



## Legislation Text

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**File #:** 24-1054, **Version:** 1

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Supervisor Thomas recommending the Board approve and authorize the Chair to sign a Letter of Support for the California State Association of Counties' recommendation of the State of California's FY 2024-25 Joint Legislative Budget Proposal.

**FUNDING:** N/A

### **DISCUSSION / BACKGROUND**

On Tuesday, May 14, 2024, Governor Newsom released the Governor's 2024-25 May Revision. The May Revision proposal includes \$256.2 billion (\$70.2 billion General Fund - nearly 35% of the state's overall General Fund budget expenditures) in 2024-25 for all health and human services programs that support our state's most vulnerable communities. The May Revision reflects a reduction of more than \$3.4 billion General Fund compared to expenditure appropriations included in the Governor's January budget proposal.

Although the Governor's January Budget largely maintained funding for critical investments made in recent years, it included specified delays, deferrals, and targeted reductions to health and human services programs. In addition, the Governor's January Budget proposed to withdraw \$900 million from the Safety Net Reserve to fund existing benefits and services within Medi-Cal and CalWORKs. Due to the larger projected budget shortfall, the May Revision proposes additional reductions beyond those proposed in the Governor's January Budget to health and human services investments, including cuts to critical public health infrastructure, workforce development, and social safety net programs.

The Governor's May Revision proposes substantial cuts that impact all human services programs. Many of these cuts are ongoing or program eliminations and are in addition to cuts included in the January Budget. The Health and Human Services Agency (HHSA) has significant concerns with these cuts as they will have detrimental impacts to the services that vulnerable Californians rely on every day and that the County administers on behalf of the state.

The Governor's May Revision also proposes substantial funding reductions for numerous homelessness programs. HHSA has significant concerns with these cuts as well since they will have detrimental impacts to the County's homelessness response efforts including services and housing supports for vulnerable populations. Among other cuts, the May Revision proposes the elimination of Homeless Housing, Assistance and Prevention (HHAP) Program Round 5 supplemental grant funding. The \$260 million in HHAP Round 5 supplemental funding that is proposed to be cut was originally intended to be distributed as HHAP bonus funding from Rounds 3 and 4. The May Revision does not include ongoing funding or a sixth round of funding for the HHAP Program.

The Governor's May Revision also proposes the elimination of \$52.5 million in 2023-24 and \$300 million General Fund ongoing for public health investments, including the entire \$200 million in ongoing funding previously approved in the 2022 Budget Act for local health jurisdictions. The funding was intended to support Public Health in developing a staffing structure able to meet the

demands of future emerging infectious diseases. This funding came to the County post Covid, was labeled as ongoing sustainable funding, and there was a requirement to use at least 70% of it to fund new positions.

On May 29, 2024, the Senate and the Assembly released their proposed Joint Legislative Budget Plan for the state's 2024-25 budget. This proposal is a response to the May Revision and represents the Legislature's starting proposal in their negotiation with the Administration on a final Budget.

Notably, amongst the many proposals included in the Legislature's plan that deviate from the Governor's May Revision budget, the Legislature proposes to appropriate \$1 billion for Round 6 of the HHAP program. This is consistent with requests made by the California State Association of Counties (CSAC) to Legislative leadership urging lawmakers to fund the HHAP program.

The Legislature also proposes to reject numerous proposed cuts to health and human services programs including public health infrastructure, CalWORKs, child welfare, and adult protective services. The many cuts to core social safety net programs, if ultimately included in the state's budget, would have detrimental impacts to the services that vulnerable Californians rely on every day.

CSAC has reached out to counties requesting letters of support be sent to the Legislature to show the importance of restoring the funding described above in the state's FY 2024-25 budget.

#### **ALTERNATIVES**

The Board could choose not to approve the Chair to sign the Letter of Support for the FY 2024-25 Joint Legislative Budget Proposal.

#### **PRIOR BOARD ACTION**

N/A

#### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Chief Administrative Office

#### **FINANCIAL IMPACT**

There is no financial impact associated with this item.

#### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

Obtain the Chair's signature on the Letter of Support and return to Alison Winter for distribution.

#### **STRATEGIC PLAN COMPONENT**

N/A

#### **CONTACT**

Alison Winter, Principal Management Analyst