



# COUNTY OF SAN DIEGO

## BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

### AGENDA ITEM

**DATE:** July 22, 2025

**08**

**TO:** Board of Supervisors

#### **SUBJECT**

**RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

#### **OVERVIEW**

On June 24, 2025 (9), the Board of Supervisors considered this item. The motion to adopt recommendation 2 failed due to a tie vote, and the Board did not continue the item. Pursuant to Rule 2(g) of the Board of Supervisors Rules of Procedure, the item was placed on the agenda for the next regular meeting.

H.R. 1, the budget reconciliation bill known as the “One Big Beautiful Bill Act”, is now moving through Congress and represents a significant rollback of long-standing federal commitments—shifting hundreds of millions in new costs and adding new administrative burdens onto local governments like the County of San Diego. This bill is poised to dismantle essential supports for food, housing, and healthcare, just as the community’s needs continue to grow.

San Diegans rely on these federal programs—funded by our own tax dollars—to stay fed, housed, and healthy. If enacted, this bill will directly impact our most vulnerable populations. Families will face longer Medi-Cal renewal times and added reporting requirements, putting children, seniors, and people with disabilities at greater risk of delayed or lost coverage.

Meanwhile, proposed cuts to federal housing and homelessness programs—including a 44 percent reduction to HUD funding—threaten core safety net services. More than 10,000 Section 8 vouchers in San Diego County could be affected, as well as rental assistance for people living with HIV/AIDS and for formerly homeless residents. Behavioral health providers also face steep reductions to substance use and mental health funding as the need for crisis services grows. Proposed cuts to nutrition assistance programs like SNAP could leave thousands of local families

**SUBJECT:   RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

struggling to put food on the table—particularly the thousands of seniors and children who rely on these programs to keep food on the table.

Together, these federal actions threaten to erode years of progress in reducing hunger, preventing homelessness, and maintaining access to healthcare.

The CAO Recommended Operational Plan for Fiscal Years 2025–26 & 2026-27 (County Budget) is a balancing act under extraordinary fiscal constraints. Through targeted efficiencies and one-time savings, the Chief Administrative Officer (CAO) delivered a structurally balanced plan that protects core services—public safety, infrastructure, environmental health, and basic welfare—without relying on recurring reserves.

However, the recommended County Budget includes reductions to several high-leverage prevention programs: Medi-Cal and CalFresh staffing, tenant legal aid, and LGBTQ+ affirming homelessness prevention. While these reductions closed short-term gaps, they also leave San Diegans more vulnerable just as federal policy changes are set to increase need and administrative workload.

This item directs the CAO to immediately begin planning through a two-part response:

- **A rapid assessment** of service capacity and staffing needs to be reported to the Board of Supervisors by **July 22, 2025**; and
- **A comprehensive strategy** to address the most severe impacts of anticipated federal cuts, including bolstering key programs identified in this item, and report back to the Board of Supervisors with recommendations on **September 30, 2025**. This should include funding strategies that would be sufficient to fully fund the programs, leveraging multiple potential funding sources, including but not limited to: unassigned fund balances made available by a revised reserve policy, state and federal grants, intergovernmental cost-sharing, philanthropic partnerships, and other potential revenue options that will ensure critical programs remain fully operational, protect today’s service levels, and prevent harmful delays.

The goal is to ensure that the County of San Diego is equipped to quickly respond and minimize disruptions to food assistance, housing stability, and healthcare and protect core services in the face of significant federal cost shifts.

Key areas of focus include:

- **Health and Self-Sufficiency:** Keep eligibility offices fully staffed so Medi-Cal and CalFresh renewals remain timely. This includes analyzing how many additional workers are needed to handle new administrative burdens such as reduced backdating, twice-yearly re-certifications, and monthly work-reporting requirements. The CAO will report back in July with staffing needs and in September with a hiring and training plan supported with funding options.

**SUBJECT:     RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

- **In-Home Supportive Services:** Assess anticipated service gaps and workforce shortages created by proposed state-level policy changes, including caps on provider hours and immigration-related eligibility restrictions. Identify one-time funds to support the upcoming IHSS contract and ensure continued care for seniors and people with disabilities. Report back with initial analysis in July and funding recommendations in September.
- **Behavioral Health Bridge Housing:** As federal behavioral health funding declines, maintain continuity of care by investing in 220 sober-living bridge housing placements for clients in outpatient treatment. These placements reduce the use of crisis systems and support long-term recovery. Report back in September with funding options.
- **Food Security:** To mitigate the impact of federal SNAP reductions, analyze Self-Sufficiency Services staffing needed to prevent delays in the processing of CalFresh applications. The CAO will report back with a communication plan to notify recipients about final benefit disruptions caused by federal budget changes using multi-channel outreach and community partners.
- **Housing and Homelessness:** Prepare for cuts to federal housing programs by expanding proven local tools: the Innovative Housing Trust Fund, tenant legal services, and LGBTQ+ affirming homelessness prevention program. These programs have helped stabilize vulnerable households at modest cost. Report back in September with funding strategies to sustain and expand local capacity.

