



CONTRA COSTA COUNTY

AGENDA

Legislation Committee

Supervisor Diane Burgis, Chair
Supervisor Shanelle Scales-Preston, Vice Chair

Wednesday, December 10, 2025 9:00 AM 3361 Walnut Boulevard, Suite 140,
Brentwood, CA 94513 | 190 East 4th
Street, Pittsburg, CA 94565

Zoom link: <https://cccounty-us.zoom.us/j/85291316025>

Join via audio: USA 888 278 0254

Meeting ID: 852 9131 6025 / **Conference code:** 832395

The public may attend this meeting in person at either above location. The public may also attend this meeting remotely via Zoom or call-in.

Agenda Items: Items may be taken out of order based on the business of the day and preference of the Committee.

Introductions

1. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to two (2) minutes).
2. RECEIVE and APPROVE the Record of Action for the October 27, 2025 meeting of the Legislation Committee, with any necessary corrections. [25-5230](#)
Attachments: [Attachment A - Draft Record of Action - Oct. 27 2025](#)
3. RECEIVE a report on federal matters of interest to the County and PROVIDE direction and/or input as needed. [25-5231](#)
Attachments: [Attachment A - TRP Tip Sheet - Dec. 5](#)
[Attachment B - Contra Costa BOS Letter to Congress on CoC Changes](#)
[Attachment C - Article on CoC Changes and Litigation](#)
4. RECEIVE a report on state matters of interest to the County in the FY25-26 legislative session, and PROVIDE direction to staff and the County's state advocates as needed, including on one sponsored bill idea. [25-5232](#)
Attachments: [Attachment A - LAO Fiscal Outlook](#)
[Attachment B - H.R. 1 Slides from California HHS](#)
[Attachment C - AB-762-Irwin-Fact-Sheet](#)

5. DISCUSS and provide feedback on potential off-season legislative activities, [25-5233](#)
analysis and outreach.

The next meeting is currently scheduled for February 2026 (date to be determined).

Adjourn

General Information

This meeting provides reasonable accommodations for persons with disabilities planning to attend a the meetings. Contact the staff person listed below at least 72 hours before the meeting. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to a majority of members of the Committee less than 96 hours prior to that meeting are available for public inspection at 1025 Escobar St., 4th Floor, Martinez, during normal business hours. Staff reports related to items on the agenda are also accessible on line at www.co.contra-costa.ca.us.

HOW TO PROVIDE PUBLIC COMMENT:

Persons who wish to address the Committee during public comment on matters within the jurisdiction of the Committee that are not on the agenda, or who wish to comment with respect to an item on the agenda, may comment in person, via Zoom, or via call-in. Those participating in person should offer comments when invited by the Committee Chair. Those participating via Zoom should indicate they wish to speak by using the “raise your hand” feature in the Zoom app. Those calling in should indicate they wish to speak by pushing *9 on their phones.

Public comments generally will be limited to two (2) minutes per speaker. In the interest of facilitating the business of the Board Committee, the total amount of time that a member of the public may use in addressing the Board Committee on all agenda items is 10 minutes. Your patience is appreciated.

Public comments may also be submitted to Committee staff before the meeting by email or by voicemail. Comments submitted by email or voicemail will be included in the record of the meeting but will not be read or played aloud during the meeting.

For Additional Information Contact:

Emlyn Struthers
925-655-2045



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 25-5230

Agenda Date: 12/10/2025

Agenda #: 2.

LEGISLATION COMMITTEE

Meeting Date: December 10, 2025

Subject: Record of Action for October 27, 2025 Legislation Committee Meeting

Submitted For: Legislation Committee

Department: County Administrator's Office

Referral Name: Meeting Minutes

Presenter: E. Struthers

Contact: (925) 655-2045

Referral History:

County Ordinance requires that each County body keep a record of its meetings. Though the record need not be verbatim, it must accurately reflect the agenda and the decisions made in the meetings.

Referral Update:

Attached for the Committee's consideration is the draft Record of Action (Meeting Minutes) for the Committee's October 27, 2025 meeting.

Recommendation(s)/Next Step(s):

Staff recommends approving the Record of Action for the October 27, 2025 meeting of the Legislation Committee, with any necessary corrections.

Fiscal Impact (if any):

None.



Meeting Minutes - Draft

CONTRA COSTA COUNTY Legislation Committee

Supervisor Diane Burgis, Chair
Supervisor Shanelle Scales-Preston, Vice Chair

Monday, October 27, 2025

9:00 AM
361 Walnut Boulevard, Suite 140, Brentwood,
CA 94513 | 190 East 4th Street, Pittsburg, CA
94565

Zoom link: <https://cccounty-us.zoom.us/j/85291316025>

Join via audio: USA 888 278 0254

Meeting ID: 852 9131 6025 / Conference code: 832395

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Agenda Items: Items may be taken out of order based on the business of the day and preference of the Committee.

Introductions

Chair Burgis called the meeting to order at 9:00 AM. from her office in Brentwood. Vice Chair Scales Preston participated from her office in Pittsburg. No members of the public attended from either physical meeting location. Approximately 23 people attended the meeting via the zoom link.

1. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to two (2) minutes).

2. RECEIVE and APPROVE the Record of Action for the September 22, 2025 meeting of the Legislation Committee, with any necessary corrections. [25-4512](#)

Attachments: [Attachment A - Draft Record of Action - Sept. 22 2025](#)

The record of action for the September 22, 2025 meeting was approved as submitted.

3. RECEIVE a report on federal matters of interest to the County and PROVIDE direction and/or input as needed. [25-4513](#)

Attachments: [Attachment A - TRP Tip Sheet - October 22](#)
[Attachment B - 2025.09.29 TRP HHS Shutdown Memo](#)
[Attachment C - 2025.10.10 USDA Guidance for SNAP November Benefits](#)
[Attachment D - November SNAP Benefits \(POLITICO\)](#)
[Attachment E - 2025.09 KFF Analysis of Expiration of Enhanced Premium Tax Credits](#)

[Attachment F - 2025.10 Contra Costa Health - Local Impacts of AC Tax Credits Expiration](#)

Jim Davenport and Paul Schlesinger from Thorn Run presented an update on federal affairs of interest to the County, primarily focusing on the status and possible next steps related to the federal shutdown.

Standalone bills are being considered in the Senate, but no movement has been made on the funding package. Several members, including a Josh Hawley, have proposed bills that would bring emergency funding to SNAP. Additionally, some efforts to pay federal workers. We anticipate a short-term continuing resolution will be passed in the upcoming weeks, which will provide a few months for Congress to finalize the appropriations bills. Contra Costa County currently has 8 earmarks in the appropriations bills.

Other issues discussed included the ACA tax credit impacts, which are expected with the start of open enrollment November 1.

An item of great concern to the County is the impact of SNAP benefits being suspended, starting November 1. This will harm people who rely upon SNAP to meet their basic needs. It also has ripple effects on the economy, including direct impacts to grocery stores and their employees.

No requests for public comments were received on this item.

4. RECEIVE a report on state matters of interest to the County in the FY25-26 legislative session, and PROVIDE direction to staff and the County's state advocates as needed. [25-4514](#)

Attachments:

[Attachment A - End of Session Wrap-Up](#)

[Attachment B - Contra Costa Bill Report](#)

[Attachment C - 2026 Tentative Legislative Calendar](#)

[Attachment D - GGRF Allocations - SB 840](#)

Geoff Neill from Nielsen Merksamer presented an update on state items of interest to the County.

The committee previously received an end-of-session update at the September 22 meeting. Since then, the October 12 deadline for the Governor to act on legislation has passed. Two disappointments are the veto of AB 1430 and the signing of AB 339. Some successes include the signing of SB 346, which improves reporting on short-term rentals, so that local governments can collect taxes owed and address public safety and/or fire concerns associated with those activities.

Concerns for the upcoming session include:

-Changes to indigent care programs. The success of the ACA had meant that funds for these programs has been diverted for other purposes, and new efforts need to be made to reestablish them.

-Loss of health insurance coverage as a result of changes in H.R. 1 to Medi-Cal, as well as an additional 58,000 ACA enrollees in Contra Costa who may be at risk of losing coverage.

Other big themes for the legislative session include Prop 4, Cap and Invest reauthorization,

AI, and the CEQA changes made during the budget process.

One public comment was received on this item.

5. DISCUSS and provide feedback on potential off-season legislative activities, analysis and outreach.

[25-4515](#)

Attachments: [Major Impacts of H.R. 1 and State Budget Agreement - Potential Format](#)

The Committee provided feedback and direction on upcoming outreach and advocacy activities.

Notable upcoming activities include a November 18 presentation to the Board on impacts of H.R. 1 on the County, with a series of future meetings to provide additional information and potential actions.

The Committee also expressed that:

- They would like to receive more updates at the full Board level.
- They would like a county website to share impacts and information so that people understand how the changes effect them and the community.
- Want to tell the full story of the interaction between different policies, cumulative impacts, and other changes--such as the impacts of federal food policy on senior meal programs.

The next meeting is currently scheduled for December 10 at 9 AM.

Adjourn

The meeting was adjourned at 10:09 AM.

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For Additional Information Contact:

Emlyn Struthers
(925) 655-2045
Emlyn.Struthers@cao.cccounty.us



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 25-5231

Agenda Date: 12/10/2025

Agenda #: 3.

LEGISLATION COMMITTEE

Meeting Date: December 10, 2025

Subject: Federal Legislative Updates of Interest to Contra Costa County

Submitted For: Legislation Committee

Department: County Administrator's Office

Referral Name: Federal Update

Presenter: P. Schlesinger and J. Davenport, Thorn Run Partners

Contact: E. Struthers (925) 655-2045

Referral History:

The Legislation Committee of the Board regularly receives reports on federal legislation and budget matters of interest to the County and provides direction and/or input to staff and the County's lobbyists, as necessary.

Referral Update:

The County's federal lobbyists will be present via Zoom to provide an update to the Committee.

Several informational updates of interest include:

- Federal shutdown and FY26 Appropriations, including lapses in federal payments for SNAP (CalFresh) benefits and other key programs, and next steps for funding the government as the January 30, 2026 end date of the current continuing resolution approaches.
 - The Board took action on November 4, 2025 to provide relief while benefits were suspended.
- Changes to the Continuum of Care program.
- Impacts of federal Executive Branch funding freezes, pauses, and cancellations.

In addition to the enclosed attachments, Executive Orders and Litigation are increasingly relevant to funding and policy decisions.

- Thorn Run Partners produces an Executive Orders and Actions tracker (note that there are no major updates due to the lack of federal government action during the shutdown).
- A popular tracker litigation is produced by Just Security, based at the New York University School of Law, available at:
<https://www.justsecurity.org/107087/tracker-litigation-legal-challenges-trump-administration/>.

Recommendation(s)/Next Step(s):

Receive the report and provide direction or input to the County's federal advocates, as needed.

Fiscal Impact (if any):

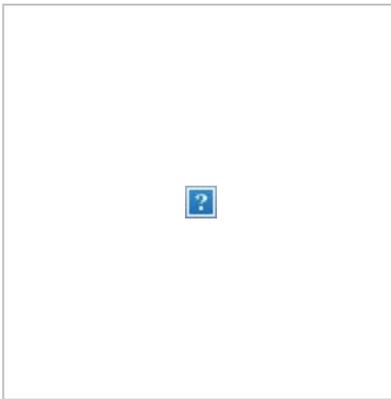
None.

