



County of San Diego

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TO: Supervisor Nora Vargas, Chairwoman
Supervisor Terra Lawson-Remer, Vice Chair
Supervisor Joel Anderson
Supervisor Monica Montgomery Steppe
Supervisor Jim Desmond

FROM: Ebony Shelton
Chief Administrative Officer

HIGHLIGHTS OF THE ENACTED FISCAL YEAR 2024-25 STATE BUDGET AND POTENTIAL COUNTY IMPACTS

On June 29, 2024, Governor Gavin Newsom signed the Enacted FY 2024-25 State Budget. The Enacted State Budget is reflected in a main Budget Bill (AB 107), a Budget Bill Jr, (SB 108), the Budget Act of 2023 (SB 109) and more than 13 Budget Trailer Bills. The Enacted State Budget represents a final agreement between Governor Newsom, Senate President pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas. Continuing a trend from the last few budget cycles, the State Legislature passed their framework for a budget on June 13, just prior to the statutory deadline to pass a budget and, only then, did negotiations begin with the Administration on a final budget agreement. The Budget Package altogether totals \$297.9 billion and closes an estimated \$46.8 billion budget deficit.

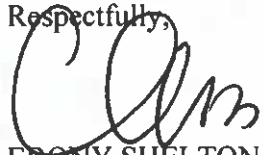
The Budget Package largely preserved or significantly reduced the proposed cuts to key programs and funding streams the County relies on to serve the public. The County was successful in advocating on its top four advocacy priorities, which included local public health funding, CalWORKS, SB 678 funding, and the Homeless Housing, Assistance and Prevention (HHAP) program. On public health funding, the Budget Package maintains more than 92 percent of the funding previously allocated to local public health departments. On CalWORKS, major cuts to the Single Allocation and to programs such as Family Stabilization and Enhanced Subsidized Employment were rejected by the Legislature and restored in the final Budget Package. On SB 678 funding, the County secured only a 5.5 percent reduction in funding and a commitment to readdress the formula methodology in FY 2025-26. On HHAP, the Budget Package includes \$6 billion for a Round Six.

While we were pleased to see the catastrophic cuts proposed in the May Revision did not materialize, the budget outlook for the state is still concerning. The projected budget deficit for FY 2025-26 already

sits at approximately \$30 billion. In addition, significant impacts to County programs, services, and contracts remain, particularly under health and human services. More analysis is needed to fully understand the impacts to the County budget. Staff will update your Board if additional resources are needed to mitigate impacts to the County budget.

The attached document includes highlights of the Enacted FY 2024-25 State Budget and the potential impacts to the County of San Diego. If you have any questions, please contact Matthew Parr, Interim Director of the Office of Economic Development and Government Affairs, at (619) 372-2126.

Respectfully,

A handwritten signature in black ink, appearing to read 'Ebony Shelton', written over the word 'Respectfully,'.

EBONY SHELTON
Chief Administrative Officer

Attachment

cc: ACAO, FGCG, HHSA, LUEG, PSG, CNL

ENACTED FISCAL YEAR 2024-25 STATE BUDGET POTENTIAL IMPACTS ON THE COUNTY OF SAN DIEGO



INTRODUCTION

The Enacted Fiscal Year 2024-25 Budget agreement contains total spending of \$297.9 billion, closing the \$46.8 billion deficit through a mix of program reductions, new revenue, reserves, internal fund shifts, delays, and deferrals. While funding for some programs has been reduced or increased from previously allocated amounts, “reversion” of funds refers to the transfer of unspent funds from specific programs to other funding sources.

The budget maintains the multi-year fiscal structure proposed in the May Revision, which provides positive balances in the state’s Special Fund for Economic Uncertainties (SFEU), not only in FY 24-25, but also for the coming FY 25-26. In light of the current deficits, the Administration and Legislature agreed to pursue several measures to support budget resilience in coming years.

The enacted budget successfully rejects many of the May Revision’s proposals, opting instead for preservation of many public programs and modest reductions across the board. The County of San Diego can generally expect to see program continuity across Departments.

- Finance and General Government Group – Funding cuts to the California Jobs First Program and the California Arts Council might reduce opportunities for local economic development. However, investments in the Performing Arts Equitable Payroll Fund and the restoration of local arts grant funding in coming years demonstrate a commitment to the creative economy, a burgeoning presence within the San Diego regional economy.
- Health and Human Services Agency – Vital programs, like CalWORKs, CalFresh, and HHAP that serve the most vulnerable community members through direct services will continue to receive funding. Notably, HHAP received \$1 billion for Round Six, funding the County of San Diego can use towards addressing homelessness challenges in our region. However, **significant impacts remain for many services, programs, and contracts, including under CalFresh and CalWORKS.** More analysis is needed to fully understand these impacts and County staff will return to the Board if additional resources are needed to mitigate the impacts to the County budget.
- Land Use and Environment Group – The Governor’s Enacted Budget restores \$540 million of \$600 million originally appropriated for the Regional Early Action Planning (REAP) grant program, which will allow the Casa de Oro specific plan road design project to move forward. However, **reduced funding for the Zero Emission Vehicle (ZEV) program may reduce available funding resources for the County to transition some fleet vehicles to ZEVs.**
- Public Safety Group – Funding increases for drug interdiction, victim services, and fire prevention programs will provide added resources for local law enforcement and fire protection agencies. By

contrast, **reductions to SB 678 funding and elimination of funding for post-release supervision programs will result in a \$0.5 million shortfall** for the Probation Department this fiscal year.

