



June 21, 2023

The Honorable Anna Caballero, Chair
Senate Governance and Finance Committee
1021 O Street, Suite 7620
Sacramento, CA 95814

**RE: AB 1713 (Gipson) State and local agencies: federal funds: reports
As Amended June 19, 2023 – OPPOSE
Awaiting hearing – Senate Governance and Finance Committee**

Dear Senator Caballero:

On behalf of the California State Association of Counties (CSAC), the Urban Counties of California (UCC), the Rural County Representatives of California (RCRC), and the League of California Cities (Cal Cities) write in opposition to Assembly Bill 1713 (Gipson), due to the considerable costs it would impose on local governments without materially increasing transparency or accountability.

AB 1713 would require local agencies that receive federal funds subject to an expiration date to submit a written report to its legislative body no later than one year before the funding expiration date with a summary of how funds have been expended, and to provide a plan for the remaining funds to be expended if 50 percent of funds have not yet been expended.

Local governments rely on federal funding to provide numerous local programs and services on behalf of the state, much of which is associated with our role as the provider of federal entitlement programs, like Medi-Cal, CalWORKs, etc. Accordingly, and in partnership with the state, local governments seek to maximize federal funding opportunities to provide these necessary services to the residents we serve. Unfortunately, AB 1713 would require local governments to be in a state of perpetual reporting or – in most instances – require duplicative reporting, as government agencies at the state and federal level already require significant reporting and auditing as a condition of receipt of federal funds.

The level of oversight and reporting mandates proposed in AB 1713 would add considerable staffing costs for all local governments. Local agencies would likely be required to hire additional budgetary staff to track and report this information to their own

legislative bodies. Extrapolated statewide, these costs could range in the millions to tens of millions of dollars annually, while doing nothing to address real challenges in utilizing federal resources.

We note recent amendments that removed state agencies from the same reporting obligation and would respectfully point out that the proposal is just as problematic for local agencies as it is for the state.

As a result, CSAC, UCC, RCRC, and Cal Cities respectfully request your “no” vote on AB 1713. Please don’t hesitate to reach out if we can be of additional assistance.

Sincerely,



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cc: Members and Consultants, Senate Governance and Finance Committee
The Honorable Mike Gipson, California State Assembly