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State controller warns spending outpaces revenue in annual audit

BY WILLIAM MELHADO
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California's long-term fiscal pressures, such as its healthcare and education expenses, are growing, State Controller Malia Cohen warned Tuesday, pre-

senting an annual audit of the state's financial positions.

It marked the first time in eight years that the annual financial report has been released before lawmakers and the governor finalize a budget for the upcoming fiscal year, the controller said.

Cohen's remarks echoed recent warnings from other financial observers: California's costs are increasing and though revenues are strong now, that might not always be the case moving forward.

"The question for California is no longer simply whether reve-

nues are growing, it's whether spending growth is becoming sustainable," Cohen said during a press conference announcing the release of the state's Annual Comprehensive Financial Report.

The financial report provides an audited look at the state's

financial position during the past fiscal year, which ended in June 2025.

Cohen celebrated the \$596 billion in total revenue California collected primarily from personal income taxes during fiscal year 2024-25. But she emphasized that spending, particularly on long-term programs such as Medi-Cal, the state's health insurance program for low-income residents, is growing at a faster rate than revenue growth.

The nonpartisan Legislative

SEE AUDIT, 4A



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Nathan Aguilar, with the nonprofit Community HealthWorks, talks to a group of homeless individuals during the Sacramento County Point-in-Time Count in January. The results found 13% more homeless people living in Sacramento County compared to 2024.

Homeless count increases 13% from 2024, report shows

BY THERESA CLIFT
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There were more people experiencing homelessness in Sacramento County than in 2024, but fewer than in 2022, according to a new survey released Wednesday.

The federally-mandated Point-in-Time count, which officials released Wednesday, found there are roughly 7,458 homeless people living in Sacramento County — a 13% increase from 2024.

The report found 3,253 people in shelters or transitional housing, up 582 people, or 22%, from 2024. The number of people

living unsheltered — outdoors or in vehicles — rose to 4,205, an increase of 261 people, or 6.6%.

Over the past decade, unsheltered people, meaning people living outdoors or in vehicles, have been concentrated in the city of Sacramento, but the new report shows that could be changing.

Of the total 4,205 unsheltered people that volunteers counted in January, about 60% of them were located in the city of Sacramento, the report said. That's down from 80% in 2024.

"Unsheltered homelessness is more and more geographically dispersed across Sacramento County," said Trent Simmons, chief implementation officer for



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Sacramento Mayor Kevin McCarty speaks about the results of the homeless Point-in-Time count on Wednesday.

nonprofit Sacramento Steps Forward, which runs the count.

So where did they go? The unincorporated county — including Arden Arcade, Rio Linda, North Highlands and parts of south Sacramento — accounted for about 27% of the unsheltered population, or 1,140 people, the report said. That was

a 103% increase from 2024.

Simmons said the report, prepared by contractor Simtech Solutions, did not include more detailed data on which unincorporated areas had increases.

The city of Rancho Cordova had an estimated 210 unshel-

SEE HOMELESS, 3A

Ex-Newsom, Becerra aide expected to plead guilty to corruption

BY SHARON BERNSTEIN AND LIA RUSSELL
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A former top aide to Gov. Gavin Newsom and former Health and Human Services Secretary Xavier Becerra is expected to plead guilty to federal corruption and tax charges in federal court in Sacramento on Thursday, The Sacramento Bee has learned.

Dana Williamson, who served as chief of staff for Newsom from 2022 to 2024 and an advisor to Becerra's 2018 campaign for attorney general, was indicted last November. The 23 counts included allegations that she helped lead a scheme to siphon money from one of Becerra's dormant campaign accounts. The case rocked California politics and may still upend the state's crowded race for governor, in which Becerra is currently one of the top-polling Democrats.

Williamson, who is represented by former U.S. Attorney McGregor Scott, and prosecutors both said in court documents filed late last month they were in active discussions about a plea agreement in the case. If reached, an agreement would be announced in court, the two sides said.

At least one offer has been on the table for several days, two sources familiar with the case who were not authorized to speak publicly told The Bee. Late Wednesday, The Bee learned through several sources that an agreement had been reached.

The timing of the hearing — after several delays — collides with Becerra's momentum in the governor's race. The June 2 primary is just 19 days out from Thursday's hearing.

SEE CORRUPTION, 4A

City Council restores youth violence prevention funding

BY ISHANI DESAI AND JENNAH PENDLETON
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The Sacramento City Council restored funding to a youth violence prevention grant and vowed to keep pools open after

residents denounced cutting services to plug a \$66 million budget deficit.

A unanimous vote allocated \$1.3 million for the gang prevention and intervention taskforce grant; \$100,000 for four wading pools proposed to shutter; and \$500,000 for ten neigh-

borhood pools to stay functioning five days a week.

The revived \$1.3 million helps families and children at-risk for gang violence through education, training, and employment programs. But a separate \$800,000 grant — providing around-the-clock response to

"critical incidents" — remained in limbo.

Councilmember Lisa Kaplan noted the city relied heavily on these services to help bring Sacramento's violence to record lows. Communities are not safe without the work done in the \$800,000 grant, said Paris Dye, the executive director of youth organization Impact Sac.

"The city should be proud of the work that we're doing instead of making us come back and beg for funds," Dye said.

To pay for the funding resto-

rations, the City Council approved cutting vacant parking enforcement officer positions, on the same day officials authorized hiking parking violation fines. Some money related to homelessness planned for 2028 was reallocated to this year.

Nonprofits like Brother to Brother Mentoring and Helping our People Eat, which directly intervene with incidents of youth gun violence on the street, each face a \$225,000

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