Below are the details of impacts to the County by business group.

HIGHLIGHTS

FINANCE AND GENERAL GOVERNMENT	
Proposal	County Impact
Economic Prosperity (<i>Governor's Enacted Budget Summary, page 87</i>)	
California Jobs First - Reduction of \$150 million for the California Jobs First Program. The budget maintains \$50 million annually from FY 24-25 through FY 26-27.	Reduced funding available for future investment in regional economic development. EDGA is supporting the Southern Border Region framework development activities.
Creative Economy (<i>Assembly Budget Committee Floor Report, pages 97, 100</i>)	
Performing Arts Equitable Payroll Fund - Restores \$12.5 million to launch the Performing Arts Equitable Payroll Fund.	Fund advances efforts to stabilize the live arts workforce, which contribute jobs and adds economic impact to the region.
California Arts Council - Reduction of \$5 million to the California Arts Council for FY 24-25 and FY 25-26, with restoration of local assistance grants back to \$26 million for FY 26-27.	Arts and culture positively impact the well-being of San Diego's residents, communities, and economy. A reduction in arts funding reduces job and economic opportunities and negatively impacts the creative economy in San Diego County.
HEALTH AND HUMAN SERVICES	
Proposal	County Impact
Aging (<i>Governor's Enacted Budget Summary, pages 48, 54; CSAC Enacted Budget Action Bulletin Summary, page 28; CWDA Budget Update #4, pages 9-12</i>)	
Adult Protective Services (APS) Expansion - \$70 million for the APS expansion program in FY 24-25 to serve vulnerable adults.	Funding will positively impact the quality of services delivered to adults 60 and older and dependent and disabled adults 18 and older. Funding will also aid in social worker recruitment and retention.
Adult Protective Services (APS) Training - Includes \$9.4 million for APS staff training in FY 24-25.	Funding provides training opportunities for County APS staff. Training is provided by the regional training program, APS Workforce Integration (APSWI), organized by San Diego State University.
Home Safe - Reappropriates up to \$92.5 million from FY 22-23 to be available for spending by June 30, 2026, as well as trailer bill language to extend the match waiver for the funds through June 30, 2026.	The County will exhaust funding by June 30, 2025. Without additional funding, the County Home Safe program could potentially sunset this fiscal year, depending on the statewide funding distribution. Home Safe services include housing navigation, short term financial assistance for housing, and/or case management.
Older Californians Act Modernization Program - Maintains \$37.2 million in FY 24-25, FY 25-26, and FY 26-27.	The County's current allocation for the program is \$8.7 million over 5 years, beginning in FY 23-24. Aging and Independent Services (AIS) budgets approximately \$1.8 million annually to fund 145,000 to-go meals and \$200,000 for staffing (1.5 FTEs). \$2 million of this has been allocated in FY 24-25 for nutrition contracts.

<p>In-Home Supportive Services (IHSS) for Undocumented Individuals - The budget provides eligibility to all children and adults regardless of immigration status for IHSS services.</p>	<p>In FY 23-24, approximately 200 individuals received services in the county.</p>
<p>IHSS Permanent Backup Provider System - Reduction of \$3 million in FY 24-25 to provide temporary back-up providers for IHSS patients when their regular providers are unavailable.</p>	<p>The County was allocated \$71,947 in FY 23-24 and there were 637 referrals from July 2023 to April 2024. The impact to the County for the upcoming year is unknown.</p>
<p>IHSS Career Pathways - Requires the Department of Social Services (CDSS) to provide monthly data on the number of providers completing classes and claims for incentive payments, beginning August 1, 2024, and until the full utilization and expiration of Home and Community Based Services (HCBS) funds for the Program are exhausted.</p>	<p>Locally, IHSS Career Pathways training will likely end on September 30, 2024.</p>
<p>IHSS County Administration Budgeting Methodology Review - Increase of \$394,000 in FY 24-25 and \$382,000 ongoing to enable CDSS to complete a review of the IHSS county administration budgeting methodology in FY 25-26 and every third fiscal year thereafter.</p>	<p>No impact to the County in FY 24-25.</p>
<p>Behavioral Health (<i>Governor's Enacted Budget Summary, pages 48-49, 51, 58-59</i>)</p>	
<p>CalWORKs Mental Health and Substance Abuse Services - Reversion of \$30 million in FY 23-24 and a reduction of \$37 million in FY 24-25 and \$26 million in FY 25-26 for CalWORKs mental health and substance abuse services. The Budget continues to provide \$89 million for this program.</p>	<p>Funding currently supports approximately \$10 million in contracted behavioral health services for CalWORKs participants included in the FY 24-25 Operational Plan. There would be an estimated reduction in funding of \$2.9 million.</p>
<p>Behavioral Health Bridge Housing Program - Net reduction of \$250 million, maintaining \$1.25 billion. The Budget includes \$132.5 million in FY 24-25 and \$117.5 million in FY 25-26 for the last round of grants.</p>	<p>To date, Behavioral Health Services (BHS) has been awarded \$44.3 million and 25 percent has been received to date (\$10.4 million). BHS applied for \$12.4 million in Round Three grant funding and is awaiting award determination.</p>
<p>Behavioral Health Continuum Infrastructure Program (BHCIP) - A one-time reversion of \$450.7 million from the last round of grants, which leaves \$1.75 billion to construct, acquire, and rehabilitate space for beds, units, and rooms.</p>	<p>BHS planned to apply for Round Six grant funding for capital projects, however, this reversion eliminates potential future funding. BHS has been awarded \$16.7 million from prior BHCIP rounds. Proposition 1 Bond funding will potentially offer new funding for capital grant opportunities, which may help mitigate the loss.</p>
<p>Behavioral Health Infrastructure Bond Act (BHIBA) - \$6.4 billion in bonds (Proposition 1) for the Department of Health Care Services (DHCS) and the Department of Housing and Community Development (HCD) to support new behavioral health treatment beds, outpatient capacity, and permanent supportive housing units for those with behavioral health needs, including veterans.</p>	<p>DHCS will administer approximately \$4.4 billion of BHIBA funding for grants as specified under BHCIP. Of these funds, \$1.5 billion of competitive grant funding will be available exclusively to cities, counties, city and counties, and tribal entities. The balance of the funds, up to \$2.9 billion, will be available to cities, counties, tribal entities, and nonprofit and for-profit organizations. HCD will administer the remaining portion of the BHIBA funding for supportive housing (\$2 billion total, with \$1 billion for veterans).</p>

