



SAN MATEO COUNTY
FY 2025-26 STATE BUDGET ANALYSIS
 June 27, 2025

Overview: The following is a list of the significant funding proposals included in the FY 2025-26 Governor's Budget Proposal, May Revision, and State Budget Agreement impacting County programs and services.

COUNTY-WIDE ISSUES						
VLF Shortfall						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
VLF Shortfall	The proposed budget fails to include the \$114 million VLF shortfall for FY 23-24 for the County and its cities.	Failure to secure these critical funds will severely impact county public safety, social, and health services.	The May Revision fails to include the \$114 million VLF shortfall for FY 23-24 for the County and its cities.	Failure to secure these critical funds will severely impact county public safety, social, and health services.	The state budget agreement does not include the full \$114 million VLF shortfall for FY 23-24. Only \$76.5 million is included in the budget for San Mateo County and its twenty cities.	The County Executive's Office is working with the Board of Supervisors and stakeholders to determine next steps.

HEALTH SYSTEM						
Medi-Cal						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Enrollment Freeze for Full-Scope Medi-Cal Expansion, Adults 19 and Older			Includes a freeze on new enrollment to full-scope coverage for individuals with Unsatisfactory Immigration Status (UIS) aged 19 and	On January 1, 2024, the Health Coverage Unit (HCU) assisted in the transition of an estimated 16,000 Unsatisfactory Immigration Status	The final budget implements a Medi-Cal enrollment freeze for UIS individuals ages 19 and older beginning January 1, 2026. The final budget provides a three-month re-enrollment grace period for individuals who	The final budget implements an enrollment freeze for UIS county residents in Medi-Cal beginning January 1, 2026. On January 1, 2024, HCU assisted in the transition of

			<p>over, effective no sooner than January 1, 2026.</p> <p>(UIS) county residents enrolled in Access and Care for Everyone (ACE) program to Full Scope Medi-Cal. It is likely that the County now has at least 20,000 UIS county residents enrolled in Full Scope Medi-Cal due to new enrollments since that time. If there is a suspension of Medi-Cal enrollment for new UIS county residents on January 1, 2026, then County Health with HCU's lead will need to revise the ACE eligibility to allow enrollments of new UIS county residents. Moreover, HCU will need to follow up with the Kaiser Permanente Community Health Care Program (CHCP) to see if they will also make changes to their eligibility requirements since their program also provides coverage for our UIS county residents. In the past year, HCU assisted in enrolling 400+ clients in the Kaiser CHCP program.</p> <p>More specifically to San Mateo Medical Center</p>	<p>lose coverage and specifies that individuals already enrolled in the program cannot "age-out." These modifications are anticipated to result in savings of \$86.5 million in 2025-26, \$857.5 million in 2026-27, \$2 billion in 2027-28, and \$3.3 billion ongoing.</p>	<p>an estimated 16,000 UIS county residents enrolled in ACE program to Full Scope Medi-Cal. It is estimated that the County now has at least 20,000 UIS county residents enrolled in Full Scope Medi-Cal due to new enrollments since January 2024. With the suspension of Medi-Cal enrollment for new UIS county residents on January 1, 2026, County Health will need to assess the impact on the ACE program and determine whether any adjustments to program design or eligibility would be needed. The freeze on Medi-Cal enrollment for the UIS population and any changes in ACE program design or eligibility could lead to an increase in demand for ACE. That potential increase in ACE demand may be partially offset by a reluctance to enroll in government programs.</p> <p>To maximize all available resources to support health care for the UIS population, HCU is following up with the Kaiser Permanente Community Health Care Program (CHCP) to see if</p>
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				<p>(SMMC), our preliminary estimate of the proposed freeze is based on a 20 percent reduction in Medi-Cal expansion enrollment. In the event these individuals shift to ACE, annual ACE program enrollment would increase to an estimated 5,200 with a negative financial impact of ~\$4.3M.</p> <p>SMMC will continue to revise this estimate as additional information on the impact of the freeze is known.</p>		<p>they will also make changes to their eligibility requirements since their program also provides coverage for our UIS county residents. In the past year, HCU assisted in enrolling 400+ clients in the Kaiser CHCP program. In addition, HCU is clarifying if there will be a reinstatement of Restricted Medi-Cal benefits for the UIS individuals who will no longer be eligible for the Full Scope Medi-Cal benefits. The Restricted Medi-Cal benefits covered inpatient, emergency and pregnancy-related services. The ACE program does not cover pregnancy-related services.</p> <p>Lastly, the final budget provides a three-month re-enrollment grace period for UIS individuals who lose coverage and specifies that individuals already enrolled in the program cannot “age out”. HCU will work closely with county and community partners to ensure that UIS clients who are still Medi-Cal eligible but disenrolled from Medi-Cal due to avoidable reasons are</p>
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						assisted within three-month grace period.
Medi-Cal Premiums, Adults 19 and Older			Implementation of \$100 monthly premiums for individuals with Unsatisfactory Immigration Status (UIS) who will eventually qualify for federal funds and individuals enrolled in the Medi-Cal full-scope expansion aged 19 and over, effective January 1, 2027. Estimated General Fund savings are \$1.1 billion in 2026-27, increasing to \$2.1 billion by 2028-29.	<p>This new requirement will make it more difficult for our county residents to remain on Medi-Cal as these individuals make zero to little income. The annual household income limit for a single household is \$21,597 and \$29,197 for a two-person household. There are concerns that once a UIS Medi-Cal member is disenrolled for non-payment, then they can no longer re-enroll in Medi-Cal due to the UIS enrollment suspension. As a result, these individuals will likely need to be enrolled on the ACE program or Kaiser CHCP.</p> <p>According to SMC-HSA, this will have an impact on workload as premiums are not collected by counties but depending on the state process, workload will be in discontinuing cases or manually converting cases to restricted services due to non-payment of</p>	The final budget establishes a monthly Medi-Cal premium of \$30 for UIS individuals between ages 19-59, beginning July 1, 2027. This is anticipated to result in cost savings of \$30 million in 2026-27, \$250 million in 2027-28, and \$675 million ongoing.	<p>The final budget establishes \$30 monthly premiums to UIS Medi-Cal members beginning January 1, 2027. Although the \$30 monthly premium is lower than the proposed \$100 monthly premium in the May Revise, this new requirement will still make it more difficult for our county residents to remain on Medi-Cal especially since these individuals are making zero to little income. The annual household income limit for a single household is \$21,597 and \$29,197 per for a two-person household. It's also very concerning that once a UIS Medi-Cal member is disenrolled for non-payment, then they only have a three-month grace period to be re-enrolled in Medi-Cal. The County needs clarification on whether the UIS members must first make a payment for their owed monthly premium before they can pursue re-enrollment.</p>

				premiums. Impact will be on clients with UIS for services they receive related to dental, and long-term care services.		
Medi-Cal Asset Test Limits			Reinstatement of the Medi-Cal asset limit for seniors and disabled adults of \$2,000 for an individual or \$3,000 for a couple, effective no sooner than January 1, 2026. Estimated General Fund savings are \$94 million in 2025-26, \$540 million in 2026-27 and \$791 million ongoing, inclusive of IHSS impacts.	<p>This proposal aims to reinstate the Medi-Cal asset test as part of the eligibility determination for applicants and renewing members whose eligibility is not based on the Modified Adjusted Gross Income (MAGI) financial method. The asset test includes resources such as property, savings and checking accounts, and vehicles. This will primarily hit our most vulnerable population such as the elderly aged 65+ and disabled individuals. The asset test is regardless of the household income, therefore, even if the client has zero to little household income, the client might no longer be Medi-Cal eligible if the client has over \$2,000 worth of assets for a single household, or \$3,000 for a two-persons household.</p> <p>Additionally, when the asset test was still in</p>	Asset limit for individuals to \$130,000 effective January 1, 2026.	

