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## Final Budget Deal Must Build on Legislative Plan to Stand Up for Local Communities

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**Sacramento, CA** – The Legislature sent a clear message in the budget it passed Monday night: California cannot protect its safety net by shifting federal and state costs onto local communities.

The joint Legislative Budget Plan takes meaningful steps to address the damage H.R. 1 will inflict on California communities, hospitals, and county-delivered services. It includes critical funding for individuals in

need of indigent care, public hospitals, and eligibility workers who help people keep their health care and food support.

“This is the most serious response to H.R. 1’s impacts we’ve seen in the state budget process so far,” said **CSAC CEO Graham Knaus**. “As the Governor and legislative leaders negotiate the final deal, we urge them to protect healthcare and food support for the millions of Californians who rely on it.”

Here’s a look at where this latest spending plan stands on key county priorities:

- **H.R. 1:** The Legislature’s budget plan includes approximately \$835 million in the upcoming fiscal year to address the damage already set in motion by H.R. 1. This includes:
  - \$125 million for an **emergency-only alternative to indigent care** that would provide health care services for individuals who lose full-scope Medi-Cal eligibility due to H.R. 1 work requirements.
  - \$250 million to support California’s **public hospital systems** facing increased uncompensated care and financial pressures.
  - \$459 million for **county eligibility** of Medi-Cal and CalFresh to help eligible Californians maintain access to health care and food assistance.
- **In-Home Supportive Services (IHSS):** The Legislature rejected the Governor’s proposal to shift costs to counties and undermine the existing fiscal structure of IHSS, which is estimated to increase county costs by \$360.6 million starting in 2027-28 and growing each year. That decision protects older adults and people with disabilities while preventing further strain on county safety net services.
- **Homeless Housing, Assistance and Prevention (HHAP):** The Legislature increased funding to \$900 million, which will help communities continue making progress on homelessness. It’s critical that the final budget deal build upon local successes by streamlining

the distribution of that funding and committing to another round of HHAP in 2027-28.

- **Proposition 36:** The Legislature included \$50 million in one-time funding for Proposition 36, which voters in all 58 counties approved in 2024. While we appreciate this recognition of local needs, the funding falls far short of what counties need to expand treatment and recovery services. Without sustained investments across all impacted county departments, voter expectations will not be met.

In addition, counties are calling for the final budget deal to include the Legislature's proposed actions on distressed hospitals, Medi-Cal Mobile Crisis Units, and Victims of Crime Act (VOCA) funding.

*The California State Association of Counties (CSAC) is the voice of California's 58 counties at the state and federal level.*

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