disability Advocacy. However, it is important to note that language included in last year's budget specified that the latest rounds of funding for these programs would be available for expenditure through June 30, 2028.

Affordable Housing and Sustainable Communities Program

The Governor's January budget proposes to make programmatic changes to the Affordable Housing and Sustainable Communities (AHSC) Program, including shifting up to \$560 million annually from Cap-and-Invest proceeds to the Housing Development and Finance Committee (HDFC) for administration of the housing capital component. Please see the Housing, Land Use, and Transportation section for additional information.

Housing, Land Use, and Transportation

In the Housing, Land Use and Transportation area, the Governor's January budget proposal does not include new programs or funding augmentations. This is mainly due to the projected General Fund deficit as well as the elimination of General Fund augmentations that were agreed to in previous budgets. All the augmentations proposed in the Governor's January budget are supported by the Cap and Invest agreement made with the Legislature in 2025 and special funds.

Broadband

The Governor's January budget proposes no major augmentations or changes to the state's current efforts on broadband infrastructure. The budget proposal adheres to the funding shifts and delays agreed to in the 2024 Budget Act, with the most salient issues for counties being the continued delay of \$550 million funding for Last Mile Broadband project grants to 2027-28. The lack of augmentations or fund shifts indicates the Administration continues to focus on constructing the state's middle-mile network and spending previously provided federal funds.

Housing

Affordable Housing Program Shift

The most significant housing proposal in the Governor's January budget proposal is a shift of the housing capital portion of the Affordable Housing and Sustainable Communities (AHSC) program from the Strategic Growth Council to the Department of Housing and Community Development (HCD).

For background, prior to the Cap and Invest extension agreement that was part of SB 840 (Chapter 121, Statutes of 2025), the AHSC program received twenty percent of annual revenues from the Greenhouse Gas Reduction Fund (GGRF), which are divided between funding for affordable housing construction and agricultural land conservation. Under the agreement made in SB 840, the program may receive up to \$800 million in GGFR funding, after other priorities, such as the \$1 billion for the High-Speed Rail Authority.

While the Administration has indicated this shift could result in the HCD-administered AHSC program receiving up to \$560 million annually in GGFR revenues, their projections indicate that the program is likely to receive an average of approximately \$450 million annually over the next four fiscal years, until 2029-30. We believe the discrepancy is due to optimistic assumptions about potential future Cap and Invest auction proceeds. We note that HCD has been administering the housing capital portion of the AHSC since the program was initiated in 2014. However, this shift may result in HCD applying its priorities to the housing projects funded by this program.

Transportation

In the transportation policy area, there were no major new funding proposals or programs provided. The most notable changes were related to the Cap and Invest agreement made last year.

Transit Program Changes

The Cap and Invest extension agreement that was part of SB 840 (Chapter 121, Statutes of 2025), significantly changed the GGRF funding commitments the state made to two transit programs, the Transit and Intercity Capital Rail Program (TIRCP) and the Low Carbon Transit Operations program (LCTOP). Prior to this agreement, TIRCP received ten percent of annual revenues from the GGRF while the LCTOP received five percent. Under the agreement made in SB 840, the programs now have fixed amounts that are funded after other priorities, such as the \$1 billion for the High-Speed Rail Authority. The Governor's January budget proposal provides the following estimates for the two programs, which are compared to the funding outlined in SB 840:

- TIRCP: \$283 million estimated for 2026-27, the Cap & Invest agreement indicated the program could receive up to \$400 million annually.
- LCTOP: \$141 million estimated for 2026-27, the Cap & Invest agreement indicated the program could receive up to \$200 million annually.

Finally, to address the revenue shortfalls and potential service cuts that San Francisco Bay Area transit providers are concerned with, the Governor indicates that the state will continue to rely on control language in the current budget to facilitate any potential loan. For background, the control language in the 2025 Budget Act would provide the Metropolitan Transportation Commission (MTC) with state funding to provide short-term loans to Bay Area transit agencies facing cash flow challenges. However, any loans would require a transit agency to commit to an agreement which includes:

- Ensuring full repayment with an agreed-upon interest rate,
- A clearly defined repayment schedule, and
- A guaranteed mechanism to secure repayment from a reliable and predictable revenue source.

Advanced Clean Fleets

The January budget proposal does not provide any dedicated funding for local government fleets to assist with the implementation of the California Air Resources Board's (CARB) Advanced Clean Fleet (ACF) regulations. However, we note that Caltrans is seeking an additional \$225 million in funding to support the purchase of 1,120 ACF-compliant vehicles and EV chargers at 43 locations. Additionally, the budget proposes to shift \$166 million GGRF resources to create another light-duty Zero Emission Vehicle (ZEV) incentive program administered by CARB to encourage consumer purchases of these vehicles.

Formula Funding for Local Streets and Roads

The Governor's January budget estimates year-over-year increases of 2.0% in gasoline excise tax revenue and 1.8 % in diesel excise tax revenue from 2025-26 to 2026-27. These revenue streams fully fund county Highway User Tax Account allocations and provide approximately 70% of county Road Maintenance and Rehabilitation Account (RMRA) allocations. Transportation Improvement Fee revenues, which fund approximately 30% of county RMRA allocations, are estimated to grow by 5.1%. CSAC will provide counties with detailed revenue estimates for 2025-26 and 2026-27 later next week. Finally, we note that Caltrans is requesting funds to continue researching alternatives to a gas tax as a sustainable long-term funding source for transportation. CSAC supports state efforts to identify stable and reliable funding streams for county transportation needs.

1991 Realignment Estimate at 2026-27 Governor's Budget*

\$s in Thousands

Amount	2024-25 State Fiscal Year (Actual)						Total
	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	
Base Funding							
Sales Tax Account	\$752,888	\$-	\$2,521,108	\$339,629	\$615,671	\$523,432	\$4,752,728
Vehicle License Fee Account	367,663	1,278,453	216,223	195,932	23,252	526,818	2,608,341
Subtotal Base	\$1,120,551	\$1,278,453	\$2,737,331	\$535,561	\$638,923	\$1,050,250	\$7,361,069
Growth Funding							
Sales Tax Growth Account:	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Caseload Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	11,691	-	23,713	-	27,944	63,348
Subtotal Growth	\$-	\$11,691	\$-	\$23,713	\$-	\$27,944	\$63,348
Total Realignment 2024-25*	\$1,120,551	\$1,290,143	\$2,737,331	\$559,274	\$638,923	\$1,078,195	\$7,424,417
2025-26 State Fiscal Year (Projected)							
Base Funding							
Sales Tax Account	\$752,888	\$76,685	\$2,521,108	\$339,629	\$538,986	\$523,432	\$4,752,728
Vehicle License Fee Account	367,663	1,127,598	216,223	219,645	185,798	554,763	2,671,690
Subtotal Base	\$1,120,551	\$1,204,283	\$2,737,331	\$559,274	\$724,784	\$1,078,195	\$7,424,418
Growth Funding							
Sales Tax Growth Account:	\$-	\$-	\$120,317	\$-	\$-	\$-	\$ 120,317
Caseload Subaccount	-	-	(120,317)	-	-	-	(120,317)
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	20,778	-	42,146	-	49,665	112,589
Subtotal Growth	\$-	\$20,778	\$120,317	\$42,146	\$-	\$49,665	\$232,906
Total Realignment 2025-26*	\$1,120,551	\$1,225,061	\$2,857,648	\$601,420	\$724,784	\$1,127,860	\$7,657,324
2026-27 State Fiscal Year (Projected)							
Base Funding							
Sales Tax Account	\$752,888	\$131,548	\$2,641,425	\$339,629	\$484,123	\$523,432	\$4,873,045
Vehicle License Fee Account	367,663	1,148,376	216,223	261,791	185,798	604,428	2,784,279
Subtotal Base	\$1,120,551	\$1,279,924	\$2,857,648	\$601,420	\$669,921	\$1,127,860	\$7,657,324
Growth Funding							
Sales Tax Growth Account:	\$-	\$-	\$97,779	\$-	\$-	\$-	\$ 97,779
Caseload Subaccount	-	-	(97,779)	-	-	-	(97,779)
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	16,405	-	33,276	-	39,214	88,895
Subtotal Growth	-	\$16,405	\$97,779	\$33,276	-	\$39,214	\$186,674
Total Realignment 2026-27*	\$1,120,551	\$1,296,329	\$2,955,427	\$634,696	\$669,921	\$1,167,074	\$7,843,998

*Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

5196 2011 State-Local Realignment - Continued**2011 Realignment Estimate at 2026-27 Governor's Budget***

(Dollars in Millions)

	2024-25	2024-25 Growth	2025-26	2025-26 Growth	2026-27	2026-27 Growth
Law Enforcement Services	\$3,432.1		\$3,452.4		\$3,567.9	
Trial Court Security Subaccount	\$646.8	2.0	\$648.9	11.5	\$660.4	7.1
Enhancing Law Enforcement Activities Subaccount ²	\$489.9	401.6	\$489.9	427.9	\$489.9	443.6
Community Corrections Subaccount	\$1,964.7	15.3	\$1,979.9	86.6	\$2,066.5	53.4
District Attorney and Public Defender Subaccount	\$81.5	1.0	\$82.5	5.8	\$88.3	3.6
Juvenile Justice Subaccount	\$249.2	2.0	\$251.2	11.5	\$262.8	7.1
<i>Youthful Offender Block Grant Special Account</i>	\$235.4		\$237.4		\$248.3	
<i>Juvenile Reentry Grant Special Account</i>	\$13.8		\$13.9		\$14.5	
Growth, Law Enforcement Services		421.9		543.4		514.8
Mental Health³	1,120.6	1.9	1,120.6	10.7	1,120.6	6.6
Support Services	5,293.9		5,329.9		5,533.5	
Protective Services Subaccount	3,064.3	17.0	3,081.3	96.5	3,177.8	59.5
Behavioral Health Subaccount	2,229.6	18.9	2,248.5	107.2	2,355.7	66.1
<i>Women and Children's Residential Treatment Services</i>	(5.1)		(5.1)		(5.1)	
Growth, Support Services		37.8		214.4		132.2
Account Total and Growth	\$10,306.3		\$10,660.6		\$10,869.1	
Revenue						
1.0625% Sales Tax	9,372.1		9,696.3		9,887.3	
General Fund Backfill ⁴	42.8		46.5		48.2	
Motor Vehicle License Fee	891.5		917.8		933.5	
Revenue Total	\$10,306.3		\$10,660.6		\$10,869.1	

*This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

¹Base Allocation is capped at \$489.9 million. Growth does not add to the base.

²Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

³Reflects General Fund backfill pursuant to Chapter 413, Statutes of 2014; Chapter 54, Statutes of 2018; Chapter 690, Statutes of 2019; Chapter 78, Statutes of 2020; Chapter 82, Statutes of 2021; Chapter 225, Statutes of 2022; Chapter 251, Statutes of 2022; Chapter 442, Statutes of 2023; Chapter 833, Statutes of 2023; Chapter 56, Statutes of 2023; Chapter 17, Statutes of 2025; Chapter 27, Statutes of 2025; Chapter 86, Statutes of 2025; and Chapter 212, Statutes of 2025.

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

FY 2023/24 Redirection Summary			
CMSP	Previously Redirected	Calculated Redirection	Reconciliation
Alpine	\$ 13,150.00	\$ 13,150.00	\$ -
Amador	\$ 620,264.00	\$ 620,264.00	\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00	\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00	\$ -
Colusa	\$ 799,988.00	\$ 799,988.00	\$ -
Del Norte	\$ 781,358.00	\$ 781,358.00	\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00	\$ -
Glenn	\$ 787,933.00	\$ 787,933.00	\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00	\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00	\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00	\$ -
Kings	\$ 2,832,833.00	\$ 2,832,833.00	\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00	\$ -
Lassen	\$ 687,113.00	\$ 687,113.00	\$ -
Madera	\$ 2,882,147.00	\$ 2,882,147.00	\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00	\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00	\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00	\$ -
Modoc	\$ 469,034.00	\$ 469,034.00	\$ -
Mono	\$ 369,309.00	\$ 369,309.00	\$ -
Napa	\$ 3,062,967.00	\$ 3,062,967.00	\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00	\$ -
Plumas	\$ 905,192.00	\$ 905,192.00	\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00	\$ -
Shasta	\$ 5,361,013.00	\$ 5,361,013.00	\$ -
Sierra	\$ 135,888.00	\$ 135,888.00	\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00	\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00	\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00	\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00	\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00	\$ -
Trinity	\$ 611,497.00	\$ 611,497.00	\$ -
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00	\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00	\$ -
CMSP Board	\$ 245,907,812.23	\$ 245,907,812.23	\$ -
SUBTOTAL	\$ 334,976,773.23	\$ 334,976,773.23	\$ -
Article 13 60/40	Previously Redirected	Calculated Redirection	Reconciliation
Placer	\$ 3,755,583.66	\$ 3,664,363.98	\$ (91,219.68)
Sacramento	\$ 36,476,114.56	\$ 35,682,902.90	\$ (793,211.66)
Santa Barbara	\$ 9,304,988.49	\$ 9,101,871.55	\$ (203,116.94)
Stanislaus	\$ 12,482,133.81	\$ 12,210,572.62	\$ (271,561.19)
Yolo	\$ 943,110.00	\$ 943,110.00	\$ -
SUBTOTAL	\$ 62,961,930.52	\$ 61,602,821.05	\$ (1,359,109.47)
Article 13 Formula	Previously Redirected	Calculated Redirection	Reconciliation
Merced	\$ 4,119,008.58	\$ 3,295,206.86	\$ (823,801.72)
Tulare	\$ 7,278,870.01	\$ 7,834,939.60	\$ 556,069.59
SUBTOTAL	\$ 11,397,878.59	\$ 11,130,146.46	\$ (267,732.13)
Article 13 Permanent	Previously Redirected	Calculated Redirection	Reconciliation
Fresno	\$ 18,210,397.76	\$ 18,210,397.76	\$ -
Orange	\$ 48,343,133.61	\$ 48,343,133.61	\$ -
San Diego	\$ 52,281,163.63	\$ 52,281,163.63	\$ -
San Luis Obispo	\$ 3,356,172.01	\$ 3,356,172.01	\$ -
Santa Cruz	\$ 4,366,486.13	\$ 4,366,486.13	\$ -
SUBTOTAL	\$ 126,557,353.14	\$ 126,557,353.14	\$ (0.00)
DPH	Previously Redirected	Calculated Redirection	Reconciliation
Alameda	\$ 49,478,289.79	\$ 15,278,523.70	\$ (34,199,766.09)
Monterey	\$ 6,690,871.35	\$ -	\$ (6,690,871.35)
Riverside	\$ 40,927,013.96	\$ 44,269,085.57	\$ 3,342,071.61
Santa Clara	\$ -	\$ -	\$ -
SUBTOTAL	\$ 97,096,175.10	\$ 59,547,609.27	\$ (37,548,565.83)
DPH Permanent	Previously Redirected	Calculated Redirection	Reconciliation
Contra Costa	\$ -	\$ -	\$ -
Kern	\$ 17,599,979.71	\$ 18,485,932.24	\$ 885,952.53
Los Angeles	\$ -	\$ -	\$ -
San Bernardino	\$ 33,696,552.50	\$ 34,922,711.22	\$ 1,226,158.72
San Francisco	\$ -	\$ -	\$ -
San Joaquin	\$ -	\$ -	\$ -
San Mateo	\$ -	\$ -	\$ -
Ventura	\$ -	\$ 17,578,410.53	\$ 17,578,410.53
SUBTOTAL	\$ 51,296,532.21	\$ 70,987,053.99	\$ 19,690,521.78
DHCS Total	\$ 108,494,053.69	\$ 70,677,755.73	\$ (37,816,297.96)
Grand Total	\$ 575,792,589.10	\$ 664,801,757.14	\$ (19,484,885.65)