	BHS is currently developing a timeline and preparing for the funding application process.
Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration - \$7.7 billion for the Department of Health Care Services and the Department of Social Services to implement the BH-CONNECT Demonstration through the Behavioral Health Services Fund and the Medi-Cal County Behavioral Health Fund.	Potential for new funding to expand behavioral health services for community-based services and short-term inpatient services.
Children and Youth Behavioral Health Initiative - Reduction of \$72.3 million in FY 23-24 and \$313.9 million in FY 24-25 for school-linked partnership and capacity grants for higher education institutions, services and supports platform, evidence-based and community-defined grants, and public education and change campaigns. The Budget maintains \$4.1 billion across several departments to support Children and Youth Behavioral Health Initiative efforts.	The BHS budget includes \$4.1 million from this program for the youth suicide reporting and crisis response pilot program funded through June 30, 2025. This pilot program will continue as planned with no changes.
Children and Youth Behavioral Health Initiative Wellness Coaches - \$9.5 million in FY 24-25, increasing annually to \$78 million in FY 27-28 to establish the wellness coach benefit in Medi-Cal to support the behavioral health needs of children and youth. Wellness coaches operate as part of a care team in school-linked settings and across the Medi-Cal behavioral health delivery system.	Providers contracted with County BHS that serve children and youth could hire wellness coaches for service provision and bill Medi-Cal.
CalFresh (<i>Governor's Enacted Budget Summary, pages 4, 51-52</i>)	
CalFresh Eligibility Administration – Reduction of approximately \$121 million for administration or CalFresh eligibility.	The decrease will reduce the FY 24-25 Operational Plan Allocation of \$174.5 million by approximately \$15.2 million to support staffing costs. Due to the CalFresh Eligibility Administration Funding Sharing Ratios, approximately 50 percent Federal, 36 percent State and 14 percent local county match, if the County is able to fund the State portion of the \$15.2 million decrease, the County will still be able to receive the associated Federal funding dollars.
California Food Assistance Program Expansion (CFAP) - Delays the program from October 1, 2025, to October 1, 2027, to serve CalFresh food benefits to adults 55 and over regardless of immigration status.	The expansion will allow non-citizens, who are currently excluded from CalFresh based solely on their immigration status, to be eligible for benefits. There is no fiscal impact to the County or current customers.
CalFresh Fruit and Vegetable EBT Pilot - Increase of \$10 million in FY 24-25 to encourage consumption of California grown fresh fruits and vegetables for CalFresh customers at participating grocery stores and Farmers Markets.	The County does not determine eligibility for this program. However, continued funding will have a positive impact on CalFresh customers.
SUN Bucks - Includes \$146.8 million in FY 24-25 for outreach, automation, and administration to allow the state to provide an estimated \$1 billion	The County does not determine eligibility for this program. However, funding for this program will