As federal funding dries up, our communities will face real hardship. While the County of San Diego cannot backfill every loss, we must mobilize every available tool—unlocking reserve funds, exploring new revenue sources, and forging partnerships—to protect our communities from the worst impacts and hold the line on essential services.

**RECOMMENDATION(S)**

**VICE-CHAIR TERRA LAWSON-REMER AND SUPERVISOR MONICA MONTGOMERY STEPPE**

1. Direct the Chief Administrative Officer to develop a notification plan to alert CalFresh recipients of service levels changes if and when H.R. 1 is finalized and signed into law. Report back by September 9, 2025, with a communications plan that can be implemented once policy details have been formalized. The plan should include a multi-channel communication system—such as text messages, automated calls, emails, and posters—with materials available in multiple languages. It should also identify community partners (e.g., food banks, clinics, and school districts) to help disseminate information about federal service disruptions. (Recommendation 2 on the June 24, 2025 agenda, item 9)

**EQUITY IMPACT STATEMENT**

This action supports the County of San Diego’s ability to advance equity by directing resources toward initiatives that address longstanding disparities in housing, and access to culturally responsive services. By identifying flexible funding options, the County of San Diego can remain responsive to the needs of communities that have too often been underserved. Prioritizing these types of efforts ensures that equity is not sidelined during times of fiscal constraint but centered in how we respond to today’s challenges and prepare for the future.

**SUBJECT:** RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72

### **SUSTAINABILITY IMPACT STATEMENT**

This action promotes a more sustainable approach to governance by enabling investments that prevent costly downstream interventions and reduce pressure on crisis systems. Stabilizing housing and building institutional capacity to meet residents’ needs all contribute to long-term fiscal and environmental resilience. By pursuing diverse funding sources beyond the General Fund—including grants, partnerships, and any unassigned balances—the County of San Diego strengthens its ability to deliver proactive solutions that conserve resources, reduce harm, and support a thriving region over time.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action at this time. This item directs staff to explore potential funding sources. Any future fiscal impacts will depend on the specific options identified. This action does not result in a change to the net General Fund cost and does not require any additional staff years.

### **BUSINESS IMPACT STATEMENT**

N/A

### **ADVISORY BOARD STATEMENT**

N/A

### **BACKGROUND**

H.R. 1, the budget reconciliation bill known as the “One Big Beautiful Bill Act”, is now moving through Congress and would shift hundreds of millions of dollars in ongoing costs from the federal government to counties—without providing the resources or infrastructure needed to absorb the impact. In doing so, it threatens to destabilize the core programs that San Diegans rely on for food, housing, and healthcare.

These federal programs are not discretionary. They are funded by local tax dollars and support more than a million people across the region. San Diego County sends more to Washington than it gets back. And yet, if this legislation is enacted, the County of San Diego will be expected to absorb unprecedented new responsibilities while losing the tools we use to keep people healthy, housed, and fed.

According to a memo from the Chief Administrative Officer (CAO) dated June 11, 2025, H.R. 1 could lead to severe consequences across multiple departments. In San Diego County:

- Over **880,000 residents** rely on Medi-Cal for healthcare;
- Over **400,000 people**—including **130,000 children** and **100,000 seniors**—receive CalFresh food assistance; and

**SUBJECT:     RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

- The County of San Diego administers **10,000 Section 8 housing vouchers** and provides rental support through Emergency Housing Vouchers and Housing Opportunities for Persons with Aids (HOPWA).

These programs aren’t handouts—they are federal programs funded by our own tax dollars. California sends roughly **\$83 billion** more to Washington each year than we get back. Yet under this bill, those dollars will not be reinvested into San Diego communities, forcing state and local governments to backfill these critical services with scarce local resources.

The bill would require Medi-Cal recipients to re-verify eligibility twice per year and submit ongoing work reports. These changes will **double the administrative workload** and significantly increase the risk of wrongful coverage loss—even for people who remain eligible. At the same time, the County of San Diego will face a projected **\$10 million reduction** in federal behavioral health funds despite continued growth in demand for crisis services.

The legislation also proposes shifting **\$226 million per year** in CalFresh food benefit costs to the County of San Diego. New red tape and eligibility restrictions will further strain the County of San Diego’s Self-Sufficiency Services, likely resulting in delayed processing, missed meals, and gaps in access for families and seniors.