**FY26-27 Interim Redirection
Redirection Calculation**

CMSP	26-27 Realignment		Maintenance of Effort	60% Realignment + 60% MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 60,747.75	\$ 131,424.49	\$ 21,465.00	\$ 128,182.34	\$ 13,150.00	\$ 115,032.34	\$ 13,150.00
Amador	\$ 922,478.96	\$ 1,868,458.98	\$ 278,460.00	\$ 1,841,638.76	\$ 620,264.00	\$ 1,221,374.76	\$ 620,264.00
Butte	\$ 6,745,727.70	\$ 12,813,260.75	\$ 724,304.00	\$ 12,169,975.47	\$ 5,950,593.00	\$ 6,219,382.47	\$ 5,950,593.00
Calaveras	\$ 1,041,405.88	\$ 2,025,016.60	\$ -	\$ 1,839,853.49	\$ 913,959.00	\$ 925,894.49	\$ 913,959.00
Colusa	\$ 846,126.70	\$ 1,632,281.33	\$ 237,754.00	\$ 1,629,697.22	\$ 799,988.00	\$ 829,709.22	\$ 799,988.00
Del Norte	\$ 948,638.99	\$ 1,870,070.21	\$ 44,324.00	\$ 1,717,819.92	\$ 781,358.00	\$ 936,461.92	\$ 781,358.00
El Dorado	\$ 3,850,474.59	\$ 7,428,729.80	\$ 704,192.00	\$ 7,190,037.83	\$ 3,535,288.00	\$ 3,654,749.83	\$ 3,535,288.00
Glenn	\$ 923,173.38	\$ 1,810,974.27	\$ 58,501.00	\$ 1,675,589.19	\$ 787,933.00	\$ 887,656.19	\$ 787,933.00
Humboldt	\$ 6,955,871.62	\$ 13,204,397.98	\$ 589,711.00	\$ 12,449,988.36	\$ 6,883,182.00	\$ 5,566,806.36	\$ 6,883,182.00
Imperial	\$ 6,842,119.49	\$ 12,943,774.61	\$ 772,088.00	\$ 12,334,789.26	\$ 6,394,422.00	\$ 5,940,367.26	\$ 6,394,422.00
Inyo	\$ 1,263,895.95	\$ 2,468,800.82	\$ 561,262.00	\$ 2,576,375.26	\$ 1,100,257.00	\$ 1,476,118.26	\$ 1,100,257.00
Kings	\$ 3,316,352.80	\$ 6,323,941.44	\$ 466,273.00	\$ 6,063,940.34	\$ 2,832,833.00	\$ 3,231,107.34	\$ 2,832,833.00
Lake	\$ 1,394,777.04	\$ 2,699,415.76	\$ 118,222.00	\$ 2,527,448.88	\$ 1,022,963.00	\$ 1,504,485.88	\$ 1,022,963.00
Lassen	\$ 951,667.01	\$ 1,911,152.68	\$ 119,938.00	\$ 1,789,654.61	\$ 687,113.00	\$ 1,102,541.61	\$ 687,113.00
Madera	\$ 3,317,656.98	\$ 6,268,829.73	\$ 81,788.00	\$ 5,800,964.83	\$ 2,882,147.00	\$ 2,918,817.83	\$ 2,882,147.00
Marin	\$ 7,885,489.97	\$ 15,126,863.27	\$ 1,196,515.00	\$ 14,525,320.94	\$ 7,725,909.00	\$ 6,799,411.94	\$ 7,725,909.00
Mariposa	\$ 529,786.17	\$ 1,043,900.11	\$ -	\$ 944,211.77	\$ 435,062.00	\$ 509,149.77	\$ 435,062.00
Mendocino	\$ 2,065,009.98	\$ 3,967,407.34	\$ 347,945.00	\$ 3,828,217.39	\$ 1,654,999.00	\$ 2,173,218.39	\$ 1,654,999.00
Modoc	\$ 582,106.23	\$ 1,148,031.37	\$ 70,462.00	\$ 1,080,359.76	\$ 469,034.00	\$ 611,325.76	\$ 469,034.00
Mono	\$ 734,372.73	\$ 1,526,638.65	\$ 409,928.00	\$ 1,602,563.63	\$ 369,309.00	\$ 1,233,254.63	\$ 369,309.00
Napa	\$ 3,284,115.19	\$ 6,309,941.60	\$ 546,957.00	\$ 6,084,608.27	\$ 3,062,967.00	\$ 3,021,641.27	\$ 3,062,967.00
Nevada	\$ 2,070,154.86	\$ 3,974,116.82	\$ 96,375.00	\$ 3,684,388.01	\$ 1,860,793.00	\$ 1,823,595.01	\$ 1,860,793.00
Plumas	\$ 912,971.93	\$ 1,728,078.10	\$ 66,295.00	\$ 1,624,407.02	\$ 905,192.00	\$ 719,215.02	\$ 905,192.00
San Benito	\$ 1,223,864.32	\$ 2,393,425.73	\$ -	\$ 2,170,374.03	\$ 1,086,011.00	\$ 1,084,363.03	\$ 1,086,011.00
Shasta	\$ 5,890,303.06	\$ 11,086,299.93	\$ 184,049.00	\$ 10,296,391.19	\$ 5,361,013.00	\$ 4,935,378.19	\$ 5,361,013.00
Sierra	\$ 187,802.89	\$ 372,443.22	\$ 7,330.00	\$ 340,545.67	\$ 135,888.00	\$ 204,657.67	\$ 135,888.00
Siskiyou	\$ 1,580,741.66	\$ 3,072,945.29	\$ 287,627.00	\$ 2,964,788.37	\$ 1,372,034.00	\$ 1,592,754.37	\$ 1,372,034.00
Solano	\$ 8,189,226.09	\$ 15,519,861.33	\$ 115,800.00	\$ 14,294,932.45	\$ 6,871,127.00	\$ 7,423,805.45	\$ 6,871,127.00
Sonoma	\$ 13,693,712.95	\$ 25,831,632.64	\$ 438,234.00	\$ 23,978,147.75	\$ 13,183,359.00	\$ 10,794,788.75	\$ 13,183,359.00
Sutter	\$ 3,188,446.94	\$ 6,166,604.79	\$ 674,240.00	\$ 6,017,575.04	\$ 2,996,118.00	\$ 3,021,457.04	\$ 2,996,118.00
Tehama	\$ 2,120,839.40	\$ 4,114,082.15	\$ 446,992.00	\$ 4,009,148.13	\$ 1,912,299.00	\$ 2,096,849.13	\$ 1,912,299.00
Trinity	\$ 834,479.11	\$ 1,666,380.21	\$ 292,662.00	\$ 1,676,112.79	\$ 611,497.00	\$ 1,064,615.79	\$ 611,497.00
Tuolumne	\$ 1,628,887.57	\$ 3,176,144.26	\$ 305,830.00	\$ 3,066,517.10	\$ 1,455,320.00	\$ 1,611,197.10	\$ 1,455,320.00
Yuba	\$ 2,676,394.05	\$ 5,030,595.25	\$ 187,701.00	\$ 4,736,814.18	\$ 2,395,580.00	\$ 2,341,234.18	\$ 2,395,580.00
Yolo	\$ 1,935,445.29	\$ 4,221,108.10	\$ 1,081,388.00	\$ 4,342,764.83	\$ 943,110.00	\$ 3,399,654.83	\$ 943,110.00
CMSP Board	\$ 60,092,851.99	\$ 185,797,900.55	\$ -	\$ 147,534,451.52	NA	NA	\$ 245,890,752.54
SUBTOTAL	\$ 160,688,117.22	\$ 378,674,930.16	\$ 11,534,612.00	\$ 330,538,595.63	\$ 90,012,071.00	\$ 92,992,073.10	\$ 335,902,823.54