<p>in federal food assistance to children who otherwise lose access to free and reduced-price meals during the summer school closure period.</p>	<p>have a positive impact on our CalFresh customers with school aged children.</p>
<p>CalWORKs (<i>Governor's Enacted Budget Summary, pages 50-5, 54-55; CWDA Budget Update #4, pages 4-5</i>)</p>	
<p>Single Allocation - Reduction of \$45 million compared to the FY 23-24 Single Allocation for case management.</p>	<p>The County anticipates an estimated reduction of \$2.7 million from FY 23-24 CalWORKs Single Allocation for eligibility and employment services.</p> <p>The County of San Diego advocated on this proposal.</p>
<p>CalWORKs Employment Services Intensive Case Management - Reduction of \$47 million in FY 24-25 for CalWORKs employment services intensive case management.</p>	<p>Funding available to the County would be anticipated to decrease, impacting the level of support provided to CalWORKs customers trying to attain self-sufficiency.</p> <p>The County of San Diego advocated for this proposal.</p>
<p>CalWORKs Home Visiting Program - Reversion of \$30 million in FY 23-24, and reduction of \$25 million in FY 24-25 and FY 25-26. The Budget maintains \$74.3 million for this program to support positive health development and well-being outcomes for families with young children.</p>	<p>Estimated reduction in funding of \$1.02 million to the County, decreasing the number of CalWORKs families that would receive home visiting services.</p>
<p>CalWORKs Expanded Subsidized Employment - Reversion of \$30 million in FY 23-24 and reduction of \$37 million in FY 24-25 for job readiness, experience, and placement. The budget maintains \$97.1 million for this program.</p>	<p>Locally, the program assisted approximately 970 customers in FY 23-24. The FY 24-25 Operational Plan includes \$6.5 million to support Expanded Subsidized Employment. There would be an estimated reduction of \$1.8 million in funding for the County in FY 24-25 to support contracted services. This funding provides employment opportunities that may lead to future long-term unsubsidized employment and self-sufficiency.</p>
<p>CalWORKs Grant Increase - Increase of \$10.5 million to support a 0.3 percent increase to the CalWORKs Maximum Aid Payment (MAP) level beginning October 1, 2024, to provide temporary cash assistance to low-income families with children. Maintains a cumulative 31.3 percent increase in CalWORKs MAP levels since 2021.</p>	<p>No local fiscal impact for CalWORKs as increased grants would be funded by federal and State revenue. CalWORKs serves 17,965 families and the current MAP range is \$732-\$3,205 depending on household size and exemption status. The CalWORKs grant increase would also be applied to the General Relief program, a cash aid program of last resort for residents not eligible for any other cash aid program to provide payments to cover basic needs for eligible individuals, which is currently funded solely with County funds.</p>
<p>Child Care Slot Expansion - Increase of \$228.6 million in FY 24-25 and \$304.8 million in FY 25-26 and ongoing funding for approximately 11,000 new state-subsidized, center-based child care slots beginning October 1, 2024.</p> <p>Child Care Slot Expansion Delay - Delays child care slot expansion two years, with intent to award an additional 44,000 slots in FY 26-27 and 33,000 slots in FY 27-28. After two years, funding</p>	<p>There is no direct impact to County finances or operations. Funding is provided to contractors directly by the State.</p>

<p>for additional expansion slots would be subject to appropriation in the annual budget.</p>	
<p>Family Stabilization - Includes annual ongoing full funding for the Family Stabilization Program to assist families who experience challenges with transportation or other emergencies that prevent them from employment.</p>	<p>The CalWORKs Family Stabilization program assisted approximately 1,495 customers in FY 23-24. The budget will provide the full estimated budgeted amount of \$12.7 million for the Family Stabilization program which provides families with intensive case management and timely access to crisis management services.</p>
<p>Cash Assistance Programs for Immigrants (CAPI) (Governor's Enacted Budget Summary, page 5)</p>	
<p>Supplemental Security Income/State Supplemental Payment (SSI/SSP) Base Grants - Maintains the 9.2 percent SSP increase, which took effect on January 1, 2024. These adjustments raise the maximum SSI/SSP grant levels to \$1,183 per month for individuals and \$2,023 per month for couples.</p>	<p>An increase in SSI/SSP benefits would also be applied to CAPI benefits. There is no fiscal impact to County as CAPI is 100 percent state funded but there are approximately 535 CAPI cases in San Diego.</p>
<p>Child and Family Well-Being (Governor's Enacted Budget Summary, pages 52-53; CWDA Budget Update #4, Pages 6-8)</p>	
<p>Foster Care Rate Structure Automation - Increase of \$6.9 million in FY 24-25 and \$13.7 million in FY 25-26 to begin automation for the foster care Tiered Rate Structure in the California Statewide Automated Welfare System and the Child Welfare Services – California Automated Response and Engagement System. Delays the implementation of a permanent foster care rate structure to July 1, 2027.</p>	<p>The County will be responsible for implementing the new Tiered Rate Structure by July 1, 2027. This change will likely require adjustments in county-level foster care programs to align with the new funding model and to support strength-building and immediate needs of foster children and youth.</p> <p>The County impact will be determined by the new rate system, which is currently unknown.</p>
<p>Housing Supplement for Foster Youth in Supervised Independent Living Placements (SILP) - Reduction of \$200,000 in FY 24-25 and \$18.8 million in FY 25-26. Implementation of the Tiered Rate Structure will result in increases to the SILP reimbursement.</p>	<p>Reductions will decrease county-level support for program participants. However, we anticipate future funding increases due to the new Tiered Rate Structure.</p>
<p>Bringing Families Home - Delays \$40 million to FY 25-26 and another \$40 million to FY 26-27 to reduce the number of families in the child welfare system experiencing, or at risk of homelessness.</p>	<p>Currently, \$3.4 million is included in the FY 24-25 Operational Plan. This allocation is not affected through June 2025. However, the delay will affect future allocations and will require adjusting plans for future family reunification support past June 2025. Funding assists approximately 100 families annually involved in family reunification services in child welfare.</p>
<p>Resource Family Approval (RFA) - \$50 million to fully restore the program to support mandated activities associated with streamlining the RFA process, beginning July 1, 2024, and annually ongoing.</p>	<p>Restores approximately \$4.2 million locally in FY 24-25 for caregiver approvals completed by County staff to support parent approval process. Currently, there are approximately 1,700 approved caregivers and 180 families going through the application process.</p>
<p>Emergency Child Care Bridge (ECCB) Funding - Maintains \$83.4 million ongoing to facilitate the immediate placement of children within the foster care system.</p>	<p>\$1.5 million of ECCB funding is included in the FY 24-25 Operational Plan. Funding will help keep available child care slots for re-unifying families. ECCB funding currently assists an average of 800</p>