From:
To:
Subject: Congress Returns Next Week Friday,
Date: December 5, 2025 8:27:24 AM

This Message Is From an External Sender

This email originated from outside of Contra Costa County. Please do not click links or open attachments unless you are expecting this email.

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The TRP Tip Sheet

December 5, 2025

Featuring a daily Capitol Hill update, news clips from our Washington insiders, and links to our trove of federal policy resources.

QUICK TAKES

- **CONGRESS RETURNS NEXT WEEK.** Negotiations on several legislative fronts remain ongoing as lawmakers wrap up a busy year-end session focused on defense policy, government spending, and health care.
- **THUNE RE-FILES NOMINATIONS PACKAGE.** The Senate Majority Leader re-filed a [resolution](#) with additional nominees after Democrats blocked a previous version.
- **TRP COMBINED HOUSE & SENATE 2026 CALENDAR.** Click [here](#) to view TRP's combined House & Senate 2026 calendar.
- **TRP CONGRESSIONAL RETIREMENT TRACKER.** Click [here](#) to view TRP's retirement tracker.
- **FIREFIGHTING PLAN THAT TRIPPED UP SPENDING PACKAGE BACK ON TRACK.** A dispute over a plan to consolidate firefighting operations may be close to resolution.

CAPITOL HILL UPDATE

Congress will return next week as lawmakers look to make meaningful progress on key must-

pass items. Here's a look at what we're watching heading into next week.

- **NDAA.** House and Senate Armed Services Committee leaders were originally set to unveil the final compromise version of the fiscal year (FY) 2026 National Defense Authorization Act (NDAA) yesterday, but last minute issues are likely to punt the release of this text to the weekend or early next week. One of the key remaining issues is the inclusion of the Senate Banking Committee's "ROAD to Housing" Act — a package of bipartisan Senate housing bills that unanimously cleared the Senate Banking Committee in July, and then was subsequently tacked on to the Senate's version of NDAA. Of note, the White House is reportedly engaged on this issue and would like to see the Senate's housing package included, but it remains to be seen if there's buy-in from House Financial Services Committee Chair French Hill (R-AR), who has objected to the inclusion of the package in the NDAA. In addition to this issue, lawmakers are haggling over policies related to new restrictions on U.S. investments in China, TRICARE coverage of in-vitro fertilization (IVF), and a proposal to restrict the Federal Reserve's ability to issue a central bank digital currency (CBDC). As of now, Armed Services Committee leadership is aiming to file text of the compromise NDAA sometime this weekend.
- **Health Care.** Lawmakers on both sides of the aisle are angling to reauthorize the Affordable Care Act (ACA) enhanced premium tax credits that are set to expire at the end of the year, but bipartisan alignment is not clear. Several proposals to renew the ACA premium tax credits have emerged recently, including: (1) a clean two-year extension of the policy, led by Rep. Brian Fitzpatrick (R-PA); (2) a one-year extension with some changes to the underlying policy to address fraud and income thresholds, led by Reps. Jennifer Kiggans (R-VA) and Josh Gottheimer (D-NJ); and (3) a clean three-year extension led by Senate Democrats. House Speaker Mike Johnson (R-LA) also noted that he intends to finalize a health care bill early next week and put it on the floor before the end of the year, but key details on what's to be included are unclear at this point.

Pursuant to the deal reached by the Senate to reopen the federal government, Senate Majority Leader John Thune (R-SD) intends to give Democrats a vote on some form of ACA premium tax credit extension this month, but whether it can get 60 votes in the Senate is an open question. Lawmakers on both sides of the aisle are expected to continue discussing a path forward on addressing the ACA subsidies prior to the end of the year, and votes could occur as soon as next week.

- **Permitting Reform.** House lawmakers are set to vote on several proposals next week that seek to streamline or otherwise expedite permitting processes. This includes the SPEED Act ([H.R. 4776](#)), a bipartisan bill out of the House Natural Resources Committee sponsored by Chair Bruce Westerman (R-AR) and Rep. Jared Golden (D-ME) that would, among other things: (1) limit National Environmental Policy Act (NEPA) reviews to proximately caused effects; (2) clarify federal funding triggers; and (3) impose a 150-day statute of limitation.
- **Capital Formation.** Also on the House floor next week, lawmakers are set to take up a bipartisan package of capital formation bills out of the House Financial Services Committee. The Incentivizing New Ventures and Economic Strength Through Capital Formation Act, otherwise known as the INVEST Act ([text, summary](#)) contains more than 20 bipartisan bills that broadly seek to: (1) promote small business and startup growth; (2) improve investor opportunities and inclusivity; and (3) address public company growth and transparency.
- **Nominations.** Leader Thune re-filed an updated "en bloc" nominations [package](#) with additional nominees, bringing the total to 97 Trump administration appointments the Senate will consider in the December work period. A previous version of the package

failed to clear a procedural floor vote following an objection from Sen. Michael Bennet (D-CO) on the grounds that the inclusion of one of the nominees violated Senate rules.

WHAT WE'RE TRACKING

NEW TODAY...

— **WH RELEASES NATIONAL SECURITY STRATEGY.** The Trump administration published its national security [strategy](#) highlighting defense and foreign policy priorities.

- The strategy centers around efforts to: (1) reaffirm U.S. leadership in the Western Hemisphere; (2) re-calibrate engagement with Europe and NATO, emphasizing "burden-sharing"; (3) strengthen deterrence in the Indo-Pacific; and (4) prioritize domestic homeland security and defense capabilities.

— **NATURAL RESOURCES PANEL HOLDS ENERGY DOMINANCE HEARING.** On Dec. 3, the House Natural Resources Subcommittee on Oversight discussed proposals to increase the domestic energy supply and mining of critical minerals. Click [here](#) to read TRP's hearing summary.

— **E&C PANEL EXAMINES ENERGY INFRASTRUCTURE SECURITY.** On Dec. 2, the House Energy & Commerce (E&C) Subcommittee on Energy examined cyber and physical security threats to the U.S. energy grid. Click [here](#) to read TRP's hearing summary.

RECENT DEVELOPMENTS...

— **HHS RELEASES AI STRATEGY.** The Department of Health and Human Services (HHS) released its [strategy](#) on incorporating artificial intelligence (AI) into agency operations.

- The pillars underlying the HHS AI Strategy include: (1) Ensure Governance and Risk Management for Public Trust; (2) Design Infrastructure and Platforms for User Needs; (3) Promote Workforce Development and Burden Reduction for Efficiency; (4) Foster Health Research and Reproducibility through Gold-Standard Science; and (5) Enable Care and Public Health Delivery Modernization for Better Outcomes

— **SENATE HELP EXAMINES HEALTH CARE AFFORDABILITY.** On Dec. 3, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing to discuss solutions for addressing health care costs. Click [here](#) to read TRP's hearing summary.

— **PRUDENTIAL REGULATORS TESTIFY BEFORE CONGRESS.** On Dec. 2, the House Financial Services Committee held an oversight hearing to receive testimony from the prudential regulators. Click [here](#) to read TRP's hearing summary.

— **E&C SUBCOMMITTEE HOLDS LEGISLATIVE HEARING ON KIDS' ONLINE SAFETY.** On Dec. 2, the House E&C Subcommittee on Commerce, Manufacturing, and Trade held a hearing on legislative solutions to protect children and teens online. Click [here](#) to read TRP's hearing summary.

— **TREASURY, IRS ISSUE GUIDANCE ON 'TRUMP' ACCOUNTS.** The Treasury Department and Internal Revenue Service (IRS) issued a [notice](#) containing guidance and a preview of upcoming regulations regarding "Trump Accounts," a new type of individual retirement account (IRA) for eligible children.

- The notice specifically contains: (1) information on how Trump accounts work; (2) initial questions related to Trump accounts that Treasury and IRS plan to address in forthcoming regulations; and (3) a request for feedback on the guidance, forthcoming regulations, and Trump accounts writ large.

— **CMS REPEALS MINIMUM STAFFING STANDARDS FOR LONG-TERM CARE FACILITIES.** The Centers for Medicare and Medicaid Services (CMS) issued an [interim final rule](#) repealing provisions of the minimum nursing staffing standards for long-term care (LTC) facilities rule finalized by the Biden administration in May 2024.

— **EDUCATION DEPARTMENT ANNOUNCES NEW FOREIGN FUNDING REPORTING PORTAL.** The Department of Education [announced](#) a new foreign funding reporting portal for postsecondary institutions receiving federal financial assistance.

- Pursuant to Section 117 of the Higher Education Act, covered institutions must disclose foreign source gifts and contracts with a value of \$250,000 or more annually to the Department.
- The portal is set to officially launch on Jan. 2, 2026.

— **TSA ANNOUNCES NEW \$45 FEE OPTION FOR TRAVELERS WITHOUT 'REAL ID.'** The Transportation Security Administration (TSA) [announced](#) that travelers that do not have a REAL ID or similar form of approved identification will have to pay a \$45 fee to establish identity at security checkpoints beginning on Feb. 1, 2026.

— **WH ISSUES RFI ON FEDERAL SUPPORT FOR SCIENTIFIC RESEARCH.** The White House Office of Science and Technology Policy (OSTP) issued a request for information ([RFI](#)) on how to modernize the way the federal government supports scientific research, the role of AI in accelerating discoveries, and on translating breakthroughs into practical applications. The comment period is open until Dec. 26, 2025.

WHAT WE'RE READING

[**Roll Call: Firefighting plan that tripped up spending package back on track**](#)

A dispute over a Trump administration plan to consolidate federal firefighting operations may be close to resolution, in a sign of modest progress toward Senate passage of a major fiscal 2026 spending package. Sen. Tim Sheehy, R-Mont., said Thursday he was prepared to release his hold on the Interior-Environment bill, a prime candidate for the “minibus” spending package, after cutting a deal to remove language that threatened to delay, if not derail, the firefighting reorganization. ... The administration announced plans in September to create a U.S. Wildland Fire Service, consolidating operations currently split between the Interior and Agriculture departments. ... The eventual Interior-USDA plan released in September stopped short, for now, of consolidating wildland firefighting operations in one new agency housed within Interior, as Trump’s executive order called for. But it proposes “unification” of firefighting operations at Interior under a new Wildland Fire Service. ... The dispute was just one of several obstacles blocking Senate Majority Leader John Thune’s effort to win unanimous consent for combining as many as five annual spending bills into a package that he had hoped to bring to the floor this week.

[**E&E News: Conservatives sound alarm about Westerman’s NEPA bill**](#)

Members of the House Freedom Caucus are objecting to House Natural Resources Chair Bruce Westerman’s big permitting bill, contributing to a planned floor vote being postponed. House Republican leaders were eyeing a vote next week on the “Standardizing Permitting and Expediting Economic Development (SPEED) Act,” H.R. 4776, from Westerman and Rep. Jared Golden (D-Maine). The bill is now poised to come up the following week. ... One concern for the right is a bipartisan amendment added in committee meant to protect permits. It was in response to the administration’s attack on already-approved renewable energy projects, particularly offshore wind.

[**NPR: Libraries and museums get federal funding back after Trump cuts**](#)

The Institute of Museum and Library Services is reinstating all grants that were previously terminated by the Trump administration. A short statement posted on the agency's website Wednesday reads, "this action supersedes any prior notices which may have been received related to grant termination." ...The IMLS is the independent agency in charge of awarding federal grant funding to libraries and museums across the country. Earlier this year, it was the target of one of President Trump's executive orders, which led to the termination of grants that had been previously awarded. In response to the EO, attorneys general in 21 states filed a lawsuit against the administration, and in November a Rhode Island District Court judge ruled that the Trump administration's actions were unlawful.