Article 13 60/40	26-27 Realignment		Maintenance of Effort	FY 10-11 Total Realignment		MOE Capped at 14.6% of 10-11 Realignment	Redirection
	Sales Tax	VLF		Sales Tax	VLF		
Placer	\$ 1,949,807.33	\$ 4,081,501.17	\$ 368,490.00	\$ 1,223,351.24	\$ 3,475,002.90	\$ 368,490.00	\$ 3,839,879.10
Sacramento	\$ 17,812,076.17	\$ 37,932,500.30	\$ 7,128,508.00	\$ 11,073,547.81	\$ 32,428,453.58	\$ 6,351,292.20	\$ 37,257,521.20
Santa Barbara	\$ 4,422,071.53	\$ 9,798,693.38	\$ 3,794,166.00	\$ 2,695,565.51	\$ 8,405,681.53	\$ 1,620,782.07	\$ 9,504,928.19
Stanislaus	\$ 6,063,234.06	\$ 13,012,389.55	\$ 3,510,803.00	\$ 3,756,009.76	\$ 11,132,596.16	\$ 2,173,736.46	\$ 12,749,616.04
SUBTOTAL	\$ 30,247,189.09	\$ 64,825,084.40	\$ 14,801,967.00	\$ 18,748,474.32	\$ 55,441,734.17	\$ 10,514,300.74	\$ 63,351,944.54

Article 13 Formula	26-27 Realignment		Health Realignment Indigent Care %	Total Revenue FY 26-27	Total Costs FY 26-27	Savings	Calculated Redirection
	Sales Tax	VLF					
Merced	\$ 3,192,998.09	\$ 6,521,903.41	43.41%	\$ 4,254,045.21	\$ -	\$ 4,254,045.21	\$ 4,217,238.74
Tulare	\$ 5,687,606.88	\$ 11,640,954.66	47.88%	\$ 10,577,947.75	\$ 247,748.16	\$ 10,330,199.59	\$ 8,296,915.27
SUBTOTAL	\$ 8,880,604.97	\$ 18,162,858.07		\$ 14,831,992.97	\$ 247,748.16	\$ 14,584,244.80	\$ 12,514,154.01

Article 13 Permanent	26-27 Realignment		Health Realignment Indigent Care %	Total Revenue FY 25-26	Total Costs FY 25-26	Savings	Calculated Redirection
	Sales Tax	VLF					
Fresno	\$ 13,263,075.58	\$ 28,752,092.27	44.38%				\$ 18,646,331.49
Orange	\$ 32,117,527.25	\$ 63,025,135.28	52.02%				\$ 49,493,213.05
San Diego	\$ 38,003,994.64	\$ 70,490,579.98	49.33%				\$ 53,520,373.66
San Luis Obispo	\$ 2,413,483.40	\$ 5,317,979.45	44.45%				\$ 3,436,635.24
Santa Cruz	\$ 2,955,546.77	\$ 6,637,511.85	46.61%				\$ 4,471,324.62
SUBTOTAL	\$ 88,753,627.64	\$ 174,223,298.83		\$ -	\$ -	\$ -	\$ 129,567,878.06

DPH	26-27 Realignment		Health Realignment Indigent Care %	Total Revenue FY 26-27	Total Costs FY 26-27	Savings	Calculated Redirection
	Sales Tax	VLF					
Alameda	\$ 20,704,581.91	\$ 46,259,033.51	81.68%	\$ 918,908,813.51	\$ 914,524,200.85	\$ 4,384,612.66	\$ 3,507,690.13
Monterey	\$ 4,285,781.45	\$ 9,522,633.89	51.19%	\$ 321,689,132.25	\$ 309,013,991.23	\$ 12,675,141.02	\$ 7,068,527.81
Riverside	\$ 17,060,262.70	\$ 36,617,156.02	84.44%	\$ 1,032,527,446.00	\$ 665,550,714.52	\$ 366,976,731.48	\$ 45,325,212.37
Santa Clara	\$ 17,848,097.20	\$ 39,448,379.82	85.00%	\$ 1,789,189,767.98	\$ 1,976,369,277.29	\$ (187,179,509.31)	\$ -
SUBTOTAL	\$ 59,898,723.26	\$ 131,847,203.24		\$ 4,062,315,159.74	\$ 3,865,458,183.89	\$ 196,856,975.85	\$ 55,901,430.31

DPH Permanent	26-27 Realignment		Health Realignment Indigent Care %	Total Revenue FY 25-26	Total Costs FY 25-26	Savings	Calculated Redirection
	Sales Tax	VLF					
Contra Costa	\$ 10,606,809.38	\$ 23,505,602.81	0.00%				\$ -
Kern	\$ 8,990,044.15	\$ 19,576,921.73	66.26%				\$ 18,928,471.59
Los Angeles	\$ 164,790,841.88	\$ 370,206,672.45	0.00%				\$ -
San Bernardino	\$ 20,186,823.41	\$ 40,889,802.76	58.54%				\$ 35,754,256.96
San Francisco	\$ 31,434,679.32	\$ 70,617,372.64	0.00%				\$ -
San Joaquin	\$ 7,786,986.23	\$ 16,068,884.59	0.00%				\$ -
San Mateo	\$ 7,378,121.96	\$ 16,403,858.52	0.00%				\$ -
Ventura	\$ 6,993,863.15	\$ 15,332,555.10	80.62%				\$ 17,999,558.39
SUBTOTAL	\$ 258,168,169.48	\$ 572,601,670.60					\$ 72,682,286.95

FY26-27 Interim Redirection \$ 669,920,517.39

January 22, 2026

To: CSAC Executive Committee

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

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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.

