



COUNTY OF SANTA CRUZ HUMAN SERVICES DEPARTMENT

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RANDY MORRIS, DIRECTOR

HUMAN SERVICES ADVISORY GROUP (HSAG) March 2026 Meeting Minutes

DATE: May 20, 2026

TIME: Scheduled 1 pm – 3 pm

PLACE: 1000 Emeline Ave., Santa Cruz

WEB: [Human Services Advisory Group](#)

HSAG Members Present

- Denise Hitzeman
- Serg Kagno

Human Services Staff Present

- Randy Morris, HSD Director
- Adam Spickler, HSD Senior Analyst
- Heather Viola, HSD Executive Secretary

1. Welcome

- Brief greeting provided to HSAG members

2. Director's Report

County Budget Update

- Upcoming County budget hearings begin on June 10, 2026 (*hyperlinks below added after meeting for ease of reference, including Board direction for HSD to return on June 24*):
 - [Item 8](#) on the Board of Supervisors [June 10, 2026, budget hearing agenda](#)
 - View/listen to the HSD presentation by [CLICKING HERE](#), presentation begins at 3:55:25 and lasts until 6:07:38
 - [Item 14](#) on the Board's [June 24, 2026, last day budget hearing agenda](#)
- A reminder was provided of an email recently sent to HSAG members regarding CEO Coburn's mid-year budget update presented to the Board on 2/24/2026, noting estimated General Fund challenges and potential solutions:
 - [Item 10](#) on the [Board of Supervisors 2/24/2026 agenda](#)
 - View/listen to the CEO's presentation by [CLICKING HERE](#), presentation begins at 4:31:37 and lasts roughly until 6:18:40

State Budget Update

- The Governor's [May Revise](#) was released 5/14/2026, with the stated goal of keeping CA in good fiscal standing for the incoming Governor. It does so by proposing dramatic cuts to many Health & Human Services programs HSD administers.

- With the May Revise considered the “floor” for budget negotiations, it is anticipated State Lawmakers will find a way to reverse the proposed May Revise program cuts.

Federal Actions Impacting HSD’s Budget

- The Centers for Medicaid/Medicare Services (CMS) announced on 5/13/2026 it would freeze/defer \$1.3 billion in Medicaid reimbursements to California, citing alleged fraud the federal government claims are largely in hospice and IHSS.
- The federal government launched a task force in March to scrutinize what it claims is Medicaid “waste, fraud and abuse” of specific state programs. This directly impacts CalAIM, California’s sweeping Medicaid transformation initiative.
- In April, the President proposed a FFY 2027 budget to further reduce programs already cut in the FFY 2026 enacted budget, H.R.I. The FFY 2027 proposal would:
 - Limit CMS’s administrative capacity right when work requirements are set to take effect
 - Increase funding for “program integrity activities” meant to ramp up CMS’s oversight of alleged fraud and waste Medicare and Medicaid
 - Projects significantly reduced Medicaid enrollment due to the strict work requirements, more frequent eligibility determinations and changes to immigrant eligibility enacted in H.R.I from FFY 2026
- Some members of Congress are hoping to use the 2027 Farm Bill to pull back on some of the worst impacts on SNAP resulting from H.R.I. Efforts have been unsuccessful in the House, and in the Senate efforts are currently stalled.

3. Advisory topics of interest for round table discussion

- Scheduling future meetings—Members agreed on meeting every other month in-person, with agreement to use the next meeting in July to finalize meeting dates for the remainder of the year, proposing possible 3rd Wednesday in September and 2nd Wednesday in November.
- Members also discussed using the July meeting to discuss potential HSAG membership expansion.

4. Potential public engagement opportunities

- No discussion.

Next meeting: July 22, 2026, 2:30 to 4:30 pm, 1000 Emeline Ave., Santa Cruz