Financial Post: US Plans More Stakes in Minerals Companies, Trump Official Says

The US government plans to take more equity stakes in critical minerals companies, a White House official said Thursday, calling the once-rare move necessary to counter China's dominance in the raw materials used in everything from semiconductors to MRI machines. ... Over the past year, the Trump administration has spent over \$1 billion to take stakes in critical minerals and mining companies, often sending the company's stock prices soaring. ... The strategy of investing taxpayer dollars in companies the administration has deemed essential to national security comes as the US' reliance on China for the crucial materials has become a flash point in the trade war.

The Hill: Trump shortens work permit duration for asylum-seekers

The Trump administration shortened the work permit duration for asylum-seekers on Thursday, citing security concerns with immigrant populations. U.S. Citizenship and Immigration Services (USCIS) updated its policy manual to cut the validity period for employment authorization documents from five years to 18 months. The change is slated to impact job opportunities for admitted refugees, individuals granted asylum, those granted withholding of deportation or removal and those with pending applications for adjustment of their status, according to a document the agency published describing the updates.

E&E News: Florida delegation urges Trump against drilling in eastern Gulf (\$)

Florida's Republican senators are leading a bipartisan push to get the Trump administration to remove their state's waters from its proposed offshore leasing map. Sens. Rick Scott and Ashley Moody led Florida's 28 other members of Congress in a letter to President Donald Trump on Thursday urging the administration to change course, marking the most visible Republican rebuke yet of the Interior Department's proposed 5-year leasing schedule.

Thorn Run Partners | www.thornrun.com



Thorn Run Partners | 100 M St. SE STE 750 | Washington, DC 20003 US

| | [Constant Contact Data Notice](#)

The Board of Supervisors

County Administration Building
1025 Escobar St., 4th floor
Martinez, California 94553

John Gioia, 1st District
Candace Andersen, 2nd District
Diane Burgis, 3rd District
Ken Carlson, 4th District
Shanelle Scales-Preston, 5th District

Contra Costa County



Monica Nino
Clerk of the Board
and
County Administrator
(925) 655-2075

November 10, 2025

Senator Alex Padilla
331 Hart Senate Office Building
Washington, DC 20515

RE: Support Funding and Stability in the Continuum of Care (CoC) and CoC Builds Programs

Dear Senator Padilla:

As Chair of the Board of Supervisors of Contra Costa County, I write to express deep concern regarding anticipated changes to the U.S. Department of Housing and Urban Development's (HUD) FY2025 Continuum of Care (CoC) Program Notice of Funding Opportunity (NOFO). We urge your continued support for the language currently included in the FY2026 Transportation and HUD appropriations bill, which will help preserve the CoC program.

This funding directly supports communities with housing needs, rental assistance, and dedicated beds for veterans. These resources form the backbone of many communities' coordinated efforts to end homelessness and keep families safely housed. Changes proposed by the Administration would severely disrupt our local homelessness response system and jeopardize housing stability for hundreds of vulnerable residents in Contra Costa County.

Recently, the Administration changed the process for the CoC Builds program partway through the process, which would have resulted in a loss in funding of \$22 million to Contra Costa County's CoC. These proposals are currently being litigated and a temporary restraining order is in effect, acknowledging concerns related to this process. If a fair, equitable, and evidence-based framework is not restored to the CoC Builds NOFO process, our CoC will lose funding needed to keep people housed in our community. Even more concerning, these harmful proposals foreshadow other changes anticipated to the broader CoC program in the President's FY2026 budget, which may apply to future CoC funding opportunities.

Flexibility in using this funding for evidence-based practices and permanent housing projects is necessary to find stable, long-term solutions to homelessness. In Contra Costa County, we use the majority of our funding for permanent housing. If a cap were to be implemented, it could eliminate housing assistance for more than 700 individuals and put more than \$10 million in annual funding at risk. Evidence-based practices have helped us achieve a 26% reduction in homelessness in Contra Costa County from 2024 to 2025, and we need ongoing funding to continue this progress.

For these reasons, we request your assistance to help ensure continuation of the CoC program through competitive grant process, as provided for in the draft FY2026 Transportation and HUD appropriations bills. We would like to ensure that the Section 166 language included in the draft

appropriations bill is also included in any continuing resolution or FY2026 funding package. We are grateful for your past support for the CoC program and greatly appreciate your engagement on this issue.

Sincerely,



CANDACE ANDERSEN
Chair, Board of Supervisors

cc: Contra Costa County Congressional Delegation
Honorable Members, Contra Costa County Board of Supervisors
Monica Nino, County Administrator
Dr. Grant Colfax, CEO of Contra Costa Health Services
Jim Davenport & Paul Schlesinger, Thorn Run Partners

Encl. 1. Factsheet: CoC Builds NOFO Analysis
2. Link to the National Alliance to End Homelessness: Visualizing the Impacts of the President's Budget:
[Visualizing the Impacts of the President's FY2026 Budget: Returns to Homelessness and Major Setbacks Could Be Ahead - National Alliance to End Homelessness](#)

CoC Builds NOFO

EXCLUSIONARY CRITERION ANALYSIS

There is a great need for Permanent Supportive Housing for older adults and people with disabilities, and the Alliance knows that many applicants are considering how they may respond to this funding opportunity. As CoCs think about applying, they should read the criteria carefully to ensure that they are comfortable with the program design and standards they will be held to by HUD, as outlined in the NOFO.

It is unclear how HUD will apply the criteria because they are not clearly defined. However, the Administration has published lists of jurisdictions it deems to impede enforcement of federal immigration law and not to have substantially implemented SORNA. Those lists suggest that HUD will likely deem the below states not to sufficiently meet the immigration and SORNA-related criteria.

This analysis is for informational purposes only. Applicants should review the cited sources and consult additional state or local references for complete information.

Legend

- ✓ Likely meets the criteria
- ✗ Likely does **not** meet the criteria

States and Territories	# of CoCs in State <small>Source (NAEH, HUD)</small>	SORNA Jurisdiction Criterion <small>(Source)</small> <i>(Does NOT Substantially Implement and Comply with SORNA)</i>	Immigration Enforcement Jurisdiction Criterion <small>(Source)</small> <i>(DOJ-Identified Sanctuary City/County/State)</i>
Alabama	9	✓	✓
Alaska	2	✗	✓
Arizona	3	✗	✓
Arkansas	5	✗	✓
California	44	✗	✗
Colorado	4	✓	✗
Connecticut	2	✗	✗
Delaware	1	✓	✗
Florida	27	✓	✓
Georgia	9	✗	✓
Hawaii	2	✗	✓
Idaho	2	✗	✓
Illinois	19	✗	✗
Indiana	2	✗	✓
Iowa	3	✗	✓
Kansas	4	✓	✓
Kentucky	3	✗	✓
Louisiana	7	✓	✓
Maine	1	✗	✓
Maryland	10	✓	✓

States and Territories	# of CoCs in State Source (NAEH, HUD)	SORNA Jurisdiction Criterion (Source) <i>(Does NOT Substantially Implement and Comply with SORNA)</i>	Immigration Enforcement Jurisdiction Criterion (Source) <i>(DOJ-Identified Sanctuary City/County/State)</i>
Massachusetts	11	x	✓
Michigan	20	✓	✓
Minnesota	10	x	x
Mississippi	3	✓	✓
Missouri	8	✓	✓
Montana	1	x	✓
Nebraska	3	x	✓
Nevada	3	✓	x
New Hampshire	3	x	✓
New Jersey	16	x	✓
New Mexico	2	x	✓
New York	24	x	x
North Carolina	12	x	✓
North Dakota	1	x	✓
Ohio	9	✓	✓
Oklahoma	8	✓	✓
Oregon	8	x	x
Pennsylvania	16	x	✓
Rhode Island	1	x	x
South Carolina	4	✓	✓
South Dakota	1	✓	✓
Tennessee	10	✓	✓
Texas	11	x	✓
Utah	3	x	✓
Vermont	2	x	✓
Virginia	16	✓	✓
Washington	6	x	✓
West Virginia	4	x	✓
Wisconsin	4	x	✓
Wyoming	1	✓	✓
American Samoa	1	✓	✓
Commonwealth of the Northern Mariana Islands	1	✓	✓
District of Columbia	1	✓	x
Guam	1	✓	✓
Puerto Rico	1	x	✓
USVI	1	✓	✓
Total	386		

Based upon further analysis, an applicant must attest that it "does not and will not deny the sex binary in humans or promote the notion that sex is a chosen or mutable characteristic" independent of territory, state or local laws. The sex binary criterion in the NOFO also conflicts with federal discrimination laws. Further, based on publicly available information, the following states or territories include transgender and/or gender identity as a protected class against discrimination.

This analysis is for informational purposes only. Applicants should review the cited sources and consult additional state or local references for complete information.

Legend

- ✓ Likely meets the criteria
- ✗ Likely does **not** meet the criteria

States and Territories	# of CoCs in State Source (NAEH, HUD)	Sex Binary Criterion (Source) <i>(States or Territories Who Define Transgender or Gender Identity as Part of State-Level Protected Class Discrimination)</i>
Alabama	9	✓
Alaska	2	✓
Arizona	3	✓
Arkansas	5	✓
California	44	✗
Colorado	4	✗
Connecticut	2	✗
Delaware	1	✗
Florida	27	✓
Georgia	9	✓
Hawaii	2	✗
Idaho	2	✓
Illinois	19	✗
Indiana	2	✓
Iowa	3	✗
Kansas	4	✓
Kentucky	3	✓
Louisiana	7	✓
Maine	1	✗
Maryland	10	✗
Massachusetts	11	✗
Michigan	20	✗
Minnesota	10	✗
Mississippi	3	✓
Missouri	8	✓
Montana	1	✓
Nebraska	3	✓
Nevada	3	✗
New Hampshire	3	✗
New Jersey	16	✗
New Mexico	2	✗

States and Territories	# of CoCs in State Source (NAEH, HUD)	Sex Binary Criterion (Source) <i>(States or Territories Who Define Transgender or Gender Identity as Part of State-Level Protected Class Discrimination)</i>
New York	24	x
North Carolina	12	✓
North Dakota	1	✓
Ohio	9	✓
Oklahoma	8	✓
Oregon	8	x
Pennsylvania	16	x
Rhode Island	1	✓
South Carolina	4	✓
South Dakota	1	✓
Tennessee	10	✓
Texas	11	✓
Utah	3	x
Vermont	2	x
Virginia	16	x
Washington	6	x
West Virginia	4	✓
Wisconsin	4	✓
Wyoming	1	✓
American Samoa	1	✓
Commonwealth of the Northern Mariana Islands	1	x
District of Columbia	1	x
Guam	1	✓
Puerto Rico	1	✓
USVI	1	x
Total	386	

Local governments, non-profits sue Trump administration over cuts to homeless permanent housing program

By Katherine Hapgood

12/01/2025 06:48 PM EST

A coalition of four non-profit organizations and seven local governments on Monday [sued the Department of Housing and Urban Development and HUD Secretary Scott Turner](#) over policy changes that would significantly cut funding for and place new conditions on permanent housing for people experiencing homelessness.

The plaintiffs requested that the court declare the policy changes unlawful and that HUD expeditiously renew existing permanent housing grants for 2026, among other asks.

More than half of the 2026 funding for HUD's Continuum of Care program, which partners with local organizations to connect people experiencing homelessness to housing and resources, will be cut for permanent housing assistance and moved to temporary transitional housing assistance with some work or service requirements. The policy change was [first reported by POLITICO](#).