	families involved in child care services on an annual basis.
Family Urgent Response System (FURS) - \$30 million to fully restore the FURS program to ensure stability and build relationships between caregivers and children and youth.	Funding will allow the program to continue operating locally. The County served 109 youth in FY 22-23 and 52 youth in FY 23-24.
Family First Prevention Services Act (FFPSA) - The budget extends the county expenditure deadline from June 30, 2024, to June 30, 2028, of the \$222.4 million to implement Part 1 prevention services, and reappropriates the funding due to extending the expenditure deadline.	The County will expend the funding before the extended deadline; we are currently on track to spend the funds by the end of FY 24-25.
Homelessness (<i>Governor's Enacted Budget Summary, pages 62-63</i>)	
Homeless Housing, Assistance, and Prevention Program (HHAP) Round Six - \$1 billion in FY 24-25 for a sixth round of HHAP grants to eligible cities, counties, and continuums of care. The Budget also includes statutory language that requires more frequent reporting by grantees on HHAP expenditures, requires corrective action plans for grantees that are not meeting their HHAP system performance measures, and requires cities and counties to have a compliant Housing Element to receive the second half of their HHAP Round Six award.	To date, the County has been awarded \$37.9 million from rounds one to four. The County is expected to receive an allocation of approximately \$14.2 million for Round Five which would be used to fund services through FY 27-28. Future funding opportunities would be anticipated with the sixth round. The County of San Diego advocated on this proposal.
HHAP Program Supplemental Funds - A reduction of \$260 million of HHAP Round Five supplemental funds.	The County could have potentially received an additional allocation of funding through the HHAP Round Five supplemental grant funding.
Encampment Resolution Fund (ERF) Grants - \$250 million for additional rounds of ERF grants for supportive services to help people living in encampments move into housing.	To date, the County has been awarded \$22 million from rounds two to three. The County has also partnered with other jurisdictions in their submissions for ERF funding. Future funding opportunities are anticipated with these rounds.
Housing and Disability Advocacy Program (HDAP) - A reversion of \$50 million in FY 25-26, and a reappropriation of up to \$100 million through FY 25-26 to assist people experiencing or at risk of homelessness who are likely eligible for disability benefits.	To date, the County has been awarded \$23 million in HDAP funding which includes ongoing and one- time appropriations.
Housing (<i>Governor's Enacted Budget Summary, pages 61-62</i>)	
Multifamily Housing Program - A reversion of \$10 million for the Multifamily Housing Program, maintaining \$315 million in FY 23-24 for low-interest loans.	Potential indirect impact to affordable housing production in the region. Affordable Housing developers are direct recipients of these programs and the state's reduction could potentially impact the timing of housing production and the region's ability to increase affordable housing opportunities.
Foreclosure Intervention Housing Preservation Program - Reduction of \$484 million for efforts to preserve affordable housing and promote resident or nonprofit organization ownership of residential real property.	No direct fiscal impact to the County. The elimination may impact non-profits and for-profit developers.

