



**GAIL PELLERIN**

Assemblymember, District 28

**Budget & County Town Hall with Supervisor Koenig**

**February 19, 2026**

# About Me

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- Served as the Chief Elections official in Santa Cruz County from 1993 until retirement in December 2020.
- Served as President of the California Association of Clerks and Election Officials from 2010 to 2012, and as co-chair of the Secretary of State's Voting Accessibility Advisory Committee.
- Elected to the California State Assembly in November of 2022 to represent the 28th Assembly District. Currently serving second term
- Prior public service experience: campaign assistant to political campaigns, a newspaper reporter and photographer, and a community college instructor.
- BS in Journalism from Cal Poly, San Luis Obispo

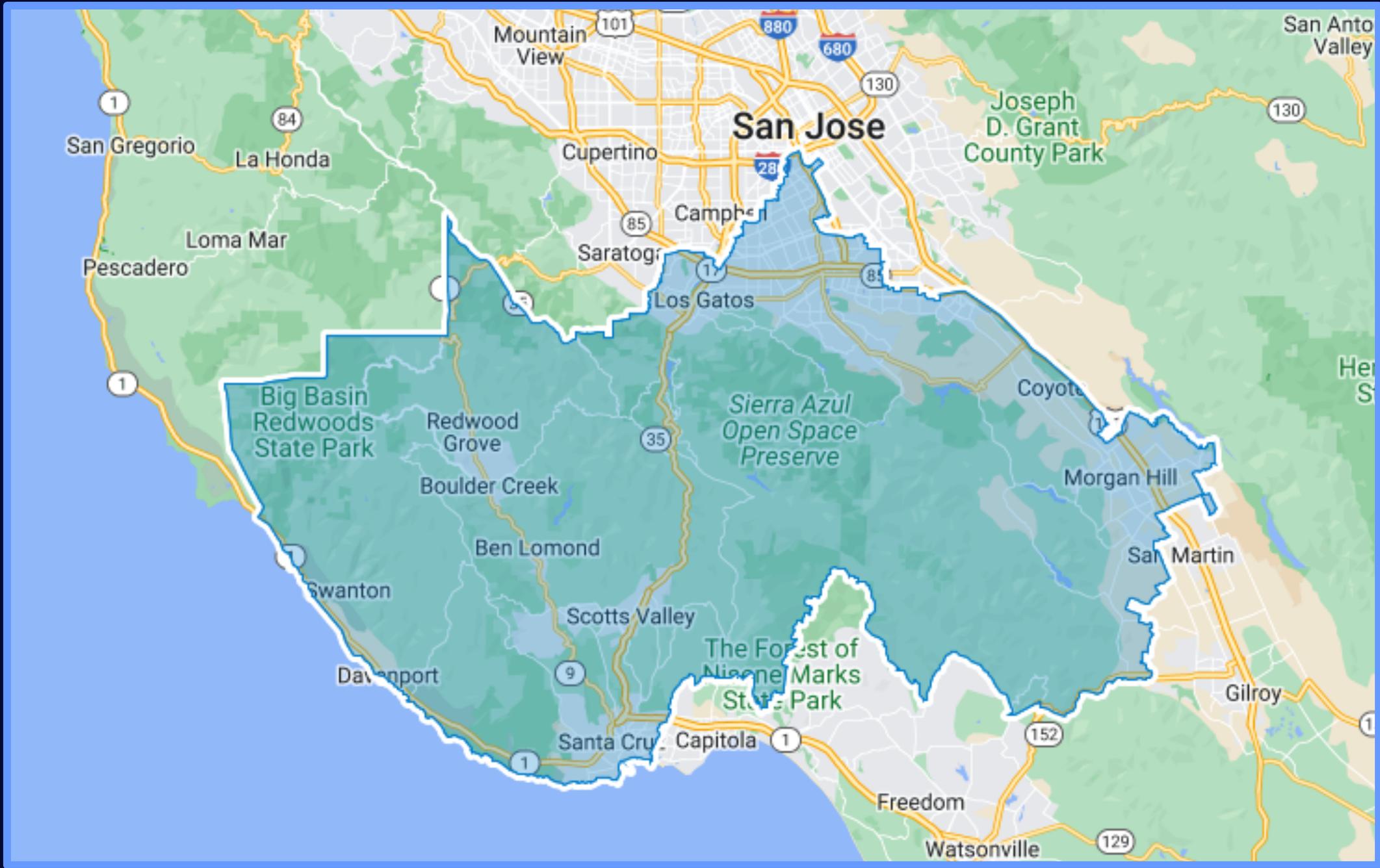


# District Overview

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**Total Population:** 473,114 (from 2020 census)

- **Santa Clara County:** 349,372 constituents
- **Santa Cruz County:** 123,743 constituents
  
- **Cities include:** San Jose, Los Gatos, Monte Sereno, Morgan Hill, Santa Cruz, Scotts Valley



# Committees

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## Standing Committees

- Elections, *Chair*
- Appropriations
- Business and Professions
- Natural Resources
- Privacy and Consumer Protection

## Select Committees

- California's Mental Health Crisis, *Chair*
- Child Care Costs
- Effective Postsecondary Career Technical Education and Workforce Development Programs
- Reproductive Health
- Youth Mental Health and Treatment Accessibility

# 2025 Legislative Highlights: 10 Bills Signed by the Governor

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## **AB 414: Deposit Transfers and Tracking**

*Requires landlords to return the deposit to the tenant via e-transfer or wire transfer if they have previously used it as a method of payment with the tenant.*

## **AB 679: State Parks Land Acquisitions**

*Expedites land transfers from conservation partners to State Parks by exempting them from the Public Works Board process.*

- Sempervirens Fund



## **AB 723: Digital Staging Real Estate**

*Requires that all virtually staged real estate listings, whether for sale or for rent, include an easy to see and obvious label that indicates that the photo has been virtually staged.*