The new conditions placed on the program would also give HUD the ability to deny funding for organizations that acknowledge the existence of transgender or nonbinary individuals.

The suit, which was filed in the U.S. District Court for the District of Rhode Island, called the "late-stage decision" to replace the original two-year notice of [funding opportunity and its new terms for the program](#) "unlawful," arguing that HUD had a June deadline to make the changes.

"There is no doubt that it will cause homelessness to rise across this nation," said Ann Oliva, CEO of the National Alliance to End Homelessness, one of the plaintiffs, in a press release. "At a time when we should all be focused on scaling up and improving our most effective programs, this administration is instead focused on tearing them down. These sudden decisions will cause programs to be totally defunded or go without federal funds for at least five months, and likely longer. It is stunningly unaccountable administration of this critical grant program."

[21 attorneys general and governors sued the Trump administration](#) over the same issue at the end of November. That lawsuit was also filed in the Rhode Island district court.

HUD did not immediately respond to request for comment regarding this suit, but in response to the prior lawsuit, an agency spokesperson said "HUD stands by its FY2025 Continuum of Care reforms" and that the agency would mount "a vigorous defense to this meritless legal action."

Earlier this month, HUD imposed a cap on the amount of program funds that can support permanent housing. Previously, there was not a specific limit and around 90 percent of funds supported permanent housing. Under the new cap, no more than 30 percent of these funds can support permanent housing.

"HUD's Continuum of Care program provides tens of millions in funding to house thousands of our most vulnerable," said San Francisco City Attorney David Chiu, one of the plaintiffs, in a press release. "HUD's decision to defund permanent homeless housing, which San Francisco has relied on for decades, will push our most vulnerable citizens out of their homes without a place to go."

Turner has argued that the policy change is a necessary shift from what the Trump administration considers to be a failed "housing first" model that prioritizes permanent housing without preconditions, such as getting a job or seeking treatment. The agency has said the current policy has fueled a "homeless industrial complex" and does not address the root causes of homelessness.

The funding cuts could put 170,000 people at risk of experiencing homelessness, according to internal HUD documentation previously obtained by POLITICO. HUD has maintained that the changes will include specific protections for children, veterans and seniors.

Different factions of lawmakers and various organizations have sent letters to the agency with multiple requests, including extending funding for CoC projects expiring in 2026, reversing the policy changes or answering various questions about implementation.

The plaintiffs in the lawsuit include: the National Alliance to End Homelessness, the National Low Income Housing Coalition, Crossroads Rhode Island, Youth Pride, Inc., the city of Boston, the city of Cambridge, Massachusetts, King County, Washington, Nashville and Davidson County, the city of Tennessee, Santa Clara County, California, the city and county of San Francisco, California, and the city of Tucson, Arizona.



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 25-5232

Agenda Date: 12/10/2025

Agenda #: 4.

LEGISLATION COMMITTEE

Meeting Date: December 10, 2025

Subject: State Legislative Updates of Interest to Contra Costa County

Submitted For: Legislation Committee

Department: County Administrator's Office

Referral Name: State Update

Presenter: M. Rubalcava and G. Neill, Nielsen Merksamer

Contact: E. Struthers (925) 655-2045

Referral History:

The Legislation Committee regularly receives reports on the State Budget and bills of interest to the County and provides direction and/or input to staff and the County's state lobbyists.

Referral Update:

The second year of the two-year legislative session will return in January.

In preparation, the Board is asked to provide direction on priorities for advocacy and potential sponsored bills.

Thus far, there has been one proposal for a two-year bill and one proposal for a one-year bill.

The one-year bill idea has been submitted by the Employment and Human Services Department, in coordination with the California Welfare Directors Association. The bill would address underfunded administration for IHSS, and new penalties being imposed. The Committee is asked to consider referring the idea to the full Board for inclusion in the adopted legislative platform.

Sponsored Bills

The next legislative session begins January 5, 2025. The bill introduction deadline is February 20. Multiple steps are necessary prior to bill introduction, including securing an author for the bill, and drafting of the bill language by County Counsel and Legislative Counsel.

Importantly, the Board of Supervisors must approve all sponsored bill ideas prior to introduction. In order to meet these key deadlines, all proposals for sponsored bill ideas must be submitted no later than November 21, 2025 to Emlyn Struthers, staff to the Legislation Committee, so that the Committee can review bills at its December 10 meeting.

Sponsored Bills Considerations and Criteria

Typically, more complex, costly, or controversial ideas are introduced during the first year of the two-year session, when more time is available for consideration. In the second year of session, newly-introduced bills are usually more straightforward, common-sense edits to improve existing policy at a cost-savings-or at virtually

no net cost. As we are entering the second year of the two-year session, sponsored bill ideas should embody these principles. More complex ideas may benefit from further development, coalition-building, and a planned future introduction at the beginning of the next two-year session in January 2027.

The Legislation Committee will make recommendations to the full Board for action at the December 16 meeting, or January 13, 2026 the first meeting in the new year.

Recommendation(s)/Next Step(s):

RECEIVE the report and provide direction and/or input to County staff and the County's state advocates, as needed, including on one sponsored bill proposal idea.

Fiscal Impact (if any):

None.



The 2025-26 Budget:

California's Fiscal Outlook

LAO 

GABRIEL PETEK
LEGISLATIVE ANALYST
NOVEMBER 2024

Executive Summary

The Fiscal Outlook gives the Legislature our independent estimates and analysis of the state's budget condition for the 2025-26 budget process. We evaluate the budget condition based on current law and policy at both the state and federal level. This means we are assessing the state's spending and revenues assuming no new laws or policies are enacted. This is not a prediction of what will happen—state and federal laws and policies will change in the coming years—but rather serves as a baseline to help the Legislature understand its starting place. Further, while changes in federal policy are being actively discussed, we cannot predict which changes may be enacted and therefore cannot estimate the effects on California's budget.

Legislative Action Last Year Addressed Anticipated Budget Problem Proactively. In the 2024-25 budget process, the Legislature not only addressed the budget problem for that fiscal year, but also made proactive decisions to address the anticipated budget problem for 2025-26. These choices included about \$11 billion in spending-related solutions and \$15 billion in all other solutions, including \$5.5 billion in temporary revenue increases and a \$7 billion withdrawal from the state's rainy-day fund. After these solutions, the spending plan assumed the 2025-26 budget would be balanced.

Revenues Running Ahead of Broader Economy. Despite softness in the state's labor market and consumer spending, earnings of high-income Californians have surged in recent months. Income tax collections have seen a similar bounce. This recovery in income tax revenues is being driven by the recent stock market rally, which calls into question its sustainability in the absence of improvements to the state's broader economy.

Revenue Improvement Offset by Higher Costs, 2025-26 Budget Remains Roughly Balanced. Although revenues are running ahead of budget act assumptions, those improvements are roughly offset by spending increases across the budget. On net, our assessment finds the state has a small deficit of \$2 billion. Given the size and unpredictability of the state budget, we view this to mean the budget is roughly balanced. If a budget problem of this magnitude were to materialize by the end of the budget process in June, relatively minor budget solutions would be needed.

Revenues Are Unlikely to Grow Fast Enough to Catch Up to Atypically High Spending Growth. While the budget picture is fair for the upcoming year, our outlook suggests that the state faces double-digit operating deficits in the years to come. By historical standards, spending growth in this year's outlook is high. Our estimate of annual, total spending growth across the forecast period—from 2025-26 to 2028-29—is 5.8 percent compared to an average of 3.5 percent in other recent outlooks. Meanwhile, revenue growth over the outlook window is just above 4 percent—lower than its historical average largely due to policy choices that end during the forecast window. Taken together, we view it as unlikely that revenue growth will be fast enough to catch up to ongoing spending.

No Capacity for New Commitments. While out-year estimates are highly uncertain, we anticipate the Legislature likely will need to address deficits in the future, for example by reducing spending or increasing taxes. In our view, this year's budget does not have capacity for new commitments, particularly ones that are ongoing.

INTRODUCTION

Every year, our office publishes the Fiscal Outlook in anticipation of the upcoming budget season. This report gives the Legislature our independent estimates and analysis of the state's budget condition with the goal of helping lawmakers prepare for the 2025-26 budget process. As always, our Fiscal Outlook evaluates the budget's condition based on current law and policy at both the state and federal level. This means we are assessing the state's spending and revenues assuming no new laws or policies are enacted. This is not a prediction of what will happen—state and federal laws and policies will change in the coming years—but rather serves as a baseline to help the Legislature understand its starting place. Further, while changes in federal policy are being actively discussed, we cannot predict which changes may be enacted and therefore cannot estimate the effects on California's budget.

This year, our report has three takeaways:

- **Revenues Running Ahead of Broader Economy.** Despite softness in the state's labor market and consumer spending, earnings of high-income Californians have surged in recent months. Income tax collections have seen a similar bounce. This recovery in income

tax revenues is being driven by the recent stock market rally, which calls into question its sustainability in the absence of improvements to the state's broader economy.

- **2025-26 Budget Roughly Balanced.** In the 2024-25 budget process, the Legislature not only addressed the budget problem for that fiscal year, but also made proactive decisions to address the anticipated budget problem for 2025-26. Although revenues are running ahead of budget act assumptions, those improvements are roughly offset by spending increases across the budget. This means the budget is roughly balanced this year.
- **No Capacity for New Commitments.** While the budget picture is fair for the upcoming year, our outlook suggests that the state faces double-digit operating deficits in the years to come. While these out-year estimates are highly uncertain, this is an indication that the Legislature might need to address deficits in the future, for example, by reducing spending or increasing taxes. In our view, this year's budget does not have capacity for new commitments, particularly ones that are ongoing.

REVENUES RUN AHEAD OF BROADER ECONOMY

State's Job Market and Consumer Spending Remain Lackluster... California's economy has been in an extended slowdown for the better part of two years, characterized by a soft labor market and weak consumer spending. While this slowdown has been gradual and the severity milder than a recession, a look at recent economic data—as in **Figure 1**—paints a picture of a sluggish economy. Outside of government and health care, the state has added no jobs in a year and a half. Similarly, the number of Californians who are unemployed is 25 percent higher than during the strong labor markets of 2019 and 2022. Consumer spending (measured by inflation-adjusted retail sales and taxable sales) has continued to decline throughout 2024.

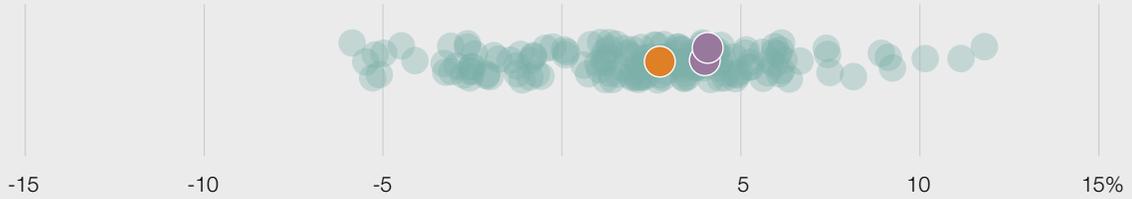
...And Yet Incomes Are Growing Rapidly for High-Income Californians. Alongside these downbeat trends, a bright spot has emerged: strong growth in total pay to California workers. Total pay grew at a well above-average rate in the first half of 2024. The first quarter was especially strong, with 17 percent annualized growth in total pay, among the sharpest quarterly growth rates on record. Income tax receipts have followed suit, with withholding collections nearing 10 percent growth so far this year. Yet this pay bounce does not appear to be connected to the hourly wages and salaries that most workers receive. Estimates suggest pay from these traditional forms grew at an annualized rate of only a few percentage points in the first quarter. Instead, much of the

Figure 1

Most Economic Metrics Running Below Average

Each dot represents the annual growth rate in the specified economic category in each quarter between 1982 Q1 and 2024 Q2. The **purple dots** show the first two quarters of 2024. The **orange dot** shows the historical average. (Income and sales data adjusted for inflation.)