<p>CalHome Program - A reversion of \$152.5 million for the CalHome Program for loans to low-income, first-time homebuyers.</p>	<p>The County CalHome program currently utilizes funds received from the repayment of loans from borrowers, and not from the proposed reversion of funds and therefore will not impact the issuance of new loans.</p>
<p>Low Income Housing Tax Credit - \$500 million for an additional year of state low-income housing tax credits to incentivize the construction or rehabilitation of affordable housing.</p>	<p>Funding may have a positive impact on the region's ability to increase affordable housing by making additional funds available to affordable housing developers. No direct fiscal impact to the County.</p>
<p>Public Health <i>(Governor's Enacted Budget Summary or other source, pages 49, 57-58, 87)</i></p>	
<p>Public Health Funding - A reversion of \$41.5 million in FY 23-24 and a reduction of \$23.9 million in FY 24-25 and ongoing, which aligns with state 7.95 percent efficiency reductions. The Budget maintains \$276.1 million in FY 24-25 and ongoing for state and local public health infrastructure.</p>	<p>Public Health Services has \$14.4 million for Public Health grant funds in the FY 24-25 Operational Plan supporting 91 full-time equivalents (FTEs) across five public health branches. Funds support areas such as infectious disease control, beach water testing, and emergency preparedness and response activities for skilled nursing facilities.</p> <p>Impacts of the 7.95 percent statewide reduction to the County's allocation are unknown at this time as the California Department of Public Health is currently developing the methodology.</p> <p>The County of San Diego advocated on this proposal.</p>
<p>Healthcare Workforce Investments - A reduction of \$746.1 million over five years, and elimination of the \$189.4 million Behavioral Health Services Fund in FY 25-26 for various healthcare workforce initiatives. Maintains \$108.9 million in committed funds, and \$357.7 million in prior and current year workforce investments. The Budget also includes \$60 million of Proposition 98 funding, per year over five years, for nursing programs in community colleges.</p>	<p>The reduction of funding would potentially decrease the funding opportunities to support training and development programs.</p>
<p>Equity and Practice Transformation Payments to Providers - A reduction of \$280 million one-time over multiple years for grants to Medi-Cal providers for primary care infrastructure, maintaining \$140 million one-time included in the 2022 Budget Act.</p>	<p>If rates are not increased, this may impact the pool of current Medi-Cal providers and the number of clients utilizing the services.</p>
<p>Medi-Cal <i>(Governor's Enacted Budget Summary, pages 5, 47-48; CWDA Budget Update #4, page 2)</i></p>	
<p>Full-Scope Medi-Cal for Adults Aged 26 through 49 - \$3.3 billion in FY 24-25 and approximately \$3.4 billion ongoing, inclusive of IHSS costs, for full-scope Medi-Cal eligibility to income-eligible adults aged 26 to 49 regardless of immigration status as of January 1, 2024. With this expansion, Medi-Cal provides health care coverage to all income-eligible Californians.</p>	<p>Anticipating an overall increase of Medi-Cal beneficiaries statewide. The County does not anticipate increased administrative revenue to support the increase.</p>
<p>County Administration COLA Freeze Increases - The budget proposes to freeze funding levels for</p>	<p>Likely decrease in County revenue received for staff to process Medi-Cal applications and renewals. Typically, we would expect to receive a</p>

<p>county administration of the Medi-Cal Eligibility functions.</p>	<p>\$3 - \$4 million increase tied to the annual adjustment.</p>
<p>Managed Care Organizations Tax (MCO) Health Investments - Includes \$133 million in FY 24-25, \$728 million in FY 25-26, and \$1.2 billion in FY 26-27 for new Medi-Cal provider rate increases and investments from the MCO Tax for community-based adult services, congregate living health facilities, clinic services and supports, community health workers, Medi-Cal coverage for children until the age of five, ground emergency transportation, and more.</p> <p>The budget also expands the MCO tax to Medicare providers, generating an additional \$689 million in savings for FY 24-25, \$950 million in FY 25-26, and \$1.3 billion in FY 26-27. A provision of the bill makes rate increases inoperable if a measure on the November 2024 ballot related to MCO taxes is approved. Overall, the extension of the MCO tax from April 2023 through 2026 reflects \$3.8 billion in savings.</p>	<p>The County anticipates that there would be no local fiscal impact. However, this funding would be used to increase the payments to selected Medi-Cal providers which could potentially provide better access to services for Medi-Cal beneficiaries.</p> <p>Funding for emergency transportation will positively impact ambulance transportation revenues for County Service Area (CSA) 17 and the San Diego County Fire Protection District (SDCFPD) Ground Ambulance Service Area (ASA).</p>
<p>LAND USE AND ENVIRONMENT GROUP</p>	
<p>Proposal</p>	<p>County Impact</p>
<p>Climate Investments (<i>Governor's June Budget Summary, pages 28, 32, 35</i>)</p>	
<p>Zero Emission Vehicles (ZEV):</p> <ul style="list-style-type: none"> Expenditure Reductions - A reduction of \$920.6 million for various programs, including but not limited to, School Buses and Infrastructure (\$500 million Proposition 98), Fueling Infrastructure Grants (\$143.9 million) and Clean Trucks, Buses, and Off-Road Equipment (\$137.8 million). Fund Shifts - A shift of \$528.3 million to the GGRF in FY 23-24 for various programs including but not limited to ZEV Fueling Infrastructure Grants (\$218.5 million), Drayage Trucks and Infrastructure (\$157 million), and Clean Trucks, Buses and Off-Road Equipment (\$71.3 million). Funding Delays - A delay of \$600 million GGRF from FY 24-25 to FY 27-28 across various programs including but not limited to Clean Trucks, Buses and Off-Road Equipment (\$137 million), ZEV Fueling Infrastructure Grants (\$120 million), and Community-Based Plans, Projects and Support/Sustainable Community Strategies (\$100 million). 	<p>Beginning January 1, 2024, CARB requires that agencies begin replacing medium and heavy-duty fleet vehicles with Zero-Emission Vehicles (ZEV). State funding is necessary to provide resources to counties to acquire the ZEV medium and heavy-duty vehicles. Additionally, counties need financial assistance to build out the necessary charging infrastructure to implement the ACF regulations. In general, this funding would come in the form of grant opportunities. Without this funding, the County may have to seek other funding sources such as increased general-purpose revenues to achieve sustainability management plan goals or may have to defer compliance. Public Works does not currently receive this grant funding, but it may impact future funding opportunities.</p> <p>Reductions may decrease grant funding opportunities to supplement County General Fund dollars for development of ZEV infrastructure outlined in the Electric Vehicle Roadmap and/or Draft Climate Action Plan.</p>
<p>Watershed Climate Resilience Programs - A reversion of \$88.4 million and reduction of \$298 million over the next two years, and a shift of \$15 million to the Greenhouse Gas Reduction Fund (GGRF) in FY 25-26, for various watershed</p>	<p>No direct impact to current funding. Could potentially reduce future grant funding for projects that support restoration and stormwater improvements, grants to restore and protect wetland areas, and maintenance of culverts,</p>