2026 Agriculture, Environment, and Natural Resources Advocacy Priorities

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.

2026 Health and Human Services Advocacy Priorities

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.

January 22, 2026

TO: CSAC Executive Committee

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.

Building a County PIO Network

One of our top Public Affairs and Member Engagement priorities in the coming year is to build relationships with county Public Information Officers. We believe this can benefit both counties and CSAC in several ways.

CSAC can amplify county success stories to a statewide audience, including our full membership and Capitol policy makers. Counties can amplify CSAC communications to local and regional media, which can put pressure on state lawmakers in their home districts. County PIOs can network with each other to find support from colleagues throughout the state.

Our first PIO meetup of the year was held last week on Zoom. We'll also be holding regional PIO meetups in person during the year. We welcome connections with your county's PIO(s), whether that's their only job or their title is County Executive. We're also hoping to connect with communications professionals in larger counties who staff our members directly. Please don't hesitate to reach out to Ben Adler (badler@counties.org) or Rachael Serrao (rserrao@counties.org) to make introductions.

1100 K Street Media Tour

As CSAC's building renovation project gets under way Public Affairs conducted a media tour and interview availability last week. 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 Officers

President
Susan Ellenberg
Santa Clara County

**1st Vice
President**
Luis Alejo
Monterey County

**2nd Vice
President**
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus

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

Challenge Awards

CSAC will host our second Challenge Awards dinner on February 11, 2026, alongside members of the Capitol Community. The Challenge Awards recognize the innovative and creative spirit of our California Counties as they find new, effective and cost-saving ways to provide programs and services to their communities.

We received nearly 400 submissions and will honor 13 programs. Counties receiving awards are Glenn, Kern, Los Angeles, Monterey, Nevada, Sacramento, San Bernardino, San Diego, Santa Clara, and Yuba. The winning programs showcase the teamwork, passion and drive across our County Family to ensure residents receive the care, services and information they need.

Space is limited, register today: <https://rhythm.counties.org/integratedEvents/home/2025-CHALLENGE-AWARDS-CELEBRATION-NIGHT>.

2026 Legislative Conference

This year's Legislative Conference will be held in Sacramento County from May 20-22, 2026. It's a critical moment in the state budget cycle — just after the governor releases his "May Revision" proposal — so your presence is especially important. Look for an email with details when registration opens on January 30, 2026.

Annual Meeting Recap

During the first week of December, nearly 900 CSAC Members and partners from across California attended the 131st CSAC Annual Meeting in Santa Clara County. The week featured workshops, policy committees and general sessions — as well as mobile tours to Google, Adobe and Newby Island.

The conference also featured the first ever gubernatorial candidate forum, with six prominent participants. It was moderated by KQED political reporter and podcast host Marisa Lagos and aired on several big- and smaller-market public radio stations. 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 VP:** Monterey County Supervisor Luis Alejo
- **Second VP:** Colusa County Supervisor Kent Boes
- **Immediate Past President:** Inyo County Supervisor Jeff Griffiths

The Women’s Leadership Forum (WLF) elected a new Rural County Co-Chair for 2026 at its business meeting, Lake County Supervisor Jessica Pyska, and is setting dates for Virtual Coffee meet-ups. The WLF workshop featured an AI discussion with futurist Sadie St. Lawrence, who founded the nonprofit Women in Data.

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

CSAC Officers

President
Jeff Griffiths
Inyo County

1st Vice President
Susan Ellenberg
Santa Clara County

2nd Vice President
Luis Alejo
Monterey County

Past President
Bruce Gibson
San Luis Obispo County

CEO
Graham Knaus



January 22, 2026

To: CSAC Executive Committee

From: Rob Pierce, CSAC FC Chief Executive Officer

RE: **CSAC Finance Corporation Report**

CSAC Finance Corporation Board of Directors

The CSAC Finance Corporation (CSAC FC) Board of Directors held its Annual Fall Meeting on Thursday November 13, 2025. The meeting entailed approval of the annual independent audit, approval of financials, program updates, and a CSAC building renovation update including the proposed financing plan. Staff is pleased that the CSAC FC Board approved and affirmed the financing plan to be presented to the CSAC Board.

In addition, the CSAC FC Board approved the appointment of Rob Pierce as the CSAC FC Chief Executive Officer effective January 1, 2026. The entire Board and Staff would like to acknowledge and thank Alan Fernandes for over a decade of stellar service to CSAC FC, CSAC, and the counties of California. His leadership has resulted in numerous successes and the development of a very robust and capable staff. Alan grew CSAC FC's reserves exponentially, created and established countless successful programs and partnerships, the highest CSAC contribution levels in the history of CSAC FC, and most importantly, he placed CSAC FC on a road to continued successes.

Lastly, the Board reviewed its membership and terms. The CSAC FC Board of Directors is comprised of 11 directors, each director meeting prescribed criteria designed to ensure that the CSAC FC leadership represents a multi-disciplinary cross section of California government and business. Members of the CSAC FC Board are appointed by the CSAC Executive Committee, for three-year terms, to help ensure a close correlation between the business relationships and services provided to CSAC, California counties, and their constituents. The start of the 2026 calendar year resulted in three CSAC FC Board seats that termed. The pertinent seats are an Urban County Supervisor, a county administrator, and one public member.

The current CSAC FC Board, listed below including term dates, has been exemplary in supporting the CSAC FC mission and fulfilling its promise and priorities (the applicable vacant seats are highlighted):

Oscar Villegas (President), Suburban County Supervisor, Yolo County (December 2026)
Graham Knaus (Vice President), Chief Executive Officer CSAC (N/A)
Ryan Alsop (Treasurer), Napa County Administrative Officer (December 2025)
Kathryn Barger, Urban County Supervisor, Los Angeles County (December 2025)
Ed Valenzuela, Rural County Supervisor, Siskiyou County (December 2027)
Miguel Marquez, Public Member – City Manager, City of Pasadena (December 2027)
Matthew Jennings, Treasurer/Tax-Collector, Riverside County (December 2026)
Vernon Billy, Public Member – CEO California School Boards Association (December 2027)
Susan Muranishi, Alameda County Administrative Officer (December 2026)
William (Billy) Rutland, Public Member – Sacramento County (December 2025)
Edward Hill, Chief Operating Officer Fresno County (December 2027)

This topic was an action item at the December CSAC FC Board meeting to make a formal recommendation to the CSAC Executive Committee for its consideration.