				<p>place prior to January 1, 2024, one of the top denial reasons for new Medi-Cal applications and discontinuance reasons for renewal Medi-Cal applications was proof of assets. This rescission of this policy change will surely lead to a decrease in Medi-Cal enrollments that will include clients who are still likely Medi-Cal eligible but just failed to complete the application and renewal process by not providing the required asset documentations.</p> <p>Our local adult indigent healthcare program known as ACE does not have an asset test, therefore, county residents regardless of immigration status who do not qualify due to their assets and who are also not eligible or enrolled in Medicare can qualify for ACE if they meet the income requirement.</p> <p>Beginning January 1, 2026, Medi-Cal asset limits for seniors and disabled adults will be</p>			
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				<p>reinstated at \$2,000 for individuals and \$3,000 for couples, affecting IHSS eligibility upon annual renewal in the program.</p> <p>In San Mateo County, this policy change is also expected to impact a portion of IHSS recipients, particularly those with high Share of Cost (SOC) amounts. Due to Medi-Cal's lack of expansion codes indicating new eligibility reasons, estimates rely on cases approved after asset elimination, where high SOC's frequently signal affected individuals. Additionally, a significant percentage of impacted cases receive CFCO funding, meaning they have high care needs, including individuals requiring Protective Supervision or extensive care hours.</p> <p>In terms of living arrangements, some recipients reside with their care provider, while others live alone or with others, further complicating service continuity and care</p>			
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				<p>planning. Counties will need to navigate these challenges while ensuring compliance with the reinstated asset limits.</p> <p>Separately, SMC-HSA anticipates the reinstatement of Medi-Cal asset limits for seniors and disabled adults will increase the workload as all cases will need verification of all assets at renewal. SMC-HSA can no longer use the ex-parte process to process the renewals. This may result in a decrease in caseloads as renewals are processed, asset limits of \$2,000 per individual and \$3,000 per couple are low and HSA currently does not verify assets. Cost will increase due to mailing and processing of returned renewals. Potentially over 17K cases are impacted.</p>		
In-Home Supportive Services (IHSS)						

Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
IHSS Minimum Wage	The State Budget includes funding for the state minimum wage increase for IHSS providers. By January 2026, the wage rate will increase to \$16.90. Locally, this translates to \$21.70 per hour according to the negotiated MOU. The wage increase does not impact local costs because it is fully funded by State and Federal funds. For IHSS Administration, state funding assumes a 7% caseload growth Statewide. This assumption is lower than our recent increase of approximately 10%.	The exact amount of funding for the County is not known and will cover portion of staffing and administrative costs associated with increased caseload.	There are no proposed changes.	N/A.	No change.	No change.

IHSS Elimination of Coverage for Undocumented Adults 19 and Older			Beginning January 1, 2026, IHSS benefits for undocumented adults aged 19 and older will be eliminated.	<p>This change will particularly impact individuals requiring Protective Supervision, those with high care needs, and those who live alone without family care providers, making the transition especially challenging.</p> <p>Operationally, while these cases may represent a fraction of the total IHSS caseload, the sensitive nature of the policy shift and limited replacement care solutions will create difficulties for Social Workers and Supervisory teams. Additionally, the change may lead to a loss of IHSS Public Authority care providers, further complicating service continuity.</p>	The final budget agreement maintains IHSS benefits for undocumented adults ages 19 and older, consistent with the Legislature's agreement. Previously, the May Revision proposed to eliminate IHSS benefits for undocumented adults aged 19 or older, including a reduction of \$158.8 million General Fund (\$4.3 million General Fund in administrative funding) in FY 2025- 26 and ongoing.	None.	
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IHSS Provider Overtime and Travel Hours Cap			Beginning October 1, 2025, the May Revision institutes a 50-hour weekly cap on IHSS provider overtime and travel hours, reducing the current 66-hour limit for providers serving multiple IHSS recipients. This policy change is expected to impact provider availability and service continuity, particularly for recipients requiring extensive care.	In San Mateo County, a significant number of providers will be affected by this shift, potentially leading to service gaps and requiring adjustments in provider assignments and recipient care plans. As more data becomes available, counties will need to navigate these operational challenges, ensuring compliance with the new cap while minimizing disruptions to recipient care.	The final budget agreement maintains IHSS provider overtime at 66 hours per week and all exemptions to provider overtime rules, also consistent with the Legislature's budget. Previously, the May Revision proposed a cap on IHSS provider overtime at 50 hours per week, beginning in FY 2025-26, and included a reduction of \$707.5 million General Fund in FY 2025-26 and ongoing. The May Revision also included the removal of exemptions to provider overtime rules.	None.
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IHSS Program Conformity with Medi-Cal Coverage			<p>The May Revision seeks to align IHSS Residual program coverage with Medi-Cal eligibility timing, leading to automatic termination for IHSS recipients who do not complete their annual Medi-Cal redetermination. This policy shift is expected to affect a portion of IHSS cases, including undocumented individuals impacted by broader IHSS eliminations.</p>	<p>The number of affected cases will fluctuate based on renewal submissions, raising concerns about continuity of care, as some recipients may lose their care providers, and providers could go unpaid due to delayed Termination Notices of Action (NOAs).</p> <p>Operationally, IHSS and IHSS Public Authority (PA) staff will face increased workloads, managing recipient terminations, reinstatements, and missed payments.</p> <p>Additionally, the IHSS PA Registry may see higher demand for replacement providers, as some may leave during coverage gaps. These challenges emphasize the need for proactive planning and advocacy to minimize disruptions.</p>	<p>The final budget agreement makes no changes to the IHSS Residual program processes and maintains status quo. The Legislature's two-way budget agreement rejected the Governor's proposed automatic termination and allowed IHSS recipients to stay on the Residual program for up to six months. Previously, the May Revision proposed to conform IHSS Residual program coverage with the timing of Medi-Cal coverage, resulting in automatic termination of IHSS recipients when their Medi-Cal is discontinued due to failure to complete the annual Medi-Cal redetermination.</p>	None.
Community First Choice Option (CFCO) Late Penalties			<p>The May Revision includes an \$81 million Statewide General Fund reduction in FY 2025-26, shifting the cost burden of IHSS CFCO reassessment late penalties from the State to counties. Counties must conduct CFCO reassessments every 12 months to comply with federal funding</p>	<p>In San Mateo County, as of May 15, 2025, there are 717 overdue CFCO cases, accounting for 8% of cases—which remains within the California Department of Social Services (CDSS) compliance requirements.</p> <p>However, until the operationalization of CFCO late penalties is determined, the severity of penalties remains unclear. Currently,</p>	<p>The final budget agreement splits CFCO penalty costs 50/50 between the state and counties beginning July 1, 2025, and through FY 2025-26, and fully passes on penalties to counties beginning July 1, 2026. The final agreement also requires the state to consult with CWDA when developing guidance to implement CFCO</p>	<p>We are awaiting additional guidance from the State regarding the implementation of the CFCO late penalty and plan to include a September Revision item to secure budget authority for the anticipated costs. We are awaiting further information from the State to get more precise numbers for estimated</p>

			<p>requirements, with CFCO cases receiving a 56% federal funding match compared to 50% for other IHSS cases. This policy shift introduces financial and operational challenges, requiring counties to maintain strict reassessment timelines to avoid penalties.</p>	<p>CDSS compliance allows for under 10% overdue cases, but it is uncertain whether CDSS will maintain this threshold or impose financial penalties for any overdue case and at what rate. Additionally, 58% of San Mateo County's IHSS caseload is assigned to CFCO funding, making 100% compliance increasingly difficult under these new financial constraints.</p> <p>Furthermore, the growing number of IHSS cases, combined with the additional administrative work required to comply with anticipated changes in the May Revision, will likely necessitate additional IHSS social work staffing to minimize CFCO overdues and limit penalty exposure. Counties may need to increase personnel resources to ensure timely reassessments, maintain compliance, and mitigate financial risks associated with overdue cases. There is insufficient information at this time to measure whether there would be any adverse fiscal impact to the local budget.</p>	<p>penalties. Counties are required to perform CFCO reassessments every 12 months; when the State does not meet 100% compliance with timely reassessments, the federal government does not provide the enhanced federal funding match that normally accompanies these cases. Previously, the May Revision proposed to have counties fully cover that missing federal match, beginning July 1, 2025.</p>	<p>penalties. In the meantime, the department intends to conduct a cost-benefit analysis to evaluate whether adding staff could meaningfully reduce delays and offset associated financial impacts.</p>
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Public Health, Policy and Planning (PHPP)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Future of Public Health (FoPH)	The Governor's January budget proposal maintains the \$276.1 million ongoing Future of Public Health General Fund investment in state and local public health infrastructure and workforce, providing \$188.2 million ongoing General Fund for local health departments.	SMC Public Health will receive ongoing annual funding of \$3 million.	The Governor's May Revision does not propose changes to the ongoing \$276.1 million Future of Public Health (FoPH) General Fund investment in state and local public health workforce and infrastructure and continues to provide \$188.2 million ongoing General Fund to local health departments. Future of Public Health investments have allowed local health departments to hire more than 900 public health professionals across the State and focused on permanent positions. These are baseline investments in core public health services that are crucial to protecting the health and well-being of local communities and defending against threats of disease, including rising rates of measles, tuberculosis, and congenital syphilis, as well as to contain any new threats.	Currently, PHPP receives \$3 million annually, which funds 19 full-time permanent employees and San Mateo County Emergency Medical Services will receive ongoing annual funding of \$200k to maintain one position, the Medical Health Operational Area Coordinator.	Maintains the ongoing \$276.1 million Future of Public Health (FoPH) General Fund investment in state and local public health workforce and infrastructure and continues to provide \$188.2 million ongoing General Fund to local health departments.	SMC Public Health will receive ongoing annual funding of \$3 million.

