



May 28, 2024

The Honorable Scott Wiener
Senate Budget Committee
1021 O Street, Suite 8620
Sacramento, CA 95814

The Honorable Jesse Gabriel
Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: San Joaquin Valley Counties 2024-25 Budget Priorities

Dear Chairs Wiener and Gabriel:

We, the San Joaquin Valley Counties, write to express our priorities for the 2024-25 Budget. We urge your support in the upcoming budget for the items below. These are essential investments in areas that intersect with our environmental crisis and the importance of expanded access to behavioral and other health services.

We have identified – and respectfully request your consideration of – our highest priority issues:

Critical Public Health Services

The Governor's May Revision proposes to eliminate \$52.5 million in 2023-24 and \$300 million annually thereafter in Future of Public Health Infrastructure funding. This funding has been nothing short of vital for our County Public Health Departments to ensure proper preparedness in the face of public health emergencies like the one seen only a few years ago and for quality maintenance of our workforce and infrastructure. Allowing for the elimination of these funds would be nothing short of irresponsible.

These proposed cuts are worsened by the suggested reduction of health workforce initiatives. Specifically, the May Revision proposes the reduction of \$300.9 million in 2023-24, \$302.7 million in 2024-25, \$216 million in 2025-26, \$19 million in 2026-27, and \$16 million in 2027-28 to programs

including community health workers, nursing, social work, residency programs through the Song-Brown Healthcare Workforce Program, the Health Professions Career Opportunity Program, and the California Medicine Scholars Program. These proposed cuts would prove detrimental to our counties which reside in a region of the state most underserved by a properly staffed healthcare workforce. We urge you to reject these cuts.

San Joaquin Valley Counties have concerns about redirecting the Managed Care Organization (MCO) tax away from stabilizing and improving Medi-Cal rates and reimbursement rates, which in turn improves provider availability. We are aware that the early action package included \$3.8 billion in MCO tax actions. We are not referencing those actions. We are referencing any further redirection of MCO tax towards debt issues and not towards advancing access, quality and equity for Medi-Cal beneficiaries as intended under AB 119.

Human Services, Behavioral Health and Homelessness

The Governor's May Revision also proposes substantial cuts that impact all human services programs. Many of these cuts are ongoing or program eliminations in addition to cuts included in the January budget. The elimination of the Family Stabilization Program, Subsidized Employment Program, CalWORKs Mental Health and Substance Abuse Services program, combined with a reduction for the CalWORKs Home Visiting program and drain on the safety net reserve (which results in a double cut to the CalWORKs program) will deny critical services to families and our most vulnerable and at-risk residents. In addition, the May Revision will eliminate the last round of the Behavioral Health Continuum Infrastructure Program and reduce funding for the Behavioral Health Bridge Housing Program, Homeless Housing Assistance Program (HHAP), and Veteran Housing and Homeless Prevention Program. Addressing the current budget shortfall through cuts to critical safety net programs is irresponsible and attempts to balance the budget on the backs of low-income Californians, of which the Valley has a disproportionate share.

Counties are proving to be the tip of the spear in the state's plan for addressing homelessness. Despite this reliance on counties, the Governor's January Budget proposal sought the delay of \$260 million in HHAP Supplemental Funding to 2025-26. Now, the May Revision proposes to cut those funds all together. HHAP provides critical grants to our counties as we work to combat California's worsening homelessness. Not only do we urge the retention of these funds, but we also ask for further consideration of a HHAP Round 6. While we recognize the current fiscal situation of the state, now is not the time to eliminate a program proven to support one of the state's most pressing problems.

Water Storage and Drought Preparedness

Water is the lifeblood of the San Joaquin Valley economy, therefore, we are particularly concerned about cuts to the Department of Water Resources grant and loan programs. San Joaquin Valley Counties are home to dozens of special districts which are consistently underfunded for infrastructure improvements and long-term capital replacement. The Governor's May Revision proposes a \$500 million reduction in funding for water storage projects in 2025-26. Coupled with proposed reductions to water efficiency assistance programs, falling victim to recency bias of heavy rainfall is likely to prove costly when drought conditions inevitably worsen.

It is paramount that the state prepare itself with appropriate storage and remediation programs, and we find these proposed cuts alarming. Further, the May Revision proposes a \$1.4 million reduction in drought proofing conveyance and Sustainable Groundwater Management Act (SGMA) implementation

remaining from the 2023-24 budget with no mention of future investment; a proposal that is out of touch with the recent State Water Resources Control Board decision to place the Tulare Lake Subbasin in probationary status. We ask for your support in maintaining the aforementioned storage and SGMA implementation funding.

Wildfire Response

It is imperative that California make a significant and dynamic shift to proactive resilience against future forest fires. Therefore, San Joaquin Valley Counties have concerns over any CalFire budget cuts that would reduce firefighting ability and fire prevention activities such as grants for fuel reduction and fire break work, and the hand crews that perform these activities. Additionally, any cuts to the CA State Parks Division of Boating and Waterways (DBW) will have a negative effect on our San Joaquin Valley safety and enforcement efforts. This is a concern for the entire San Joaquin Valley as tourism is a major economic engine.

With respect to wildfire insurance, in his presentation of the May Revision and subsequent statements, the Governor indicated intention to address the insurance crisis before our state. While at the time of this letter there has not yet been the production of Trailer Bill Language outlining the Governor's plan, we support an expeditious effort at addressing this problem and look forward to reviewing language.

Road and Broadband Support

San Joaquin Valley Counties have concerns about any cuts to state funding for road maintenance and improvement and hope to see continued support directed to counties and local governments for the progression and upkeep of our transportation infrastructure. Further, our counties rely on the Last Mile program to ensure continued adequate and equitable broadband access in our more rural communities. The Governor's May Revision proposes a \$200 million delay in funding for this program from the 2025-26 fiscal year to 2027-28. While we recognize these delays are not for the upcoming fiscal year, any such delay in resource availability will have detrimental impacts to our residents.

While this list is not all encompassing of the critical funding allocations needed, without support for the above listed issues, our ability to meet the needs of our communities will become exponentially more challenging.

With a deep understanding of the current fiscal cliff, we hope you can continue prioritizing investments within these areas, and within our counties in the coming budget. These requests and acknowledgments are essential in meeting the goals of the Legislature and Administration. We are thankful for the consideration of these necessary investments and look forward to discussing these issues with you further to improve the quality of life in our State. We stand ready to collaborate with you and the Administration to do so.

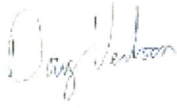
Sincerely,



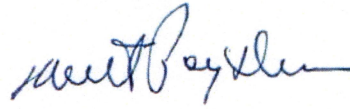
Nathan Magsig, Chairman
County of Fresno



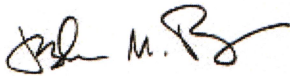
David Couch, Chairman
County of Kern



Doug Verboon, Chairman
County of Kings



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County of Madera



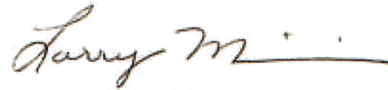
Rodrigo Espinosa, Chairman
County of Merced



Miguel Villapudua, Chairman
County of San Joaquin



Mani Grewal, Chairman
County of Stanislaus



Larry Micari, Chairman
County of Tulare

CC: Members and consultants, Senate Budget Committee
Members and consultants, Assembly Budget Committee
Chris Woods, Office of Senate President pro Tem McGuire
Jason Sisney, Office of Speaker Rivas
Fresno County State Legislative Delegation
Fresno County Board of Supervisors
Kern County State Legislative Delegation
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