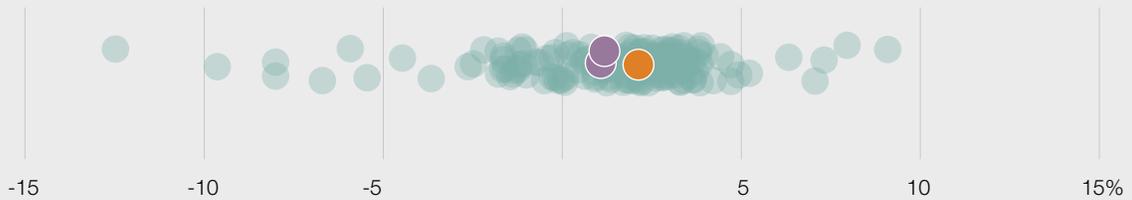
Total Pay to Workers



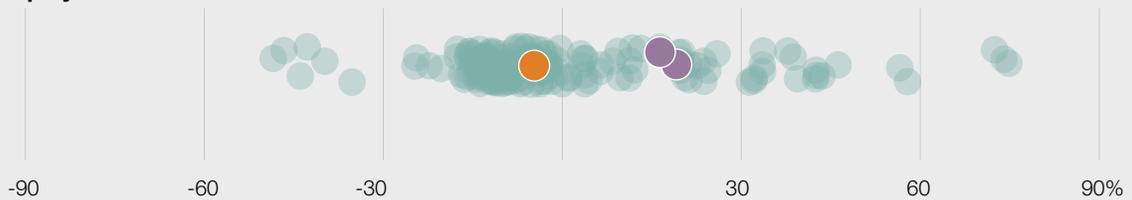
Business Owner Income



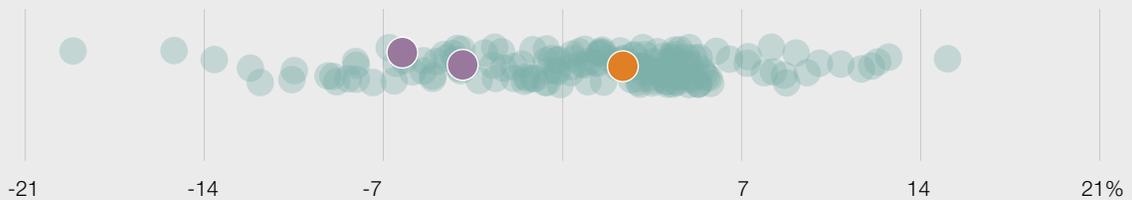
Payroll Jobs



Unemployed Workers



Taxable Sales



bounce appears to be tied to special forms of pay for high-income workers, such as bonuses and stock compensation.

Booming Stock Market Driving Income Growth. The recent run-up in the stock market, which appears tied to optimism surrounding artificial intelligence, is a primary driver of the rapid growth in pay to high-income workers. Stock compensation has become an increasingly important form of pay among California's high-income workers, especially those at major technology companies. In the first half of 2024, stock pay alone at four major technology companies accounted for almost 10 percent of the state's total income tax withholding. Because this form of compensation is tied to the company's stock price, it rises when stock prices rise. Other forms of pay, such as bonuses to workers in the financial sector, also tend to rise when financial markets are doing well. Early evidence suggests this has been the case in 2024 as well.

Without Broader Economic Improvements, Recent Gains Are on Shaky Ground. With a boost from the booming stock market, our forecast puts tax collections on track to beat expectations by \$7 billion over the budget window (that is, from 2023-24 through 2025-26). This is entirely due to improving income tax collections, which would, under our forecast, end the current year 20 percent higher than two years ago. That being said, the ultimate outcome is highly uncertain. It is entirely plausible for revenues to end up above or below our estimates by \$30 billion across the budget window. Contributing to the uncertainty this year is the fact that a recovery built on a stock market rally is especially precarious. We cannot predict with

any confidence what the stock market will do next. Still, some cautionary observations are warranted. Current stock prices relative to companies' past earnings (a common measure of how "expensive" stocks are) are at levels rivaled only by the transitory booms of 1999 and 2021. Furthermore, a single company (Nvidia) accounts for about one-third of the total gains in the S&P 500 stock index over the last year. Overall, without more positive signs from the broader California economy, it is difficult to be highly confident in the recent revenue recovery.

Possible Paths to a Broader Economic Recovery. Over the coming months, if California's labor market and consumers begin to show signs of a broadening recovery, the state's fiscal position is likely to be on better footing. It remains to be seen whether this will occur, but there are some conceivable paths toward broader improvements. One path is falling interest rates and expansion of money available for lending and investment. A key driver of California's economic slump over the last two years has been the Federal Reserve's efforts to tamp down inflation by raising interest rates and shrinking how much money is available for lending and investment. As inflation has eased, the Federal Reserve recently has reversed course. Should inflation remain subdued and the Federal Reserve continue down its path toward looser money, California's economy could be lifted. Another potential path is continued strength in the stock market. Should enthusiasm around artificial intelligence prove warranted, stocks could solidify around current high levels. The solidification of this new wealth could encourage Californians to consume more and businesses to hire more workers.

2025-26 BUDGET ROUGHLY BALANCED

Legislative Action Last Year Addressed Anticipated Budget Problem Proactively. In the 2024-25 budget process, the Legislature not only addressed the budget problem for that fiscal year, but also made proactive decisions to address the anticipated budget problem for 2025-26. These choices included about \$11 billion

in spending-related solutions and \$15 billion in all other solutions, including \$5.5 billion in temporary revenue increases and a \$7 billion withdrawal from the state's rainy-day fund, the Budget Stabilization Account (BSA). After these solutions, the spending plan assumed the 2025-26 budget would be balanced.

We estimate the 2025-26 budget remains roughly balanced this year. On a technical basis, the budget bottom line condition is the accumulated change in General Fund revenues and spending across the three fiscal years in the budget window—this year, 2023-24 through 2025-26—and reflected in the ending balance in the Special Fund for Economic Uncertainties (SFEU) in 2025-26 in **Figure 2**. On net, our assessment of the budget condition finds the state would have a small deficit of \$2 billion. Given the size and unpredictability of the state budget, we view this to mean the budget is roughly balanced. If a budget problem of this magnitude were to materialize by the end of the budget process in June, relatively minor budget solutions would be needed.

Higher Revenues Offset by Higher Costs.

Our assessment reflects some key assumptions, which we describe in the box on the next page. At a higher level, there are a few factors, some offsetting, that result in the roughly balanced budget. These are shown in **Figure 3** and include:

- **Small End Balance for 2025-26.** The starting place for this year’s budget is the planned spending and revenue level established by last year’s budget package. In this case, the June 2024 budget package planned for a small balance in the SFEU—\$1.5 billion—for the end of 2025-26.

- **Revenues Exceed Budget Act Projections by \$7 Billion.** Collections data to date show stronger-than-anticipated revenue growth across 2023-24 and 2024-25, although our forecast for 2025-26 is mostly flat. Overall, our revenue projections are up by about \$7 billion relative to the June 2024 estimates with more than half of that total attributable to the current year.

- **Spending on Schools and Community Colleges Higher by \$2.5 Billion.**

Proposition 98 (1988) establishes a minimum annual funding requirement for schools and community colleges, met with state General Fund and local property tax revenue. When General Fund revenue increases, the minimum requirement usually grows in tandem. Higher revenues, especially in 2024-25, result in a higher spending requirement on schools and community colleges. The box on page 9 describes overall spending on K-14 education under our outlook.

- **All Other Spending Higher by \$8 Billion.**

We estimate spending across the rest of the budget will be higher than the administration’s June 2024 projections by about \$8 billion over the budget window. The largest contributors include: the fiscal effects of recently passed

Figure 2

General Fund Condition Under Fiscal Outlook
(In Millions)

	2023-24	2024-25	2025-26
Prior-year fund balance	\$47,119	\$15,875	\$13,881
Revenues and transfers	191,536	215,951	217,970
Expenditures	222,781	217,944	223,303
Ending fund balance	\$15,875	\$13,881	\$8,549
Encumbrances	\$10,569	\$10,569	\$10,569
SFEU balance	\$5,306	\$3,312	-\$2,020
Reserves			
BSA balance	\$22,796	\$17,870	\$10,770
Safety Net Reserve	900	—	—

SFEU = Special Fund for Economic Uncertainties.

Figure 3

Higher Revenues Offset by Higher Costs
(In Billions)

End Balance Assumed in 2024 Spending Plan	\$1.5
Revenues Higher	\$7.1
School and Community College Spending Higher	-2.5
All Other Spending Higher	-7.9
Rainy Day Fund Deposit Higher	-0.2
Budget Problem at LAO Fiscal Outlook	-\$2.0

Note: Positive values improve the budget condition. Negative values erode the budget bottom line.

Key Assumptions Underlining This Outlook

How We Reflect Current Law and Policy. Our Fiscal Outlook uses a current law and policy baseline so as to give the Legislature a clear understanding of the budget's condition based on its most recent set of actions. Typically, our definition of "current law and policy" includes: (1) enacted law and (2) policies the Legislature has a track record of repeatedly enacting, including those to maintain current services. (So, our outlook does not reflect recent proposals by the Governor, like the expansion of the film tax credit.) In recent years, we have expanded this definition to include the costs associated with legislative intent language, as long as it meets certain conditions. This expansion was warranted due to the multiyear plans adopted by the Legislature when the state anticipated significant surpluses. Specifically, we include intent language when: (1) the Legislature voted on and approved the policy, (2) the policy is referred to in budget-related statutes (for example, in trailer bill) that have force of law, and (3) the policy as described in statute is specific and implementable. In addition, we include intent reflected in floor reports of the adopted budget when they include specific information regarding planned spending. This year, our expanded approach applies to legislative choices made for 2025-26 to proactively address the deficit anticipated for that year.

Includes Fiscal Effects of Recently Passed Ballot Measures. Our outlook reflects the fiscal effects of propositions approved by voters on the November 5, 2024 ballot. In particular, we have incorporated cost estimates for the two bond measures—one for school facilities and one for climate-related projects—Proposition 35, which extends the tax on managed care plans, and Proposition 36, which increases penalties for certain theft and drug crimes. Under our estimates, these measures together result in nearly \$3 billion in added costs over the budget window, which are nearly exclusively due to increased costs as a result of Proposition 35.

Assumes Administration Does Not End Limitations on Deductions and Credits. The 2024-25 budget package enacted a temporary increase in corporation tax revenues by not allowing: (1) any businesses to use tax credits to reduce their taxes by more than \$5 million and (2) businesses with \$1 million or more in income to use net operating loss deductions. These limits apply to tax years 2024, 2025, and 2026; however, statute also gives the Department of Finance the discretion to trigger off these temporary limitations in the event the budget has the capacity to do so. Our projections indicate the budget does not have this capacity, so we have assumed these limitations remain in place. Under our estimates, this results in around \$5 billion in revenue in 2025-26.