California Microbiologist Training			The California Microbiologist Training provides training for qualified individuals to meet microbiologist certification requirements as required by the state. The Governor's May Revision proposes to pull back unspent public health workforce training funding, provided as one-time funding in the 2022 Budget Act. Up to \$1.27 million in unspent funds is proposed to be reverted to the state General Fund.	Impact to San Mateo County's Public Health Laboratory program, which received approximately \$111K in state funding, remains unknown.	The final budget act agreement maintains this rejection. As a result, prior year unspent balances will remain available for encumbrance and expenditure subject to the timeframes in the authorizing appropriation.	Impact to San Mateo County's Public Health Laboratory program, which received approximately \$111K in state funding, remains unknown.
California Lab Aspire			The California Lab Aspire program is a fellowship initiative sponsored by the California Department of Public Health (CDPH) and the California Association of Public Health Laboratory Directors (CAPHLD) designed to address the shortage of trained public health directors. Funds support training and preparation of qualified professionals to direct California Public Health Laboratories.	The San Mateo County Public Health Laboratory Program has submitted an application for these funds, which is currently under review and impact remains unknown.	The final budget act agreement maintains this rejection. As a result, prior year unspent balances will remain available for encumbrance and expenditure subject to the timeframes in the authorizing appropriation.	The San Mateo County Public Health Laboratory Program has submitted an application for these funds, which is currently under review and impact remains unknown.

			The Governor's May Revision proposes to pull back unspent public health workforce training funding, provided as one-time funding in the 2022 Budget Act. Up to \$1.7 million in unspent funds is proposed to be reverted to the state General Fund.			
Health Coverage Unit						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Provider Payments (Proposition 56 Backfill Fund Shift)	The Governor's budget reflects a decrease of \$9.684 million in the State Dental Program Account, including a decrease of \$7.723 million in state operations and \$1.961 million in local assistance, as the result of updated Proposition 56 revenue projections. These funds are used for the state dental program for the purpose of	Impact to San Mateo County's Dental Program, which is approximately \$230K per year, is unknown.	There are no proposed changes.	N/A.	No change.	No change.

	educating about, preventing, and treating dental diseases, including dental diseases caused by cigarettes and tobacco products.					
California Immunization Registry	The California Immunization Registry (CAIR) is a secure, confidential, web-based database that stores the immunization records of children and adults. The Governor's January budget proposal reflects an increase of \$5.1 million General Fund in state operations in 2025-26 for the design, development, and implementation of the California Immunization Registry 3 (CAIR3) Project.	Impact to San Mateo County's Immunization grant, which is approximately \$263K per year, is unknown.	There are no proposed changes.	N/A.	No change.	No change.

Behavioral Health and Recovery Services (BHRS)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Mental Health Realignment	<p>The Governor's budget projects 1991 Realignment state sales tax and vehicle license fees revenues to increase by approximately 3.3 percent from 2023-24 to 2024- 25 and 2.6 percent from 2024-25 to 2025-26.</p>	<p>Mental Health Realignment would equate to an increase of approximately \$798k. The Social Services portion would be used to pay a portion of the Maintenance of Effort in the In-Home Supportive Services program.</p> <p>Like the 1991 Realignment Fund, the 2011 Realignment Fund is also funded through sales tax and VLF and is expected to increase slightly for Behavioral and Health and Recovery</p>	<p>The Governor's May Revision includes updated revenue assumptions for 1991 Realignment and 2011 Realignment. While the projections for 2024-25 and 2025-26 indicate revenue growth for both Realignments, the total projected revenues in each Realignment in each year are lower than what was projected in January. This is due to lower estimates for the sales tax revenues, which is slightly balanced out by higher estimates for vehicle license fee (VLF) revenues. For 1991 Realignment, the estimates for both years indicate that there will not be sufficient growth to fully cover the social services caseload. The sales tax growth will go to caseload growth and there will only be general growth for VLF revenues.</p>	<p>2011 Realignment is projected to increase by 2.7%, which would be an estimated additional \$700k for BHRS.</p>	<p>No update yet.</p>	<p>Assume the same as May.</p>

		Services (\$701k).				
Behavioral Health Services Act Implementation			The May revise includes various positions for the Department of Health Care Services (DHCS) to continue the implementation of Prop 1, the Behavioral Health Services Act (BHSA) which re-directs Mental Health Services Act (MHSA) revenues. The request includes 126 permanent positions.	There is no change to local implementation supports of \$85 million to begin administering the BHSA. Local implementation funds will support the four approved positions in the FY 25-27 BHRS budget submission. These funds will be used from January-June 2026. Beginning in July 2026, ongoing BHSA funds will be used.	No change.	No change.
BH-CONNECT Demonstration	In December 2024, the federal government approved approximately \$8 billion (state, local, and federal funds) for the BH-CONNECT Demonstration effective January 1, 2025, through December 31, 2029. The funding will support activities and services administered by the DHCS,		Funding for the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration is maintained in the May Revise. It includes approximately \$8 billion (state, local, and federal funds) for the demonstration's operative period of January 1, 2025, through December 31, 2029. Funding is anticipated to support activities and services administered by DHCS, Department of Social Services (DSS),	BHRS will be participating in several options and this proposal confirms available funding.	No change.	No Change.

	Department of Social Services (DSS), and the Department of Health Care Access and Information. The Demonstration includes statewide and county opt-in components to expand and strengthen the behavioral health continuum for Medi-Cal members living with significant behavioral health conditions, with a focus on children and youth, individuals experiencing or at risk of homelessness, and justice-involved individuals.		and HCAI. The demonstration includes statewide and county opt-in components to expand the behavioral health continuum for Medi-Cal members living with significant behavioral health conditions and other targeted populations. Major components of the demonstration include a behavioral health workforce initiative, strengthening behavioral health delivery system infrastructure, transitional rent services for up to six months for eligible high-risk members, behavioral health care management services, and short-term mental health care in certain settings.			
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Aging and Disability Services (AAS)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Home Safe Pilot	The State Budget does not include	We expect the Home Safe fund will be	There are no proposed changes.	N/A.	The final budget agreement includes additional funding for the Home Safe program. The	We expect to receive updated allocation details from CDSS and CWDA in

	continued funding for Home Safe. AAS received approximately \$1.9 million in state funds a few years ago to address the homeless issue among the Adult Protective Services clients. As of today, the program achieved its target and served 90 clients through case management, temporary housing, relocation and/or rehabilitation.	depleted by June 30, 2025. Home Safe is not a mandated program, and we will continue to monitor whether any new funding will be provided as part of the May Revision and continue to explore options to maintain this important program.			final agreement provides \$83.8 million one-time General Fund in FY 2025-26 to continue the Home Safe program. This largely reflects the two-way agreement, with the exception that the encumbrance or expenditure deadline was extended from June 30, 2027, to June 30, 2028.	the coming months. A September Revision item will be included to reflect the estimated additional funding, pending further guidance.
Social Services Realignment	The Governor's budget projects 1991 Realignment state sales tax and vehicle license fees revenues to increase by approximately 3.3 percent from 2023-24 to 2024- 25 and 2.6 percent from	Like the 1991 Realignment Fund, the 2011 Realignment Fund is also funded through sales tax and VLF and is expected to increase slightly of Aging and	The May Revision projects lower-than-expected realignment revenues for both 1991 and 2011 realignment, reflecting broader economic uncertainty. The 1991 Realignment Social Services Account is expected to meet its base funding and experience growth in FY 2024-25 and FY 2025-26, though at a	Given the point-in-time nature of these projections, ongoing monitoring is necessary to assess future adjustments.	No change.	No change.

	2024-25 to 2025-26.	Adult Services (\$59k).	slower rate than initially projected. While realignment revenue growth is significantly lower in FY 2024-25 compared to the Governor's Budget, there is partial recovery expected by the end of FY 2025-26.			
Family Health Services (FHS)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Women, Infants, and Children (WIC) Program	The Governor's budget reflects an increase of \$31.5 million in local assistance expenditure authority, including an increase of \$9.4 million in the Federal Trust Fund, \$2.4 million in the WIC Manufacturer Rebate Fund, and \$19.7 million in the Nutrition Services and Administration grant. For 2024-25, the Governor's January budget reflects a	Impact to San Mateo County's WIC allocation, which is approximately \$2.9M per year, is unknown.	The Governor's May Revision includes total expenditures for the WIC program of \$1.2 billion in 2024-25 and \$1.3 billion in 2025-26. These figures represent a decrease of approximately \$5.6 million in local assistance expenditure authority in 2024-25 and a decrease of approximately \$20.4 million in local assistance expenditure authority in 2025-26. According to CDPH, these changes are primarily attributed to reduced inflation rates and decreased caseload participation.	Impact to San Mateo County's WIC allocation, which is approximately \$2.9M per year, remains unknown.	The final budget agreement adopts the Governor's May Revision estimate that includes total expenditures for the WIC program of \$1.2 billion in 2024-25 and \$1.3 billion in 2025-26. These figures represent a decrease of approximately \$5.6 million in local assistance expenditure authority in 2024-25 and a decrease of approximately \$20.4 million in local assistance expenditure authority in 2025-26. According to CDPH, these changes are primarily attributed to reduced inflation rates and decreased caseload participation.	Impact to San Mateo County's WIC allocation, which is approximately \$2.9M per year, remains unknown.

	decrease of \$10.2 million in local assistance expenditure authority, including a decrease of \$34.2 million in the Federal Trust Fund, an increase of \$4.3 million in the WIC Manufacturer Rebate Fund, and an increase of \$19.7 million in Nutrition Services and Administration grant. The decrease in food expenditure is based on a decrease in projected WIC participation, partially offset by a slight increase in per participant food cost.					
Title XIX for Maternal, Child, and Adolescent Health			The Governor's May Revision reflects an increase of Title XIX funding for maternal, child, and adolescent health programs within CDPH and	These funds support the Maternal, Child and Adolescent Health programs (including Healthy Families San Mateo County, Prenatal Advantage Black Infant	No change.	No change.