## **AB 996: Local Coastal Program Revisions**

*Establishes a voluntary early consultation process through which local governments can share drafts, get feedback, and resolve issues with Coastal Commission staff before formal LCP submission--reducing the risk of denials later on.*

## **AB 1104: Solar Projects**

*Exempts small businesses from requirement to register as an awarding body before installing solar.*

- Scudder Solar Electrical Energy Systems

# 2025 Budget Recap

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- We rejected cuts to social services, Planned Parenthood and women's health clinics, and our UC and CSU systems
- We increased funding for TK-12 education, including preserving universal school meals
- Increased pay for child care providers
- Invested in public safety, providing \$100M to support organizations serving crime survivors
- Increased personnel to prevent and fight future wildfires
- **No new taxes** on individuals and families, while reducing some taxes for military retirees.

# District Budget Wins

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## Healthy School Food Pathway (HSFP): \$10 Million

- Provides unique educational opportunity to support food professionals in serving and preparing healthy school meals
- Host Sites: Los Gatos Elementary School District, Morgan Hill Unified School District, Santa Cruz City Schools and San Lorenzo Unified School District

## Diaper Banks: \$7.4 million

- Second Harvest Food Bank of Santa Cruz County is one of 11 distributors that is a part of the state's food and diaper bank network.

### Santa Cruz County Public Library: \$4.5 million

- The library will be able to move forward with the second phase of the downtown Santa Cruz library project. This money was part of the state's "Building Forward Infrastructure Grant."

### MyCaVax System: \$31 million

- This is an important public health information technology tool used to allocate, track and manage vaccine supply and distributions across the state. Annually, it supports the ordering and distribution of over 10 million vaccine doses to more than 7,000 providers.
- This was at risk of being cut and was very concerning to my Santa Cruz Public Health Officers

### Acupuncture & Medi-Cal

- Five Branches University in Santa Cruz educates and trains practitioners in Traditional Chinese Medicine, including acupuncture.
- This was a threatened covered benefit we preserved.