After 2025-26, Assumes Budget Stabilization Account (BSA) Deposits Are Not Suspended. As noted earlier, our outlook reflects the legislative decision to suspend BSA deposits and instead withdraw funds from the account in 2024-25 and 2025-26. However, our outlook does not assume that the state continues to suspend BSA deposits in 2026-27 and later. Suspending those deposits would result in an improvement in the budget bottom line condition by about \$3 billion per year.

Does Not Account for Future Disasters. Our outlook accounts for higher costs associated with fighting forest fires as the state's fire season has become longer and more severe. However, we do not attempt to predict the occurrence of unanticipated, major disasters, for example, an earthquake, pandemic, or fire involving significant destruction of many buildings and other structures. In recent years, the state has experienced disasters—including the COVID-19 pandemic—that involved historically significant losses of life and carried increased budgetary costs. State costs associated with these and other major disasters are mostly offset by federal funds, although the level of funding for this purpose is contingent on decisions made by the federal government.

Funding for Schools and Community Colleges

Proposition 98 Creates School and Community College Budget Within Broader State Budget. By requiring the state to set aside certain amounts of funding each year, Proposition 98 (1988) creates a budget for schools and community colleges within the state’s larger budget. The minimum size of this budget—the “minimum guarantee”—is determined by a set of constitutional formulas. Individual school and community college programs, in turn, represent the costs paid out of this budget. This budget also has its own reserve account earmarked exclusively for schools and community colleges. The state must deposit funding into this account when it receives high levels of capital gains revenue and the minimum guarantee is growing quickly relative to inflation.

Proposition 98 Guarantee Revised Up in 2024-25, Nearly All of the Increase Deposited Into Reserve. Compared with the estimates in the June 2024 budget, our estimate of the minimum guarantee is up \$3 billion (2.6 percent) in 2024-25 (see [figure](#) below). Most of this increase reflects our higher estimates of General Fund revenue, but faster growth in local property tax revenue also contributes. Due to our higher estimate of capital gains revenue, nearly all of the growth in the guarantee must be deposited into the Proposition 98 Reserve. The balance in the reserve by the end of 2024-25 would be \$3.7 billion.

Growth in School and Community College Funding

(Dollars in Millions)

	2024-25				2025-26		
	Enacted Budget	LAO Estimates	Change		LAO Estimates	Change From 2024-25 Enacted	
			Amount	Percent		Amount	Percent
Minimum Guarantee	\$115,283	\$118,255	\$2,973	2.58%	\$116,799	\$1,516	1.3%
General Fund	\$82,612	\$84,796	\$2,183	2.64%	\$81,747	-\$866	-1.0%
Local property tax	32,670	33,460	789	2.42	35,052	2,382	7.3

Proposition 98 Guarantee Grows Modestly in 2025-26. We estimate the guarantee in 2025-26 is \$116.8 billion, an increase of \$1.5 billion (1.3 percent) from the 2024-25 enacted budget level. Growth in General Fund revenue and local property tax revenue both contribute to the higher guarantee. An additional contributing factor is the expansion of transitional kindergarten. The June 2021 budget established a plan to expand this program to all four-year old children by 2025-26. The Legislature and Governor also agreed to adjust the guarantee upward for the additional students enrolling in the program each year. This adjustment accounts for nearly \$800 million of the increase in the guarantee in 2025-26.

Legislature Would Have \$2.8 Billion Available for New Commitments in 2025-26. Separate from the growth in the guarantee, \$3.7 billion in existing Proposition 98 funding becomes freed-up in 2025-26. This adjustment is due to the expiration of one-time spending and several other offsetting changes. After accounting for the freed-up funding and the cost of providing a 2.46 percent statutory cost-of-living adjustment for existing programs, we estimate that \$2.8 billion is available for new commitments. The Legislature could allocate this funding for any combination of one-time or ongoing school and community college priorities. For example, the Legislature could use a portion to eliminate the payment deferrals it enacted in the June 2024 budget.

propositions, higher-than-expected caseload in Medi-Cal and In-Home Supportive Services (IHSS), an assumption that the state does not achieve all of the state operations savings planned in the 2024 budget, and higher-than-expected costs for fighting fires.

- **BSA Deposit Slightly Higher.** The State Constitution typically requires the state to deposit funds into the BSA when revenues are higher. Consistent with legislative choices from last year, we assume the state suspends deposits into the BSA in 2024-25 and 2025-26, which means that changes in revenues for those years have no effect on the BSA. In 2023-24, a small upward revenue revision results in an additional deposit for that year.

Revenue Uncertainty Always Present in Our Budget Outlook. Our Fiscal Outlooks are always highly uncertain. The main source of that uncertainty is our revenue forecast. As mentioned earlier, in the budget window alone, revenues could easily end up above or below our estimates by \$30 billion. Further, as shown in **Figure 4**, uncertainty only grows into the future.

A Few Key Spending Uncertainties Impact Budget Bottom Line. In addition to revenue uncertainty, the state faces some key uncertainties in the spending estimates:

- **Will State Operations Efficiencies Materialize?** The 2024-25 budget package directed the Department of Finance (DOF) to: (1) reduce General Fund state operations expenditures by \$2.2 billion ongoing beginning in 2024-25 and (2) revert \$763 million to the General Fund associated with vacant positions in 2024-25 (this action was made ongoing through permanent reductions of state positions starting in 2025-26). To date, we have not been able to obtain any information from DOF about the implementation of these reductions among state departments. As such, it is not clear to us how much of these cost savings will materialize. While our outlook assumes the state is able to score some savings associated with each of these actions, the extent of those savings is still unknown. Ultimately, action by the administration could improve or erode those savings relative to our assumptions.
- **How Much Will the Healthcare Minimum Wage Ultimately Increase Costs?** Late last year, the Legislature passed a bill to increase the minimum wage for many health care workers, and those increases took effect in October of this year. The timing and magnitude of the costs associated with these wage increases—and in particular the costs to the Medi-Cal program—are uncertain.

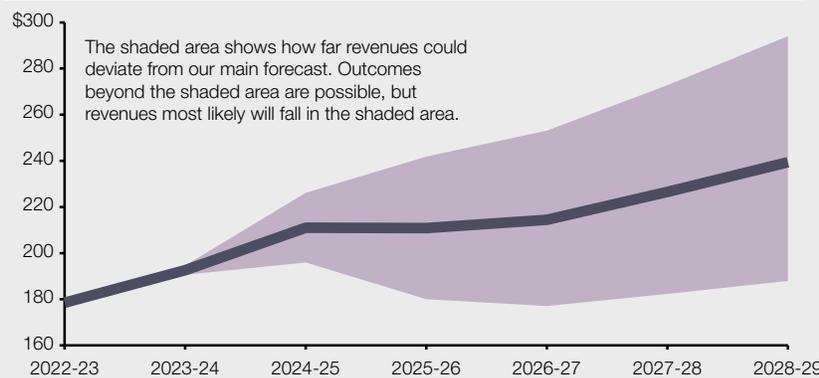
Estimates of the General Fund share of this cost have ranged from the low hundreds of millions of dollars to the low billions of dollars. Our outlook assumes a figure in between these estimates, but actual costs could be significantly lower or higher than this.

- **Why Is the Senior Medi-Cal Population Growing Rapidly?** In the first seven months of 2024, the senior caseload in Medi-Cal has increased sharply. The average monthly growth of 14,500 senior enrollees

Figure 4

Revenues Are Highly Uncertain

Total General Fund Revenue (In Billions)



LAO

during this period is about nine times faster than in the prior six-month period. We believe that the key driver of this caseload surge is the recent full elimination of the asset limit test—a condition of Medi-Cal eligibility for seniors that existed to some degree through December 2023. (In addition, IHSS enrollment recently has accelerated, however, readily available data do not specify whether the increased enrollment is concentrated to seniors.) The surge also aligns with the implementation of additional federal flexibilities meant to limit the impacts of eligibility redeterminations being conducted by counties for the first time since the beginning of the pandemic. We assume that the elevated senior caseload continues for a three-year period, roughly in line with the phase-in of past eligibility expansions. However, given only several months of data, projecting the exact trend is subject to uncertainty. To the extent that events play out differently, costs could differ significantly from those reflected in our outlook, particularly in 2025-26.

Further Improvements in Budget Condition Depend on Revenue Timing. Further improvements in revenues are possible, but this year, those improvements have a complicated effect on the budget's condition. Typically, as a rule of thumb, we say that when revenues improve by \$1, the budget bottom line improves by \$0.50 to \$0.60. This is due to the state's constitutional formulas, mainly Proposition 98, which typically requires the state to spend an additional \$0.40 on schools and community colleges for each \$1 of additional revenue. This year, however, the dynamic is more complicated due to "maintenance factor," which is created when the state has provided less growth in K-14 funding than the growth in the economy. As a result of maintenance factor, all else equal, improvements in revenues in 2024-25 could result in a near dollar-for-dollar increase in school spending in that year with minimal benefit to the budget bottom line. Upward revisions in 2025-26, however, would have the typical effect of \$0.50 to \$0.60 in overall budget improvement for each dollar of new revenue. These dynamics are explained further in our report, *The 2025-26 Budget: Fiscal Outlook for Schools and Community Colleges*.

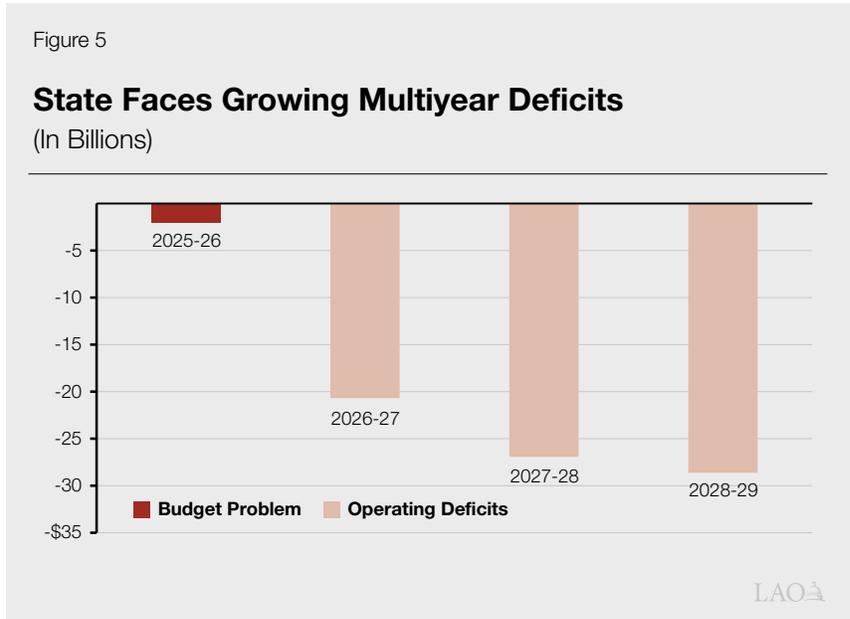
NO CAPACITY FOR NEW COMMITMENTS

State Faces Annual Multiyear Deficits of Around \$20 Billion.

Figure 5 shows our forecast of the multiyear condition of the budget. While the budget is roughly balanced in the upcoming fiscal year, the state faces annual operating deficits beginning in 2026-27—growing from about \$20 billion to about \$30 billion. Although highly uncertain, these represent additional budget problems the Legislature would need to address in the coming years, for example by reducing spending, increasing taxes, shifting costs, or using more reserves. The magnitude of these deficits also indicates that, without other changes to spending or revenues, the state does not have capacity for new commitments.