			implemented by local health departments. For 2025-26, Title XIX increases to \$101.5 million in federal funds based on adjusted projections from DHCS.	Health, Promoting First Relationships, and the Comprehensive Perinatal Services Program) and the California Home Visiting Program (Nurse-Family Partnership in our case). San Mateo County's Title XIX Maternal, Child and Adolescent Health, which is approximately \$6.9M per year, is reflected in the funding above and impact to SMC's allocation is unknown at this time.		
Proposition 56 State Dental Program Account			The Governor's May Revision reflects no changes in allocations in the State Dental Program Account. This includes a shift to increase \$3.4 million in state operations and a decrease of \$3.4 million in local assistance as a result of shifting unspent funds from reduced local assistance expenditures to cover state contracts and salaries. These funds are used for the state dental program for the purpose of educating about, preventing, and treating dental	No anticipated impact to San Mateo County's Oral Health Program, which received approximately \$230K per year in state funding.	No change.	No anticipated impact to San Mateo County's Oral Health Program, which received approximately \$230K per year in state funding.

			diseases, including dental diseases caused by cigarettes and tobacco products.			
Health Care Program for Children in Foster Care (HCPCFC)			The Governor's May Revision reflects no changes to the allocations for the Health Care Program for Children in Foster Care (HCPCFC). Specifically, allocations consist of \$32.7 million total funds for the Base Allocation, \$6.6 million total funds for Psychotropic Medication Monitoring & Oversight, \$15.4 million total funds for Caseload Relief, and \$23.8 million total funds for HCPCFC Admin.	No anticipated impact to San Mateo County's HCPCFC, which is approximately \$220K per year.	No change.	No anticipated impact to San Mateo County's HCPCFC, which is approximately \$220K per year.
San Mateo Medical Center						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Managed Care Organization (MCO) Tax and Prop 35	Proposition 35, approved in November 2024, permanently authorizes the State to impose a tax on managed care plans (MCO tax), and restricts use of	There is no net revenue increase to SMMC related to the rate increases implemented in 2024 because SMMC is reimbursed for these services	The Governor's May Revision reflects MCO tax revenues of \$9 billion in 2024-25, \$4.2 billion in 2025-26, and \$2.8 billion in 2026-27 to support existing and increased costs in the Medi-Cal program. This is an increase of \$1.1 billion in 2024-25 and decreases of \$200	The impact to SMMC will depend on clarification around the distribution methodology, which has not been determined yet, and whether this is net new funding. If consistent with the amounts that SMMC receives from other payment pools for	No change.	No change.

	<p>the MCO tax proceeds to Medi-Cal provider reimbursement rate increases. Proposition 35 also requires Department of Health Care Services to consult a stakeholder advisory committee to develop and implement new or modified payment methodologies. As a result, provider rate increases for primary care, maternal care, and non-specialty mental health services that were implemented prior to Prop 35 (in 2024) are reflected in the budget.</p>	<p>under the Federally Qualified Health Centers (FQHC) prospective payment system. The primary impact was a change in cash flow timing, resulting in SMMC receiving approximately \$1M in payments during fiscal year 2023-24 that would have normally been received retroactively.</p>	<p>million in 2025-26 and \$400 million in 2026-27 since January. This includes \$804 million in 2024-25, \$2.8 billion in 2025-26, and \$2.4 billion in 2026-27 for the MCO Tax and Proposition 35 expenditure plan.</p> <p>The Proposition 35 spending plan includes \$150 million in calendar year 2025 and \$150 million in calendar year 2026 for designated hospital services. The spending plan states that the purpose of these funds is to support the non-federal share of a portion of increases in existing special-funded hospital directed payments relative to CY 2024 for designated public hospital services, thereby increasing participating hospitals' net benefit under these programs.</p>	<p>designated public hospitals, the impact would be approximately \$2M.</p>		
Realignment	<p>The Governor's budget projects 1991 Realignment state sales tax and vehicle</p>	<p>The Health portion would result in an increase of \$615k, of which 80% is</p>	<p>The Governor's May Revision updates projected state sales tax and vehicle license fees for 1991 Realignment. From</p>	<p>This would increase SMMC realignment by approximately \$670K.</p> <p>The May Revise also includes updates to the</p>	<p>No change.</p>	<p>No change.</p>

	license fees revenues to increase by approximately 3.3 percent from 2023-24 to 2024- 25 and 2.6 percent from 2024-25 to 2025-26.	allocated to SMMC, pursuant to the AB85 regulations. The balance would be used to support health functions in Correctional and Public Health.	2023-24 to 2024-25, sales tax and vehicle license fees revenues are anticipated to increase by approximately 1.83 percent; from 2024-25 to 2025-26, sales tax and vehicle license fees revenues are anticipated to increase by approximately 3.36 percent.	estimated AB85 1991 Realignment Redirection from counties in 2025-26.1 The county-by-county 2025-26 redirection figures list San Mateo with a calculated redirection of \$4.8M. We anticipate that this estimated redirection will be eliminated, and no funds will be redirected after the final filing and audits. In the interim, SMMC has reserved \$4.8M.		
Prospective Payment System Payments to Federally Qualified Health Centers (FQHC) and Rural Health Clinics			The Governor proposes to eliminate Prospective Payment System (PPS) rates to FQHCs for state-only funded services. Instead of PPS, FQHCs would be reimbursed at Medi-Cal fee-for-service rate or Medi-Cal managed care negotiated rate, as applicable. Estimated General Fund savings are \$452.5 million in 2025-26 and \$1.1 billion in 2026-27 and ongoing.	This proposal would significantly reduce the number of FQHC clinic visits provided by SMMC that qualify for PPS reimbursement, reversing recent increases in reimbursement related to the Medi-Cal expansion. From fiscal year 2021-22 to fiscal year 2023-24, the number of FQHC visits qualifying for PPS reimbursement increased by 35,000, or \$24M. This increase is attributed to state general fund PPS payments for the	The final budget eliminates PPS payments to FQHCs for state-only funded services effective July 1, 2026.	This proposal would lower reimbursement for services provided to this population to approximately 25% of the existing PPS payment, reducing sources of operating revenue by an estimated \$19M. The actual impact will vary based on program disenrollment and any changes in non-PPS payments.

				Medi-Cal adult expansion to undocumented adults. SMMC's fiscal year 2025-26 recommended budget reflects continued PPS payments for this population. Based on the shift in patients from ACE to Medi-Cal after the Medi-Cal adult expansions, we estimate that the FQ visit volume reflected in the budget would be decreased by 20 percent. At an average blended PPS rate for fiscal year 2025-26 the financial impact would be approximately \$25M after offsetting Medi-Cal managed care payments.		
Elimination of Long-Term Care			The May Revise eliminates Medi-Cal coverage of long-term care benefits for undocumented adults, effective January 1, 2026. Estimated General Fund savings are \$333 million in 2025-26 and \$800 million in 2026-27 and ongoing.	Long-term care admissions for the UIS Medi-Cal expansion population at SMMMC are low. The elimination of these benefits, in conjunction with the elimination of In-Home Supportive Services (see below), could lead to increased demand for long-term care services.	The final budget maintains Medi-Cal Long-Term Care benefits for undocumented adults.	No change.

				SMC-HSA will have a workload impact to convert cases from full scope to restricted benefits. Impact is on SMC residents who do not have satisfactory immigration for Long Term Care services, they will no longer be eligible and will have to pay out of pocket or purchase private insurance for this service.		
Elimination of Dental Benefits, Adults 19 and Older			The Governor's May Revise eliminates full-scope dental coverage for the undocumented Medi-Cal expansion population, effective July 1, 2026. This population will continue to have access to restricted-scope, emergency dental coverage. Estimated General Fund savings are \$308 million in 2026-27 and \$336 million in 2028-29 and ongoing.	SMMC's fiscal year 2025-26 recommended budget reflects growth in qualifying PPS visits attributable to the full-scope Medi-Cal adult expansion, which includes dental visits. Elimination of the dental benefit will reduce SMMC's fiscal year 2026-27 projected revenue by \$2 to \$3 million. Also important to note is that the ACE program does not cover non-emergency dental visits. This means neither ACE	The final budget eliminates full-scope dental coverage for the undocumented population, no sooner than July 1, 2026.	Elimination of the dental benefit is estimated to reduce operating revenue by \$2 million. Also important to note is that the ACE program does not cover non-emergency dental visits. This means neither ACE participants nor the remaining Medi-Cal full-scope expansion population will have access to non-emergency dental coverage.