<p>climate resilience programs. The Budget maintains \$108 million previously allocated to these programs.</p>	<p>bridges, and bank erosion in our county parks. Parks and Recreation does not currently have any grants that would be impacted by the reduction.</p>
<p>Regional Climate Resilience – A reversion of \$25 million and a reduction of \$50 million in FY 24-25 for the Regional Climate Resilience Program in the Governor’s Office of Land Use and Climate Innovation (formerly the Office of Planning and Research). The Budget maintains \$25 million previously allocated to this program.</p>	<p>No direct impact to current funding. Funding could be used for projects that build climate resiliency, so a reduction in funding would reduce the availability of potential funding sources.</p>
<p>Parks and Recreation (<i>Enacted Budget Summary, page 45</i>)</p>	
<p>Outdoor Equity Grants Program - A reduction of \$75 million for outdoor environmental education and access programs through the Outdoor Equity Grants Program.</p>	<p>No direct impact to current funding. It is anticipated that some of the available funding previously allocated for this program (\$60 million) could be allocated for County programs, similar to previously awarded funding through Parks & Recreation’s “SD Nights” outdoor education program.</p>
<p>Transportation (<i>Enacted Budget Summary, page 62</i>)</p>	
<p>Regional Early Action Planning Grants 2.0 (REAP 2.0) - Reversion of \$40 million for REAP 2.0.</p>	<p>REAP 2.0 funds will reduce Vehicle Miles Traveled (VMT), accelerate infill housing development, increase housing supply at all affordability levels, and facilitate the implementation of adopted regional and local plans to achieve these goals. Restoration of \$560 million of the original \$600 million appropriated for the REAP 2.0 program in the 2021 Budget Act will make funding available for a variety of County housing and related projects. Planning and Development Services received \$2.5 million from the Housing Acceleration Program (HAP) grant through SANDAG—made possible by REAP funding—for the Casa de Oro specific plan road design. The grant was placed on hold when the state funding was reverted in the May Revise and subsequently the Casa De Oro project was placed on hold with no other funding identified. The grant funds have been restored in the June Enacted budget; SANDAG plans to reinstate the HAP grant, but the award amount is unknown at this time. Once the amount is known, the project will be re-evaluated for cost and available funding.</p>
<p>PUBLIC SAFETY GROUP</p>	
<p>Proposal</p>	<p>County Impact</p>
<p>Child Support (<i>Governor’s Enacted Budget Summary, page 50</i>)</p>	
<p>CalWORKs Program - The Budget includes \$8.8 billion in total TANF expenditures (state, local, and federal funds) in FY 24-25 to provide temporary cash assistance to low-income families with children. This amount aims to match the current statewide CalWORKs caseload.</p>	<p>Child Support Services will have a reduction of \$0.8 million, as stated in the final allocation letter released on July 1, 2024. This reduction will not impact any services provided to the public.</p>

Fire Prevention, Protection, and Emergency Medical Services <i>(Governor's Enacted Budget Summary, pages 30, 43, 47-48, 82)</i>	
Home Hardening - Reversion of \$143.9 million in General Fund for various programs, including the Home Hardening Pilot Program, which helps homeowners protect their properties from wildfires.	<p>Potential decrease in grant funds that support Home Hardening program.</p> <p>In the past, the County has received Home Hardening grant funding. For example, in May 2023, County Fire was awarded \$16 million from the Home Hardening program to help harden 250-300 homes by the end of the program. This funding will not be affected by the Enacted Budget.</p>
Ramona Air Attack Base - \$12 million increase to reconfigure the fire-retardant loading pits at the Ramona Air Attack Base to help aircraft prevent and suppress wildland fires in San Diego County.	This is an additional CAL FIRE resource that will help support local fire response activities.
Building Resilience - Reversion of \$45 million, a reduction from the previous total of \$100 million, for a grant program that supports community hardening efforts which provide wildfire protection.	Decrease in Hazard Mitigation Grant Program funds could potentially impact Home Hardening program activities.
Law Enforcement <i>(Governor's Enacted Budget Summary, pages 76-77, 78-79)</i>	
Victims of Crime Act - \$103 million one-time increase in FY 24-25 to supplement federal funding supporting a variety of services for domestic violence victims.	This one-time augmentation will allow existing programs to continue at their current level of services for one more year.
Drug Interdiction Continuation - \$30 million increase (\$15 million in FY 24-25 and \$15 million in FY 25-26) to further expand existing drug interdiction efforts to prevent drug trafficking by transnational criminal organizations throughout the state, including assisting local law enforcement agencies in combating fentanyl.	As local law enforcement agencies combatting fentanyl and drug interdiction efforts, the Sheriff's Department and the District Attorney's Office may be eligible to receive some of this funding.
Domestic and Sexual Violence, Human Trafficking, and Children's Services - \$17.3 million one-time funding to expand domestic violence and sexual violence prevention efforts; \$6.7 million in ongoing funding to help local law enforcement agencies offset the cost of medical evidentiary examinations for sexual assault victims; \$61 million over five years, beginning in FY 21-22, to expand human trafficking survivor support programs; and \$21 million one-time funding to support the Family Justice Center Program providing services for victims and their children.	The District Attorney's Office may be eligible to receive some of this funding and will monitor this item.
New In-Custody Death Review Division (SB 519) - \$3.3 million and 15 positions in FY 24-25, and \$7.7 million ongoing and 35 positions beginning in FY 25-26, to implement an in-custody death review program that will review investigations of deaths that occur in local correctional facilities and make recommendations to local detention facilities.	The scale of local effects is unknown, but it will have significant impact on Sheriff's Department staffing needs as well as unknown costs related to complying with potential state recommendations.