Remaining Reserves Could Cover Much of Deficit in 2026-27. The state has faced significant budget problems over the last two years—by our estimate, a \$27 billion deficit in 2023-23 and a \$55 billion deficit in 2024-25 (excluding early action taken this year). Yet, over this time, the Legislature did not use much of the state’s reserves. Under our outlook, even assuming the state uses \$7 billion in reserves in 2025-26, nearly \$11 billion would remain in the BSA. Assuming the Legislature also suspended the otherwise required deposit in 2026-27, the state could cover about two-thirds of that year’s budget problem with reserves alone. However, in years thereafter, the state would need to make other changes to address the shortfalls.

Faster Than Normal Spending Growth Contributing to Deficits. One reason the state faces operating deficits is growth in spending. Our estimate of annual total spending growth across the forecast period—from 2025-26 to 2028-29—is 5.8 percent (6.3 percent excluding K-14 education). By historical standards, this is high. For example, in our last five Fiscal Outlooks, the



total annual spending growth rate was 3.5 percent and only 3 percent for spending excluding K-14 education. While there are always idiosyncrasies in spending patterns that can influence these growth rates—for example, the timing of one-time spending reductions or anomalies in federal funding—the increase in this growth is contributing to the state’s multiyear deficits.

Spending Growth Driven by Past Program Expansions and Underlying Growth. **Figure 6** shows some of the programs that are key drivers of the growth in spending. In some cases, for example IHSS and developmental services, faster growth is standard and largely due to underlying trends in caseload, utilization, and price. However, recent ongoing program expansions are also contributing factors. This includes, for example, the expansion of services, eligibility, and rates in Medi-Cal; an expansion of child care, including an increase in slots; and several other expansions to human services programs. (For context, our handout, [How Program Spending Grew in Recent Years](#), provides more information on augmentations, including those that are ongoing, in recent budgets.)

Revenues Are Unlikely to Grow Fast Enough to Catch Up to Spending. The state typically faces a *deficit* when spending exceeds revenues in the budget window and an *operating deficit* when spending exceeds revenue in future years. An operating deficit—like the ones we currently anticipate—can arise either because of a difference in the levels of revenues and spending (a stable gap over time) or a difference in growth rates (a gap that grows over time). Both are an issue currently, as seen in **Figure 7**. Our forecasted spending growth is about 6 percent over the forecast period—a growth rate that is high by historical outlook standards and slightly above what we consider to be long-term revenue growth. Meanwhile, revenue growth over the outlook window is just above 4 percent—this is lower than its historical average largely due to policy choices, namely the limitations on deductions and credits that end during the forecast window. Taken together, we view it as unlikely that revenue growth will be fast enough to catch up to ongoing spending. This means that although the state does not face much of a budget problem this year, in the coming years, legislative action could be necessary to close this gap.

Oversight Key to Budget Management. Understanding which programs are working well and those which are in need of adjustment is a key starting place for considering future budget solutions. As we anticipate future budget problems are more likely than not, we recommend the Legislature conduct robust oversight of programs this

Figure 6

Forecasted Growth in Major Programs
Average Annual Growth, 2024-25 to 2028-29

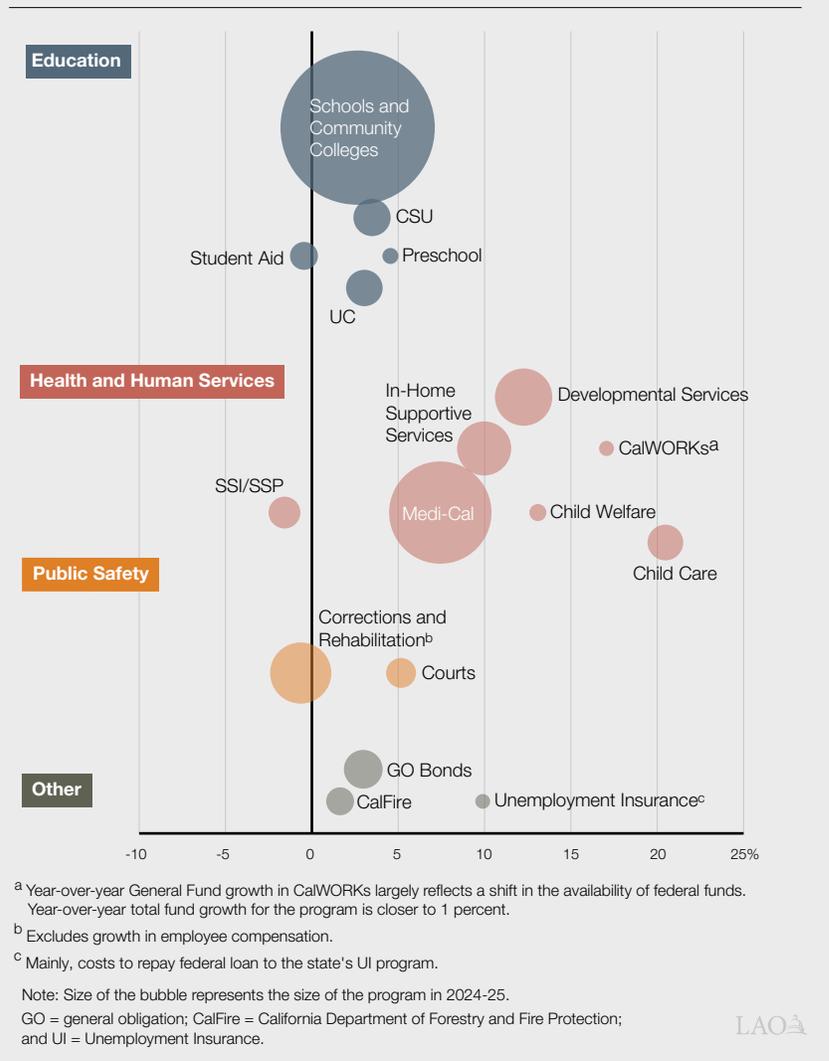
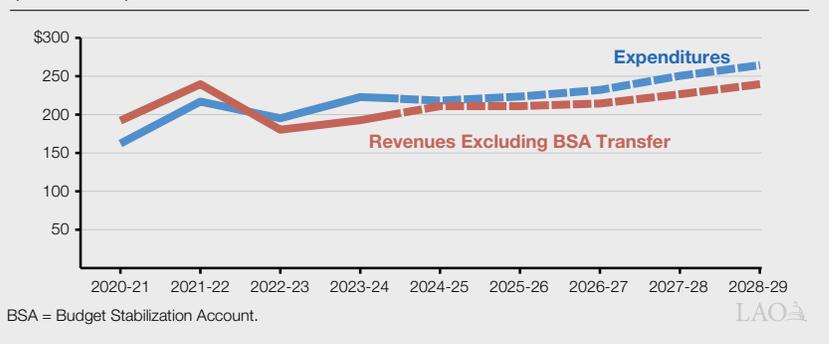


Figure 7

Revenues Not on Track to Grow Fast Enough to Catch Up to Ongoing Spending
(In Billions)



budget season. Doing so can provide the Legislature necessary insight for whether the administration is implementing programs according to legislative intent as well as whether programs are achieving the desired outcomes. Particularly given the significant program expansions in recent

years and the state's constrained fiscal capacity, the Legislature now has a key opportunity—if not a necessity—to assess the efficiency, effectiveness, equity, and priority of some of its recent augmentations and longer-standing programs.

APPENDIX

Appendix Figure 1

General Fund Spending by Agency Through 2028-29

(Dollars in Billions)

Agency	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Average Annual Growth ^b
Legislative, Executive	\$9.2	\$4.4	\$4.3	\$3.3	\$3.3	\$2.7	-14.3%
Courts	3.4	3.2	3.5	3.6	3.8	3.9	4.2
Business, Consumer Services, and Housing	3.5	1.3	0.3	0.2	0.2	0.2	-8.6
Transportation	0.7	0.2	0.1	—	—	—	-43.6
Natural Resources	10.3	4.1	3.7	3.8	3.9	4.0	3.2
Environmental Protection	2.3	0.2	0.1	0.1	0.1	0.1	-0.1
Health and Human Services	73.4	74.2	78.7	82.8	93.6	100.7	8.5
Corrections and Rehabilitation	14.9	13.9	13.4	13.4	13.5	13.5	0.2
Education	20.6	20.2	19.5	20.7	22.0	22.3	4.6
Labor and Workforce Development	1.4	0.9	0.9	1.2	1.3	1.3	12.2
Government Operations	4.6	2.5	4.5	4.0	3.0	5.3	5.7
General Government							
Non-Agency Departments	2.8	1.3	1.2	1.2	1.7	1.2	-0.7
Tax Relief/Local Government	0.6	0.7	0.7	0.7	0.8	0.8	3.8
Statewide Expenditures	2.0	-0.4	4.4	5.3	6.6	7.0	16.9
Capital Outlay	0.8	0.6	—	0.1	—	0.1	32.3
Debt Service	5.3	5.9	6.1	6.3	6.5	6.8	3.7
Non-98 Spending Total	\$155.7	\$133.1	\$141.6	\$146.9	\$160.5	\$170.1	6.3%
Proposition 98^a	\$67.1	\$84.8	\$81.7	\$85.2	\$89.7	\$94.1	4.8%
Proposition 2 Infrastructure	0.7	—	—	—	—	—	—
Total Forecasted Spending	\$222.8	\$217.9	\$223.3	\$232.1	\$250.3	\$264.2	5.8%

^a Reflects General Fund component of the Proposition 98 minimum guarantee.^b From 2025-26 to 2028-29.

LAO PUBLICATIONS

This report was prepared by Ann Hollingshead, with contributions from others across the office, and reviewed by Carolyn Chu. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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HR 1 Impacts on CalFresh and CalWORKs

DECEMBER 3, 2025

H.R. 1 – Impacts to CA

- Reduced access to **health care, reproductive care, and food**
- Reduced funding for the **health care infrastructure, nutrition education, and overall safety net.**



CalHHS Guiding Principles for HR 1 Implementation

1. Automate to Protect Coverage.
2. Simplify the Renewal Experience.
3. Educate and Train Those Who Serve Medi-Cal and CalFresh Members.
4. Active Engagement.
5. Communicate with Clarity, Connection, Timeliness, and Transparency.

Department of Health Care Services: HR 1 Medi-Cal Impacts

Major Medicaid Provisions of H.R.1

Bottom Line: Up to 3.4 million Medi-Cal members may lose coverage; \$30+ billion in federal funding is at risk annually; major disruption in Medi-Cal financing structure for safety nets.

Eligibility/Access Requirements	State Financing Restrictions	Immigrant Coverage Limitations	Abortion Providers Ban
<ul style="list-style-type: none"> » Work requirements » 6-month eligibility checks » Retroactive coverage restrictions » Cost sharing 	<ul style="list-style-type: none"> » Managed Care Organization (MCO) and Provider Tax limitations » State Directed Payment (SDP) restrictions » Federal funding repayment penalties for eligibility-related improper payments 	<ul style="list-style-type: none"> » Reduction in FMAP* for emergency UIS** » Restrictions on lawful immigrant eligibility (increases UIS) <p>* <i>Federal Medical Assistance Percentage</i></p> <p>**<i>Unsatisfactory immigration status</i></p>	<ul style="list-style-type: none"> » One-year ban on federal Medicaid funding for "prohibited entities" that provide abortion services

All numbers are estimates and subject to change.