				<p>participants nor the remaining Medi-Cal full-scope expansion population will have access to non-emergency dental coverage.</p> <p>SMC-HSA will have a workload impact to convert cases from full scope to restricted benefits. Impact is on SMC residents who do not have satisfactory immigration for dental services, they will no longer be eligible and will have to pay out of pocket or purchase private insurance for this service.</p>			
Specialty Drug Coverage for Weight Loss			Elimination of coverage for Glucagon-Like Peptide-1 (GLP-1) drugs for weight loss effective January 1, 2026. Estimated General Fund savings are \$85 million in 2025-26, growing to \$680 million by 2028-29 and ongoing.	SMMC's pharmacy fills GLP-1 prescriptions. If coverage is eliminated, prescriptions would be available based on SMMC's financial assistance policy for patients who elect to continue filling prescriptions.	No change.	No change.	
Proposition 56 Supplemental Payments			Elimination of approximately \$504 million in 2025-26 and \$550 million ongoing for Proposition 56 supplemental	There is no expected impact to because SMMC is reimbursed for these services under the FQHC prospective payment system.	The final budget rejects the elimination of \$172 million in Proposition 56 payments for family planning and women's health services, and delays cuts to dental supplemental	No change.	

			payments to dental, family planning, and women's health providers.		payments and benefits for undocumented individuals until July 1, 2026.	
Skilled Nursing Facilities			The May Revision proposes the elimination of the Workforce and Quality Incentive Program and suspension of the requirement to maintain a backup power system for no fewer than 96 hours, resulting in General Fund savings of \$168.2 million in 2025-26 and \$140 million ongoing.	This provision applies to free-standing Skilled Nursing Facilities and does not impact SMMC.	No change.	No change.
Elimination of Adult Acupuncture			The May Revision proposes to eliminate the optional adult acupuncture benefit in Medi-Cal, with estimated reduced General Fund cost of \$5.4 million in 2024-25 and \$13.1 million ongoing. This proposal limits patient choice, which may shift care to more expensive options like prescription drugs or emergency care.	SMMC added acupuncture as a clinic service in 2022. The FY 25-26 budget reflects annual volume of 200 acupuncture visits. Elimination of Medi-Cal coverage would eliminate PPS reimbursement, resulting in a negative financial impact of \$100,000.	The final budget amendment removes the elimination of the optional adult acupuncture benefit.	N/A.

HUMAN SERVICES AGENCY (SMC-HSA)						
Realignment						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact

1991 & 2011 Realignment	<p>Revenue projections for both the 1991 and 2011 Realignments, with expected growth in revenue for each in 2024-25 and 2025-26. For the 1991 Realignment, sales tax growth in 2024-25 will be allocated to caseload growth, while Vehicle License Fee (VLF) revenues will experience general growth.</p> <p>Sales tax revenues in 2023-24 were slightly below expectations, but 2024-25 projections show a 2.28% increase over 2023-24 actuals, with further growth of 2.58% projected for 2025-26. VLF revenues also fell slightly short of projections in 2023-24 but are expected to rise by 3.39% in 2024-25 and 2.66% in 2025-26. Growth funding is expected for both 2024-25 and 2025-26, although VLF</p>	<p>SMC-HSA anticipates an estimated increase of \$3 million in Realignment revenues for FY 2025-26 compared to FY 2024-25, with the increase dedicated to supporting human services programs.</p>	<p>The May Revision projects 1991 and 2011 realignment revenues to be lower than initially estimated in the Governor's Budget. Though growth in FY 2025-26 is expected to recover and exceed earlier estimates, cumulative growth across both years remains below prior forecasts.</p> <p>1991 realignment sales tax revenues are revised down by 1.85% in FY 2024-25 and 1.31% in FY 2025-26, compared to the Governor's Budget estimates of 2.28% and 2.58%. Vehicle license fee (VLF) revenue for 1991 realignment is now expected to grow by 1.03% in FY 2024-25 and 2.10% in FY 2025-26, down from the Governor's Budget projections of 3.39% and 2.66%.</p>	<p>SMC-HSA anticipates an estimated decrease of \$1 million in Realignment revenues for FY 2025-26 compared to the January Budget. However, when compared to FY 2024-25, overall Realignment funding is projected to increase by approximately \$2 million, with the additional funding dedicated to supporting human services programs.</p>	<p>The FY25-26 budget is largely unchanged from the May Revision. FY24-25 revenue from State tax receipts, is \$1 billion greater than May Revision estimates.</p>	<p>SMC-HSA anticipates increased Realignment funding compared to the May Revision; however, final details are still pending, and we will continue to monitor for any impacts to Realignment.</p>
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	<p>funding in the Social Services Subaccount will remain flat through 2024-25 due to the lack of General Growth funding for that subaccount.</p>		<p>2011 realignment sales tax are revised down by 2.12% for FY 2024-25 and 1.67% for FY 2025-26 relative to the Governor's Budget, which projected growth of 3.37% and 2.90%. Even with these reductions, 2011 realignment sales tax revenues still show positive growth of 1.21% in FY 2024-25 and 3.37% in FY 2025-26, resulting in funding increases of \$29.1 million and \$32.3 million in FY 2024-25 and \$94.1 million and \$104.6 million in FY 2025-26 for the Protective Services and Behavioral Health subaccounts.</p>			
Medi-Cal						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Administration	The budget allocates \$2.37 billion (approximately \$1.19 billion GF) in	SMC-HSA's FY2025-26 allocation is expected to remain at its current level of \$52 million.	The budget allocates \$2.34 billion (approximately \$1.19 billion GF).	SMC-HSA's FY2025-26 allocation is expected to remain at its current level of \$52 million.	There are no proposed changes.	SMC-HSA's FY2025-26 allocation is expected to remain at its current level of \$52 million.

	county administrative funding for FY 2025-26. Consistent with the 2024 Budget Act, the Governor's Budget maintains a freeze on the COLA for county Medi-Cal Administration from 2025-26 through 2027-28, resulting in no change in funding from FY 2024-25 to FY 2025-26.		Consistent with the 2024 Budget Act, the Governor's Budget maintains a freeze on the COLA for county Medi-Cal Administration from 2025-26 through 2027-28.			
Medi-Cal Unwinding Flexibilities	Proposes ending Continuous Coverage Unwinding flexibilities on June 30, 2025, which were introduced to reduce Medi-Cal coverage loss after the pandemic pause. Key changes include the termination of the Zero Income, 100% federal poverty level, and stable income waivers. These changes are expected to lead to increased discontinuances in FY 2025-26. The budget also includes an additional \$3	SMC-HSA anticipates that the ending of these flexibilities will significantly increase workload, particularly decreasing the renewal ex-parte approval rate. Workload and cost increases will be substantial due to the mailing and processing of returned renewals.	There was no change to the proposal ending Continuous Coverage Unwinding flexibilities on June 30, 2025.	SMC-HSA anticipates that the ending of these flexibilities will significantly increase workload, particularly decreasing the renewal ex-parte approval rate. Workload and cost increases will be substantial due to the mailing and processing of returned renewals.	The final budget agreement retains the Enrollment Freeze for undocumented individuals ages 19 years and older, effective 1/1/2026. However, they will be eligible to re-enroll in full-scope Medi-Cal if within three months of disenrollment. The final Budget also reinstates the Medi-Cal Asset Limit, setting it at \$130,000 for individuals and \$195,000 for couples, rather than the previously proposed \$2,000 per individual and \$3,000 per couple from the May Revise. The elimination of dental benefits for adults with	HSA projects no change from our May Revise estimate.

	<p>billion in costs for FY 2024-25 due to continued redetermination flexibilities. While Medi-Cal caseload may decline in 2025-26, average costs per enrollee are projected to rise, with uncertainties around future federal policy changes.</p>				<p>unsatisfactory immigration status will be implemented as of 7/1/2026.</p>	
California Work Opportunity and Responsibility to Kids (CalWORKs)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Single Allocation	<p>The Single Allocation offers funding for multiple program components, allowing flexibility to shift funds between Eligibility, Employment Services, Cal-Learn, and Cal-OAR. The FY 2025-26 total Single Allocation is proposed at \$1.6 billion total funds. This reflects a decrease of \$44.5 million total funds compared to the 2024-25 budget primarily due to a lower projected</p>	<p>SMC-HSA estimates a decrease of \$0.4 million in its FY 2025-26 allocation, primarily due to a reduction in Employment Services.</p>	<p>The May Revise includes an increase of \$6 million compared to the January Governor's Budget.</p>	<p>HSA projects an \$89k increase from our January Proposed budget.</p>	<p>There are no significant adjustments or reductions to CalWORKs and the Single Allocation is expected to remain the same.</p>	<p>HSA projects no change from our May Revise estimate.</p>