Further, the President’s budget proposal outlines a **44% cut to HUD programs**, which would further destabilize San Diego’s housing efforts:

- **10,000+ low-income households** receiving Section 8 vouchers are also at risk. Together, these cuts would undo years of local progress and increase pressure on emergency shelters and crisis housing systems.
- **208 formerly homeless households** are projected to lose Emergency Housing Vouchers by 2026; and
- **140 households** living with HIV/AIDS could lose long-term rental support under proposed HOPWA cuts.

Proposed state-level changes to the IHSS program are also expected to cap overtime hours for more than **34,000 local care providers** and restrict access for individuals based on immigration status—reducing or eliminating in-home support for vulnerable seniors and people with disabilities.

The CAO Recommended Operational Plan for Fiscal Years 2025–26 & 2026-27 (County Budget) reflects a responsible approach under significant fiscal constraints. But it does not account for the scale or timing of the federal and state policy changes now on the horizon. To achieve structural balance, the budget scales back high-impact, preventive programs—reducing Self-Sufficiency Services staffing that administer Medi-Cal and CalFresh, and pulls back on tenant legal services and LGBTQ+ affirming homelessness prevention. These reductions helped close immediate gaps but leave the County of San Diego less prepared to meet rising needs and new administrative burdens.

**SUBJECT:   RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

This item initiates a two-part County response:

- A **July 22 operational assessment** of our most vulnerable service areas, and
- A **September 30 comprehensive strategy** to address the most severe impacts of anticipated federal cuts, including bolstering key programs identified in this item. This should include funding strategies that would be sufficient to fully fund the programs below, leveraging multiple potential funding sources, including but not limited to: unassigned fund balances made available by a revised reserve policy, state and federal grants, intergovernmental cost-sharing, philanthropic partnerships, and other potential revenue options that will ensure critical programs remain fully operational, protect today’s service levels, and prevent harmful delays.

## **HEALTHCARE**

1. **Self-Sufficiency:** We must keep benefit processing fast and wait times low, so our residents don’t lose access to lifesaving healthcare and supportive services when new state and federal restrictions are put in place. To do so, this item directs the Chief Administrative Officer to:
  - a. **Quantify staffing needs:** Conduct a workload analysis to determine exactly how many additional full-time eligibility workers are required to handle the increased volume (e.g., shortened Medicaid retroactive period, twice-yearly re-certifications, new work-requirement verifications) without slowing down our current pace. Identify recruitment and training needed to support service delivery. This analysis should be done in consultation with the Medicaid Ad Hoc Subcommittee, to ensure alignment with broader County efforts to safeguard access to care. Report back by July 22, 2025, with a preliminary analysis.

*Approximate cost: To be determined. At a minimum, restoring the 44 FTEs has an estimated cost of \$3,615,000.*
2. **In-Home Supportive Services:** Proposed state legislative changes will make it significantly harder to recruit and retain IHSS providers, putting essential in-home care at risk. To prevent a service gap, we need to secure additional funding to bolster the IHSS workforce. These one-time funds are needed to support anticipated costs associated with the renegotiation of the IHSS Memorandum of Understanding (MOU) between the County of San Diego and United Domestic Workers (UDW), which expires on December 31, 2025.

The IHSS program enables over 25,000 care providers in San Diego County to deliver vital in-home care to seniors and people with disabilities, helping them remain safely in their homes and communities. Compared to institutional care, IHSS is both compassionate and fiscally prudent, costing an average of \$17,000 per recipient per year, versus \$39,000 to \$170,000 for nursing home care.

**SUBJECT:     RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72**

While the current budget includes funding for the final year of the existing contract, no funding is included for the upcoming contract that will begin on January 1, 2026. Without a dedicated funding source, the County of San Diego may lack sufficient resources to implement wage increases and other negotiated terms in a timely manner - potentially delaying contract execution or triggering service instability.

This action would ensure the County of San Diego is positioned to implement any mid-year wage or benefit adjustments without delay, maximize access to State and Federal matching funds, which cover up to 85% of the total cost, and maintain continuity of care for vulnerable residents during a period of workforce stress and State budget uncertainty. By acting now, we ensure that the County of San Diego is positioned to deliver on its promise of equitable, community-based care.

*Approximate cost: \$10,000,000*

- a. Based on proposed State and Federal program changes, conduct an assessment of the anticipated IHSS workforce shortfall and resulting service gaps across the County of San Diego if additional support is not provided to IHSS workers. Report back to the Board of Supervisors by July 22, 2025, with a preliminary analysis.
3. **Behavioral Health Bridge Housing (Residential Recovery):** H.R. 1 proposes to cut mental health and substance-use funding, causing people in recovery to lose access to care. The County of San Diego can support these individuals by investing in sober-living beds (also known as residential recovery) to provide a bridge for unhoused people who are in outpatient treatment and keep them on their recovery path. This bridge-housing solution reduces homelessness, bolsters sustained recovery, and saves local dollars over time.