### Equitable Payroll Fund: \$11.5 million

- Fund is meant to support small nonprofit performing arts organizations in hiring and retaining employees by reimbursing a portion of their payroll cost.
- 418 Project, losing their grant meant cutting cut 30% of staff hours and weakening their capacity to keep the building open.

### Victims of Crime Act: \$100 million

- Flagged as a priority by Walnut Avenue Family & Women's Center, Santa Clara District Attorney

### Firefighter Transition: \$221.6 million

- 3,000 seasonal fire fighters to year-round fire fighter

# 2026 Bill Package (highlights)

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Deadline to introduce bills is Friday, February 20

Bill package will be focused on issues of mental health, consumer protection, election integrity and public safety

## **AB 1548: Monterey Bay Area Stewardship Authority**

Create a unique opportunity to generate revenue to ensure long-term land stewardship and land conservation.

## **AB 1902: Secured Youth Treatment Facilities**

Update the detention extension process for juveniles that was done with the full closure of the Division of Juvenile Justice in 2020.

**AB 1919: Santa Cruz Metropolitan Transit District Election Authority**

Gives METRO the election authority needed for a citizen initiative.

**AB 1988: PAUSE Act: Protective AI User Safety and Escalation**

Require chatbots to pause and encourage users to seek help from a real person when the user indicates serious thoughts of suicide.

**AB 2188: Midpeninsula Regional Open Space District**

Will allow the General Manager to contract for services and goods valued at \$150,000.

**AB 2229:**

Provide support to students who have reentered the CSU to ensure they graduate in as little time as possible.

# Looking Ahead: 2026 Budget

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Newsom submitted January budget proposal January 9, 2026

Significant budget deficit

HR 1 has begun to affect state and local budget

Newsom will submit an updated budget proposal in May (known as May Revise)

July 15 = constitutional deadline to pass a balanced budget and send to Governor

# 2026 Budget – Your Participation Matters

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Assembly Budget Sub-Committee has begun to meet and discuss the Governor's budget proposals

You can submit letters to these subcommittees expressing your support or opposition to proposed cuts and funding

You can watch all budget hearings

Last year we had 68 separate public hearings on the budget

Reach out to my office with your thoughts / concerns / requests / questions

## Access to Reproductive Care

- Summer 2025: five PPH clinics in the Mar Monte service area closed, including one in Santa Cruz
- Trump Administration has eliminated funding for PPH in California
  - 1:4 people obtain health care
- Early budget action = \$90M to support reproductive care clinics