Eligibility/Access Requirements

Eligibility: Work Requirements

Section 71119: Requires states to condition Medicaid eligibility on compliance with work requirements (called “community engagement requirements”) for adults ages 19 through 64. The provision applies to individuals enrolled through Medicaid expansion or a section 1115 demonstration providing minimum essential coverage.

Exemptions must be verified every 6 months

Parents, guardians, caretaker relatives, or family caregivers of a dependent child age 13 and under or a disabled individual; medically frail individuals; pregnant/receiving Medicaid postpartum coverage; foster/former foster youth under age 26; American Indian and Alaska Native individuals; veterans with a disability rated as total; incarcerated or recently released within 90 days, Medicare Part A/Part B; meet Temporary Assistance for Needy Family or Supplemental Nutrition Assistance Program work requirements; drug addition/alcohol treatment program

Effective Date: January 1, 2027

Impact: An estimated up to 3 million Medi-Cal members may lose coverage, which will significantly drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

Eligibility: 6-Month Eligibility Checks

Section 71107: Requires states to redetermine eligibility for adults enrolled through Medicaid expansion or an expansion-like section 1115 waiver once every six months.

Effective Date: January 1, 2027

Impact:

- An estimated 400,000 Medi-Cal members may lose coverage, which will drive up the uninsured rate and raise costs for hospitals and clinics treating uninsured patients.

Immigrant Coverage Limitations

Reduction in FMAP for Emergency Medi-Cal

Section 71110: Prohibits states from receiving the 90% enhanced matching rate for emergency services provided to individuals who, but for their immigration status, would have qualified for the ACA optional adult expansion group. Also applies to emergency care provided to refugees, asylees, and other lawfully residing individuals.

Effective Date: October 1, 2026

Impact:

- CA will lose the 90% federal match for emergency Medicaid services, requiring increased General Fund spending and/or a rollback of services covered under the emergency Medicaid benefit.
- May increase financial pressure on safety-net providers, particularly hospitals that deliver high volumes of emergency care to noncitizens.

Restrictions on Lawful Immigrant Eligibility for Medi-Cal

Section 71109: Ends the availability of full-scope federal Medicaid and CHIP funding for most refugees, asylees, victims of human trafficking, certain individuals whose deportation is being withheld or who were granted conditional entry, or individuals who received humanitarian parole, such as certain Afghans who aided U.S. operations in Afghanistan or people fleeing violence in the Ukrainian war.

Effective Date: October 1, 2026

Impact:

- Approximately 200,000 immigrant Medi-Cal members will shift from satisfactory immigration status (SIS), which is eligible for full Federal Financial Participation (FFP), to unsatisfactory immigration status (UIS), which is only eligible for emergency and pregnancy-related FFP – at the newly reduced rates noted in prior slide.

Abortion Providers Ban

One-year Ban on Federal Funding for “Prohibited Entities” that Provide Abortion Services

Section 71113: Bars Medicaid participation by certain providers of abortion services, including Planned Parenthood, for the one-year period following enactment (through July 2026).

Effective Date: Effective immediately.

Impact:

- In CA, roughly 80% of Planned Parenthood patients rely on Medi-Cal, meaning this would effectively strip \$305 million in federal funding from one of the state’s largest providers of reproductive health care.

California Department of Social Services
HR 1 CalFresh Impacts

CalFresh (SNAP) in California

CalFresh is largely regarded as one of the most effective tools to combat poverty and food insecurity.

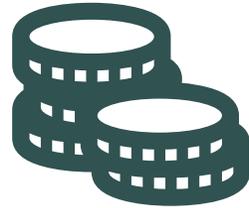
CalFresh serves **over 5.5 million low-income individuals** each month and **nearly 3.3 million households** across California (as of May 2025).

Average monthly benefit	\$333 per household; \$194 per individual
Total 2025-26 Benefits Funding	\$13.3 billion Federal (no State or local funding)
Total 2025-26 Administrative Funding	\$2.7 billion total (\$1.4B Federal, \$1B State, \$300M Local)

Additional economic impacts of CalFresh funding include benefits to agricultural sector, grocers, and retailers.

What You Need to Know

On July 4, 2025, President Trump signed H.R. 1 into law, which includes **significant changes to the Supplementation Nutrition Assistance Program (SNAP)**, known as CalFresh in California.



The bill is expected to **cut federal funding** for SNAP in California **by at least \$1.7 to \$3.7 billion annually**



Up to **395,000*** people could lose **benefits** (\$816 million reduction)

** Impact estimates based on what we know today, this number is subject to change.*

H.R. 1 Impacts to CalFresh

Total reduction of at least \$1.7 to \$3.7 billion in federal funds annually

Including estimated \$827 million **reductions in benefits** due to:

- 303,000 **Able Bodied Adults Without Dependents** at risk of losing benefits if unable to comply with work requirements
- 74,000 **non-citizens** who will lose eligibility
- 18,000 individuals losing eligibility for the **Standard Utility Allowance** and 444,000 seeing a reduction in benefits
- 43,000 individuals in households of 9 or more with reduced benefits due to new benefit caps based on value of the **Thrifty Food Plan**

** Impact estimates based on what we know today, this number is subject to change.*

H.R. 1 Impacts to CalFresh continued

Cost Sharing Shifts to State & Counties

- Benefit cost sharing for the State estimated at up to \$2 billion per year
- State administrative cost increase estimated at \$685 million (\$474 million General Fund and \$211 million county)

Nutrition Education Funding

- Loss of \$178 million in annual federal funds (effective October 1, 2025)

Federal Matching Funds for Outreach

- Loss of approximately \$15 million in federal reimbursement (effective October 1, 2026)

CalFresh Work Requirements

Category	H.R. 1 – CalFresh Work Requirements
Target Population	Adults ages 18-64 who are able-bodied and without dependent children under age 14
Work Requirement	<p>Benefits limited to 3 months in a 36 months period, unless complying with the "work requirement" at 20 hours per week or 80 hours averaged monthly, or otherwise exempt.</p> <p>Qualifying activities:</p> <ul style="list-style-type: none">• Paid employment• Community service• Job training or work programs• Education• Workfare• Combination of any of the above



THANK YOU



chhs.ca.gov



AB 762 (Irwin) Single-Use Vaporizers

Summary

Single-use vapes pose a significant environmental, safety, and public health issue. AB 762 would prohibit the sale of single-use vapes in California, fostering the transition to reusable or refillable alternatives.

Background

Single-use vapes have surged in popularity due to their convenience. More than 12 million disposable vapes are sold every month in the U.S. These vapes are classified as acute single-use hazardous waste by the EPA and are not able to be recycled with other plastic waste. The lack of a standardized recycling process has led a rapidly-increasing number of vapes to be landfilled.

Widespread public health concerns about vaping led to the ban of flavored tobacco in e-cigarettes. SB 793 (Hill, Ch. 34, Statutes of 2020) prohibited tobacco retailers from selling or possessing flavored tobacco products and flavor enhancers. While the legal age to purchase a vape is 21, the U.S. Department of Health and Human Services, over 55 percent of minors that use vapes reported using disposable vapes.

Need for the Bill

Single-use vapes contain lithium ion batteries that are not intended to be recharged and can cause costly safety risks once in the waste stream. Lithium ion batteries are highly flammable and difficult to extinguish if ignited. Materials recovery facility (MRF) fires have increased due to the influx in processing of single use vapes. Vapes fires pose threats to worker safety and create costly cleanup issues for facility owners and local governments. The U.K. has linked increased disposable vape waste with a 77 percent rise in battery fires at MRFs.

Not only do single-use vapes pose threats to MRFs, they waste valuable resources. The amount of lithium in single-use vapes discarded each year could power more than 2,600 electric vehicle batteries. Instead, after an average of one week of use, single-use vapes are processed and sent to landfills where they leach nicotine salts, lead, mercury, and battery acid into the surrounding environment.

This Bill

AB 762 prohibits the sale of single-use disposable vapes by:

- Banning the import, sale, and distribution of single-use disposable vaporizer products in California, effective January 1, 2026;
- Requiring that vape devices have a removable battery, and be rechargeable and refillable.

Support

Californians Against Waste (Cosponsor)
California Product Stewardship Council (Cosponsor)
California Public Interest Research Group (Cosponsor)
RethinkWaste (Cosponsor)
ACR Solar
Action on Smoking and Health
Active San Gabriel Valley
Albatross Coalition
Algalita Marine Research and Education
Azul
Ban Single-Use Plastic
Breast Cancer Prevention Partners
California Nurses for Environmental Health and Justice
Catholic Charities of the Diocese of Stockton
Environmental Justice Program
Chico Bag
Community Environmental Council
Courage California
Clean Water Action
Defenders of Wildlife



AB 762 (Irwin) Single-Use Vaporizers

- Ecology Center
- Endangered Habitats League
- Families Advocating for Chemical and Toxics Safety (FACTS)
- Friends Committee on Legislation of California
- Ivan's Recycling
- Los Angeles Waterkeeper
- Marin Sanitary Service
- National Stewardship Action Council (NSAC)
- Natural Resources Defense Council (NRDC)
- Northern California Recycling Association
- Oceanic Preservation Society
- Plastic Free Future
- Plastic Pollution Coalition
- Product Stewardship Institute
- ReGen Monterey
- Republic Services
- ReThink Disposable
- Salinas Valley Solid Waste Authority
- Santa Barbara County Resource Recovery and Waste Management Division
- Save Our Shores
- Save the Bay
- Simply Recycle
- SoCal 350 Climate Action
- Solid Waste Association of North America (SWANA)
- Legislative Task Force
- The Last Plastic Straw
- The Surfrider Foundation
- The 5 Gyres Institute
- Torus Consulting
- TRI-CED Community Recycling
- tUrn Climate Action
- Upstream
- Waste Management
- West Marin Environmental Action Coalition
- Wilmington Recyclers
- Zero Waste Marin
- Zero Waste San Diego
- Zero Waste Sonoma
- 7th Generation Advisors

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CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 25-5233

Agenda Date: 12/10/2025

Agenda #: 5.

LEGISLATION COMMITTEE

Meeting Date: December 10, 2025

Subject: Potential off-season legislative outreach.

Submitted For: Legislation Committee

Department: County Administrator's Office

Presenter: E. Struthers

Contact: (925) 655-2045

Referral History:

The Legislation Committee monitors and provides direction on federal and state budgetary, legislative, and regulatory matters of interest to the County. With the recent adoption of the State Budget and the enactment of the federal budget reconciliation bill, County staff are working to analyze fiscal and operational impacts to the County and those we serve.

Referral Update:

Since the passage of H.R. 1 and the state budget agreement, County staff have been working to understand the impacts to the county and the people we serve.

Several other major policy concerns include:

- Health, Medicaid (Medi-Cal) and major impacts from H.R. 1 and the state budget package.
- Social Safety Net Services, including impacts from H.R. 1 and the state budget package.
- Emergency/Disaster Preparedness and Response.

A sample table for major impacts is included to help guide the discussion of how to present these impacts in a clear and understandable way.

In addition to finalizing initial analysis of H.R. 1, other internal priorities include:

- Developing sponsored bill ideas.
- Education and outreach on H.R. 1 and state budget impacts.
- Researching policies that can help enhance preparedness for emergencies and improve long-term economic stability of local governments.

Recommendation(s)/Next Step(s):

DISCUSS and provide feedback on potential off-season legislative activities, analysis and outreach.

Fiscal Impact (if any):

This item has no direct fiscal impact.