



April 27, 2022

The Honorable Nancy Skinner  
Chair, Senate Budget and Fiscal Review  
Committee  
1021 O Street, Suite 8630  
Sacramento, CA 95814

The Honorable Philip Ting  
Chair, Assembly Budget Committee  
1021 O Street, Suite 8230  
Sacramento, CA 95814

**RE: State-Mandated Program Costs Owed to Local Governments**

Dear Senator Skinner and Assembly Member Ting,

The League of California Cities (Cal Cities) respectfully requests a one-time General Fund appropriation in the 2022-23 State Budget of \$933.5 million owed to local governments for reimbursement of state-mandated services.

According to data obtained from the [State Controller's Office](#), as of October 2021, the state owes cities, counties, and special districts more than \$933 million, including estimated accrued interest, in mandated costs incurred since 2004. The funds owed to local governments represent state-mandated local programs as of fiscal year 2019-20 that were deemed reimbursable by the Commission on State Mandates but were not refunded by the state.

Local governments rely on the state to reimburse them in a timely manner for costs related to state-mandated programs. Failing to pay for these costs threatens the stability of local budgets and the ability of local governments to fund essential services to the community. Local governments are vital to the strength of the California economy and the vitality of local governments is dependent upon fiscal stability.

While the state is required to suspend mandates not funded during a given budget cycle, this does not remove the burden on local governments. To meet public service expectations, local governments must continue to administer state-mandated programs even during a year when the state chooses not to fund them. There is no "on and off switch" for these programs. If the programs are operating prior to a suspension, local governments typically have little choice but to continue the activities associated with unfunded mandates, knowing the costs must be absorbed locally.

Such critical unfunded activities include a wide variety of essential programs and services. Cities statewide are owed more than \$190 million for workload related to crime statistics reports for the Department of Justice and implementing the Peace Officers Procedural Bill of Rights, which governs administrative investigations of peace officers and their right to representation.

While paying debts on time should be an annual goal for the state, the historic surplus the state expects this year makes it indefensible for the state to withhold reimbursements to local governments for state-mandated program costs.



Given that local governments have diligently carried out crucial, unfunded programs for many years in the interest of the public good, we urge the Legislature to make local governments whole and support the financial sustainability of local governments.

**On behalf of California local governments, Cal Cities requests an appropriation of \$933.5 million General Fund in the 2022-23 State Budget for state-mandated program costs owed to local governments.**

Thank you for considering our request and for the continued partnership with California's local governments to ensure our communities thrive. If you have any questions, do not hesitate to contact Nick Romo with Cal Cities at (916) 658-8264 or [nromo@calcities.org](mailto:nromo@calcities.org).

Sincerely,

Nick Romo  
Legislative Representative

Cc: Members of the Senate Budget and Fiscal Review Committee  
Members of the Assembly Budget Committee  
Mark Tollefson, Deputy Cabinet Secretary, Office of the Governor  
Keely Bosler, Director, California Department of Finance  
Erika Li, Chief Deputy Director, Budget, California Department of Finance  
Gabriel Petek, Legislative Analyst, Legislative Analyst's Office  
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Elisa Wynne, Staff Director, Senate Committee on Budget and Fiscal Review  
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