California Cannabis Authority Update

In 2024, CSAC FC Director of Business Programs, Stacie Frerichs, was appointed as part-time Executive Director of the California Cannabis Authority (CCA). With support from CSAC FC and a consultant team, the CCA developed a host of new benefits and services offered to member and non-member counties.

Despite the new offerings, the maturity of the cannabis market and the ability of counties to now monitor and enforce cannabis policies independently, the Board of Directors of the CCA voted to dissolve the CCA and cease operations as of December 31, 2025.

CCA served Counties with cannabis enforcement data and expertise for nearly seven (7) years. Through legislative advocacy, data analytics, expert webinars, newsletters, and individualized consulting, CCA supported the development of the largest legally permitted cannabis market worldwide. CCA is proud of the support provided to the following counties during its existence: Humboldt, Inyo, Mendocino, Monterey, San Luis Obispo, Santa Barbara, and Yolo Counties.

The wind-up activities are expected to last approximately six (6) months. They include final audits, JPA reports to the state, and discharging liability. CSAC FC staff will be conducting the wind-up activities and continue to keep the CSAC FC Board of Directors apprised of developments.

For more information regarding CCA please visit our website at: (www.csacfc.org), call (916-548-3280) or email Stacie Frerichs (stacie@csacfc.org).

2026 Local Government Summer Institute at Stanford Scholarships

CSAC FC is pleased to announce that the California Statewide Communities Development Authority (CSCDA) is sponsoring full scholarships of \$8,500 to the 2026 session of the Local Government Summer Institute (LGSi) at Stanford University.

LGSi offers County Executives, Directors, Department Heads, Assistant Department Heads, Division Managers and Senior Agency Management team members the opportunity to share their knowledge with program participants and acquire tools for improving local government performance with top Senior Local Government Managers in California. It offers a unique blend of learning from the faculty of Stanford University and experts in Local Government from around the State. This program will strengthen individual capacities in public finance, negotiating and strategic planning skills, while exposing participants to innovative solutions and technological advance supporting the emergence of smarter, more resilient, sustainable, and equitable communities in California and around the world.

Themes covered have included strategic thinking in problem solving, smart financial management practices, community engagement, ethical practice and negotiations skills, regional energy transition and water management policy challenges, smart transport and urban infrastructure upgrading to enhance economic competitiveness at the local and regional level, and many others.

If you have any questions about the CSCDA Scholarships to the 2026 LGSi program and/or are aware of any staff members in your county who may benefit from the program please contact Rob Pierce (rob@csacfc.org) and/or visit this link: <https://energy.stanford.edu/lgsi>.

Corporate Associates Program

The Corporate Associates Program is entering the seventh month of the 2025-26 Fiscal Year. Recently added PARTNERS are as follows. Joining us at the Platinum Level is **S+B James Construction** (Kelley Cowan). New to the Gold Level is **BBK Law** (Michelle Evaskevich and Ashley Fernandez). And 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). We currently have 70 corporate and business partners.

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 discussion with the Texas Association of Counties.

Lastly the Platinum partners are enthusiastic about the upcoming CSAC Executive Committee Leadership Forum in San Diego County, Feb. 4-6, 2026. Thank you again 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.

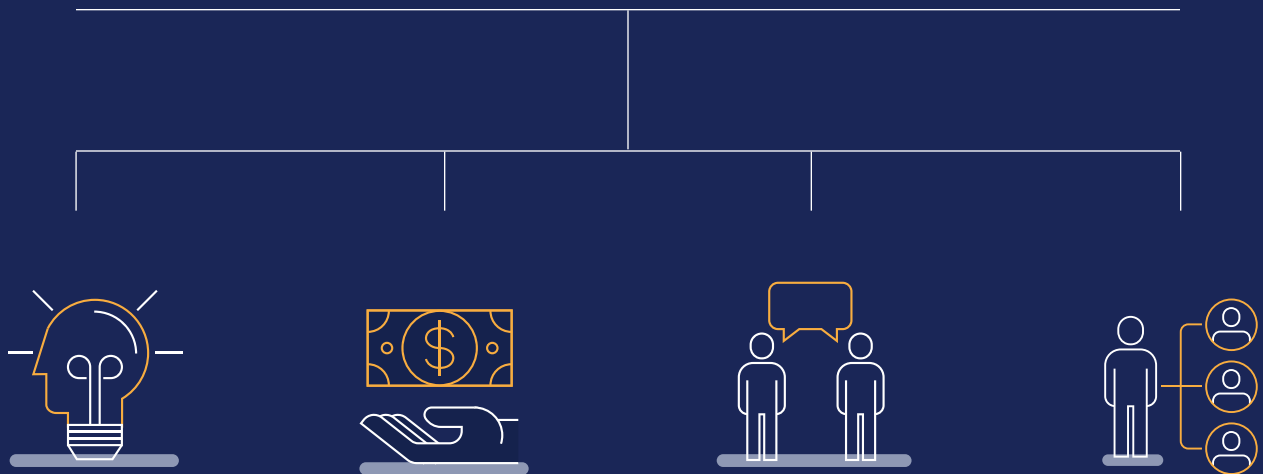


Mission Statement:

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



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



Sandy Young
Executive Assistant



PARTNERSHIP PROGRAM

CALIFORNIA
Counties

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1. Amazon Business

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2. Amity Foundation

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3. Anthem Blue Cross

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4. Aramark

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5. Baron & Budd

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6. Blue Shield

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8. CalTRUST

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9. Deloitte

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10. Liberty Vote

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11. DRC Emergency Services

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13. Enterprise Mobility

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15. IBM

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16. Johnson Controls Performance Infrastructure

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17. ModCorr

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18. Mosaic Solutions and Advocacy

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19. Nationwide

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23. PRISM

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25. S+B James Construction

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26. Sellers Dorsey

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28. SLS

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29. Southland Industries

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30. Vanir Construction Management, Inc.

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31. Wellpath

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32. Western States Petroleum Association

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GOLD Partners

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2. Alliant Insurance Services, Inc.

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3. BBK Law

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4. Cal Water Services

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5. Chorus Innovations

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8. Oracle

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9. Paragon Government Relations

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10. Public Surplus

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11. Recology

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PARTNERSHIP PROGRAM

CALIFORNIA
Counties

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Date: January 22, 2026

To: CSAC Executive Committee

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, will launch 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

CAO Executive Institute

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, with the next session scheduled on January 21, 2026.



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 and CSAC CEO Graham Knaus, Foundation COO Paul Danczyk

Realignment Training

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 Thursday, April 9, and Friday, April 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

Two Institute Campuses are preparing for graduation. The Inyo County Cohort includes participants from Mono County. The Fresno County cohort includes participants from Kings, Tulare, and Madera Counties.

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)

Programs in development include:

7. San Bernadino County
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

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January 22, 2026

TO: CSAC Executive Committee

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.