	Employment Services caseload.					
Expanded Subsidized Employment (ESE)	This program supports community employment for CalWORKs clients and primarily funds our Vocational Rehabilitation Services (VRS) program that provides real-life training for our clients. The Governor's Budget proposes a full restoration of \$134.1 million for ESE in FY 2025-26, with this funding level continuing annually.	SMC-HSA's estimated increase from this restoration is \$130k.	There are no proposed changes.	HSA projects no change from our January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Family Stabilization	This program provides intensive case management to help stabilize families, allowing them to focus on education or employment activities. The Governor's Budget proposes \$62.5 million for the CalWORKs Family Stabilization program in FY 2025-26, reflecting an \$8.6 million decrease due to a	SMC-HSA estimates a reduction of \$39,000 in funding as a result. Future expenditures will need to be absorbed by other components of the CalWORKs Single Allocation.	There are no proposed changes.	HSA projects no change from our January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

	lower projected caseload.					
Home Visiting Program (HVP)	This program supports pregnant and new parents in successfully transitioning to parenthood. The Governor's Budget proposes a \$25.0 million reduction in funding for the CalWORKs Home Visiting Program in FY 2025-26, maintaining funding at \$74.3 million. Full restoration of funding is expected to begin in FY 2026-27.	SMC-HSA estimates a decrease of \$26,000 in its FY 2025-26 allocation.	There are no proposed changes.	HSA projects no change from our January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Housing Support Program (HSP)	This program offers rapid rehousing for the CalWORKs client population, with the Governor's Budget maintaining annual ongoing funding of \$95 million in FY 2025-26.	SMC-HSA's FY 2024-25 allocation will remain at its current level of \$2.3 million.	There are no proposed changes.	HSA projects no change from our January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Eligibility	Covered under the Single Allocation section above.	SMC-HSA estimates that Eligibility's share of the Single Allocation will remain flat from FY2024-25 as the majority of a reduction will impact Employment Services.	There are no proposed changes.	HSA projects a \$138k increase from its January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

CalWORKs Policy Proposal: Welfare-to-Work (WTW)			The May Revision includes a CALWORKS Policy Proposal to expand Welfare-to-Work activities such as case plan development, WTW plan revisions and caseworker coaching.	SMC-HSA does not expect any impact on the budget. Anticipated workload increase if the policy is implemented.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
CalWORKs Policy Proposal: Eliminate WTW Data Reporting Requirements			The May Revision includes a CALWORKS Policy Proposal to eliminate WTW data reporting requirements - CalWORKs Research and Development Enterprise and Project E2Lite system and replace with administrative data extracts.	It is unclear whether administrative data extracts can effectively replace E2Lite, creating potential challenges in assessing work requirements and tracking participation.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

CalWORKs TANF Work Participation Penalty Resolution			The May Revision includes a General Fund allocation to cover the state's penalty for not meeting a federal requirement for the program.	There is no current impact to SMC-HSA, as the state is paying the penalty. However, if the county share shifts in the future, there may be an impact. SMC-HSA is not currently meeting work participation requirements.	CDWA is projecting that some portion of the state-wide \$21.1M penalty will be passed on to the counties.	SMC-HSA anticipates increased county share tied to the penalty compared to the May Revision; however, final details are still pending, and the Department will continue to monitor for any impacts.
CalWORKs Employment Services	Covered under the Single Allocation section above.	HSA estimates a year-over-year decrease of \$400K in its FY 2025-26 allocation, primarily impacting the Single Allocation funding for Employment Services.	The May Revised Budget projects a 4.5% higher Employment Services Caseload and a 0.65% decrease in funding over the January projection.	HSA projects a \$48k decrease from its January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Mental Health and Substance Abuse	Not specifically addressed in the Governor's Budget.	HSA anticipates no change to current funding.	There are no proposed changes.	HSA anticipates no change to current funding.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
CalWORKs – Direct to Client Benefits						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Maximum Aid Payments (MAP)	The Governor's budget proposal includes a 0.2% increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2025.	This increase is a direct-to-client benefit funded through the 1991 Realignment allocation and does not impact SMC-HAS's budget. San Mateo County offers a COLA for General Assistance (GA) client aid payments, matching the CalWORKs increase. The estimated net impact	The January proposal for a 0.2% increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2025, is no longer included.	Clients will continue to receive the same amount in benefits as in FY2024-25. SMC-HSA does not expect any impact on the budget.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

		of a 0.2% increase in GA aid payments is a \$10,000 annual rise in Net County Cost.				
Cash Assistance Program for Immigrants (CAPI)			The average Base CAPI monthly grant amount is \$1,095.53 for FY 2025-26 and the average Extended CAPI monthly grant amount is \$1,1127.95 in FY 2025-26.	SMC-HSA does not expect any impact on the budget. This direct to client benefit is 100% State funded.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Child Care						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Stage 1 & 2 Childcare	Not specifically addressed in the Governor's Budget.	HSA anticipates no change to current funding.	The May revision increases projected costs for FY 2024-25 to \$610.3 million and for FY2025-26 to \$617.8 million. The higher costs are associated with the higher projected caseload for FY2024-25 and higher cost per case for FY2025-26.	SMC-HSA does not expect any impact on the budget. Funding for this program is open-ended entitlement where SMC-HSA can claim both services and administration cost.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
CalFresh						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Administration	The proposed budget includes a \$15.1 million increase in CalFresh county administrative	SMC-HSA's estimated impact is \$200k.	The May Revision includes a total \$44.3 million increase in CalFresh county administrative	SMC-HSA estimates a \$388K increase in State General Fund support compared to the January estimate.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

	funding for FY 2025-26, primarily due to a rise in activities related to applications.		funding for FY 2025-26 compared to the FY 2024-25 allocation. This reflects an increase of \$29.2 million over the January proposal, which had included a \$15.1 million increase. For FY 2025-26, a total of \$2.2 billion in funding is available, including \$918 million from the State General Fund.			
Caseloads	Caseloads are projected to increase by 3.2 percent from FY 2024-25 to FY 2025-26.		Caseloads are projected to increase by 3.4 percent from FY 2024-25 to FY 2025-26.	Current caseload is 22,730 for SMC-HSA and projected to increase to 23,502 based on the 3.4% increase for FY25-26.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
California Food Assistance Program (CFAP)			CFAP is a state funded program that provides benefits equivalent to CalFresh to qualified immigrants who are not eligible for CalFresh. CFAP expansion for adults 55 and over, regardless of immigration status, would be subject to a trigger-on, based	No current impact to operations or clients. This is a future initiative effective 2027. If this is approved, we will see an increase in applications and caseload.	The final budget agreement maintains that CFAP expansion will be implemented 10/1/2027.	Applications and caseloads will increase once implemented in FY2027-28

			on availability of General Fund in Spring of 2027.			
Benefit Theft Administration Funding Reimbursement	The January Proposed budget includes \$11.4 million for Benefit Theft Administration Funding Reimbursement.		The May Revision provides a \$2.1 million increase over the January Proposed Budget, with \$13.5 million in separate administrative funding for reimbursement of food benefit theft.	SMC-HSA projects a \$45k increase from its January Proposed.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Summer EBT			The May Revision includes \$115.8 million for the \$120 per child in federally funded food benefits.	There is no estimated impact for SMC-HSA, as it is a direct benefit and HSA does not directly manage this program.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
Children and Family Services (CFS)						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Bringing Families Home (BFH)			The BFH program provides housing support to families receiving child welfare services who are experiencing or at risk of homelessness, thereby increasing family reunification and preventing foster care placement. The May Revise remains without ongoing funding as	SMC-HSA currently has a total of \$1.2 million in available funding, which is currently allocated to BFH contracts. With these contracts in place, SMC-HSA is expected to fully utilize the allocated funds by the end of the grant period.	The final budget agreement provides \$81 million one-time General Fund to restore funding in FY 2025-26, with a three-year encumbrance.	SMC-HSA does not anticipate any financial impact, as the funding level remains unchanged under the current budget agreement.

			identified in the Governor's January Budget.			
Emergency Child Care Bridge (ECCB)	FY 2025-26 fully funds the ECCB program, including \$57.8 million (\$57.8 million GF) for the voucher component, \$24.5 million (\$18.0 million GF) for county administration, \$10.0 million GF for navigation, and \$8.0 million for training. Additionally, \$3.8 million in Proposition 64 funds is allocated for vouchers in FY 2025-26.	SMC-HSA estimates an increase of \$8,000 tied to the additional voucher funding.	The May Revision proposes a reduction of \$42.7 million General Fund in 2025-26 and ongoing. The proposal maintains \$51 million in annual ongoing funding for the Emergency Child Care Bridge program resulting in a 44% decrease.	SMC-HSA estimates a decrease of \$49k in its FY 2025-26 allocation.	Budget reduction of \$30 million in General Fund. Of the \$30 million, \$23 million is reduced from the vouchers portion and \$7 million is reduced from administration.	SMC-HSA estimates its FY 2025-26 allocation to be approximately \$68,000 lower based on its current share.
Continuum of Care Reform (CCR)	This funding is used to support the implementation of CCR activities/premises. The main goals of the CCR are to further improve California's child welfare system and its outcomes by reducing the use of congregate care placement settings, increasing the use of home-based family care, and decreasing the length of time to		There are no proposed changes.	SMC-HSA allocation for FY 2025-26 is yet to be determined.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