# Contact Me

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## San Jose District Office

3150 Almaden Expy., Suite 252  
San Jose, CA 95118  
Tel: (408) 264-2848

## Santa Cruz District Office

701 Ocean Street, Room 318B  
Santa Cruz, CA 95060  
Tel: (831) 425-1503

## Satellite Office

17555 Peak Avenue, Suite 100  
Morgan Hill, CA 95037  
Tel: (408) 659-3127

## State Capitol

1021 O Street, Suite 6310  
Sacramento, CA 95814  
Tel: (916) 319-2028



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Assemblymember, District 28

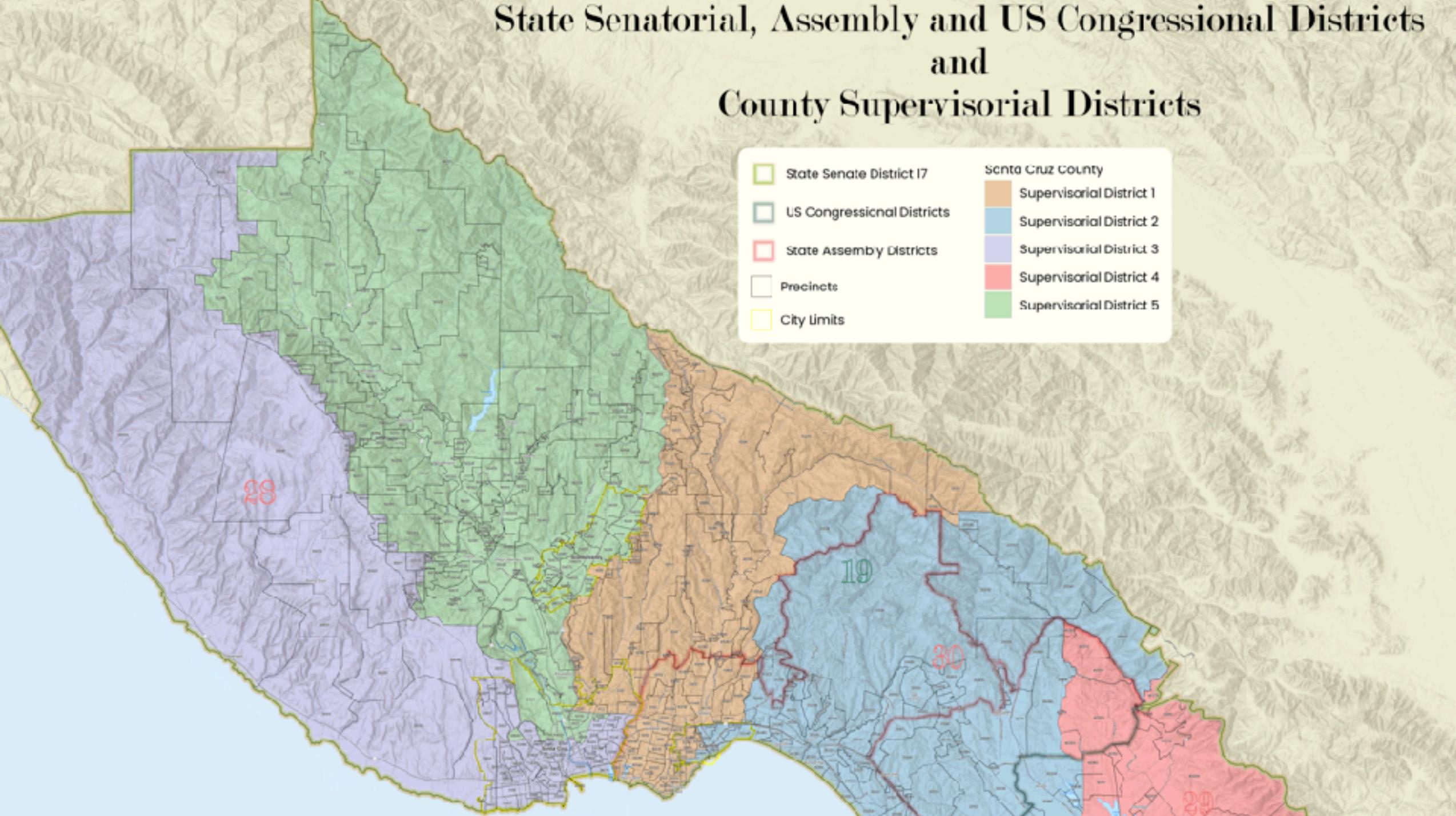


# **MANU KOENIG**

**1ST DISTRICT SUPERVISOR**

**Budget & County Town Hall with Assemblymember Pellerin**  
**February 19, 2026**

# State Senatorial, Assembly and US Congressional Districts and County Supervisorial Districts



- State Senate District 17
- US Congressional Districts
- State Assembly Districts
- Precincts
- City limits

- Santa Cruz County
- Supervisorial District 1
  - Supervisorial District 2
  - Supervisorial District 3
  - Supervisorial District 4
  - Supervisorial District 5

# About Me

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- Born and raised in Santa Cruz
- Worked in tech before running for office (ad-tech, gov-tech, health-tech, fin-tech).
- Co-founded polling and political social media startup Civinomics
- Worked on ballot initiatives for ranked choice voting and transportation
- Elected County Supervisor in Nov. 2020
- BA from Stanford University