2026 OFFICERS

President | Scott De Moss, Glenn County

Vice-President | Dr. Sevet Johnson, Ventura County

Secretary/Treasurer | Sonia M. De La Rosa, Monterey County

Immediate Past President | Jason Britt, Tulare County



County Counsels' Association of California

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Jennifer Bacon Henning

MEMORANDUM

To: Supervisor Susan Ellenberg, President, and
Members of the CSAC Executive Committee

From: Jennifer Bacon Henning, CSAC General Counsel and
CCAC Executive Director

Date: January 22, 2026

Re: Litigation Coordination Program Update

This memorandum will provide you with information on the Litigation Coordination Program's new case activity since your August 21, 2025 Executive Committee meeting. Recent CSAC court filings are available on CSAC's website at: <http://www.csac.counties.org/csac-litigation-coordination-program>.

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

COUNTIES	CITIES	OTHER AGENCIES
San Francisco Santa Clara Shasta Sonoma Tulare	Apple Valley Berkeley La Habra Los Angeles Redondo Beach San Diego	San Diego Unified Port Dist. Tehama County Flood Control

Berkeley People's Alliance v. Berkeley

114 Cal.App.5th 984 (1st Dist. Sept. 30, 2025)(A172245), *request for depublication pending* (filed Nov. 25, 2025)(S294106)

Status: Depublication Request Pending

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 required 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. (Note: CSAC 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: Amicus Briefs Due January 26, 2026

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 will file 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 pending* (filed Jan. 7, 2026)

Status: Publication Request Pending

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. In an unpublished opinion, 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 has requested that the opinion be published.

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: Amicus Brief Due Jan. 30, 2026

“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 will file 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

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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.

Greenberg v. Assessment Appeals Board for the City & County of San Francisco

Pending in the First Appellate District (filed Dec. 22, 2025)(A175120)

Status: Writ Petition Pending

This case raises a procedural / timing issue for assessment appeals: whether the six-month statute of limitations set forth in Revenue and Taxation Code § 5141(c) is triggered by the Assessment Appeals Board's (Board) decision letter or a later-issued findings of fact. [Property Tax Rule 325\(a\)\(3\)](#) governs when the Board's decision becomes final. Under Rule 325(a)(3), the Board's decision is final upon the earlier of when the Board issues a decision or findings of fact, unless the taxpayer or their agent requests that the decision become final after the issuance of the findings of fact, and such request was made prior to the conclusion of the hearing. In this case, the taxpayer's action was filed more than six months after the Board's decision letter, but within six months of the Board's later-issued findings of fact. The trial court ruled in favor of the taxpayer, finding that nothing in the language of the statute requires taxpayer to expressly toll the finality of the decision. San Francisco has filed a petition for writ of mandate, and CSAC will file an amicus letter in support.

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 pending* (filed Nov. 20, 2025)(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 overlaid 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 has filed a letter supporting the City’s Petition for Review, which is pending.

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 pending* (filed Nov. 25, 2025)(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 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-

January 22, 2026

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.

January 22, 2026

TO: CSAC Executive Committee

FROM: Chastity Benson, Chief Operating Officer

SUBJECT: Operations Report

Accounting

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.

CSAC Officers

President
Susan Ellenberg
Santa Clara County

**1st Vice
President**
Luis Alejo
Monterey County

**2nd Vice
President**
Kent Boes
Colusa County

Past President
Jeff Griffiths
Inyo County

CEO
Graham Knaus

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

This past week managers and supervisors completed 2 days of professional development to strengthen their management skills 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.

The program launched with a two-day in-person kickoff session January 20–21, 2026. 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. The demolition package has been reviewed, and the team is preparing to pull the demolition permit. An amendment is underway to establish the Guaranteed Maximum Price for demolition to start by mid-February.

Plans for construction are currently under review by the Building Department. Construction is targeted to begin in mid-summer, pending timely completion of the plan review process.



FEDERAL LEGISLATIVE OUTLOOK & UPDATE
JANUARY 2026

Members of Congress returned from their holiday break earlier this month for the start of the second session of the 119th Congress. Lawmakers are facing a packed early-year agenda, including urgent fiscal deadlines and major health care and foreign policy debates.

FY 2026 Appropriations. Completing FY 2026 appropriations remains Congress’s top priority as the current continuing resolution (CR) – which provides temporary funding for most federal departments and agencies – expires on January 30. House and Senate negotiators are working to finalize remaining spending bills, with talks expected to intensify ahead of the deadline.

As of this writing, Congress has approved and the president has signed into law three of the 12 annual spending bills for the fiscal year that began on October 1, 2025. Five additional appropriations measures are currently on pace to be enacted into law ahead of the deadline.

Despite this progress, several major bills remain unresolved, including those that fund defense, homeland security, and most health, labor, transportation, education, and housing programs. Without agreement on the remaining measures or another stopgap funding extension, Congress risks a partial government shutdown at the end of the month.

Social Services Funding Freeze. On January 9, a federal judge issued a temporary restraining order blocking the Trump administration from withholding approximately \$10 billion in federal funding for child care and social services destined for five Democratic-led states, including California. The order requires the administration to release funds for the Temporary Assistance for Needy Families (TANF/CalWORKs) program, the Child Care and Development Fund (CCDF), and the Social Services Block Grant (SSBG) for a two-week period while litigation proceeds.

The ruling followed the filing of a lawsuit by the affected states, which argues that the funding freeze was politically motivated and would significantly disrupt services, particularly for families with young children. It should be noted that the court’s action is temporary and does not resolve the underlying legal dispute.

The lawsuit in question also does not address recent action taken by the administration for Children and Families (ACF) to implement a nationwide “defend the spend” review process within the CCDF program. Under that process, states must provide additional justification before drawing down child care funds. While not a formal funding freeze, the change could result in delays in the distribution of child-care dollars.

In a related development, U.S. Department of Agriculture Secretary Brooke Rollins recently announced the suspension of certain USDA funding to Minnesota, potentially affecting nutrition assistance programs. In addition, the Centers for Medicare & Medicaid Services notified Minnesota that

it is reviewing prior Medicaid claims and may defer future payments based on findings related to compliance and program integrity. As of this writing, California officials have not indicated they have received similar notices, though President Trump has specifically referenced the need to “investigate fraud” in California, signaling that the state could be a target for additional action.

Finally, it should be noted that members of the House California Democratic Caucus recently sent a letter urging the administration to lift the funding freeze.

Delay of H.R. 1 SNAP Cost Shifts. Earlier this month, a coalition of national organizations representing state and local government associations sent a joint letter to House and Senate leaders urging Congress to delay recently enacted cost-sharing changes in the Supplemental Nutrition Assistance Program (SNAP/CalFresh). The changes, which were included in H.R. 1, shift a greater share of SNAP administrative and benefit costs to states and counties, raising concerns about increased fiscal pressure on local governments. The letter – signed by the National Governors Association, National Conference of State Legislatures, National Association of Counties, and other organizations – calls on Congress to postpone implementation of the cost shifts until FY 2030.