	achieve permanency. The Governor's Budget provides a total of \$579.4 million (\$376.2 million GF) to continue implementation of CCR.					
Family Urgent Response System (FURS)	The Governor's Budget continues funding of \$30.0 million GF in FY 2025-26. FURS provides 24/7 conflict resolution, de-escalation, and in-person response to current and former foster children and their caregivers to preserve families via a state-level hotline and a county-based mobile response team.	No foreseeable impact to HSA.	Reduction of \$13 million General Fund in 2025-26 and ongoing. The proposal maintains \$17 million ongoing General Fund for the System.	SMC-HSA projects a \$167k decrease from its January estimate. Although the allocation was given to the Child Welfare Department's (CWDs), the CWDs are required to coordinate with probation and BHRS for the mobile response team. Currently, HSA has an MOU with BHRS where the FURS allocation is passed through to BHRS to support the county-mobile response system. This MOU has been extended to June 30, 2026.	The General Fund reduction for FY25-26 and ongoing will be smaller than initially expected, with a total ongoing decrease of \$9 million. The proposal maintains \$22 million in ongoing funding for the program.	SMC-HSA estimates its FY 2025-26 allocation to be approximately \$80,000 lower based on its current share.
Flexible Family Supports			Flexible Family Supports and Home-Based Foster Care funding is intended to increase the use of home-based family care and provide increased support to children and youth to	SMC-HSA received a \$97k allocation.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

			maintain these connections. The May revision extends the availability of Flexible Family Supports for Home-Based Care (\$50M) from June 30, 2025, to June 30, 2026.			
Tiered Rate Structure (TRS)	In the 2024 Budget Act, the Legislature and Governor approved implementation of a new, permanent rate structure for children and youth in foster care. This rate structure will be informed by the child's individual needs and strengths, as identified by the Child and Adolescent Needs and Strengths (CANS) assessment tool, and not tied to the child's placement. The Governor's Budget provides a total of \$5.1 million (\$2.5 million GF) in FY 2024-25 and \$17.2 million (\$12.0 million GF) in FY 2025-26		The May revision provides updated estimates for implementation of the Tiered Rate Structure and provides trailer bill language to subject TRS to a trigger-based availability of state funding TBD Spring 2027. No change to funding.	Tiered Rate Structure will change foster care maintenance payment structure all together. The rate will follow the child as opposed to the rate being associated to a placement type. The impact on SMC is to be determined contingent on SW assessment of needs.	Availability of state funding will no longer be trigger-based. The updated estimates for implementation are still in place.	SMC-HSA will need to project out and see TRS's impact to the short-term residential treatment programs (STRTP) and foster family agencies (FFA). Rate changes will affect revenue.

	to begin implementation and support county administrative activities associated with the new Tiered Rate Structure, which implements on July 1, 2027.					
Family First Prevention Services Act (FFPSA)	<p>FFPSA (PL 115-123) which passed in February 2018 is the first legislative action that permits the use of Title IV-E funding for preventive services. These services are designed to keep children at home with their families to prevent entry into foster care.</p> <p>Part 1 Prevention: The Governor's Budget continues to reflect \$222.4 million GF.</p> <p>Part IV: The Governor's Budget proposes a total of \$50.1 million (\$25.7 million GF and \$19.6 million county funds) for administration activities to meet FFPSA</p>		The May Revision continues funding for Part IV; however, a decrease of \$5.2M or 10% to \$44.9 million (\$23.3 million GF and \$17.2 million county funds) is proposed for FY25-26 due to an overall decline in projected foster care caseloads.	SMC-HSA received a state block allocation of \$2 million. These funds must be expended by June 30, 2028. HSA anticipates spending the entire allocation.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

	requirements under Part IV of the law.					
Housing and Homelessness						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Housing Disability Advocacy Program (HDAP)	The Budget continues its ongoing annual appropriation of \$25 million of General Funds for HDAP, which San Mateo County HSA uses to support rapid rehousing services.	No expected changes in funding.	In the May Revision, funding increases from \$25 million to \$37.5 million. Details of how this increase will be distributed are not included.	If the increased amount is distributed similarly to the January 2025 proposed budget, SMC-HSA's FY 2025-26 allocation is estimated at \$357k, reflecting an increase of \$119k from the current year's award of \$238k.	The adopted budget includes \$44.6M in one-time funds in addition to the \$25M and extends the expenditure deadline by one year to June 2028. Details of how the increase will be distributed are not included.	SMC will continue to receive the same amount of HDAP funds as in the past of \$238,150. SMC may receive a significant one-time increase as well. If the increased amount is distributed similarly to the yearly distribution, SMC would receive an additional \$424,860. The additional amount is compatible with the County's current use for rapid rehousing.
Homeless Housing, Assistance Prevention (HHAP) Program	There is no new HHAP funding for FY 2025-26. However, the Administration is open to collaborating with the Legislature on additional funding to sustain progress, with an emphasis on incorporating stronger accountability measures. San Mateo County HSA has received a total of \$14.1 million for HHAP rounds 1-4 and \$5.2 million for		There is no new HHAP funding information for FY2025-26. We are waiting for more details regarding future rounds of HHAP to be released. SMC-HSA has received an allocation of \$5.03 million for HHAP-6 for FY2025-26 that can be expended through June 2029. We have received a total of \$19.3 million from HHAP rounds 1-5. These	No expected changes in funding in FY2025-26. There would be a gap in interim housing operations and outreach funding going forward after funding ends. Preserving HHAP funding long-term will require strong, coordinated advocacy efforts moving forward.	The adopted budget includes \$500M for future round of HHAP funding (HHAP7) for FY26-27. Trailer Bill language anticipates future legislation with new requirements.	The addition of future HHAP rounds in the adopted budget means that HHAP funding for housing system activities will continue to be available into FY 2026-27.

	HH-AP-5. These funds have been crucial in supporting contracts for homeless programs and shelter operations in the community.		funds have been crucial in supporting contracts for homeless programs and shelter operations in the community.			
Low Income Housing Tax Credits					Allocates \$500M to the Low-Income Housing Tax Credits program. Initial 2025 budget proposal did not include funding for the Low-Income Housing Tax credit program. However, advocates requested \$1B for the program in this budget so the allocated amount falls short of this request.	San Mateo County has a number of affordable housing projects in the pipeline that can benefit for the funding if selected.
Multi-Family Housing Program					Allocates \$120M to the Multi-Family Housing Program. Initial 2025 budget proposal did not include funding the program. However, advocates requested \$400M for the program so the allocated amount falls short of this request.	San Mateo County has a number of affordable housing projects in the pipeline that can benefit for the funding if selected.
Encampment Resolution Fund					The budget agreement includes \$100M for grants to local governments to address encampments and help residents transition into	

					permanent housing. \$50M of the funds are reserved projects in the state rights of way.	
Automation						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
CWS-CARES	Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) is the new system being developed for the State of California. CWS-CARES will consolidate functionalities that are in various systems into a single system and include multiple interfaces with other applications, thus providing Child Welfare workers with critical case information more efficiently. For CWS-CARES automation, the Governor's Budget provides \$5.1 million (\$2.5 million GF) in FY 2024-25 and \$9.4 million (\$4.7 million GF) in FY 2025-26.		There are no proposed changes.	SMC-HSA received a \$249k FY 2024-25 allocation.	There are no proposed changes.	HSA projects no change from our May Revise estimate.

Electronic Benefits Transfer (EBT) Security			The May Revision includes increases in funding for reimbursement of benefit theft, with \$119.1 million for cash theft and \$55.8 million for food theft.	As of 5/20/2025, the current YTD reimbursement stands at \$138K for CalWORKS and \$1K for Refugee Cash Assistance.	There are no proposed changes.	HSA projects no change from our May Revise estimate.
CalSAWS			CalSAWS is the case management system for county eligibility staff that provides CalWORKs, CalFresh, Medi-Cal, Foster Care, Refugee Assistance, County Medical Services Program, and General Assistance/General Relief to children, families, and individuals in all 58 California counties. The May Revision includes \$401 million for FY 2025-26. There is no change in anticipated funding from the January Proposed Budget.	SMC-HSA allocation for FY 2025-26 has not yet been determined.	Funding approved for necessary automation costs to support the policy changes included in the budget.	SMC-HSA allocation for FY 2025-26 has not yet been determined.

PUBLIC SAFETY						
Probation						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
AB 109 Base Funding	Proposed slight increase in funding.	Proposed slight increase in funding.				
Pretrial Program Funding			Pretrial services provide information to judicial officers to assist in pretrial release decision making and/or to assist a person accused with any conditions of release. A reversion of \$20 million General Fund from 2024-25 associated with savings related to the Judicial Branch's pretrial services and a reduction of \$20 million ongoing General Fund beginning in 2025-26. The budget maintains \$50 million General Fund in 2025-26 and ongoing for the Pretrial Release program, consistent with the current level of expenditure for the program.	The department is currently receiving \$740K allocated from the courts.	According to the CPOC analysis, the final agreement restores \$15 million in one-time cuts from the May Revision for 2025-26 which could be available for expenditure and encumbrance through June 30, 2026. We do not know how the Judicial Council will budget for the \$5 million in cuts as it must go through their committees, but one likely scenario they could consider is to make cuts as a percentage across all allocations. Will continue to monitor.	TBD/Unknown.
Prop 36 Implementation			The May Revision proposes no funding to support implementation of the November 2024 voter approved initiative that amended penalties for specified drug and	TBD/Unknown.	Includes \$100 million one-time for the implementation of Proposition 36, including \$50 million for behavioral health, \$20 million for the	No impact to Sheriff's Office.

			theft crimes and created a new treatment-mandated felony, among other provisions.		courts, and \$15 million each for pretrial services and for public defenders.	
Sheriff's Office						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
DOJ DNA ID Fund Backfill	To address a projected cash flow shortage in the DNA ID Fund beginning in 2026-27, the Budget proposes to make the backfill and ongoing adjustment with \$37 million general fund in 2026-27 (\$36 million in 2027-28 and \$35 million in 2028-29). Previously, the 2023 Budget Act provided a three year backfill through 2025-26. Extending this backfill funding likely will prevent a significant funding loss but will not provide any net new revenue to the Sheriff's Office.	Unknown.	There are no proposed changes.	N/A.	N/A.	N/A.