*Approximate cost: \$1,000,000*

4. **Senior Transportation Program:** With federal and state support under threat, our most vulnerable seniors risk missing critical medical appointments and social services without reliable rides. Investing in no-cost transportation ensures older adults can access healthcare, nutrition sites, and community resources—preventing costly hospitalizations and preserving their independence. Ensure the program continues with eligible seniors able to access the program from all zip codes across San Diego County.

*Approximate cost: \$450,000*

5. **Supporting Partnerships in CalAIM and Medi-Cal Transformation:** With federal and state partners stepping back, CalAIM’s promise of a more equitable, coordinated, and person-centered Medi-Cal is at risk of stalling. We must invest in building local capacity—training staff, upgrading data systems, and strengthening provider networks—so that the County of San Diego can carry this work forward and establish a self-sustaining model funded by Managed Care Plan reimbursements.

**SUBJECT:** RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72

*Approximate cost: \$250,000*

## **FOOD SECURITY**

1. **CalFresh Service Cuts:** The federally funded CalFresh Program currently delivers 17 million meals each year to over 400,000 San Diego households—including 130,000 children and 100,000 seniors. However, H.R. 1’s new administrative requirements will slow down the program and threaten to leave families hungry.
  - a. **Develop a notification plan** to alert CalFresh recipients when funding cuts or administrative changes in the H.R. 1 put service levels at risk. The plan should specify a multi-channel communication system—including text messages, automated calls, emails, and posters—with materials available in multiple languages, and designate community partners (food banks, clinics, school districts, etc.) to help disseminate information about federal service reductions. This will ensure SNAP beneficiaries receive timely warnings of any benefit interruptions caused by federal legislation. Report back by July 22, 2025, with a plan.

## **HOUSING AND HOMELESSNESS**

H.R. 1 proposes a 44 percent cut to HUD’s affordable housing, homelessness assistance, and community development programs, stripping vital resources when they’re needed most. The County of San Diego administers over 10,000 Section 8 vouchers—helping seniors, survivors of domestic violence, and other vulnerable residents stay housed and off the streets—and stands to lose critical funding under these reductions.

As Washington pulls back, there will be less affordable housing, and homelessness will get worse. We must reconsider proposed cuts to programs that already work, like our Innovative Housing Trust Fund, our LGBTQ+ homelessness prevention initiative, and tenant legal services which prevent homelessness and stabilize housing for our most vulnerable neighbors.

1. **Affordable Housing Development, Innovative Housing Trust Fund (IHTF):** The IHTF program plays a critical role in supporting working families, seniors, veterans, and individuals experiencing homelessness. Since its inception, it has funded over 2,000 units of affordable housing across 23 communities, with another 3,000 units in process. The additional funding will better help advance the County of San Diego’s Housing Blueprint goals of promoting equity and producing housing for all.

*Approximate costs: \$5,000,000 - \$10,000,000*

2. **LGBTQ+ Affirming Homelessness Prevention & Housing Support:** Our LGBTQ+ homelessness prevention initiative is a proven, community-rooted approach that diverts people from shelters, keeps them housed, and connects them to support early, before crisis hits. The results show it is cost-effective and high-impact, compared to traditional homeless shelters.



**SUBJECT:** RESPONDING TO POTENTIAL FEDERAL IMPACTS FROM THE “ONE BIG BEAUTIFUL BILL ACT” TO PROTECT FOOD SECURITY, HOUSING, AND HEALTHCARE AND WAIVE BOARD POLICY A-72

*Approximate cost: \$2,200,000*

3. **Tenant Legal Services:** The Tenant Legal Services program provides eviction counseling and outreach/prevention legal services for tenants and landlords in financial need. As providing legal services for tenants and landlords in financial need is a widely accepted practice to support housing stability, the County of San Diego should restore funding to this program.

*Approximate cost: \$1,200,000*

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today’s proposed actions advance the County of San Diego’s 2025–2030 Strategic Initiatives of Sustainability, Equity, Empowerment, Community, and Justice by identifying opportunities to strengthen resources and ensure critical investments reach the residents and communities with the greatest need.

Respectfully submitted,



TERRA LAWSON-REMER  
Supervisor, Third District



MONICA MONTGOMERY STEPPE  
Supervisor, Fourth District

**ATTACHMENT(S)**  
N/A