<p>Proposition 47 - \$94.8 million in Proposition 47 savings to be allocated through grants to public agencies for recidivism reduction, truancy and dropout prevention programs, and victim services.</p>	<p>The County currently participates in the Proposition 47 Grant Program Cohort III. This allocation could potentially lead to additional funding to reduce recidivism.</p>
<p>Raising Awareness on Gun Violence Restraining Orders - \$15 million one-time funding to facilitate education and training efforts related to gun violence restraining orders, including a public awareness campaign, grants to domestic violence groups to conduct outreach, and gun violence restraining order trainings to entities statewide.</p>	<p>This program may provide potential training opportunities to County departments and the public.</p>
<p>Organized Retail Theft Vertical Prosecution Grant Program - Reduction of \$3.6 million in funding for district attorneys to work on a case from its beginning to completion, maintaining a single point of contact for victims, witnesses, and law enforcement officials.</p>	<p>This change will decrease available grant funding opportunities.</p>
<p>Probation (<i>Governor's Enacted Budget Summary, pages 73,79</i>)</p>	
<p>Post-Release Community Supervision (PRCS) - Eliminates funding previously provided to address the temporary increase in the number of individuals released from prison on PRCS as a result of Proposition 57 (2016).</p>	<p>Reduction of \$0.3 million that had been included in the FY 24-25 Operational Plan.</p> <p>This will be the first year in which this funding has not been made available since the initial award in FY 14-15. Probation received an average of \$1.6 million in one-time funds per year from PRCS until FY 23-24.</p>
<p>Community Corrections Performance Incentive Program (SB 678) - \$116.1 million in FY 24-25 for county probation departments to reduce felony probationers sent to state prison. The Enacted Budget maintains the rates used in the prior three years due to the COVID-19 pandemic's impact on probation populations statewide and applies a 5.5-percent reduction to county allocations.</p>	<p>This will result in an estimated reduction of \$0.2 million from FY 23-24 to the Probation Department from \$2.9 million to \$2.7 million.</p> <p>The County of San Diego advocated on this proposal.</p>
<p>Juvenile Justice Realignment Block Grant (JJRBG) - \$208.8 million one-time funding and an estimated increase of \$1.2 million statewide to support rehabilitative housing and supervision services to youth populations.</p>	<p>Based on the FY 23-24 distribution of the JJRBG base allocation, this will produce an estimated funding increase of \$0.7 million to the Probation Department from \$10.9 million to \$11.6 million.</p>
<p>Public Defender (<i>Governor's Enacted Budget Summary, page 84; CSAC Enacted Budget Action Bulletin Summary, pages 2, 9</i>)</p>	
<p>Public Defender Pilot Program - \$40 million in FY 24-25 for the Public Defender Pilot Program for counties to implement recently chaptered legislation related to a wide range of post-conviction services.</p>	<p>The Public Defender's estimated allocation is \$4.1 million based on prior years. The Office of the Public Defender anticipates this amount to be sufficient to fully fund the program activities through the pilot program period.</p>
<p>Juvenile Justice - Increase in one-time reimbursements by \$2.2 million for costs associated with SB 203, which requires youth ages 17 years and younger to consult with legal counsel prior to interrogation and the delivery of Miranda rights.</p>	<p>The Public Defender estimates receiving \$0.4 million in FY 24-25 based on prior year claims. Claims for reimbursement of \$0.1 million for FY 21-22 and FY 22-23 and \$0.3 million for FY 23-24 have been submitted to the state.</p>

<p>Implementation of the CARE Act - Reversion of \$17.6 million from projected savings from the trial courts for the implementation of the CARE Act.</p>	<p>The CARE Act has been extended through December 2024.</p> <p>Impact is unknown; however, the current funding of \$3.2 million should be sufficient to continue the program through December 2024.</p>
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