# Agencies and Boards

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- Santa Cruz County Regional Transportation Commission
- Santa Cruz METRO (*Vice Chair*)
- Santa Cruz Mid-County Groundwater Agency
- Santa Margarita Groundwater Agency Board
- Santa Cruz County Sanitation District
- Association of Monterey Bay Area Governments
- Local Agency Formation Commission
- Mobile and Manufactured Home Commission
- Library Financing Authority
- Santa Cruz County Consolidated Redevelopment Oversight Board
- Treasury Oversight Commission

# Supervisory District 1 Overview

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**Total Population:** 54,147 (from 2020 census)

- **Incorporated:** 8,122 constituents (15%)
- **Unincorporated:** 46,025 constituents (85%)
  
- Cities include: Santa Cruz, Capitola

# Focus Areas

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**Housing - Streamline Permitting**



**Improve Parks and Roads**



**Keep the Community Safe and Clean**

# Win - Children's Crisis Center Opened

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*September 17, 2025*

# Win - Homelessness Down 36%

TOTAL PERSONS EXPERIENCING HOMELESSNESS

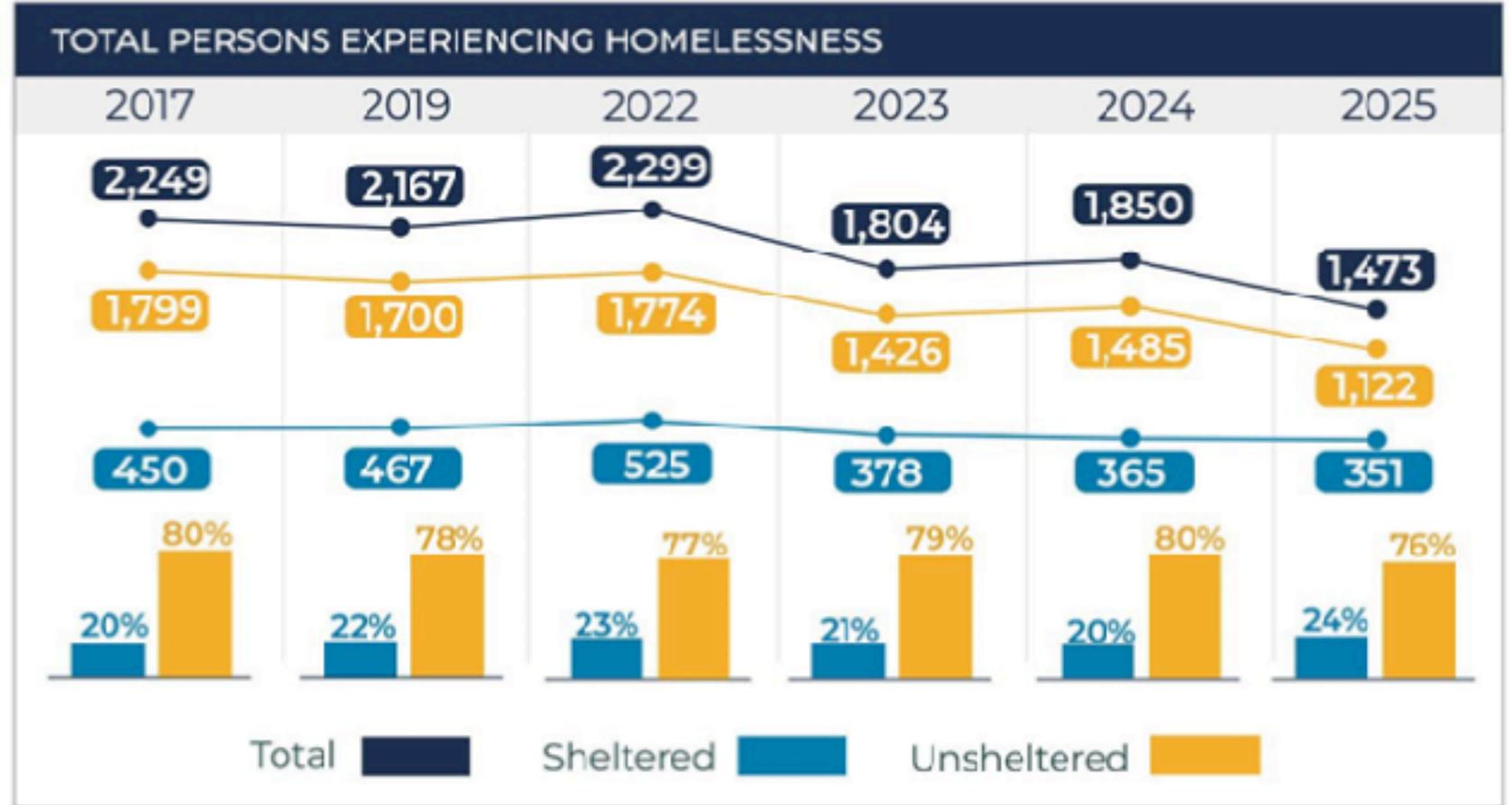
**1,473**



**24%**  
Sheltered  
n=351



**76%**  
Unsheltered  
n=1,122



*2025 Point in Time Count*

# Win - Behavioral Health Bridge Housing

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*32 beds coming soon!*

# Win - Live Oak Landing

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*20 beds coming soon!*

# Win - Homekey Projects

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*36 homes*

- 7-unit Casa Azul
- 120-unit Harvey West Studios
- 36-unit Park Haven Plaza
- 10 to 21-unit Vets Village

# Wins - Infrastructure

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- \$107 million for Highway 1 (Phase I and II) and Soquel Dr (Phase I)
- \$105 million for Rail Trail Segments 8-11
- \$128 million for Highway 1 (Phase III), Rail Trail Segment 12 and Soquel Dr (Phase II)