Changes to Continuum of Care (CoC) Funding. In late December, a federal court issued a preliminary injunction blocking the U.S. Department of Housing and Urban Development (HUD) from implementing last-minute changes to the Notice of Funding Opportunity (NOFO) for the Continuum of Care (CoC) program, the federal government’s largest homelessness assistance grant program. The proposed changes would have marked a significant shift away from the longstanding “housing first” approach by prioritizing work or treatment participation before access to permanent supportive housing.

The injunction prevents HUD from rescinding the existing FY 2024–2025 NOFO and replacing it with a revised version that would have altered eligible project types, selection criteria, and grant conditions. It’s been estimated that the revised NOFO could have put \$250–\$420 million in annual funding for permanent supportive housing and rapid rehousing programs in California at risk.

While the case proceeds, HUD is required to operate under the original FY 2024–2025 NOFO and process eligible renewal projects using the existing rules, though the court has not yet required the agency to award or obligate funds. On January 12, HUD reopened the original NOFO for renewals and reallocations, with awards anticipated in May 2026 if the plaintiffs prevail.

HUD has indicated it will move forward with its revised NOFO if it ultimately succeeds in court. As a result, CoC grantees may proceed with renewal applications but continue to face uncertainty around the timing and long-term structure of future funding.

Public Charge. On November 19, the U.S. Department of Homeland Security (DHS) issued a Notice of Proposed Rulemaking (NPRM) addressing public charge grounds of inadmissibility, a standard used by immigration officials when evaluating applications for visas or adjustment of status to lawful permanent residency.

The proposal would rescind the Biden administration’s 2022 final rule, which narrowly defined public charge and limited consideration largely to past use of cash assistance or long-term government-funded institutional care. Rather than adopting a new definition through rulemaking, DHS proposes to rely on sub-regulatory guidance – issued without public comment – that would give immigration officers broad

discretion to consider past, current, or potential future use of virtually any local, state, or federal public benefit when making public charge determinations.

DHS acknowledges that this approach is likely to discourage eligible individuals and their family members, including U.S. citizen children, from accessing public benefits. The agency estimates annual federal savings of \$9 billion due to disenrollment, but its analysis focuses only on major federal programs and likely understates broader impacts on state and local services.

The NPRM also recognizes potential downstream effects on public health, community stability, and state and local economies. In response, CSAC submitted comments urging DHS to withdraw the proposal, citing concerns about increased administrative burdens on counties, harm to community wellbeing, and underestimated fiscal impacts. DHS has not announced a timeline for finalizing the rule, though legal challenges are expected if the proposal moves forward.

Secure Rural Schools and PILT. Late last year, Congress approved bipartisan legislation extending the Secure Rural Schools (SRS) program for three years – a significant win for rural, forested counties in California and nationwide. The extension restores a critical and predictable funding source that supports core local services such as roads, schools, emergency response, and wildfire mitigation.

Under the new law, counties will receive retroactive SRS funding for FY 2024, along with guaranteed payments for FY 2025 and FY 2026. To provide immediate relief, Congress required the missed FY 2024 payment and the FY 2025 payment to be issued within 45 days of enactment. It should be noted that final passage reflects sustained advocacy by CSAC and other county partners.

Separately, the Payment-in-Lieu-of-Taxes (PILT) program – which compensates counties for non-taxable federal lands such as national forests, parks, and BLM lands – remains unresolved for the current fiscal year. However, full funding for PILT is currently included in the negotiated Interior appropriations bill, which Congress is expected to clear by the end of the month.

ACA Subsidies. The House recently advanced legislation (H.R. 1834) that would extend enhanced *Affordable Care Act* (ACA) premium tax credits for three years, sending the bill to the Senate, where its path forward remains uncertain. The enhanced subsidies expired at the end of 2025 and were a major factor in last fall's prolonged government shutdown. The lapse has already contributed to higher premiums for individuals and families purchasing coverage through ACA marketplaces.

The bill reached the House floor through a discharge petition, which is a rarely used procedural tool that allows a majority of members to force consideration of legislation. The effort gained traction late last year and ultimately succeeded with bipartisan support, including backing from 17 Republicans, allowing the House to advance the measure despite objections from Speaker Mike Johnson (R-LA).

Senate prospects for a compromise on the enhanced ACA subsidies remain uncertain. In December, the upper chamber rejected a similar three-year extension. Nonetheless, bipartisan discussions continue around a narrow compromise that could pair a shorter extension with targeted policy reforms, such as implementing income caps and a small monthly premium payment. Senators involved in the discussion are now targeting the end of January for a deal.

Even if lawmakers succeed in advancing a compromise, President Trump recently indicated that he may veto the measure, adding further uncertainty to the situation.

Bipartisan Housing Legislation. Both the House and Senate have recently advanced bipartisan legislation aimed at increasing housing supply and easing housing affordability pressures. In the Senate, the *ROAD to Housing Act (ROAD Act; S. 2651)* and, in the House, the *Housing for the 21st Century Act (H.R. 6644)*, share a common goal of reducing regulatory barriers to housing development and modernizing federal housing programs. While both measures focus on streamlining and reform, the Senate's *ROAD Act* is broader in scope, combining regulatory changes with new and expanded funding for housing-related programs.

The Senate unanimously approved the *ROAD Act* in December. However, efforts to include the measure in the recently enacted *National Defense Authorization Act* were unsuccessful. Representative French Hill (R-AR), who chairs the House Financial Services Committee, instead opted to move forward with the *Housing for the 21st Century Act*. The competing House bill was approved at the committee level with unanimous support and now awaits consideration on the House floor. While the timing and outlook for negotiations on bipartisan housing legislation is unclear, the recent activity on both measures indicates renewed congressional focus on improving housing affordability.

NEPA Reform. Late last year, the U.S. House approved legislation – the *Standardizing Permitting and Expediting Economic Development (SPEED) Act* – to reform the federal permitting process under the *National Environmental Policy Act (NEPA)*. The vote included limited bipartisan support, reflecting growing concern among both parties that lengthy and unpredictable permitting timelines are delaying infrastructure and energy projects.

In general, the bill seeks to streamline environmental reviews, clarify NEPA's procedural role, and focus analysis on impacts directly related to proposed projects. It is intended to provide greater certainty for project sponsors, including state and local governments, by setting clearer timelines for agency decisions, encouraging coordinated reviews, and limiting when projects can be reopened after approval.

The legislation would also tighten the rules around NEPA-related litigation in an effort to reduce project delays, a provision that has drawn both support and criticism. While House passage marks the most significant permitting reform effort of this Congress, the bill's future in the Senate remains uncertain, with further negotiations likely if broader bipartisan agreement is to be reached.

Additional Issues. Looking beyond the immediate agenda, lawmakers are also expected to grapple with a range of other priorities in the coming months, including surface transportation reauthorization, FEMA reform, the biennial Water Resources Development Act (WRDA), and forest management reform, among other issues.



California State Association of Counties

2026 Calendar of Events

JANUARY

- 1 New Year's Day
- 19 Martin Luther King, Jr. Day
- 22 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 Conference | Washington D.C.

MARCH

- 12 Executive Committee Meeting | San Bernardino County
- 12-13 CSAC 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