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Clerk of the Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, California 93301
Telephone (661) 868-3585
TTY Relay 800-735-2929

February 11, 2026

The Honorable Monique Limón
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Committee on Budget & Fiscal Review
1021 O Street, Suite 8720
Sacramento, CA 95814

The Honorable Roger Niello
Vice Chair, Senate Comm. on Budget & Fiscal Review
1021 O Street, Suite 7110
Sacramento, CA 95814

RE: Concerns with the Governor's 2026-27 Budget Proposal

Dear President pro Tempore Limón, Senator Laird, and Senator Niello,

I am writing on behalf of the Kern County Board of Supervisors to express our deep concerns with the Governor's proposed 2026-27 state budget. California's counties are the backbone of the state's safety net. Today, Kern County stands at a critical juncture; without decisive action from Sacramento, essential services that protect millions of Californians will unravel. The Governor's proposed 2026-27 budget acknowledges fiscal uncertainty driven by federal actions and the implementation of H.R. 1, yet it fails to provide counties with the resources needed to withstand unprecedented cost shifts now upon us.

While the state works to minimize its deficit, counties like ours are left to absorb billions in new Medi-Cal, CalFresh, and indigent care costs without any funding source. Kern County cannot absorb these costs alone. If the state does not act, the safety net will fail, and our communities will suffer devastating consequences.

To illustrate the depth of these challenges, Kern County offers the following key concerns with the Governor's proposal:

Health and Human Services – H.R. 1 (One Big Beautiful Bill Act) Impacts

H.R. 1 has fundamentally shifted fiscal responsibility for safety-net programs from the federal government to states and counties. While the Governor's proposal includes funding for state-level impacts, it provides nothing for counties. Kern County faces a massive new fiscal burden that could cripple our ability to serve vulnerable families, children, and older adults. The loss of public assistance benefits imposes severe economic strain on families, and research consistently shows that poverty heightens the risk of child abuse

and neglect. These dynamics not only endanger vulnerable children but also place additional, unsustainable pressure on already overburdened child welfare systems.

Current estimates indicate a revenue shortfall of **\$6.5 million to \$19.4 million in FY 2026–27**, expected to grow each year through FY 2029–30. The most substantial impact arises from new state matching fund requirements, which fundamentally alter the cost structure for programs historically funded by the federal government. At the same time, demand for County services continues to rise. Key pressures include:

- Increased administrative workload
- Higher utilization of emergency systems
- Growth in the uninsured population and reliance on indigent care programs
- Escalating food insecurity
- Local economic strain
- Increased vulnerability to child abuse and neglect driven by mounting family stress, deepening economic hardship, and diminished access to critical preventive services

Homeless Housing, Assistance and Prevention (HHAP) Program

Beyond health and human services, homelessness remains a pressing crisis that demands sustained investment. Kern County appreciates the continued \$500 million commitment for HHAP in 2026–27, but this is not enough. We urge **full funding of \$1 billion for Round 7**, with timely distribution by **September 1, 2026**. Without this, Kern’s progress in reducing homelessness will stall, and public safety risks will escalate.

Across all five HHAP rounds, the County, City of Bakersfield, and local Continuum of Care (CoC) collectively received **\$36.6 million** in HHAP dollars. These funds support emergency, interim, and permanent supportive housing, integrated case management, and data-driven systems that track progress (CES and HMIS). Most of these services will be jeopardized if HHAP funding is not sustained, as local budgets cannot absorb state cuts.

Compounding the issue, a recent federal HUD announcement proposed capping funding for permanent supportive housing at 30 percent, reducing housing vouchers and putting as many as **700 local families at risk of homelessness**. HHAP dollars were intended to offset these reductions. Without full Round 7 funding, local jurisdictions will struggle to meet needs, exacerbating an already dire situation.

In-Home Supportive Services (IHSS)

Similarly, proposed changes to IHSS threaten to destabilize care for thousands of vulnerable residents. We strongly oppose the proposal to remove the state’s share of IHSS growth costs. This cost shift, estimated to save the state \$233.6 million in FY 2027–28, will devastate county budgets, as IHSS costs already outpace Realignment revenues.

Kern County serves approximately **18,000 active IHSS recipients**, a substantial number that underscores the critical importance of sustained support for this program. If the full cost of just one hour per case shifts to the county, expenses would increase by **\$3.6 million annually**, falling squarely on Kern’s General Fund. This change could delay assessments, impact service delivery, and strain staff already operating at maximum capacity.

Medi-Cal Mobile Crisis Services

Behavioral health services face equal jeopardy under the proposed Medi-Cal Mobile Crisis revisions. Making these services optional will push tens of millions of dollars in costs onto counties and reverse hard-won progress in behavioral health.

Since January 1, 2025, Kern BHRS has staffed and supplied the Mobile Evaluation Team to comply with the state mandate, nearly doubling staff levels and requiring significant capital investments. The Governor's proposed change will leave counties unable to sustain expanded services without state support, causing a decrease in mobile crisis response for Kern County residents.

Proposition 36

Finally, Proposition 36 implementation underscores the need for consistent funding to uphold voter intent. Despite voter approval and a one-time allocation of \$50 million in the State's 2025 budget, counties have yet to receive full-scope funding. Kern urgently requests sustained funding to meet increased caseloads across probation, behavioral health, indigent defense, district attorneys, and sheriff's offices.

Conclusion

California's strength lies in its communities. At this critical juncture, the State must craft a budget that protects core services and prevents catastrophic harm. If counties are forced to backfill indigent care costs, rural hospitals will close. Cuts to IHSS will pull caregivers out of the workforce. Delays in homelessness and Proposition 36 funding will drive up public safety risks and circumvent the will of California's voters.

Kern County stands ready to partner with the Legislature and Administration to safeguard health care, social services, and public safety for all Californians. The time to act is now.

Respectfully,



Phillip Peters, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Senate Committee on Budget & Fiscal Review
Honorable Members, Kern Legislative Delegation
Christopher Woods, Chief Fiscal Adviser, Office of Senate pro Tempore Monique Limón
Misa Lennox, Policy Director, Office of Senate pro Tempore Monique Limón
Elisa Wynne, Staff Director, Senate Committee on Budget and Fiscal Review
Kirk Feely, Legislative Analyst, Legislative Analyst's Office
Gabriel Petek, Legislative Analyst, Legislative Analyst's Office
Carolyn Chu, Chief Deputy Legislative Analyst, Legislative Analyst's Office
California State Association of Counties
Shaw Yoder Antwih Schmelzer & Lange