# Wins - Transit

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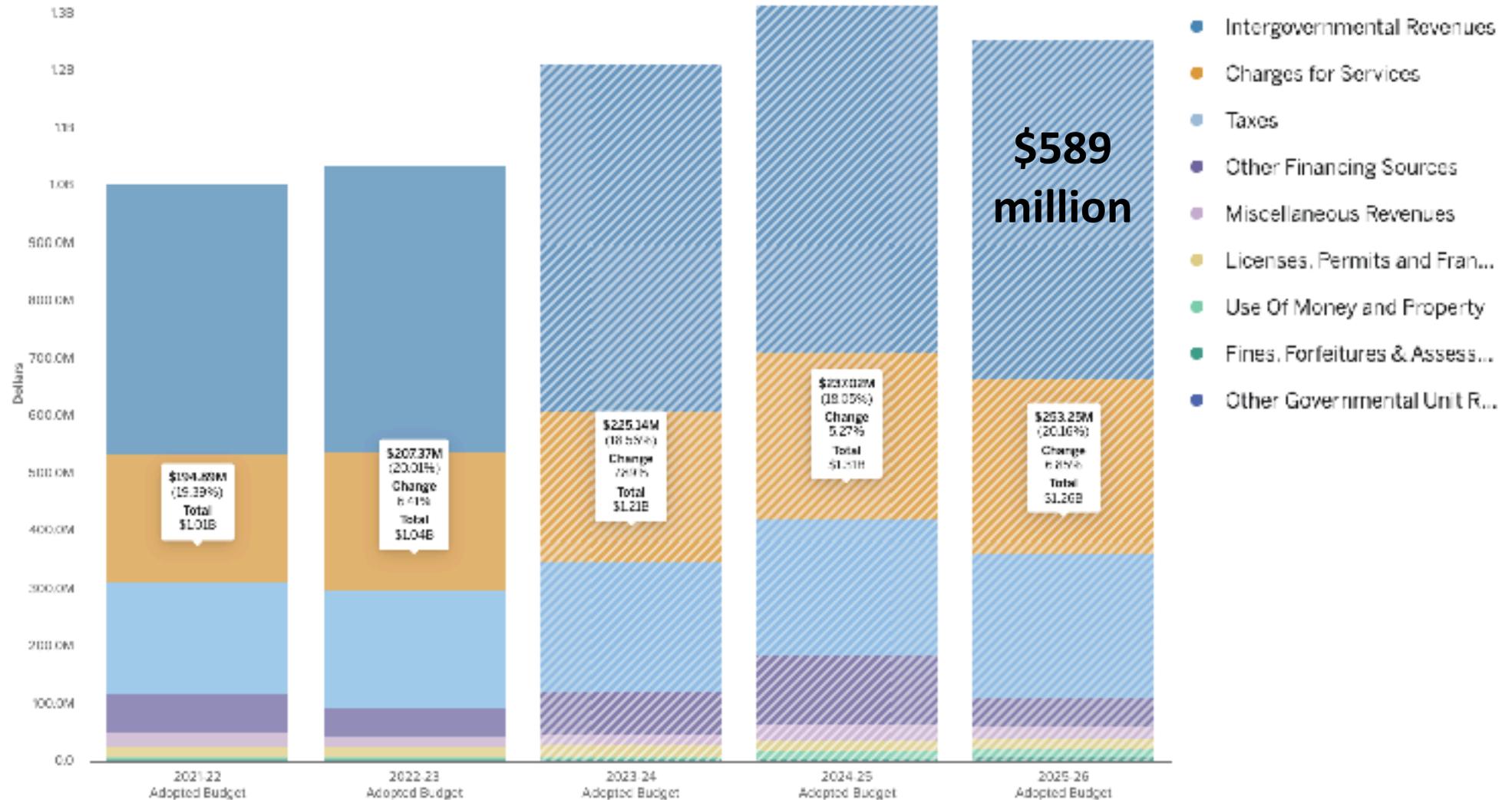
*Watsonville Transit Center - 79 affordable homes*

- \$38.5 million for Santa Cruz METRO's 53 hydrogen buses and Pacific Station
- \$39 million for Watsonville Transit Center

# Challenges - County Budget



Visualization



# Challenges - Operational Funding



The County receives just 13% of the property taxes, compared to 20% on average for counties across California. This difference is **\$97 million** for SCC. 50% of the County of Santa Cruz is unincorporated.



The County estimates **losses of \$5-6 million per year** in state managed sales taxes because “point-of-sale” is the warehouse.



Medical billable rates approximately **30% lower** than the Bay Area.

# Challenges

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The County spends **1.4%** of it's annual General Fund on proactive road maintenance.



We need to find the money to keep the lights on.

# Looking Ahead: 2026 Budget

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- Local revenues are flat (+ 2.4%), costs are up (labor + 4%).
- HR 1 local budget impacts - SNAP error rate, and County is the indigent healthcare provider of last resort
- CALAIM - lower behavioral health reimbursement rates than Bay Area Counties
- Impacts of Prop 1, 2024 - Behavioral Health Services Act: 5% less money, more reporting
- Unpredictable State funding for the Homeless Housing Assistance Program (HHAP)

# Housing

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- More housing is needed
- So is simplification in the state-local process

*105 home Builder's Remedy Project at 3500 Paul Sweet Road*

# Contact Me

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## Santa Cruz Office

701 Ocean Street, Room 500  
Santa Cruz, CA 95060  
Tel: (831) 454-2200

## District Office

5200 Soquel Ave  
Santa Cruz, CA 95062  
*Office Hours first*  
*Wednesdays 1:00-3:00PM*

[First.District@SantaCruzCountyCA.gov](mailto:First.District@SantaCruzCountyCA.gov)



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1ST DISTRICT SUPERVISOR

# Questions?

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