Cal-Aim Justice-Involved Initiative – Program Support			CalAIM justice-involved initiatives support justice-involved individuals by providing key services pre-release, enrolling them in Medi-Cal coverage, and connecting them with behavioral health, social services, and other providers that can support their re-entry. \$21.5 million in FY 2025-26 and \$11 million ongoing in increased reimbursement authority will enable the state to draw down federal reimbursements for certain health-related services provided to incarcerated individuals prior to their release.	The Sheriff's Office receives Cal-AIM grant funding yearly (\$1M in FY 2024-25) to support implementation of statewide Cal-AIM justice-involved initiatives. May have minor impacts on FY 2025-26 grant funding.	N/A.	N/A.	
Peace Officer Training Reduction	From May 2024 Revision, \$22.6 million ongoing reduction to reduce annual training for correctional officers from 48 hours to 40 hours and discontinue use of the California Reality Based Training Center.	Could reduce Sheriff's Office training reimbursement revenue.	There are no proposed changes.	N/A.	N/A.	N/A.	

District Attorney						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Victims Services			Under "Public Safety" "Proposition 47 Savings", pg 55, there is an additional \$3.2 million General Fund savings for Prop 47 resulting in a total general fund savings of \$91.5M for FY2025-26. It indicates that 10% of the \$91.5M will be allocated for grants for victim services.	The District Attorney's Office receives a Victim/Witness Assistance grant from the California Governor's Office of Emergency Services in the amount of \$479,353. We are unsure if we will be allocated an additional 10% or any amount at all.		

OFFICE OF SUSTAINABILITY						
Climate Protection						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Energy Affordability	While the budget overview merchant energy affordability, no specific budget actions are outlined. This could potentially impact funding for CPUC-funded programs like San Mateo County Energy Watch, RICAPS, BayREN.	Unknown.	Extends the CA Climate Credit (twice yearly credit to ratepayers) to help reduce utility bills.	This would benefit SMC residents and businesses.	No change.	No change.

K-12 Teaching Infrastructure and Training			The May Revision proposes \$15 million one-time Proposition 98 General Fund for a county office of education to administer a pilot program to redesign middle and high schools to better serve the needs of all students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.	Potential partnership opportunity with this program to access design resources from the California Energy Design Assistance program, to make remodeled schools more energy efficient and eliminate fossil fuels.	The budget maintains the suspended Proposition 98 level of \$98.5 billion in 2023-24.	Same benefit mentioned before for SMC.
Cap and Trade Program			The May Revision proposes an extension of the Cap-and-Trade program, renaming it the Cap-and-Invest program. It will continue the California Climate Credit, resulting in approximately \$60 billion available for utility bill credits to California residents over the duration of the extension.	May support current programs overseen by Department of Sustainability.	This version approves the Governor's proposal to revert a total of \$315.8 million General Fund from previous Climate-Energy Package appropriations, which funds renewable energy development, offshore wind, energy storage, and other initiatives. Less funding from the General Fund will mean more dependency on Cap and Trade and IRA, but IRA is now at risk.	No direct impact to our department's programs, but SMC constituents will have restricted access to incentives and programs to support energy projects.
Housing Affordability					Budget trailer bills included: 1. Negotiated components of AB 306 (Rivas/Schulz), which limits modifications to specified building standards and codes,	1. Prevents the County from adopting future reach codes for residential buildings, which negatively impacts progress on C

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					from October 2025 through June 2031. 2. Creation of a vehicle miles traveled (VMT) mitigation bank to facilitate mitigation through the funding of VMT-efficient affordable housing and related infrastructure projects.	2. Relates directly to the Housing Department but will eventually benefit progress on the CCAP by reducing community transportation emissions.
Transit					This budget: 1. Rejects the Governor's proposal to cut \$1.1 billion to transit programs. 2. Provides up to \$750 million in emergency loans to Bay Area transit agencies to address short-term fiscal challenges.	1. If transit funding had been cut, it would have had a negative impact on GHG emissions for CCAP implementation. 2. This is beneficial for CCAP implementation.
Climate Resilience						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Water Quality and Safe Drinking Water and Tribal Water Infrastructure	\$183.2 million for grants and loans that improve water quality and help provide clean, safe, reliable drinking water, such as water quality monitoring and remediation of perfluoroalkyl and polyfluoroalkyl substances, implementation of countywide	This funding could support SMC in meeting increased state-mandated stormwater quality monitoring requirements, including trash reduction and a new water quality monitoring program	There are no proposed changes.	N/A.	No change.	No change.

	drought and water shortage contingency plans, prevention and treatment of contaminated groundwater, consolidation or extension of water or wastewater systems, and \$11.1 million dedicated to tribal water infrastructure projects.	<p>anticipated for Coyote Point Beach by late 2025.</p> <p>Partners in the Planning & Building Dept are working toward establishing a Countywide Drought Taskforce. Funding is essential to support ongoing coordination and updates to contingency plans for this long-term state-mandated initiative.</p>					
Coastal Resilience and Sea Level Rise (SLR)	Coastal Resilience—\$30.8 million for projects to protect coastal lands, public access facilities, and habitats, as well as an additional \$20 million for projects that address sea level rise, flood	As part of the BOS SLR Policy for County Owned Assets, capital improvement projects may require short-term mitigation AND long-term adaptation plans. This funding could assist	There are no proposed changes.		No change.	No change.	

	management, and wetland restoration, consistent with the San Francisco Bay Restoration Authority Act or the San Francisco Bay Area Conservancy Program. Sea Level Rise Mitigation and Adaptation—\$20.3 million for planning and implementation of projects that help communities prepare for impacts of sea level rise and coastal flooding, and \$7.5 million for grants to increase resilience of coastal ecosystems and protect marine wildlife.	Sustainability, Public Works, or Planning in developing project-specific adaptation plans or implementing improvements that enhance community resilience.					
Wildfire Preparedness					The budget approves \$12,500,000 in General Fund one-time for community home hardening oversight and wildfire risk mitigation	It's possible that SMC residents may be able to access funding.	

					efforts, including measuring risk for communities and individual residential property owners.	
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PUBLIC WORKS						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
Active Transportation Program (ATP)	\$1.1 billion for Active Transportation Program projects, the Reconnecting Communities Highways to Boulevards Pilot program, and climate adaptation projects to advance equity and health outcomes.	The County and SMC jurisdictions may be able to apply for grants for projects.	There are no proposed changes.	The County and SMC jurisdictions may be able to apply for grants for projects.	The final agreement includes \$100 million for the ATP.	The County and SMC jurisdictions may be able to apply for grants for projects.
Transit and Intercity Rail Capital Program (TIRCP)	\$7.7 billion for high-priority transit and rail infrastructure projects that will improve rail and transit connectivity between state and local/regional services that are designed to	Transit agencies serving SMC may be able to access funding.	There are no proposed changes.	Transit agencies serving SMC may be able to access funding.		

	provide options to opt-out of traffic congestion and reduce greenhouse gas emissions. A portion of these funds can also be used to support transit operations.					
Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)					This revision provides \$132.2 million in 2025-26 for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) at the California Air Resources Board.	Fleet owners and operators in SMC can access these funds, including DPW, school districts and special districts.

PARKS						
Subject	Governor's Budget Proposal	Estimated SMC Impact	May Revision	Estimated SMC Impact	2025-26 State Budget Agreement	Estimated SMC Impact
CalFire Funding			A shift of \$1.54 billion from the General Fund to the Greenhouse Gas Reduction Fund to support CAL FIRE's fire prevention, fire control, and resource management activities on an ongoing basis.	Parks has no concerns with the grant programs, such as CalFire's Forest Health Grant Program, it intends to pursue.	Includes \$9.5 million General Fund to CAL FIRE for local assistance to the Wildfire County Coordinator Program through the California Fire Safe Council.	These local positions increase counties' capacities for wildfire prevention and community safety efforts, leveraging millions of dollars of funding, through a partnership between the county and state agencies.
Proposition 4	Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of		Not eligible for reallocation.	Parks has no concerns with the grant programs it intends to pursue.	Includes fund shifts around \$300 million from the 2024 Climate Bond (Proposition 4, 2024) to the General Fund for costs related to natural resources and	

	2024—\$10 billion.				environmental protection. While the final budget agreement rejects the Governor's proposed spending plan for Proposition 4, it also defers details on future expenditures to future budget deliberations.	
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